



---

*The Maryland State Medical Society*

1211 Cathedral Street  
Baltimore, MD 21201-5516  
410.539.0872  
www.medchi.org

TO: The Honorable Dereck Davis, Chair  
Members, House Economic Matters Committee  
The Honorable Christopher T. Adams

FROM: Pamela Metz Kasemeyer  
J. Steven Wise  
Danna L. Kauffman  
410-244-7000

DATE: March 19, 2021

RE: **SUPPORT** – House Bill 1153 – *Names of Entities With Physician Membership – Approval Requirement – Exemption*

---

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** House Bill 1153.

House Bill 1153 removes MedChi and the Board of Physicians from the role of *approving* applications for the names of physician professional corporations, and instead requires them to *review* the name and refer it to the Office of the Attorney General if concerns exist over the proposed name. This bill only applies to professional corporations comprised of physicians. MedChi seeks the bill out of concern that it or its physician members can be sued for restraint of trade for denying other physicians the use of a proposed name.

Under current law, professional corporations must file an application with the State Department of Assessments and Taxation (SDAT) for use of a corporate name. SDAT is required to send the application to the licensing board which regulates that profession for its approval, and the licensing board in turn is required to send it to the professional association related to that profession for its approval.

The process is designed to protect the public from misleading names, but it no longer does so because MedChi is concerned about being sued for restraint of trade violations. Put differently, the current law makes physicians approve or disapprove of the names of other physician groups. If MedChi were to deny a name, which it has not done in years, it could be sued by the group seeking to obtain the name. There are very few such applications each year (2 in FY 2020, and 6 thus far in FY 2021, per Fiscal Note) so the workload is not heavy, but the legal exposure is substantial.

This bill amends the statute to direct SDAT to simply notify the Board and MedChi rather than require their approvals. If either believes that the name is misleading or deceptive, they can refer the matter to the Office of the Attorney General-Consumer Protection Division for further review. Thus, the consumer is still protected.

Thank you for your consideration of this legislation. We ask for your support of House Bill 1153.