

February 20, 2025

The Honorable Josaline Peña-Melnyk  
Chair, House Health and Government Operations Committee  
Room 241, House Office Building  
Annapolis, MD 21401

**RE: House Bill 871 – Health Services Cost Review Commission-  
Community Benefits - Community Health Worker Workforce  
Program – Letter of Information**

Chair Peña-Melnyk and Committee Members:

The Health Services Cost Review Commission (HSCRC) submits this letter of information for House Bill (HB) 871 titled, “Health Services Cost Review Commission – Community Benefits – Community Health Worker Workforce Program.” This bill would allow nonprofit hospitals to include investments in “community health worker workforce programs” in their state community benefit reports. Hospital participation in these programs is voluntary. The programs have specific requirements for hospitals and community organizations that opt to take part.

**Hospital Community Benefit Reporting**

Nonprofit hospitals must conduct and report community benefit activities annually. At the federal level, these reports are required to maintain the hospital’s tax-exempt status. Maryland’s reporting requirements build on federal standards, requiring additional details while not affecting a hospital’s tax-exempt status. HSCRC publishes each hospital’s report [online](#) and submits an annual statewide analysis to the General Assembly. In fiscal year 2023, nonprofit hospitals in Maryland reported providing \$2.3 million in community benefits, representing 11% of their total operating expenses.

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### **Maryland Definition of Community Benefits**

Maryland law defines "community benefit" as a planned, organized effort to address identified community health needs. Qualifying activities include community health services, professional education, research, financial contributions, partnerships with community organizations, financial assistance, and behavioral health crisis support. HB 871 would add community health worker workforce programs to this list.

### **Community Health Workers and Reporting**

Federal guidelines already permit hospitals to report some community health worker activities as community benefits, such as public health education and screenings. Maryland also includes these activities in state reports. HB 871 would explicitly add community health worker workforce programs as an eligible community benefit.

### **HB 871's Unique Requirements**

Maryland law does not provide detailed requirements for how hospitals conduct the activities listed in the definition of "community benefit" (Health General §19-303(a)(3)). However, HB 871 would create a new statutory section (Health General §19-303.1) outlining specific requirements for community health worker workforce programs. These programs must be formal partnerships between nonprofit hospitals and community-based organizations, documented through a memorandum of understanding that includes provisions for health insurance coverage for participating workers. While it is common to include detailed requirements for programs in law, it is unusual to tie them to community benefits reporting.

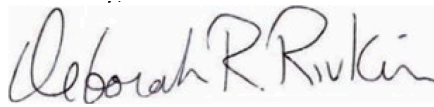
### **Maryland's Rate Setting System Supports Hospital Community Investment**

Maryland's hospital community benefits reporting law does not mandate specific community benefit spending levels. Maryland's best tool to incentivize hospital investment in communities is through the hospital rate-setting system. Programs like Revenue for Reform allow hospitals to invest in approved community health initiatives that the hospital would otherwise lose under HSCRC's rate-setting policies. In FY 2024, this program directed \$26 million to community health efforts. HSCRC has also used the rate setting system to facilitate a \$79 million investment in behavioral health crisis services over five years. Additional programs support maternal and child health programs and workforce development.



The HSCRC remains committed to monitoring hospital community benefits and building programs, through the hospital rate-setting system, that support community health. If you have any questions or if I may provide you with any further information, please do not hesitate to contact me at 410-991-7422 or [deborah.rivkin@maryland.gov](mailto:deborah.rivkin@maryland.gov), or Jon Kromm, Executive Director, at [jon.kromm@maryland.gov](mailto:jon.kromm@maryland.gov).

Sincerely,

A handwritten signature in black ink that reads "Deborah R. Rivkin". The signature is written in a cursive style with a large initial "D".

Deborah Rivkin  
Director, Government Affairs

