

HB0599 Health - Licensure of Hospitals - Ownership

Uploaded by: Cecilia Plante

Position: FAV



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.**

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Uploaded by: Marceline White

Position: FAV



**Testimony to Senate Finance
HB599 Health-Licensure of Hospitals-Ownership Requirements
Position: Favorable**

March 24, 2026

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

Chair Beidle and Members of the Committee,

Economic Action Maryland Fund is here in strong support of HB599 which will preserve Maryland's fundamental commitment to affordable, accessible healthcare.

HB599 requires hospitals in Maryland to be registered as nonprofit institutions and conditions any hospital licensure on the entity being a nonprofit. Today, almost all hospitals in Maryland are nonprofits which means that they receive significant tax breaks and therefore, must provide benefits to the community and charity care.

Over the past six years, the General Assembly has passed a number of laws aimed at protecting hospital patients with medical debt including strengthening financial assistance policies, expanding limits for charity care and reduced cost care, limiting lawsuits for small hospital debts, and more. These measures have received strong bipartisan support since there is broad agreement that individuals should not face unaffordable debt because they or a loved one needed hospital care.

Maryland's Total Cost of Care model as well as our new AHEAD model builds in rate support for hospitals to meet their charity care obligations without harming the hospitals financials. While there are still numerous improvements needed, Maryland's nonprofit hospitals have systems in place to help patients across a range of incomes pay their medical bills without falling into unsustainable debt through charity care, financial hardship, and installment payment plans.

Allowing hospitals to become for-profit would undue all the hard work the General Assembly has undertaken to make healthcare affordable and accessible. It would create a two-tier system of healthcare—one for wealthy Marylanders and another for the rest of us and undermine work related to social determinants of health. In a recent survey we conducted of more than 500

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.



Marylanders across the state, 28% said medical debt and medical bills were one of the largest costs affecting their economic security.

With the establishment of the new AHEAD model and the changes to Medicaid likely to result in more Marylanders going to the emergency room for healthcare of last resort, it is critical that we maintain Maryland hospitals nonprofit status rather than permitting changes that may have unintended negative consequences for families across the state.

For all these reasons, we support HB599 and urge a favorable report.

Best,

Marceline White
Executive Director

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HB0599 crossover FAV - Health - Licensure of Hospi

Uploaded by: Richard KAP Kaplowitz

Position: FAV

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03/24/2026

Richard Keith Kaplowitz

Frederick, MD 21703

TESTIMONY ON CROSSOVER BILL HB#0599- POSITION: FAVORABLE
Health - Licensure of Hospitals - Ownership Requirements

TO: Chair Beidle, Vice Chair Hayes, and members of the Finance Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of crossover bill HB#0599, **Health - Licensure of Hospitals - Ownership Requirements**

The Harvard T.H. Chan School of Public Health has reported on *How for-profit medicine is harming health care*¹

For-profit dynamics have always existed in American medicine, as well as conflicts of interest. ... The nursing home and pharmaceutical industries have always been largely for profit. Pecuniary malevolence in U.S. medical care reached a different stage in the 1970s and 1980s, with the rise of what Arnold Relman, late editor of the *New England Journal of Medicine*, called the rise of the “[medical industrial complex](#),” when we saw the aggressive entry into medicine of for-profit entities with shareholders. From then on, the problem has been this: If the bottom-line obligation of for-profit companies is highest return to its shareholders, and the essential obligation of medicine is patient-centered care, you have two masters. This conflict has never been reconciled—because it’s irreconcilable.

Georgetown University Denny Center for Democratic Capitalism discussed *Medicine in the Age of Private Equity: The Ethics of Profit in Patient Care*²

Private equity (PE) has become a dominant force in healthcare, but its debt-driven, short-term profit model stands in direct conflict with the ethical imperatives of medicine. PE firms promise efficiency, modernization, and fresh capital, yet evidence shows that PE ownership often undermines patient safety, raises costs, and destabilizes communities. Unless policymakers enforce transparency and accountability, healthcare risks being transformed from public good into little more than a financial product.

This bill, in reaction to multiple studies and reports, moves Maryland healthcare in hospitals to a non-profit status for those institutions. It accomplishes that by requiring that hospitals, to qualify for a license on or after October 1, 2026, qualify as a nonprofit organization under federal law and be registered as a nonprofit organization with the State; requiring hospitals that receive licensure on or after October 1, 2026, to maintain status as a nonprofit organization as a condition of licensure; and providing that, on or after October 1, 2026, the ownership of a licensed hospital may be transferred only to a nonprofit organization.

I respectfully urge this committee to return a favorable report on crossover bill HB#0599.

