

# SENATE BILL 938

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By: **Senator Hayes**

Introduced and read first time: February 3, 2020

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Hospitals – Changes in Status – Hospital Employee Retraining and Placement**

3 FOR the purpose of requiring each hospital to pay a certain fee directly to the Maryland  
4 Department of Labor on a certain date each year; requiring the Secretary of Labor  
5 to pay certain fees into a certain fund; requiring the State Health Services Cost  
6 Review Commission to collect certain additional fees for a certain purpose under  
7 certain circumstances; requiring each hospital to submit certain reports to the  
8 Commission and the Department; altering the purposes of a certain program  
9 required to be established by the Department; requiring that a certain program  
10 include certain job-seeking assistance and training and skills development;  
11 requiring a certain program to require that the hospital work with certain persons  
12 for a certain purpose; authorizing the Department to use certain other programs  
13 before using a certain program established under a certain provision of law;  
14 authorizing the Department to use vendors for certain purposes and to pay the  
15 vendors using a certain fund; requiring that certain unexpended funds be returned  
16 to certain hospitals on a certain basis; requiring the Department, in conjunction with  
17 the Commission, to submit a certain report to certain committees of the General  
18 Assembly on or before a certain date; defining certain terms; making conforming  
19 changes; providing for the termination of this Act; and generally relating to the  
20 retraining and placement of hospital employees related to changes in hospital status.

21 BY repealing

22 Article – Health – General  
23 Section 19–326.1  
24 Annotated Code of Maryland  
25 (2019 Replacement Volume)

26 BY adding to

27 Article – Health – General  
28 Section 19–326.1 and 19–326.2  
29 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2019 Replacement Volume)

BY repealing and reenacting, with amendments,  
Article – Labor and Employment  
Section 11–201  
Annotated Code of Maryland  
(2016 Replacement Volume and 2019 Supplement)

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

**Article – Health – General**

**[19–326.1.**

If a hospital voluntarily closes, merges, or is delicensed under § 19–325 of this subtitle and workers are displaced:

(1) Each hospital shall pay a fee directly to the Maryland Department of Labor. The fee shall not exceed 0.01 percent of the gross operating revenue for the fiscal year immediately preceding the closure or delicensing of the hospital. A fee shall only be assessed once for each voluntary closure, merger, or delicensure.

(2) The Secretary of Labor shall pay the fees received under this section into the Hospital Employees Training Fund established under § 11–201 of the Labor and Employment Article.]

**19–326.1.**

**(A) (1) ON JULY 1 EACH YEAR, EACH HOSPITAL SHALL PAY DIRECTLY TO THE MARYLAND DEPARTMENT OF LABOR A FEE EQUAL TO 0.006% OF THE TOTAL GROSS PATIENT REVENUE APPROVED BY THE HEALTH SERVICES COST REVIEW COMMISSION FOR THE HOSPITAL FOR THE IMMEDIATELY PRECEDING YEAR.**

**(2) THE SECRETARY OF LABOR SHALL PAY THE FEES PAID UNDER THIS SECTION INTO THE HOSPITAL EMPLOYEES TRAINING FUND ESTABLISHED UNDER § 11–201 OF THE LABOR AND EMPLOYMENT ARTICLE.**

**(B) IN ANY YEAR, IF THE FUND BALANCE IN THE HOSPITAL EMPLOYEES RETRAINING FUND IS DEPLETED, THE STATE HEALTH SERVICES COST REVIEW COMMISSION SHALL REQUIRE EACH HOSPITAL TO PAY ADDITIONAL FEES IN ORDER TO ADDRESS THE NEEDS OF ANY CLOSURE, MERGER, OR DELICENSURE OF A HOSPITAL.**

**19–326.2.**

1       EACH HOSPITAL SHALL SUBMIT AN ANNUAL REPORT TO THE HEALTH  
2 SERVICES COST REVIEW COMMISSION AND THE MARYLAND DEPARTMENT OF  
3 LABOR ON:

4               (1)    THE NUMBER OF HOSPITAL EMPLOYEES DISPLACED DUE TO  
5 LAYOFFS;

6               (2)    THE CATEGORIES OF HOSPITAL EMPLOYEES DISPLACED DUE TO  
7 LAYOFFS; AND

8               (3)    THE NUMBER OF HOSPITAL EMPLOYEES TO WHOM HOSPITALS  
9 DIRECTLY PROVIDED FUNDING FOR RETRAINING PURPOSES.

10                               Article – Labor and Employment

11 11–201.

12               (A)   (1)    IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
13 INDICATED.

14               (2)    “DOWNSIZE” MEANS TO REDUCE THE NUMBER OF EMPLOYEES OF  
15 AN ACUTE CARE HOSPITAL LOCATION SITE REGULATED BY THE HEALTH SERVICES  
16 COST REVIEW COMMISSION BY AT LEAST 17 FULL–TIME EQUIVALENT EMPLOYEES  
17 IN ANY CONSECUTIVE 3–MONTH PERIOD.

18               (3)    “PARTIAL CLOSURE” MEANS TO CLOSE A SERVICE LINE OF AN  
19 ACUTE CARE HOSPITAL.

20               (4)    “SERVICE LINE” MEANS A GROUPING OF SERVICES INTO HIGHER  
21 LEVEL CATEGORIES THAT REFLECT SIMILAR CLINICAL DELIVERY.

