



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
4000 Garden City Drive
Hyattsville, MD 20785

February 24, 2026

The Honorable Pamela Beidle
Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 494 – Support with Amendments

Dear Chair Beidle and Members of the Committee:

On behalf of Kaiser Permanente, I am writing to express our significant concerns regarding Senate Bill 494 as currently drafted. While we appreciate the General Assembly's commitment to ensuring health care remains accessible and equitable, the expansive scope and new regulatory hurdles introduced by this bill threaten to disrupt the integrated care delivery models that Marylanders rely on for efficient, high-quality care.

Kaiser Permanente's integrated model allows us to quickly adapt to patient needs by aligning our facilities and provider groups. We believe SB 494, by repealing long-standing Certificate of Need (CON) exemptions and introducing a broad "public interest review" for transactions as low as \$10 million, creates an overly burdensome environment that could stifle the very innovations meant to improve health outcomes.

Primary Areas of Concern

- **Broad Definition of "Material Change Transactions":** The current definition captures routine operational activities, such as certain real estate transactions, that do not inherently impact market competition or patient access.
- **Removal of CON Exemptions:** Repealing the exemption for mergers and consolidations ignores the clinical efficiencies gained when integrated systems streamline their footprint.
- **Review Timelines and Uncertainty:** The 90-day advance notice combined with the potential for an additional 60-day review period creates significant administrative delays and financial uncertainty for essential infrastructure improvements.
- **Cost Prohibitions:** Requiring parties to the transaction to bear the costs of "independent experts" hired by the Commission adds an unpredictable and potentially prohibitive financial burden on health care entities.

In light of the significant concerns raised by Kaiser Permanente and other healthcare stakeholders, it is clear that SB 494 requires further refinement to avoid unintended consequences for Maryland's healthcare infrastructure.

We respectfully recommend that the Committee hold SB 494 and instead direct the Maryland Health Care Commission (MHCC), to work with stakeholders over the 2026 interim. This would

Kaiser Permanente
Comments on SB 494
February 24, 2026

allow for a comprehensive analysis of the bill's impact and the development of consensus-based legislation for the 2027 Session.

Kaiser Permanente remains committed to working with you to find a balanced approach that protects the public interest without compromising the stability of our state's health care delivery systems.

Thank you for the opportunity to comment. Please feel free to contact me at Allison.W.Taylor@kp.org or (919) 818-3285 with questions.

Sincerely,

A handwritten signature in cursive script that reads "Allison Taylor".

Allison Taylor
Head of Government Relations
Kaiser Permanente Mid-Atlantic Region