



Testimony In Support of SB 494: MHCC - Certificates of Need and Material Change
Transactions

Before the Senate Finance Committee

By: Stephanie Klapper, Deputy Director, Maryland Citizens' Health Initiative

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Chair Beidle, Vice-Chair Hayes, and Members of the Finance Committee, thank you for the opportunity to submit supportive testimony for SB 494. Our mission is quality, affordable health care for all Marylanders. I am submitting this testimony on behalf of our individual organization, Maryland Citizens' Health Initiative, Inc.

This legislation would expand the Maryland Health Care Commission's (MHCC) oversight on health care entity mergers, acquisitions, and changes in ownership beyond skilled nursing facilities to other non-hospital settings and physician group practices, and allow MHCC to institute important consumer protections as conditions.

This oversight will be critical to help protect consumers as private equity ownership in the health care sector is generally associated with increased costs and mixed to harmful impacts on quality.¹ Meanwhile, private equity investments in physician practices are increasing in Maryland, with over 50% of all physicians in Prince George's County and over 60% of urologists across the state affiliated with private equity as of 2021.² Containing costs while maintaining quality will be increasingly important as Maryland moves forward with the AHEAD model and works to meet all-payer total cost of care growth targets that will be set in collaboration with CMS. Increasing transparency and oversight of mergers and acquisitions of health care facilities and physician groups will help ensure that Marylanders have access to quality, affordable health care.

Thank you for your leadership on health care in Maryland. We urge a favorable report for SB 494.

¹ Borsa A, Bejarano B, Ellen M, Dov Bruch J. Evaluating trends in private equity ownership and impacts on health outcomes, costs, and quality: systematic review. *BMJ*. July 2023. <https://doi.org/10.1136/bmj-2023-075244>.

² Singh Y, Murray R, Reddy M, et al. *Private Equity Investments in Physician Practices in Maryland*. Maryland Health Care Commission; 2025. https://mhcc.maryland.gov/mhcc/pages/plr/plr/documents/2025/plr_pe_investment_physician_practices_in_md.pdf. Accessed February 20, 2026.



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