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**SB 774**  
**Hospitals - Community Benefits**  
**Hearing of the Senate Finance Committee**  
**March 5, 2020**  
**1:00pm**

**SUPPORT**

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Health Rights Project supports policies and practices that promote the overall health of Marylanders struggling to make ends meet, with the explicit goal of promoting strategies that work to eliminate racial and ethnic disparities in health outcomes. PJC strongly supports SB 774, which requires the Health Services Cost Review Commission to establish a Community Benefit Reporting Workgroup and adopt regulations governing community health benefits reporting.

**SB 774 promotes transparency and accountability in community benefits programs.** Federal law requires that hospitals provide benefits to the community to receive tax-exempt status.<sup>1</sup> However, Maryland law does not specify a floor for community benefits spending that non-profit hospitals must provide to receive their tax-exempt status. There is a lack of transparency in community benefits spending because our non-profit hospitals do not report the value of their spending. As a result, non-profit hospitals are investing dramatically different amounts in community care, and some are investing far less than others. SB 774 would help the state and its consumers hold non-profit hospitals accountable in providing free and reduced cost care to low-income Marylanders and their families.

**SB 774 would enable collaborative relationships between hospitals and the communities to whom they provide care.** Appropriate community benefits spending could dramatically improve the health outcomes of Marylanders, especially for low-income individuals and people of color who historically experience higher rates of chronic illness and have less access to care. However, most hospitals have not authentically and meaningfully

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<sup>1</sup> 26 U.S.C. Section 501(c)(3).

engaged different communities in their Community Health Needs Assessments. SB 774 would require each non-profit hospital to engage consumers and other members of the public to identify community health needs. This important legislation recognizes that non-profit hospitals cannot effectively address health disparities and improve health outcomes in communities without understanding the unique barriers that prevent those communities from accessing care and which health issues are most urgent to them.

For these reasons, the Public Justice Center urges the committee to issue a **FAVORABLE** report for **SB 774**. If you have any questions, please contact Ashley Black at 410-625-9409 x 224 or [blacka@publicjustice.org](mailto:blacka@publicjustice.org).