Maryland
Hospital Association

Senate Bill 390 – Hospitals – Changes in Status – Hospital Employee Retraining and Placement

Position: *Oppose*

Bill Summary

SB 390 would require all hospitals to pay a fee, no greater than 0.01 percent of the total revenue approved by the Health Services Cost Review Commission, directly to the Department of Labor, Licensing, and Regulation if workers are displaced from any hospital that voluntarily closes, merges, downsizes or is delicensed.

MHA Position

Maryland's hospitals oppose efforts that would have an adverse impact on the ability of hospitals to meet key financial metrics of the All-Payer Model, threatening some $2 billion in federal revenue that flows to the state each year. Now, when federal health care policy remains uncertain, is not the time to add costs and regulatory requirements to hospitals that are developing innovative, efficient care delivery models, helping Maryland retain its unique, equitable payment system.

Maryland's hospitals are one of the largest employers in the state, and we are the only organizations that are required to have a state regulated retraining fund. Years ago, hospitals, regulators and elected leaders came together to create incentives for the greater good: reducing health care costs by reducing excess capacity. Hospitals were, are, and always will be, very mindful of the impact of delivery changes on employees.

Maryland's hospitals help their employees to begin careers after rehabilitation, incarceration and other life changing experiences, to change careers by moving from food service to nursing assistant, and to advance careers through leadership, certification and tuition reimbursement. The attached summaries – Johns Hopkins Project R.E.A.C.H., University of Maryland's Pathways to Success, and Mercy's mWORKS – are only a few examples of the outstanding career support that hospitals provide for their employees.

The mechanism to address downsizing is already in place. Health General 19-222 gives the HSCRC statutory authority to address displaced workers in instances where there are major shifts in hospital services – closures, consolidations and conversions to a free standing medical facility. Letters from HSCRC and Maryland's Attorney General confirmed this in the 2017 legislative session. The Maryland Department of Labor, Licensing and Regulation defines downsizing as 25 percent of the workforce or 15 employees, whichever is greater. This definition should remain unchanged.

For these reasons, we urge you to give SB 390 an *unfavorable* report.

6820 Deerpath Road, Elkridge, MD 21075 ▪ 410-379-6200 ▪ www.mhaonline.org