

CHAPTER 102

(Senate Bill 494)

AN ACT concerning

Health Care Cost Containment - Moratorium -
Certificate of Need

FOR the purpose of suspending the Health Resources Planning Commission's authority to receive and act on new certificate of need applications until a certain date; exempting certain certificate of need applications from the moratorium; requiring the Health Resources Planning Commission to report to the General Assembly before a certain date on the effect of the moratorium imposed by this Act; providing that a certificate of need is not required to establish or provide domiciliary care services; requiring the Health Resources Planning Commission to undertake an institution specific study of the capacity, licensed beds, and occupancy rates of each hospital in the State and methods by which the certificate of need process can be streamlined and made more efficient; relating generally to the certificate of need process; and providing that this Act is an emergency measure.

Preamble

WHEREAS, The Maryland health care delivery system is experiencing a series of changes that are dramatically altering and reducing the utilization of hospital services; and

WHEREAS, In the first 6 months of 1984, the changes in hospital utilization patterns have resulted in a 7 percent drop in length of stay, a decrease in total patient days of 142,000, and a fall in the average daily census by 800 patients; and

~~WHEREAS, These changes have rendered the recently adopted State health plan out of date because its methodologies do not reflect current trends; and~~

WHEREAS, There is a need to develop an institution specific capacity plan in order to rationally address the reduction in hospital utilization and the resultant increase in excess capacity; and

WHEREAS, The reduction in excess hospital capacity will have an impact on and ramifications for the entire health care delivery system; and

WHEREAS, The examination of productive, alternative uses of existing excess capacity should generally occur prior to the development of new resources; and