



TESTIMONY FOR HB0599 – Health – Licensure of Hospitals – Ownership Requirements – FAVORABLE

Bill Sponsors: Delegates Hill and Smith

Committee: Finance

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Jessica Gorski, Executive Committee

Position: FAVORABLE

Chair, Vice Chair, and Members of the Committee,

My name is Jessica Gorski, and I am submitting this testimony in strong support of HB0599 on behalf of the Maryland Legislative Coalition. We are a statewide coalition of grassroots organizations representing more than 30,000 Marylanders across every legislative district. Our work is rooted in the belief that healthcare systems should serve the public good, not private profit—especially when people’s lives and communities are at stake.

HB0599 does exactly that.

This bill requires that, to qualify for a hospital license on or after October 1, 2026, a hospital must be organized as a nonprofit under federal law and registered as a nonprofit organization with the State. It further requires that any hospital licensed on or after that date maintain its nonprofit status as a condition of licensure, and provides that, on or after October 1, 2026, the ownership of a licensed hospital may be transferred only to a nonprofit organization.

In plain terms, HB0599 ensures that Maryland’s hospitals remain mission-driven institutions accountable to patients and communities—not to shareholders or private equity investors.

These protections are not theoretical. They are urgently needed.

Across the country, we have seen growing consolidation and for-profit acquisition of hospitals, often followed by cost-cutting, service reductions, staff layoffs, and, in some cases, closures. These changes can be devastating for patients, workers, and entire

regions—especially in rural and underserved areas where a single hospital may be the only source of emergency and inpatient care.

By requiring new hospital licenses and future ownership transfers to be limited to nonprofit entities, HB0599:

- Helps safeguard community access to essential hospital services,
- Reduces the risk that financial interests will override patient care and safety,
- Supports greater transparency and accountability in how hospitals operate and reinvest resources, and
- Aligns hospital ownership structures with the expectation that these institutions serve a public, not purely commercial, purpose.

Nonprofit status does not solve every challenge in healthcare. Still, it creates a framework in which hospitals are expected to prioritize community benefit, reinvest surplus into services and infrastructure, and operate with a level of public accountability that for-profit models often lack.

This bill aligns squarely with the mission of the Maryland Legislative Coalition. It advances public health, protects communities, and ensures that Maryland's hospital system remains anchored in service, not speculation.

Marylanders deserve hospitals that are stable, accountable, and committed to patient care above profit. HB0599 is a clear, forward-looking step toward that goal.

Thank you for your time and consideration. **We respectfully urge a FAVORABLE report on HB0599.**