



**Committee: Senate Finance**

**Bill Number: SB 494**

**Date: February 24th, 2026**

**Position: Favorable**

Dear Chair Beidle, Vice-Chair Hayes, and members of the Finance,

The Maryland Nurses Association urges a **Favorable Report on SB494**. When private equity firms purchase medical facilities, the nurses who work in those facilities suffer. For many of our members, private equity purchasing a hospital can mean the loss of their livelihood, and those who remain face worsened working conditions. Evidence shows that private equity acquisitions are associated with staffing reductions in health care facilities.<sup>1</sup> This means fewer registered nurses per shift, greater reliance on lower-cost staff, higher patient-to-nurse ratios, and increased burnout and turnover.<sup>2</sup>

After purchasing a facility, private equity will cut costs and sell off assets to generate a one time influx of cash at the expense of the long-term viability of the facility. This can mean firing nurses, and it can also mean selling the land underneath a hospital. The money from that sale is a good return on investment for the private equity firm, but it puts a chronic strain on the finances of the hospital to forever be paying rent on a property they used to own.

A growing body of evidence shows that health care consolidation, particularly through private equity acquisition, leads to higher health care costs, increased utilization of services, and little to no improvement in quality or patient outcomes. Acquiring entities gain market power, and this market power allows organizations to raise prices passed on to consumers, lower wages, and eliminate jobs. In Maryland, private equity investment has expanded rapidly across specialties and geographies.

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<sup>1</sup> Braun RT, Jung H, Casalino LP, Myslinski Z, Unruh MA. (2021). Association of Private Equity Investment in US Nursing Homes With the Quality and Cost of Care for Long-Stay Residents. JAMA Health Forum.

<sup>2</sup> Kannan S, Bruch JD, Zubizarreta JR, Stevens J, Song Z.(2025). Hospital Staffing and Patient Outcomes After Private Equity Acquisition. Annals of Internal Medicine.

In Prince George's County, more than half of physicians seen by residents are affiliated with private equity entities. That level of consolidation raises serious concerns about access, equity, and workforce stability.

SB 494 / HB 944 strengthens oversight of material change transactions in Maryland's health care System, providing necessary guardrails to protect patients and the workforce from harmful consolidation practices.

#### The Solution: Smart, Targeted Oversight

SB 494 / HB 944 creates a streamlined, time-limited process to review "material change transactions" involving health care entities with significant assets or revenue.

The bill would:

- 1) Require public notice before qualifying transactions
- 2) Require MHCC to identify high-risk transactions within 30 days of notice, and
- 3) Require MHCC to conduct a public interest review that takes no longer than 60 days for high-risk transactions, with authority to approve, approve with conditions, or deny a transaction.

This is not an anti-investment bill. It is a transparency and accountability bill. It focuses on transactions likely to negatively affect quality, safety, cost, accessibility, and equity.

The Maryland Health Care Commission already has statutory authority to review nursing home acquisitions and has demonstrated technical expertise in this space. Expanding this oversight builds on existing infrastructure rather than creating a new bureaucracy.

What This Means for nurses, this bill means:

- o Transparency before major ownership changes;
- o A chance to assess staffing and safety risks before harm occurs;
- o Protection against destabilizing transactions; and
- o A stronger voice for communities and health care workers.

Maryland has long been a national leader in health system innovation. But innovation must not come at the expense of patient safety or workforce stability. Nurses know that quality care depends on adequate staffing, stable leadership, and patient-centered priorities.

SB 494 / HB 944 gives the State the tools to ensure that material change transactions serve the public interest, not just investor returns. The Maryland Nurses Association urges a favorable report on SB494.

Respectfully,



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