

January 23, 2026

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Subject: Senate Bill 246 – HSCRC Term Limits and Commission Independence; Position:
Favorable with Amendments

Dear Chair Beidle and Members of the Senate Finance Committee:

Thank you for the opportunity to comment on SB 246, *Health Services Cost Review Commission – Term of Office of Members*. I write to suggest some amendments that will ensure that SB 246 preserves the effectiveness and independence of the Health Services Cost Review Commission (HSCRC).

The HSCRC Regulates Over \$23 Billion in Hospital Revenue

The HSCRC regulates more than \$23 billion in hospital revenue annually in Maryland. In carrying out this responsibility, the Commission must carefully balance the financial stability of hospitals with the affordability of health care for consumers, employers, insurers, and taxpayers. Maintaining hospital solvency is particularly important for access to care in rural and underserved areas, but that goal must be balanced against the Commission's obligation to protect the public from excessive costs.

Given the scale and importance of this responsibility, the Commission's independence and continuity are critical.

Commission Independence and Quorum Risk Under Current Law

The HSCRC consists of seven members appointed by the Governor with the advice and consent of the Senate. By statute, four members must be individuals who do not have any connection with the management or policy of a regulated hospital, meaning that up to three members may be affiliated with hospitals. In practice, the Commission has routinely included the maximum number of hospital-affiliated members.

The Commission requires four members present to conduct business. As a result, if any non-hospital-affiliated commissioner is absent—whether due to illness, family obligations, or a vacancy—the Commission may be left with three hospital-affiliated members and three non-affiliated members. In that circumstance, hospital-affiliated members can effectively prevent quorum and block Commission action, even when action may be in the best interests of consumers, employers, taxpayers, and the State.

This structural risk exists under current law and would be exacerbated by any increase in vacancies on the Commission.

The General Assembly could mitigate these risks to independence and public confidence by reducing the number of Commission members affiliated with hospitals.

SB 246's Six-Month Holdover Provision Is Unusual and Increases Vacancy Risk

SB 246 replaces long-standing statutory language allowing commissioners to serve until a successor is appointed with a provision limiting post-term service to six months. This approach appears to be unique in Maryland law. A review of the Maryland Code shows that members of more than 250 boards and commissions are permitted to continue serving until their successors are appointed, ensuring continuity and preventing vacancies.

The proposed six-month limitation is particularly concerning given the appointment process. Commissioners are nominated by the Governor and confirmed by the Senate, which meets only from January through early April. If a term expires outside that window, the Commission could face extended vacancies through no fault of the Commission or its members.

For a seven-member body with significant quorum constraints and regulated-industry representation limits, increased vacancy risk directly threatens the Commission's independence and effectiveness. Vacancies increase the likelihood that regulated entities could exert outsized influence over Commission operations, undermining public confidence in the rate-setting process.

For these reasons, I respectfully urge the Committee to reconsider the six-month holdover provision in SB 246 and conform the statute to the approach used throughout Maryland law—allowing commissioners to serve until a successor is appointed. Doing so would reduce vacancy risk, preserve institutional expertise, and help ensure that the HSCRC remains independent and effective in balancing the interests of hospitals with those of consumers, employers, insurers, and taxpayers.

Thank you for your consideration of this testimony and the attached amendments.

Sincerely,

Megan Renfrew, JD, MPA

Amendment 1: Reduce Members with Conflicts

Article – Health – General § 19–203(a)

(a)

(1) The Commission consists of 7 members appointed by the Governor with the advice and consent of the Senate.

(2) Of the 7 members, ~~[4]~~ 5 shall be individuals who do not have any connection with the management or policy of any facility.

Amendment 2: Minimize Vacancies

Article – Health – General § 19–203(c).

(3) At the end of a term, a member ~~[continues to serve until a successor is appointed and qualifies]~~ **MAY CONTINUE TO SERVE FOR A PERIOD NOT TO EXCEED 6 MONTHS.**

(4) A member who is appointed after a term has begun serves only for the rest of the term ~~[and until a successor is appointed and qualifies]~~.