Maryland
Hospital Association

House Bill 203-
Labor and Employment - Training Repayment Agreements - Prohibition

Position: *Oppose*
February 5, 2026
House Government, Labor, and Elections Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in opposition of House Bill 203.

Registered nurses, licensed practical nurses, and nursing assistants make up over 40% of the Maryland hospital workforce. Unfortunately, these health care workers also represent the highest turnover rate of all staff categories (between 21% and 38%).[1]

Maryland hospitals are concerned about the impact of HB 203's prohibition on including training repayment agreements as a condition of employment. To increase retention and grow the clinical workforce pipeline, Maryland hospitals utilize a variety of tools such as upskilling programs.

Many hospitals offer these types of training programs often to those interested in moving from a nonclinical role to a clinical role. Hospitals have acute care certified nursing assistant training programs, licensed practical nurse training programs, and a variety of apprenticeship programs for roles like surgical technicians. Sometimes these paid training programs include a work commitment upon completion. These programs provide upward economic mobility and help employees achieve their goals by removing the financial barriers. Employees do not have to decide between giving up their dream and paying for living expenses. Through these programs, the hospital works with employees' schedules to ensure there is time for education, studying, and work while also ensuring they are paid for their time.

Recognizing that many employees face the same social determinants of health as their patients, hospitals also offer wrapround supports such as transportation vouchers, child care assistance, and tutoring, often in partnership with community organizations.

In 2018, Maryland became the first state to have all acute care hospitals offer a nurse residency program. These year-long programs combine classroom and hands-on learning, mentorship, and professional development for newly licensed registered nurses to support their transition to practice. Nurse residency programs are a key strategy for retention. Nationally, the retention rate for first-year nurses without a nurse residency program is 77.7%.[2] According to the Maryland

[1] Maryland Hospital Association Workforce Survey. April 2025.
[2] nsi_national_health_care_retention_report.pdf

Nurse Residency Collaborative (MNRC), the first-year retention rate for nurse residents is between 85% to 91%.[3] Each year, through the Health Services Cost Review Commission's Nurse Support Program I funding, the state invests $12.3 million in these programs. This funding saves an estimated $23-38 million in employee turnover costs.

According to a 2020 MNRC analysis, 46% of Maryland hospitals required residents to sign a contract upon hire. Of those contracts, 57% included a work obligation associated ranging from one year to 18 months, and 26.9% included a financial obligation.

In addition to upskilling and nurse residency programs, hospitals also provide tuition assistance, grants, loan repayment programs, scholarships and sign on bonuses. These incentives can encourage employees to continue in their educational journeys and improve retention rates.[4]

Hospitals can offer tuition assistance and paid opportunities for career advancement and education because of these service commitments. If prohibited, hospitals would be unlikely to offer the robust array of programs they have to support their workforce.

House Bill 203 would take away a critical tool that allows Maryland hospitals to support, recruit, and retain their workforce, which would raise costs and weaken workforce stability. With projections of ongoing shortages and an increasingly aging population, the demand for health care will only continue to rise. Maryland hospitals cannot afford to operate with one hand tied behind their backs. They need access to every tool and strategy available to ensure access to care for their communities.

For these reasons, we request a unfavorable report on HB 203.

For more information, please contact:
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[3] October 2025 POST-MEETING FINAL.pdf
[4] How to Afford Health Care Education? Maryland Hospitals Make Careers in Health Care Affordable and Accessible - JoinMdHealth