

Department of Legislative Services  
 Maryland General Assembly  
 2026 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

House Bill 1540  
 Appropriations

(Delegate Harrison, *et al.*)

Budget and Taxation

University of Maryland Capital Region Medical Center - Funding - Repeal of Termination Date

This bill makes permanent a mandated appropriation for the University of Maryland Capital Region Medical Center (formerly known as the Prince George’s County Regional Medical Center (PGCRMC)). As a result, the Governor must continue to include a \$10.0 million appropriation in the annual budget bill beyond fiscal 2028. The bill also repeals the June 30, 2028 termination date for other provisions relating to the transition of the medical center to the University of Maryland Medical System (UMMS) and alters the related findings of the General Assembly. **The bill takes effect July 1, 2026.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$10.0 million annually beginning in FY 2029. Revenues are not affected. **This bill maintains a mandated appropriation beyond FY 2028.**

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	10,000,000	10,000,000	10,000,000
Net Effect	\$0	\$0	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill does not directly affect governmental operations or finances.

**Small Business Effect:** Minimal.

## Analysis

**Bill Summary:** The General Assembly finds that:

- in 2011, the State, Prince George’s County, and UMMS came together in a historic public-private partnership to transition the last county-owned hospital system in the State to a private, nonprofit institution that is part of the State’s largest academic medical system, with the goal of transforming health care delivery in the second most populous county in the State;
- the goals established under the partnership include (1) growing access to high-quality clinical programs in Prince George’s County; (2) establishing a delivery system that enables residents to receive care within Prince George’s County; (3) addressing the disproportionate burden of chronic health conditions impacting residents of Prince George’s County, including heart disease and cancer; and (4) serving as an anchor institution and engine of economic development for Prince George’s County and the southern Maryland region;
- key to the transformation of care in Prince George’s County are efforts to (1) build high-quality specialty clinical programs, such as cancer, cardiac, and stroke care; (2) expand primary care; (3) attract and retain highly qualified clinicians; and (4) preserve services that address community needs;
- since the establishment of the University of Maryland Capital Region Health as part of UMMS in 2017, the organization has succeeded in advancing the vision articulated by the historic partnership between the State, Prince George’s County, and UMMS to transform care delivery in Prince George’s County and the southern Maryland region; and
- the University of Maryland Capital Region Health requires State support and investment to continue its mission to provide high-quality care and transform health care delivery in Prince George’s County and the southern Maryland region.

**Current Law:** Chapter 13 of 2016 provided specified operating and capital funding to UMMS to assist in the transition of a new PGCRMC from Dimensions Health Care System to UMMS; Prince George’s County was likewise required to provide a combination of matching funds and other financial assistance to UMMS that constituted specified total financial assistance. Chapter 13 had a termination date of June 30, 2021; however, Chapter 19 of 2017 extended that termination date by seven years, through June 30, 2028. Among other things, Chapter 19 also altered the amount of operating grants the State was required to provide in fiscal 2018 through 2021, modified the timing for provision of capital funding, and required the Governor to include an annual appropriation for additional operating grants from fiscal 2022 through 2028.

Ultimately, the Governor was required to include in the capital or operating budget bill the following amounts that equal the capital funds committed by Prince George's County to be used for the construction of PGCRMC: (1) for fiscal 2018, \$11.3 million; (2) for fiscal 2019, \$48.0 million; and (3) for fiscal 2020, \$56.2 million. Prince George's County had to provide matching funds of \$208.0 million for the capital construction of PGCRMC. For the purpose of providing an operating grant to ensure and assist in the transition of a new PGCRMC to UMMS, the Governor must include in the budget bill an appropriation of (1) for fiscal 2018, \$28.0 million; (2) for fiscal 2019, \$27.0 million; (3) for fiscal 2020 and 2021, \$15.0 million; and (4) for fiscal 2022 through 2028, \$10.0 million.

State and county funds must be used to support the transition of PGCRMC from operation under the Dimensions Health Care System to operation as a participating institution of UMMS and may only be used for (1) providing increased access to critical health care services for the region served by PGCRMC and improving the quality of the services provided and (2) facilitating cost containment measures to prevent additional operating losses for PGCRMC and its affiliated institutions.

Also, pursuant to Chapter 19, the General Assembly finds that:

- the financial viability of PGCRMC and the State's investment in the center is contingent on high quality clinical programs at the existing Prince George's Hospital Center and the new PGCRMC;
- the ability of UMMS to develop and maintain high quality clinical programs at the existing Prince George's Hospital Center and to transition to the new PGCRMC is contingent on State operating and capital funding in specific years;
- the ability to protect the State's investment in the new PGCRMC is jeopardized by the provisions of the Budget Reconciliation and Financing Act of 2017, as introduced, that alter both the operating and capital obligations mandated by Chapter 13; and
- the changed circumstances and the need to protect the State's investment require additional support in future years to ensure the financial viability of PGCRMC and ultimately the ability of the State to end State support for the center.

**State Expenditures:** General fund expenditures increase by \$10.0 million in fiscal 2029, and annually thereafter, due to the bill permanently maintaining the mandated appropriation to provide an operating grant to ensure and assist in the transition of PGCRMC to UMMS. The fiscal 2027 budget as passed by the General Assembly includes \$10.0 million for the medical center.

**Additional Comments:** PGCRMC was renamed to be the University of Maryland Capital Region Medical Center in 2017. The center opened its doors on [June 12, 2021](#).

UMMS advises that the annual operating grant to the University of Maryland Capital Region Medical Center is critical to the operations of the hospital and the health and well-being of Prince George's County residents. Specifically, the grant has allowed the medical center to establish and expand clinical programs in cancer care, cardiac care, maternal fetal medicine, and other specialty areas, addressing long-standing access to care issues.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Prince George's County; University of Maryland Medical System; University System of Maryland; Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

**Fiscal Note History:** First Reader - March 10, 2026  
caw/jc Third Reader - March 31, 2026  
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