

General Assembly; and relating to the Montebello Center
~~and other State hospitals.~~

May 29, 1978

Honorable John Hanson Briscoe
Speaker of the House of Delegates
State House
Annapolis, Maryland 21404

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 1849.

This bill creates the Maryland State Health and Hospital Corporation to be responsible for the management, organization, and operation of the Montebello Hospital Center. The management of the Hospital would be transferred from the Department of Health and Mental Hygiene to this new public benefit corporation.

This bill is the product of a four-year debate on public health facilities which focused on the Montebello Center when the Joint Commission on Accreditation of Hospitals withdrew its accreditation of the Center. The Center has since regained and currently has accreditation. However, due to continuing debate about the various personnel and programmatic problems which are perceived to exist at the Center, House Bill 1849 was introduced by the House Committee on Appropriations. Based on the recommendations of an internal study, the Committee decided that a public benefit corporation was the most feasible management structure for the governance and operation of the Montebello Center.

House Bill 1849 is similar to a 1977 measure which was vetoed by Governor Marvin Mandel on May 26, 1977. That bill, Senate Bill 421, would have authorized the Secretary of Health and Mental Hygiene to discontinue the direct administration of a public rehabilitation and chronic disease center by contracting for the operation of the center, if he believed that greater efficiency would result from such an arrangement.

The fiscal concerns expressed with regard to Senate Bill 421 are equally relevant here. House Bill 1849 enables the Corporation to set and collect fees and other charges for provision of services. The Corporation would receive and retain this revenue. This revenue currently is deposited in the general funds of the State and partially recovers for the State the management and support costs of its agencies. While the Corporation will assume these functions for the Montebello Center, the State will continue to bear a portion of the costs through its reimbursement for patients for whom the Corporation is not otherwise