22               [(a)] (B)   (1)    The Department shall establish a program for the retraining  
23 [and placement] of, AND JOB–SEEKING ASSISTANCE FOR, hospital employees who are  
24 NONEXECUTIVE EMPLOYEES, WHO ARE NOT LICENSED PHYSICIANS OR PHYSICAL  
25 ASSISTANTS, AND WHO ARE unemployed or who may become unemployed as a result of  
26 the closing, PARTIAL CLOSURE, delicensing, downsizing, or [possible downsizing]  
27 ACQUISITION of a hospital or the merging of hospitals under [§ 19–325] TITLE 19,  
28 SUBTITLE 3 of the Health – General Article.

29               (2)    THE PROGRAM ESTABLISHED UNDER THIS SUBSECTION SHALL  
30 INCLUDE:

31                       (I)    JOB–SEEKING ASSISTANCE WITH AN AFFILIATED HOSPITAL

OR HEALTH CARE ENTITY, AN UNAFFILIATED HOSPITAL OR HEALTH CARE ENTITY,  
OR A NONHEALTH CARE-RELATED POSITION; AND

(II) TRAINING AND SKILLS DEVELOPMENT THROUGH  
PROGRAMS FUNDED BY THE DEPARTMENT, BY THE HOSPITAL OR HEALTH SYSTEM,  
OR BY OTHER PROGRAMS AVAILABLE TO PROVIDE TRAINING AND SKILLS  
DEVELOPMENT.

(C) THE PROGRAM ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION  
SHALL REQUIRE THAT THE HOSPITAL WORK WITH EMPLOYEES AND, IF APPLICABLE,  
THE EMPLOYEES' REPRESENTATIVES TO IDENTIFY AVAILABLE AND APPROPRIATE  
TRAINING OR RETRAINING PROGRAMS THAT MAY BE USED IN ANTICIPATION OF THE  
CLOSURE, PARTIAL CLOSURE, OR CONVERSION TO A FREESTANDING MEDICAL  
FACILITY.

(D) BEFORE THE DEPARTMENT USES THE PROGRAM ESTABLISHED UNDER  
SUBSECTION (B) OF THIS SECTION, THE DEPARTMENT MAY USE OTHER PROGRAMS  
IN THE DEPARTMENT TO PROVIDE TRAINING AND ASSISTANCE TO THE HOSPITAL  
EMPLOYEES WHO WOULD BE ELIGIBLE FOR TRAINING AND ASSISTANCE UNDER THE  
PROGRAM.

(E) THE DEPARTMENT MAY:

(1) USE VENDORS TO PROVIDE THE SERVICES REQUIRED UNDER THIS  
SECTION; AND

(2) USE THE FUND ESTABLISHED UNDER SUBSECTION (G) OF THIS  
SECTION TO PAY THE VENDORS.

[(b)] (F) The Secretary and the Secretary of Health shall adopt regulations to  
implement this section.

[(c)] (G) There is a Hospital Employees Retraining Fund. The Fund shall be  
used:

(1) for the purposes described in this section; and

(2) to pay any and all expenses of the Department in administering this  
section.

[(d)] (H) Any unexpended funds remaining in the Hospital Employees  
Retraining Fund at the end of the fiscal year:

(1) may not revert to the General Fund of the State; AND

1                   **(2) SHALL BE RETURNED TO THE HOSPITALS THAT CONTRIBUTED TO**  
2 **THE FUND ON A PRO RATA BASIS.**

3           **(I) (1) ON OR BEFORE SEPTEMBER 30, 2023, THE DEPARTMENT, IN**  
4 **CONJUNCTION WITH THE STATE HEALTH SERVICES COST REVIEW COMMISSION,**  
5 **SHALL SUBMIT A REPORT TO THE SENATE FINANCE COMMITTEE AND THE HOUSE**  
6 **HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, IN ACCORDANCE WITH §**  
7 **2-1257 OF THE STATE GOVERNMENT ARTICLE, ON THE IMPLEMENTATION OF THIS**  
8 **SECTION.**

9                   **(2) THE REPORT SHALL INCLUDE:**

10                   **(I) THE ANNUAL FEE CONTRIBUTED BY EACH HOSPITAL TO THE**  
11 **HOSPITAL EMPLOYEES RETRAINING FUND;**

12                   **(II) ANY ADDITIONAL FEE REQUIRED BY THE STATE HEALTH**  
13 **SERVICES COST REVIEW COMMISSION UNDER § 19-326.1(B) OF THE**  
14 **HEALTH - GENERAL ARTICLE AND PAID TO THE HOSPITAL EMPLOYEES**  
15 **RETRAINING FUND;**

16                   **(III) THE QUARTERLY REPORTS SUBMITTED BY EACH HOSPITAL**  
17 **UNDER § 19-326.2 OF THE HEALTH - GENERAL ARTICLE;**

18                   **(IV) THE AMOUNT OF MONEY DRAWN FROM THE HOSPITAL**  
19 **EMPLOYEES RETRAINING FUND FOR RETRAINING PROGRAMS AND THE FUND**  
20 **BALANCE;**

21                   **(V) THE NUMBER OF ELIGIBLE EMPLOYEES THAT USED THE**  
22 **PROGRAM ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION DURING THE**  
23 **REPORTING PERIOD;**

24                   **(VI) THE NUMBER OF ELIGIBLE EMPLOYEES THAT USED OTHER**  
25 **PROGRAMS UNDER SUBSECTION (D) OF THIS SECTION; AND**

26                   **(VII) THE NUMBER OF ELIGIBLE EMPLOYEES DENIED ACCESS TO**  
27 **THE PROGRAM ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION DUE TO**  
28 **FUNDING SHORTAGES.**

29           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 2020. It shall remain effective for a period of 3 years and, at the end of September  
31 30, 2023, this Act, with no further action required by the General Assembly, shall be  
32 abrogated and of no further force and effect.