



SB 832

Nonprofit Hospitals – Community Benefits

March 4, 2025

Position: **Favorable with Amendments**

Dear Chair Beidle and members of the Senate Finance Committee:

My name is Ricarra Jones, and I am the Political Director of 1199SEIU United Healthcare Workers East. We are the largest healthcare workers union in the nation – representing 10,000 healthcare workers in long-term care facilities and hospitals across Maryland. 1199 SEIU supports improving oversight and transparency on non-profit hospital community benefit spending because it has a significant impact on community health. We support SB 832 with amendments.

At a minimum, Marylanders deserve to see the complete picture of the impact tax-exempt hospitals have on communities they serve. 1199 SEIU has successfully worked with the Health Services Cost Review Commission in the past to improve the way community benefits are reported so that it truly reflects services that meet community needs – instead of hospitals inflating this number by including indirect costs and rate support from HSCRC.

As stipulated by the Affordable Care Act, hospitals are required to “conduct a community health needs assessment (CHNA) every three years and to adopt an implementation strategy to meet the community health needs identified through the CHNA. **Throughout all non-profit hospitals in Maryland, only 37% of community benefits go towards priorities identified by community health needs assessment.** Our amendment to this bill would require 80-100% of a hospital’s community benefits spending to meet identified priorities in the community health needs assessment.

When community benefits data provided by hospitals to the Health Services Cost Review Commission (HSCRC) is assessed, gaps become apparent:

- Hospitals are not reporting the value of their tax exemptions; therefore, the public cannot determine whether their charitable work is commensurate to the value of the tax exemptions they receive.
- Current reporting does not clearly explicate how much of a hospital’s community benefits spending directly supports programming and initiatives designed to improve population health outcomes.
- According to processes reported, too many hospitals are not adequately engaging communities in their development of Community Health Needs Assessments. Furthermore, many community benefit implementation plans lack community collaboration.

We appreciate the intent of this bill and hope to work with bill sponsors on this amendment.