



# Report on MHCC User Fee Assessment (2026)

Health General Article § 19-111

**REPORT TO THE MARYLAND GENERAL ASSEMBLY**  
**2026 Workload Study on User Fee Assessment**



# AGENDA

- ▶ User Fee Overview
- ▶ User Fee Assessment Methodology
- ▶ MHCC Workload and Budget Distributions
- ▶ Inclusion of Additional Health Care Industries
- ▶ User Fee Waiver Exemptions
- ▶ Recommendations for the Commission



# User Fee Overview

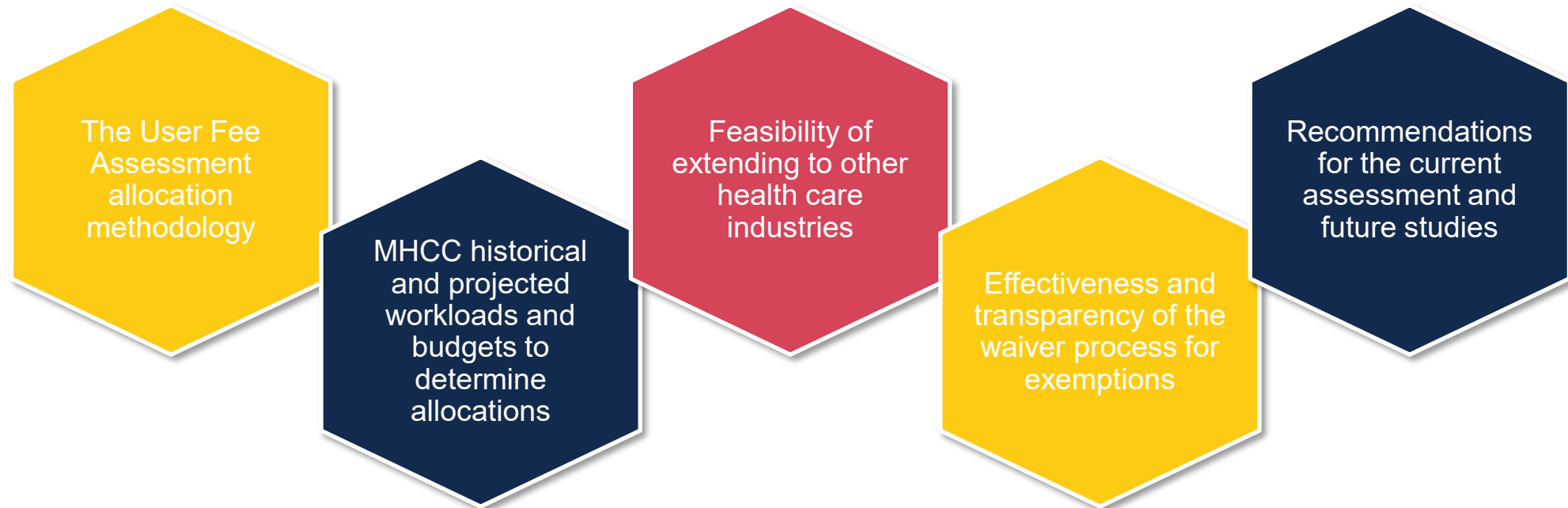
**What are User Fees?** MHCC's operating budget is primarily funded through an assessment collected on health care providers and payors it regulates. These are referred to as, "User Fees."

- ▶ Used to cover the documented costs of fulfilling MHCC's statutory and regulatory duties.
- ▶ Assessed on payors, hospitals, nursing homes, and health care practitioners.
- ▶ Methodology is based on the formula outlined in *Health-General Article §19-111*, with regulations in COMAR 10.25.02 and 10.25.03
- ▶ Amount is calculated differently for each industry and set every 4 years based on the Commission's workload.



