

# SENATE BILL 774

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By: **Senator Kelley**

Introduced and read first time: February 3, 2020

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Hospitals – Community Benefits**

3 FOR the purpose of repealing certain provisions governing the identification of community  
4 health care needs by nonprofit hospitals; repealing certain provisions of law  
5 requiring nonprofit hospitals to submit a certain annual community benefits report  
6 to the Health Services Cost Review Commission; requiring the Commission to  
7 establish a Community Benefit Reporting Workgroup; providing for the composition  
8 of the workgroup; requiring the Commission to adopt certain regulations relating to  
9 the community health needs of nonprofit hospitals and reporting by nonprofit  
10 hospitals regarding community health needs and benefits provided by the hospital;  
11 requiring the Commission, on or before a certain date, to issue a certain report,  
12 conduct a certain assessment, issue certain recommendations, and submit a copy of  
13 a certain report to certain committees of the General Assembly; altering certain  
14 definitions; making conforming changes; and generally relating to community  
15 benefits provided by nonprofit hospitals.

16 BY repealing and reenacting, with amendments,  
17 Article – Health – General  
18 Section 19–303  
19 Annotated Code of Maryland  
20 (2019 Replacement Volume)

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

23 **Article – Health – General**

24 19–303.

25 (a) (1) In this section the following words have the meanings indicated.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) “Commission” means the Health Services Cost Review Commission.

(3) “Community benefit” means an activity that is intended to address community needs and priorities primarily through disease prevention and improvement of health status, including:

(i) **[Health] NONREIMBURSABLE HEALTH** services provided to vulnerable or underserved populations such as Medicaid, Medicare, or Maryland Children’s Health Program enrollees;

(ii) Financial or in-kind support of public health programs;

(iii) Donations of funds, property, or other resources that contribute to a community priority;

(iv) Health care cost containment activities;

(v) Health education, screening, and prevention services; and

(vi) Financial or in-kind support of the Maryland Behavioral Health Crisis Response System.

(4) **“COMMUNITY BENEFIT REPORTING WORKGROUP” MEANS THE COMMUNITY BENEFIT REPORTING WORKGROUP ESTABLISHED IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION.**

(5) “Community **HEALTH** needs assessment” means [the process by which unmet community health care needs and priorities are identified] **A COMMUNITY HEALTH NEEDS ASSESSMENT CONDUCTED BY A NONPROFIT HOSPITAL IN ACCORDANCE WITH § 501(R)(3) OF THE INTERNAL REVENUE CODE.**

[(b) In identifying community health care needs, a nonprofit hospital:

(1) Shall consider, if available, the most recent community needs assessment developed by the Department or the local health department for the county in which the nonprofit hospital is located;

(2) May consult with community leaders and local health care providers; and

(3) May consult with any appropriate person that can assist the hospital in identifying community health needs.

(c) (1) Each nonprofit hospital shall submit an annual community benefit report to the Health Services Cost Review Commission detailing the community benefits provided by the hospital during the preceding year.

(2) The community benefit report shall include:

(i) The mission statement of the hospital;

(ii) A list of the initiatives that were undertaken by the hospital;

(iii) The cost to the hospital of each community benefit initiative;

(iv) The objectives of each community benefit initiative;

(v) A description of efforts taken to evaluate the effectiveness of each community benefit initiative;

(vi) A description of gaps in the availability of specialist providers to serve the uninsured in the hospital; and

(vii) A description of the hospital's efforts to track and reduce health disparities in the community that the hospital serves.

(d) (1) The Commission shall compile the reports required under subsection (c) of this section and issue an annual Nonprofit Hospital Community Health Benefit Report.

(2) In addition to the information required under paragraph (1) of this subsection, the Nonprofit Hospital Community Health Benefit Report shall contain a list of the unmet community health care needs identified in the most recent community needs assessment prepared by the Department or local health department for each county.

(3) The Nonprofit Hospital Community Health Benefit Report shall be made available to the public free of charge.

(4) The Commission shall submit a copy of the annual Nonprofit Hospital Community Health Benefit Report, subject to § 2-1257 of the State Government Article, to the House Health and Government Operations Committee and the Senate Finance Committee.

(e) The Commission shall adopt regulations, in consultation with representatives of nonprofit hospitals, that establish:

(1) A standard format for reporting the information required under this section;

(2) The date on which nonprofit hospitals must submit the annual community benefit reports; and

(3) The period of time that the annual community benefit report must

cover.]