¹ <https://hsph.harvard.edu/news/how-for-profit-medicine-is-harming-health-care/>

² <https://www.law.georgetown.edu/denny-center/blog/medicine-private-equity/>

HB599 Hospital NFP Status Senate Sponsor testimony

Uploaded by: Terri Hill

Position: FWA

TERRI L. HILL, M.D.

*Legislative District 12A
Howard County*

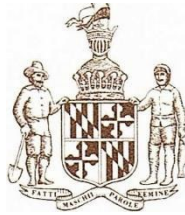
Health and Government Operations Committee

Subcommittees

Public Health and Minority Health Disparities, Chair

Elder and Long-Term Care

Maternal, Infant, and Child Health



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THE MARYLAND GENERAL ASSEMBLY

ANNAPOLIS, MARYLAND 21401

HB599 LICENSURE OF HOSPITALS – OWNERSHIP REQUIREMENTS

March 24, 2026

Chair Beidle, Vice-chair Hayes, and Finance Committee Members,

HB599 –statutorily requires that Maryland hospitals, maintain a nonprofit status as a condition of licensure and in case of future sale.

Currently, all but one Maryland hospital entity which operates two sites have federal 501(c)(3) nonprofit status and state-level nonprofit registration for under our Total Cost of Care Framework, , the changing health care delivery landscape nationally and within the state, as we move forward with the AHEAD model, puts that at risk. With the uncertainty attendant with the state transition to the AHEAD model, the significant disruptions to local communities caused by Maryland hospital closures over the last decade or so, and the national trend of increased penetration of private equity investment in healthcare facilities and institutions, alarm bells are ringing. **HB599** is a proactive response.

Subsequent to **HB599** passing the House 96-47, the Maryland Hospital Association corrected previous information of there being no for-profit hospitals operating in Maryland to note that two rehab hospitals, one in Bowie and the other in Salisbury, are for profit. I ask the committee to accept my sponsor amendment carving them out of the bill and prohibiting acquisition of other sites.

Generally, for-profit hospitals prioritize investor returns over patient care, charge more, lack transparency, and provide little, if any charity care. Nonprofit hospitals, on the other hand, are required to provide benefits to the community, charity care, Medicaid gap filings, and address most, if not all, of the state’s public health needs. Unlike for-profit entities, nonprofit hospitals must reinvest excess revenue into patient care, facilities, and community health improvements. Further, maintaining a hospital’s nonprofit status requires compliance with IRS regulations, including completing Community Health Needs Assessments regularly, adopting clear financial assistance policies, and requiring public disclosure of financial data thus providing a degree of public accountability and transparency.

HB599 has little to no impact on current Maryland stakeholders and is one small, no cost, guardrail to protect our residents, communities, and state from a growing and potentially devastating trend. I request a favorable report with amendment.

Terri L. Hill, M.D.

XHB 599 - Health - Licensure of Hospitals - Owners

Uploaded by: Jane Krienke

Position: INFO



Maryland
Hospital Association

House Bill 599- Health - Licensure of Hospitals - Ownership Requirements

Position: *Letter of Information With Amendment*

March 24, 2026

Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to provide information on House Bill 599 and suggest an amendment to protect access to care.

While Maryland does not require hospitals to be a nonprofit as a condition of licensure, all of the acute care hospitals in the state are nonprofits. Nonprofit hospitals receive tax-exempt status because of the community benefits they are expected to deliver. That said, there are a few health care providers that are not nonprofits who deliver long-term care services which fill a critical need.

Acute care hospitals across the state continue to face significant operational challenges related to discharge delays and post-acute placement shortages. Patients who are medically ready for discharge often remain in hospital beds because they are awaiting placement such as in an inpatient rehabilitation hospital. The ED Wait Times Reduction Commission's [interim report](#) highlights post-acute care shortages as a significant driver of increased ED boarding and wait times owing to reduced available inpatient capacity.

To safeguard against unintended consequences that may further reduce or impede access to post-acute care, we are requesting an amendment to ensure essential post-acute care providers are not prevented from operating in Maryland.

Proposed Amendment

On pg. 2, line 5 insert:

(K) (1) THIS SUBSECTION APPLIES ONLY TO A HOSPITAL CLASSIFIED:
(I) UNDER 19-307(A)(1)(I) OF THIS SUBTITLE AS A GENERAL HOSPITAL; OR
(II) UNDER 19-307(A)(1)(II) OF THIS SUBTITLE AS A SPECIAL HOSPITAL.

On pg. 2, line 5, renumber (K)(1) to (K)(2) and (K2) to (K3).

For more information, please contact:

Jane Krienke, Assistant Vice President, Government Affairs & Policy

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