

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1199 (Delegate Hill, *et al.*)
Health and Government Operations

Rules

Physicians - Licensing - Internationally Trained Physicians

This bill authorizes the Maryland Board of Physicians (MBP), beginning October 1, 2027, to issue a license to practice medicine to a physician licensed in a country other than the United States, its territories or possessions, Puerto Rico, or Canada who meets specified requirements. The term of the license may not exceed three years and the license may not be renewed. MBP may determine an applicant ineligible for licensure if the applicant had (1) a previous disciplinary action; or (2) discipline or competency issues during postgraduate training. MBP may revoke a license if the licensee (1) practices outside the scope of the license, (2) has their employment terminated, (3) has been the subject of a disciplinary action, or (4) is no longer eligible for the license. MBP must adopt regulations for implementation, administration, and enforcement, including minimum qualifications and application fees, conditions applicable to a licensee, and a pathway to full licensure.

Fiscal Summary

State Effect: MBP special fund expenditures increase by \$53,800 in FY 2026 for initial staff beginning April 1, 2026; future years reflect annualization, ongoing staff, and contractual services, as discussed below. MBP special fund revenues increase by an indeterminate amount from application fees beginning in FY 2028.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	\$0	\$0	-	-	-
SF Expenditure	\$53,800	\$281,600	\$1,763,600	\$1,771,000	\$1,778,200
Net Effect	(\$53,800)	(\$281,600)	(\$-)	(\$-)	(\$-)

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: An applicant must submit evidence to MBP that the applicant:

- has received a degree of Doctor of Medicine or its equivalent from a legally chartered medical school outside of the United States, its territories or possessions, Puerto Rico, or Canada that is recognized by the World Health Organization;
- has completed at least two years of postgraduate training in the country in which the applicant is licensed that is equivalent to a postgraduate residency program accredited by the Accreditation Council for Graduate Medical Education;
- has been licensed or otherwise authorized to practice medicine in a country other than the United States, its territories or possessions, Puerto Rico, or Canada, and has practiced medicine for at least five of the last seven years;
- is in good standing with the medical licensing or regulatory authority in their country of practice, with which MBP, the Federation of State Medical Boards, or another nationally recognized medical standards oversight entity is able to verify the physician's discipline and criminal background history;
- has no pending disciplinary matters before any licensing or regulatory body;
- has a valid certificate issued by the Educational Commission for Foreign Medical Graduates;
- has achieved a passing score on steps 1, 2 (clinical knowledge), and 3 of the U.S. Medical Licensing Examination;
- is domiciled in the State;
- demonstrates oral and written competency in English;
- is of good moral character; and
- has satisfied any other criteria established by MBP for the issuance of a license to an international licensee.

An applicant must also meet the other requirements for licensure under MBP, as dictated in §§ 14-309 and 14-313 of the Health Occupations Article, which include (1) completing a criminal history records check (CHRC), (2) submitting an application to MBP, and (3) paying the application fee.

Current Law: Pursuant to § 14-307 of the Health Occupations Article, to qualify for a license as a physician, an applicant must be at least age 18, of good moral character, meet specified education requirements, pass an examination, submit to a CHRC, and meet any other requirements MBP establishes through regulations. An applicant must (1) have a doctoral degree of medicine that is accredited by an MBP-recognized organization and submit acceptable evidence to MBP of successful completion of one year of training in a postgraduate medical training program that is accredited by an MBP-recognized

organization or (2) have a doctoral degree of osteopathy from a school of osteopathy in the United States, its territories or possessions, Puerto Rico, or Canada that has standards for graduation equivalent to those established by the American Osteopathic Association and submit acceptable evidence to MBP of successful completion of one year of training in a postgraduate medical training program that is accredited by an MBP-recognized organization.

However, under current law, an applicant for a physician license is exempt from the above specified educational requirements if the applicant:

- has studied medicine at a foreign medical school;
- is certified by the Educational Commission for Foreign Medical Graduates or its successor as approved by MBP;
- passes a qualifying examination for foreign medical school graduates required by MBP;
- meets any other qualifications for foreign medical school graduates that MBP establishes in its regulation for licensing of applicants;
- submits acceptable evidence to MBP of any requirements established in regulation; and
- meets at least one of the following requirements: (1) the applicant graduated from any foreign medical school and submits acceptable evidence to MBP of successful completion of two years of training in a postgraduate medical education program accredited by an MBP-recognized organization or (2) the applicant successfully completed a fifth pathway program and submits specified evidence to MBP.

State Fiscal Effect: MBP advises that it requires significant additional resources to implement the new licensing authority under the bill. Specifically, MBP would require two new licensure analysts (to begin by April 1, 2026) to build a database of legally chartered medical schools outside of the United States, its territories or possessions, Puerto Rico, or Canada; draft regulations and prepare for the new license; enter into contracts for several new contractual services (discussed below); and beginning October 1, 2027, accept and process applications for the new license.

Prior to beginning to issue to the new license, in fiscal 2027, the board would incur approximately \$125,000 in one-time software update expenses to incorporate the new license into the existing licensing system (\$50,000) and web-based practitioner profile platform (\$75,000).

Once licenses begin to be issued in October 2027 (fiscal 2028), MBP would require several annual contracts at an estimated annual cost of up to \$1.6 million, including an estimated: (1) \$600,000 to evaluate the equivalency of medical education and training

programs; (2) \$600,000 to obtain background checks from international sources for each licensee; (3) \$200,000 for translation services to translate documentation provided by applicants that is not in English; and (4) \$200,000 for international legal consultant services to examine any disciplinary or legal matters related to an applicant that require investigation. To the extent these services are not needed, or can be obtained for less, special fund expenditures are reduced.

Thus, MBP special fund expenditures increase by \$53,802 in fiscal 2026. This estimate reflects the cost of hiring two MBP licensure analysts effective April 1, 2026. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	2.0
Salaries and Fringe Benefits	\$40,169
Other Operating Expenses	<u>13,633</u>
Total FY 2026 State Expenditures	\$53,802

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

In fiscal 2027, special fund expenditures increase to \$281,624 for ongoing staff and \$125,000 in one-time only contractual expenses to update the licensure system and web-based practitioner profile. Beginning in fiscal 2028, expenditures increase to \$1.76 million for ongoing staff and as much as \$1.6 million in contractual services as discussed above.

Under the Budget Reconciliation and Financing Act of 2025, the Governor is authorized to transfer \$1.5 million from the State Board of Physicians Fund to the general fund in fiscal 2026. MBP advises that current revenue from license fees is insufficient to support the expenditures estimated under this the bill, and the proposed fund transfer would reduce the balance further.

Special fund revenues increase by an indeterminate amount beginning in fiscal 2028 from licensure fees. The amount of such revenues depends on the fee set by MBP and the number of applicants for the new license and cannot be reliably estimated at this time.

Additional Comments: MBP conducted a workgroup and issued a report on the licensing of internationally trained physicians in 2024. In its report, the workgroup recommended legislation with a delayed implementation date (at least October 1, 2027) so that further recommendations can be made. MBP advised that it does not have the existing resources and infrastructure to enact legislation at this time.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Department of Health; Department of Legislative Services

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