

TERRI L. HILL, M.D.

*Legislative District 12A
Howard County*

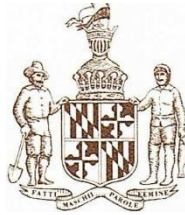
Health and Government Operations Committee

Subcommittees

Public Health and Minority Health Disparities, Chair

Elder and Long-Term Care

Maternal, Infant, and Child Health



*Annapolis Office
6 Bladen Street
Room 404
Annapolis, Maryland 21401*

410-841-3378 · 301-858-3378
800-492-7122 Ext. 3378
Fax 410-841-3197 · 301-858-3197

Terri.Hill@house.maryland.gov

THE MARYLAND GENERAL ASSEMBLY

ANNAPOLIS, MARYLAND 21401

HB599 LICENSURE OF HOSPITALS – OWNERSHIP REQUIREMENTS

February 11, 2026

Chair Bagnall, Vice-chair Cullison, and Health Committee Members,

HB599 – would statutorily require that Maryland hospitals, all of whom under our Total Cost of Care Framework have federal 501(c)(3) nonprofit status and state-level nonprofit registration for licensure on or after October 1, 2026, maintain a nonprofit status as a condition of licensure and, in case of future sale.

Although this requirement is not applicable under our current model, as we move forward with the AHEAD model, the changing health care delivery landscape nationally and within the state, problems caused by Maryland hospital closures over the last decade or so, and the increased penetration of private equity investment in healthcare facilities and institutions, at the very least raise alarm bells.

Generally, for-profit hospitals prioritize investor returns over patient care, charge more, lack transparency, and provide little, if any charity care. Nonprofit hospitals, on the other hand, are required to provide benefits to the community, charity care, Medicaid gap filings, and address most, if not all, of the state’s public health needs. Unlike for-profit entities, nonprofit hospitals must reinvest excess revenue into patient care, facilities, and community health improvements. Further, maintaining a hospital’s nonprofit status requires compliance with IRS regulations, including completing Community Health Needs Assessments regularly, adopting clear financial assistance policies, and requiring public disclosure of financial data thus providing a degree of public accountability and transparency.

HB599 has little to no impact on current Maryland stakeholders and is one small, no cost, guardrail to protect our residents, communities, and state from a growing and potentially devastating trend.

I ask for a favorable report on **HB599**.

Terri L. Hill, M.D.