**(B) (1) THE COMMISSION SHALL ESTABLISH A COMMUNITY BENEFIT REPORTING WORKGROUP.**

**(2) THE COMMUNITY BENEFIT REPORTING WORKGROUP SHALL BE COMPOSED OF INDIVIDUALS AND STAKEHOLDER GROUPS THAT HAVE KNOWLEDGE OF AND ARE IMPACTED BY HOSPITAL COMMUNITY BENEFIT SPENDING.**

**(C) THE COMMISSION SHALL ADOPT REGULATIONS, IN CONSULTATION WITH REPRESENTATIVES OF NONPROFIT HOSPITALS AND THE COMMUNITY BENEFIT REPORTING WORKGROUP, THAT:**

**(1) ESTABLISH A STANDARD FORMAT FOR REPORTING THE INFORMATION REQUIRED UNDER THIS SUBSECTION;**

**(2) SPECIFY THE DATE BY WHICH EACH NONPROFIT HOSPITAL IS REQUIRED TO SUBMIT THE REPORTS REQUIRED UNDER THIS SUBSECTION TO THE COMMISSION;**

**(3) REQUIRE EACH NONPROFIT HOSPITAL TO IDENTIFY THE HOSPITAL'S COMMUNITY HEALTH NEEDS WHEN PREPARING ITS COMMUNITY HEALTH NEEDS ASSESSMENT BY CONSULTING WITH:**

**(I) CONSUMERS AND OTHER MEMBERS OF THE PUBLIC;**

**(II) HEALTH CARE PROVIDERS THAT ARE NOT EMPLOYED BY A HOSPITAL;**

**(III) FAITH LEADERS;**

**(IV) COMMUNITY LEADERS;**

**(V) LOCAL HEALTH CARE PROVIDERS;**

**(VI) THE PUBLIC HEALTH DEPARTMENTS OF THE COUNTIES WITHIN THE NONPROFIT HOSPITAL'S SERVICE AREA; AND**

**(VII) ANY OTHER PERSON THAT CAN ASSIST THE NONPROFIT HOSPITAL IN IDENTIFYING COMMUNITY HEALTH NEEDS;**

**(4) REQUIRE EACH NONPROFIT HOSPITAL TO HOLD MEETINGS FOR THE PURPOSE OF SOLICITING COMMENTS AND FEEDBACK FROM THE GENERAL**

PUBLIC ON THE NONPROFIT HOSPITAL'S PROPOSED COMMUNITY BENEFIT INITIATIVES MEANT TO ADDRESS THE IDENTIFIED COMMUNITY HEALTH NEEDS FOR THE FOLLOWING YEAR; AND

(5) REQUIRE EACH NONPROFIT HOSPITAL TO SUBMIT AN ANNUAL COMMUNITY BENEFIT REPORT TO THE COMMISSION THAT DETAILS THE COMMUNITY BENEFITS PROVIDED BY THE HOSPITAL DURING THE IMMEDIATELY PRECEDING YEAR AND THAT INCLUDES:

(I) THE MISSION STATEMENT OF THE HOSPITAL;

(II) A LIST OF THE COMMUNITY BENEFIT INITIATIVES UNDERTAKEN BY THE HOSPITAL;

(III) THE COST TO THE HOSPITAL OF EACH COMMUNITY BENEFIT INITIATIVE;

(IV) THE IMPACT OF EACH COMMUNITY BENEFIT INITIATIVE ON IDENTIFIED COMMUNITY HEALTH NEEDS AND AN ITEMIZED ACCOUNTING OF THE COSTS OF EACH COMMUNITY BENEFIT INITIATIVE;

(V) A DESCRIPTION OF THE HOSPITAL'S EFFORTS TO EVALUATE THE EFFECTIVENESS OF EACH COMMUNITY BENEFIT INITIATIVE;

(VI) A DESCRIPTION OF GAPS IN THE AVAILABILITY OF PROVIDERS TO SERVE UNINSURED INDIVIDUALS AT THE HOSPITAL;

(VII) A DESCRIPTION OF THE HOSPITAL'S EFFORTS TO TRACK AND REDUCE HEALTH DISPARITIES IN THE COMMUNITY THAT THE HOSPITAL SERVES;

(VIII) A LIST OF THE UNMET COMMUNITY HEALTH NEEDS IDENTIFIED IN THE MOST RECENT COMMUNITY HEALTH NEEDS ASSESSMENT; AND

(IX) A LIST OF TAX EXEMPTIONS THE HOSPITAL CLAIMED DURING THE IMMEDIATELY PRECEDING TAXABLE YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before October 1, 2020, the Health Services Cost Review Commission shall:

(1) issue a report on the steps taken to assess the extent to which each nonprofit hospital's community benefit spending addresses the community health needs of

1 its service area;

2 (2) conduct an assessment of each nonprofit hospital's process for soliciting  
3 public comments on the health needs of the hospital's community and the hospital's process  
4 for incorporating the public comments into its community health needs assessment;

5 (3) issue recommendations for methodologies and processes for the  
6 Maryland Department of Health and local health departments to certify whether a  
7 hospital's spending on community benefit initiatives has been directed to a community  
8 health need identified in the hospital's community health needs assessment; and

9 (4) issue recommendations on the process to develop a community health  
10 needs assessment.

11 (b) On or before October 1, 2020, the Commission shall submit a copy of the report  
12 required under subsection (a) of this section to the House Health and Government  
13 Operations Committee and the Senate Finance Committee in accordance with § 2-1257 of  
14 the State Government Article.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
16 1, 2020.