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**SB 494 - Maryland Health Care Commission –
Certificates of Need and Material Change Transactions
Senate Finance Committee
February 24, 2026
FAVORABLE**

Good afternoon, Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee. Thank you for the opportunity to testify in support of Senate Bill 494. We appreciate Chair Beidle's leadership in sponsoring this important legislation.

My name is Sara Westrick, Advocacy Director for AARP Maryland, representing approximately 850,000 members. AARP brings the lived experiences and priorities of older Marylanders to the policymaking process, ensuring that decisions reflect the needs of adults age 50 and over.

Background

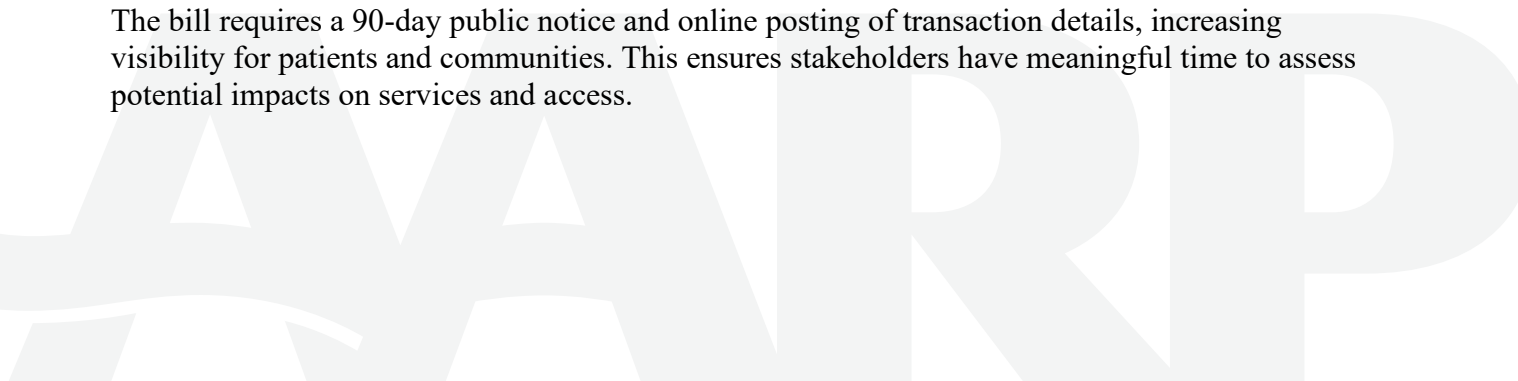
Maryland has seen rapid growth in acquisitions of health care entities across specialties and regions, raising concerns about affordability, access, and patient safety. Nursing homes were among the first targets of private equity investment and have demonstrated troubling consequences. Bankruptcy proceedings revealed that private equity owners extracted value through sale-leaseback arrangements and layered debt, while the company struggled with staff shortages and declining care quality.

Maryland now has oversight of major nursing home transactions through the Maryland Health Care Commission (MHCC), but similar concerns are emerging across other sectors, with declines in quality, staffing, and safety mirroring the patterns seen in nursing homes. Already, more than 50 percent of the physicians' practices serving Prince George's County residents are owned by private equity firms.

Why AARP Maryland Supports SB 494

A growing body of evidence shows that consolidation and private equity acquisitions lead to higher costs, reduced staffing, and lower quality. SB 494 addresses these risks before they spread to the rest of Maryland's health care system by strengthening transparency for major health care transactions.

The bill requires a 90-day public notice and online posting of transaction details, increasing visibility for patients and communities. This ensures stakeholders have meaningful time to assess potential impacts on services and access.



The bill also directs the MHCC to evaluate whether a transaction increases market power or reduces competition. This will help prevent the kind of consolidation we have seen in Maryland that often drives up prices and reduces patient choice.

The MHCC public interest review must consider cost, quality, continuity of care, staffing, access, and equity. This helps to ensure that transactions support Maryland's health care goals.

The timelines are clear and predictable: 30 days to determine whether a review is needed, followed by 60 days for a final decision once the information is complete. The bill also permits MHCC to contract with external experts to strengthen analysis and reduce pressure on state resources, without spending state resources. The process also allows expedited review when needed, giving it flexibility while preserving accountability and a commitment to protecting the continuity of care.

SB 494 establishes a targeted, streamlined oversight process for large health care transactions involving control of an entity with \$10 million or more in assets or annual revenue. The goal is not to block deals, but to identify and address transactions that pose genuine risks to public health.

Conclusion

Too many Marylanders have stories of how health care acquisitions have harmed them or loved ones. SB 494 ensures the right oversight framework is in place to protect patients moving forward. For these reasons, AARP Maryland respectfully urges a favorable report on SB 494.

If you have any questions, please contact Sara Westrick at swestrick@aarpp.org or 410-310-0374.