



Statement of Maryland Rural Health Association

To the House Health Committee

Chair Heather Bagnall

Feb 25, 2026

House Bill 1136: Nonprofit Hospitals - Community Benefits

POSITION: SUPPORT

Chair Bagnall, Vice Chair Cullison, Delegate D. Jones, and members of the Committee, the Maryland Rural Health Association (MRHA) is in SUPPORT of House Bill 1136: Nonprofit Hospitals - Community Benefits

The MRHA supports this effort to ensure that non-profit hospitals are offering community benefits equal to or greater than the amount of tax breaks given to them at the state and local level. The bill also emphasizes the importance of working alongside community members to conduct health needs assessments and describes the need to evaluate the efficacy of the benefits, reduce health disparities, and decrease gaps in provider care.

The Congressional Budget Office notes that recent Medicaid and Affordable Care Act cuts will leave almost 16 million Americans without health insurance by 2034 (1). Those who live in rural areas are disproportionately impacted by these cuts, as 40% of children and 20% of adults <65+ in rural areas receive Medicaid services (2). Because of this change, many individuals may resort to seeking care in Emergency Rooms. However, without insurance, an average Emergency Room encounter costs greater than \$2000 and this number increases dramatically if a patient is admitted to the hospital inpatient service (3).

Free or reduced cost services are vital to ensure care for all patients in Maryland, especially due to recent Medicaid funding changes. Now more than ever, it is necessary for hospitals to ensure that they are providing these community services and benefits. The MRHA believes that this bill will aid many Maryland residents, especially those living in rural communities. As such, we encourage your support on House Bill 1136.

With appreciation,

The Maryland Rural Health Association

P.O. Box 3128 LaVale, MD 21504

1. Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline
2. Alker J, Osorio A, Park E. Medicaid's Role in Small Towns and Rural Areas. Georgetown University McCourt School of Public Policy, Center For Children and Families. Published January 29, 2025.
3. Scott, K. W., Scott, J. W., Sabbatini, A. K., Chen, C., Liu, A., Dieleman, J. L., & Duber, H. C. (2021). Assessing Catastrophic Health Expenditures Among Uninsured People Who Seek Care in US Hospital-Based Emergency Departments. *JAMA health forum*, 2(12), e214359. <https://doi.org/10.1001/jamahealthforum.2021.4359>