

# SENATE BILL 379

J3, K3

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By: **Senators Feldman and Hershey**

Introduced and read first time: January 26, 2017

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Hospitals – Changes in Status – Hospital Employee Retraining and Economic**  
3 **Impact Statements**

4 FOR the purpose of requiring a hospital that voluntarily converts to a freestanding medical  
5 facility or is acquired by another hospital or health system to pay a fee directly to the  
6 Department of Labor, Licensing, and Regulation if workers are displaced;  
7 prohibiting the fee from exceeding a certain percent of total revenue approved by the  
8 Health Services Cost Review Commission for a certain fiscal year; limiting the  
9 number of times the fee may be assessed; prohibiting a certain fee paid by a hospital  
10 that voluntarily closes, merges, or is delicensed from exceeding a certain percent of  
11 total revenue approved by the Health Services Cost Review Commission, rather than  
12 the gross operating revenue, for a certain fiscal year; requiring a hospital to file with  
13 the Maryland Health Care Commission and provide to certain members of the  
14 General Assembly a certain economic impact statement within a certain time period;  
15 altering the purpose of a certain program the Department is required to establish to  
16 include the retraining and placement of hospital employees who are unemployed or  
17 may become unemployed as a result of the conversion of a hospital to a freestanding  
18 medical facility or the acquisition of one hospital by another hospital or health  
19 system; altering the purposes for which the Hospital Employees Retraining Fund is  
20 to be used; making stylistic changes; and generally relating to hospital employee  
21 retraining and economic impact statements related to changes in hospital status.

22 BY repealing and reenacting, with amendments,  
23 Article – Health – General  
24 Section 19–326.1  
25 Annotated Code of Maryland  
26 (2015 Replacement Volume and 2016 Supplement)

27 BY repealing and reenacting, with amendments,  
28 Article – Labor and Employment  
29 Section 11–201

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2016 Replacement Volume)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
4 That the Laws of Maryland read as follows:

5 **Article – Health – General**

6 19–326.1.

7 **(A) (1)** If a hospital voluntarily closes, merges, **CONVERTS TO A**  
8 **FREESTANDING MEDICAL FACILITY UNDER § 19–120 OF THIS TITLE, IS ACQUIRED BY**  
9 **ANOTHER HOSPITAL OR HEALTH SYSTEM,** or is delicensed under § 19–325 of this subtitle  
10 and workers are displaced[:

11 (1) Each], **EACH** hospital shall pay a fee directly to the Department of  
12 Labor, Licensing, and Regulation.

13 **(2)** The fee [shall] **REQUIRED UNDER PARAGRAPH (1) OF THIS**  
14 **SUBSECTION:**

15 **(I)** **MAY** not exceed 0.01 percent of the [gross operating] **TOTAL**  
16 revenue **APPROVED BY THE HEALTH SERVICES COST REVIEW COMMISSION** for the  
17 fiscal year immediately preceding the closure, **MERGER, CONVERSION, ACQUISITION,** or  
18 delicensing of the hospital[.]; **AND**

19 **(II)** [A fee shall only] **MAY** be assessed **ONLY** once for each voluntary  
20 closure, merger, **CONVERSION, ACQUISITION,** or delicensure.

21 **[(2)] (3)** The Secretary of Labor, Licensing, and Regulation shall pay the  
22 fees received under this [section] **SUBSECTION** into the Hospital Employees Training Fund  
23 established under § 11–201 of the Labor and Employment Article.

24 **(B)** **WITHIN 90 DAYS AFTER THE BOARD OF DIRECTORS OF A HOSPITAL**  
25 **VOTES TO APPROVE THE CLOSURE, MERGER, CONVERSION, ACQUISITION, OR**  
26 **DELICENSURE OF THE HOSPITAL, THE HOSPITAL SHALL FILE WITH THE MARYLAND**  
27 **HEALTH CARE COMMISSION, AND PROVIDE TO THE MEMBERS OF THE GENERAL**  
28 **ASSEMBLY REPRESENTING THE LEGISLATIVE DISTRICT IN WHICH THE HOSPITAL IS**  
29 **LOCATED, AN ECONOMIC IMPACT STATEMENT DETAILING ALL INFORMATION**  
30 **RELATED TO THE POTENTIAL ECONOMIC IMPACT OF THE DISLOCATION OF THE**  
31 **HOSPITAL’S EMPLOYEES, INCLUDING:**

32 **(1)** **THE NUMBER OF POTENTIAL LAYOFFS; AND**

1           **(2) THE CATEGORIES OF EMPLOYMENT AFFECTED BY THE**  
2 **POTENTIAL LAYOFFS.**

3                           **Article – Labor and Employment**

4 11–201.

5           (a) The Department shall establish a program for the retraining and placement  
6 of hospital employees who are unemployed or who may become unemployed as a result of  
7 the closing, delicensing, downsizing, or possible downsizing of a hospital, **THE MERGER OF**  
8 **HOSPITALS, THE CONVERSION OF A HOSPITAL TO A FREESTANDING MEDICAL**  
9 **FACILITY UNDER § 19–120 OF THE HEALTH – GENERAL ARTICLE, OR THE**  
10 **ACQUISITION OF ONE HOSPITAL BY ANOTHER HOSPITAL OR HEALTH SYSTEM** [or the  
11 merging of hospitals under § 19–325 of the Health – General Article].

12           (b) The Secretary and the Secretary of Health and Mental Hygiene shall adopt  
13 regulations to implement this section.

14           (c) **(1)** There is a Hospital Employees Retraining Fund.

15                       **(2)** The Fund shall be used:

16                       **[(1)] (I) [for the purposes described in this section] TO PROVIDE**  
17 **EMPLOYMENT TRANSITION SERVICES, INCLUDING:**

18                               1.     **THE DEVELOPMENT OF READJUSTMENT PLANS;**

19                               2.     **THE ASSESSMENT OF SKILLS AND APTITUDES;**

20                               3.     **PRELAYOFF ASSISTANCE; AND**

21                               4.     **TRAINING PROGRAMS PROVIDED IN COOPERATION**  
22 **WITH EMPLOYERS AND LABOR ORGANIZATIONS;**

23                       **(II) TO PROVIDE SUPPORT SERVICES, INCLUDING:**

24                               1.     **FAMILY CARE ASSISTANCE;**

25                               2.     **CHILD CARE ASSISTANCE;**

26                               3.     **COMMUTING ASSISTANCE;**

27                               4.     **EMERGENCY HOUSING AND RENTAL ASSISTANCE;**

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- 1                   **5. COUNSELING ASSISTANCE;**  
2                   **6. EMERGENCY HEALTH ASSISTANCE;**  
3                   **7. EMERGENCY FINANCIAL ASSISTANCE; AND**  
4                   **8. ANY OTHER APPROPRIATE SUPPORT SERVICES THAT**  
5 **ENABLE AN INDIVIDUAL TO PARTICIPATE IN AN EMPLOYMENT TRAINING PROGRAM**  
6 **WITH THE GOAL OF REEMPLOYMENT; and**

7                   **[(2)] (III)** to pay any and all expenses of the Department in administering  
8 this section.

9                   (d) Any unexpended funds remaining in the Hospital Employees Retraining Fund  
10 at the end of the fiscal year may not revert to the General Fund of the State.

11                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 October 1, 2017.