



MARYLAND STATE & D.C. AFL-CIO

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SB 774 – Hospitals – Community Benefits
Senate Finance Committee
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SUPPORT

Donna S. Edwards
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Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in support of SB 774 – Hospitals – Community Benefits. My name is Donna Edwards, President of the Maryland State and DC, AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

Maryland's not-for-profit tax-exempt hospitals receive millions of dollars every year through local and state tax credits. Since 2004, they have had to report their charitable work to ensure they are meeting the health needs of the communities they serve. Unfortunately, there has been a lack of transparency and accountability in that process, leaving taxpayers unclear as to what community benefits that hospitals have offered. The reporting process is flawed because reports are not audited, and we have no way of knowing how the community benefits offered by the hospitals balance with the tax breaks they are receiving.

SB 774 establishes a community benefits workgroup and reporting requirement, to address these problems. The workgroup will establish community benefit regulations for Maryland's hospitals, including reporting deadlines, standard formats for reporting, and requiring consultation by hospitals with local community leaders on how best to meet the needs of the community. The new reporting requirements for hospitals in SB 774 are far more detailed, allowing policymakers to gain a solid understanding of existing community needs, where those needs are unmet, and exactly how many tax exemptions each hospital is receiving.

With greater reporting requirements – on a more regular basis – and a regulatory structure set up to ensure that communities are truly benefiting from their local hospitals, SB 774 provides relief for low-income patients, struggling communities, Maryland taxpayers, and our economy.

For these reasons, we urge a favorable report on SB 774