



HB599 Health-Licensure of Hospitals-Ownership Requirements
Position: Favorable

February 11, 2026

The Honorable Heather Bagnall, Chair
Health Committee
Room 240, House Office Building
Annapolis, Maryland 21401
cc: Members, Health Committee

Chair Bagnall 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 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 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

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2209 Maryland Ave · Baltimore, MD 21218 | www.econaction.org
Marceline White · Marceline@EconAction.org | Jennifer Bevan-Dangel · Jennifer@EconAction.org



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 negative unintended 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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