

February 23<sup>rd</sup>, 2026

The Honorable Heather Bagnall  
Chair, House Health Committee  
240 Taylor House Office Building  
Annapolis, Maryland 21401

Written Testimony

Re: House Bill 489 – Electronic Health Networks and Electronic Medical Record Vendors of Nursing Homes – Release of Records – Fees - Position: Favorable

Dear Chair Bagnall, Vice Chair Cullison, and Members of the Committee:

Thank you for the opportunity to submit written testimony in support of House Bill 489. This legislation makes a targeted and necessary correction to existing law by restoring the ability of electronic health networks and electronic medical record vendors to charge reasonable fees to third-party business associates of skilled nursing facilities for access to proprietary technology systems, interfaces and infrastructure.

House Bill 489 does not roll back information sharing, weaken patient protections, impact care delivery, or reduce transparency. Instead, it aligns Maryland law with long-standing market principles and federal policy by ensuring that companies that invest in building, maintaining, and securing complex technology systems can continue to compete and innovate in a fair marketplace. Additionally, it does not place additional economic burdens on skilled nursing facilities that operate within the narrowest of financial margins in healthcare.

The 2023 prohibition on charging any fees for third-party access to proprietary systems created an uneven marketplace. Businesses that invested significant capital into secure infrastructure were uniquely barred from recovering costs, regardless of access, volume of requests or purpose.

Electronic health record systems are not static products. They require continuous investment in cybersecurity, interoperability, upgrades, and compliance. Prohibiting reasonable fees between third party business associates of skilled nursing facilities undermines the resources necessary to sustain innovation, particularly in long-term and post-acute care settings.

Across healthcare, financial services, telecommunications, and utilities, access to proprietary infrastructure is governed by commercial agreements that recognize cost recovery and risk. Free access between commercial entities to this proprietary infrastructure is not the norm in industry. The current Maryland prohibition on reasonable fees is unique nationwide and does not exist elsewhere.

Additionally, at the federal level, electronic health record systems are governed by the Health Insurance Portability and Accountability Act and the 21st Century Cures Act. Importantly, the Cures Act already prohibits information blocking—defined as practices that interfere with access, exchange, or use of electronic health information. But the Cures Act explicitly allows for reasonable fees to exist for data sharing across third party vendors because the law recognizes the significant costs realized to maintain security, patient safety protections and encouraging innovation in the healthcare technology sector.

House Bill 489 restores balance by allowing reasonable, negotiated fees between commercial entities—a standard business practice across nearly every industry.

In conclusion, House Bill 489 is a narrow, corrective measure that restores fairness without sacrificing access. It preserves information-sharing protections while supporting competition and innovation. For these reasons, I respectfully urge a favorable report.

Respectfully submitted,

Steve Holt

Vice President, Government Affairs