



Date: March 10, 2026
Senate Bill 832-Nonprofit Hospitals - Community Benefits
Senate Finance Committee
Position: Unfavorable

Dear Chair, Beidle and Committee Members,

On behalf of LifeBridge Health, we respectfully submit this testimony in opposition to Senate Bill 832. Maryland hospitals are national leaders in community benefit and community health investment. This is reinforced by Maryland's unique all-payer, global budget system overseen by the Health Services Cost Review Commission (HSCRC), which aligns hospital incentives with population health outcomes and prevention rather than volume of services. As a result, Maryland consistently outperforms national averages in hospital community benefit investment.

Independent research has shown that Maryland nonprofit hospitals devote a significant share of their expenditures to community benefit activities. A 2015 national analysis found that Maryland nonprofit hospitals spent an average of 6.33% of total expenditures on community benefit, higher than many other states. More recently, from 2020 through 2022, Maryland hospitals invested over \$550 million annually in subsidized health services and financial assistance alone. These investments address essential needs such as uncompensated care, access to behavioral health services, and health professions education.

Importantly, Maryland already maintains one of the most comprehensive hospital community benefit reporting systems in the nation. Hospitals must submit an extensive annual Community Benefit Report to the Health Services Cost Review Commission, aligned with IRS 990 Schedule H requirements. These reports include detailed financial and narrative documentation describing how hospitals identify community needs and measure the impact of their programs.

Maryland's reporting framework requires hospitals to provide:

- Detailed narrative descriptions of community benefit initiatives tied directly to their Community Health Needs Assessment (CHNA).
- Itemized reporting of charity care, Medicaid shortfalls, health professions education, and community health services.
- Detailed reporting of physician subsidies and mission-driven services.
- Documentation of tax exemptions and financial assistance policies; and
- Use of audited financial statements to ensure accuracy and accountability.

This centralized reporting structure, combined with Maryland's global budget model, provides an elevated level of transparency, and allows the state to conduct consistent, longitudinal analysis of hospital investments in community health. While Senate Bill 832 seeks to establish minimum community benefit thresholds tied to tax exemptions or net patient revenue and authorizes



revocation of tax-exempt status for noncompliance, the bill does not adequately account for Maryland's existing regulatory framework or the unique structure of the state's all-payer system. Hospitals in Maryland already operate under strict financial and regulatory oversight through the HSCRC, and their community benefit activities are closely monitored and publicly reported. Establishing rigid statutory thresholds could inadvertently undermine the flexibility hospitals need to respond to the specific health priorities identified in their community health needs assessments (CHNA) developed in partnership with the communities we serve. Community member actively inform the CHNAs to determine priorities, that process should not be undermined.

LifeBridge Health, a nonprofit 501(c)(3) health system serving the Greater Baltimore region, provides millions of dollars annually in community benefits. These investments include charity care, mission-driven health services, health professions education, and community-based programs that address social determinants of health. Our initiatives include programs such as violence intervention services, community care coordination, neighborhood health outreach, and grants to local organizations supporting vulnerable populations.

Maryland's hospitals already demonstrate strong accountability and transparency through the existing HSCRC reporting framework. Rather than imposing additional statutory requirements that duplicate or conflict with current oversight structures, we believe continued collaboration between hospitals, regulators, and community partners is the most effective approach to strengthening community health investments.

For these reasons, LifeBridge Health respectfully urges the Committee to give Senate Bill 832 an unfavorable report.

Thank you for your consideration.

Jennifer Witten, M.B.A.
Vice President, Government Relations & Community Development
jwitten2@lifebridgedhealth.org 505-688-3495
10090 Red Run Blvd, Owings Mills, MD 21117