



MEMORANDUM

DATE: February 19, 2026

TO: Maryland Health Care Commission

FROM: Dr. Douglas Jacobs, MD, MPH, Executive Director, Maryland Health Care Commission

RE: 2026 Report on MHCC User Fee Assessment and Proposed Regulation
COMAR 10.25.03 Update

Issue Summary: The Maryland Health Care Commission (MHCC) is required to conduct a study and make recommendations every four years regarding the appropriate funding level for the Commission and the allocation of user fees among those currently assessed. The 2026 MHCC Report on User Fee Assessment study includes an assessment of: (1) the existing user fee assessment methodology, (2) the Commission’s workload distribution across industries, (3) the feasibility of extending user fees to additional health care provider types, and (4) the current waiver process exempting certain categories of health care practitioners from user fee assessments who make substantially below other health care practitioners. This report establishes allocations and waiver exemptions that will go into effect in the FY 2027 User Fee Assessment.

MHCC Staff recommends maintaining the current user fee framework, methodology, types of health care providers, and user fee assessment percentage, and maintaining the current waiver methodology with updated salary data and exempt categories of health care professionals. MHCC staff also recommends a technical correction to update the relevant section of COMAR to update the date reference (2026) to align with the next user fee assessment study period (2030).

Background: In order to accomplish its mission and program functions, the Commission requires operating funds, which are special funds that are collected through an assessment on the health care providers and payors it regulates. These funds are used to cover the documented costs of fulfilling the statutory and regulatory duties, allowing the Commission to continue its mission of promoting informed decision-making, enhancing accountability, and improving access to health care throughout the State. The fee is assessed on payors, hospitals, nursing homes, and health care practitioners based on the formula outlined in Health-General Article, §19-111, Annotated Code of Maryland. The amount is derived

differently for each industry and is set every four years based on an analysis of the Commission's workload.

This analysis, reflected in the 2026 Report on MHCC User Fee Assessment, was conducted by the Commission with support from an independent reviewer and prepared by MHCC staff. Independent reviewers found that the current user fee framework is well-structured, transparent, appropriately aligned with legislative mandates, and demonstrates a strong capacity to adapt to evolving operational requirements. Based on MHCC's evaluation of current and projected workload and percentages apportioned to each industry, the shares of user fee assessment remain unchanged for the FY2027 assessment. They are: Health Insurance Carriers and Plans (26%); Hospitals and Special Hospitals (39%); Nursing Homes (19%); and Health Occupations Boards (16%). MHCC also considered feasibility and appropriateness of extending user fees to additional health care industries; MHCC Staff determined that based on current and known projected resource use, MHCC will continue to exclude additional health care provider types at this time.

In evaluating the waiver process, independent reviewers determined the methodology is appropriate, but salary benchmark data and health care practitioner categories should be updated. MHCC updated this data and established an updated benchmark annual wage of \$58,297 or \$28.03 per hour as the salary midpoint to determine the waiver eligibility threshold across categories of health care professionals. Categories of health care practitioners who qualify for exemption based on their annual wage being substantially below that of other categories of health care practitioners are those whose annual salaries fall below the established benchmark for all eligible health care classes. Beginning in the FY 2027 User Fee Assessment exempt categories of health care practitioners currently licensed, certified, or registered by a Maryland Health Occupations Board include: Chiropractic Assistant, Qualified Dental Assistants, Dental Radiation Technologist, Occupational Therapy Assistant, Pharmacist Technician, Physical Therapy Assistant, Certified Nursing Assistant (certified), Certified Medication Technician (certified), Dialysis Technician (certified), Limited X-Ray Machine Operator (registered), Radiographer, and Radiologist Assistant.

COMAR 10.25.03 – User Fee Assessment of Payers, Nursing Homes, and Hospitals, includes the dates for which the current user fee assessment percentages may be applied. The dates in the current regulatory text must be updated from July 1, 2023 – June 30, 2026 to reflect adjusted dates to support the user fee assessment percentages until the next study is due to be completed: July 1, 2026 – June 30, 2030. COMAR 10.25.02 –User Fee Assessment on Health Care Practitioners does not include dates and as such does not require any regulatory updates.

Recommendation: MHCC Staff recommends approving this report to release to the legislature and approving the proposed regulations (COMAR 10.25.03) to reflect updated dates for user fee assessments until the next updated study and report is due.

Estimated Impact of Policy: This report and study do not alter the current user fee assessment methodology and percentages; MHCC Staff anticipates minimal impact on health care providers. MHCC Staff anticipates the updated salary midpoint for determining certain categories of health care practitioners are eligible for a waiver of the user fee assessment will have minimal overall impact but will have a positive impact on equity, removing exemptions for limited categories of health care practitioners making above the midpoint and adding exemptions for the FY 2027 assessment for several categories of health care practitioners who were not exempt in FY 2026 but earn substantially below other categories of health care practitioners.

Attachments/Additional Information: Attached is a copy of the proposed regulation change to COMAR 10.25.03