



Maryland
Hospital Association

House Bill 906- Civil Actions - Punitive Damage Awards – Surcharge

Position: *Oppose*

February 18, 2026

House Judiciary 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 906. Maryland hospitals oppose efforts that would make the state's highly litigious environment even more unsustainable. This bill would needlessly raise the cost of health care and make it difficult to attract and retain the doctors necessary to continue to provide the highest quality care.

This proposal risks undermining patient access to care by increasing liability exposure and redirecting limited health care dollars from bedside care to insurance and litigation costs. When hospitals face higher premiums and greater uncertainty, the effect is reduced capacity, difficulty recruiting needed specialists, and pressure on high-risk services that Maryland communities rely on.

HB 906 will result in more frequent and substantially larger damages awards. Maryland insurers, as a result of potentially higher and more frequent payouts, would likely raise premiums to cover these increased liabilities. As a result, Maryland hospitals would potentially face increased premiums and other insurance costs, which would divert limited funds from patient care.

Maryland hospitals simply cannot absorb new financial burdens. Under the state's global budget system, each hospital operates with a fixed annual revenue cap, meaning we cannot raise revenue to cover unexpected expenses. With the transition to the new AHEAD model, hospitals now face over \$800 million in reduced payments from Medicare and Medicaid combined and there remains significant uncertainty regarding several aspects of the model's implementation. Any added litigation costs directly reduce the money available for patient care.

At the same time, hospitals are also facing major financial strain from looming Medicaid cuts and growing uncertainty at the federal level. Increasing our liability exposure in this environment only makes it harder to maintain quality and accessible health services.

For these reasons, we request a unfavorable report on HB 906.

For more information, please contact:

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