# User Fee Assessment Workload Study

- ▶ Every 4 years, MHCC must conduct a study and issue recommendations for the appropriate funding level for the Commission and allocation of user fees assessed.
- ▶ Last study was released in 2023 (delayed for COVID).
- ▶ This study assesses:



# User Fee Assessment Methodology

MHCC commissioned an **independent actuarial analysis** to evaluate and recommend potential improvements to the allocation of user fees across industries.

## Reviewers concluded the methodology framework:

- ▶ Is well-structured, transparent, and appropriately aligned with MHCC's legislative mandate.
- ▶ Demonstrates a strong capacity to adapt to evolving operational requirements.



**Health Insurance Carriers:** Based on the ratio of each plan's total premiums to total premiums collected by carriers statewide.



**Hospitals and Special Hospitals:** Two-part formula – 50% based on share of total inpatient admissions of all hospitals in the state; 50% based on share of total gross operating revenue of all hospitals in the state.



**Nursing Homes:** Same two-part formula as hospitals – 50% based on share of total admissions of all admissions in the state; 50% based on share of total gross operating revenue of all nursing homes in the state.



**Health Occupations Boards:** Flat fee incorporating into licensing fees, determined by dividing the total health occupation assessment amount by the total number of licensees subject to the assessment.



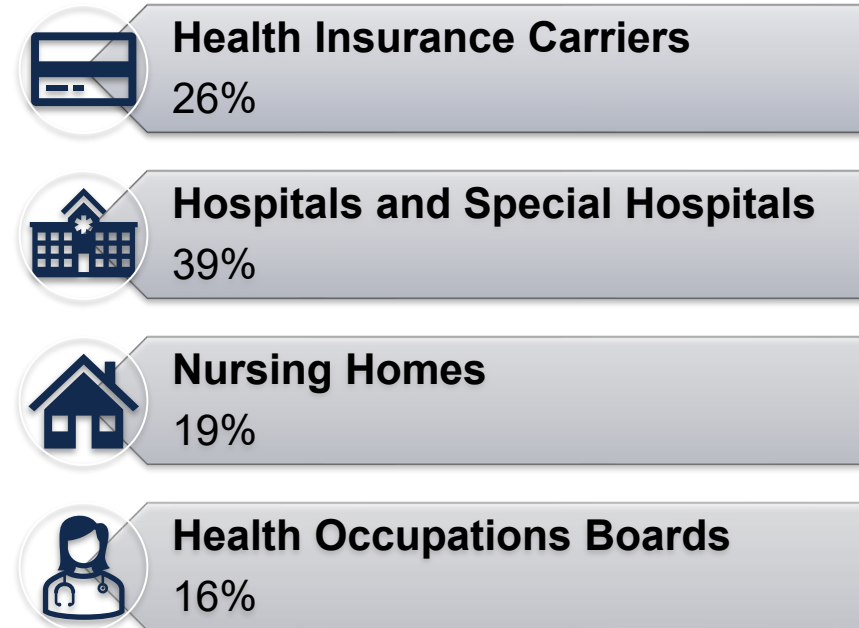
# Workload Distribution Analysis

Builds on the foundations of MHCC's prior workload analyses.

**Assessed budget distribution (salary and project budgets) for each of MHCC's centers:**

- ▶ Considered FY 2020-2024 actual expenditures
- ▶ Considered projections for FY 2025-2026 for forward-looking analysis.
- ▶ Allocated spending and projected costs by industry to validate percentages applied to each industry.
- ▶ **FY 2026 and out-year budgets project over the current \$20 million user fee cap (\$23 million).**

Allocations remain the same for FY2027





# Including Additional Industries

Considers MHCC workload attributed to industries currently not assessed.

## Assessed spending and project costs allocated to industries not currently assessed:

- ▶ Considered ambulatory surgery centers, home health agencies, hospice providers.
- ▶ Any change would require a statutory change.
- ▶ Based on currently available information, other health care provider types account for a small (~1%) portion of MHCC total resource.

## Determination:

- ▶ Other industries should be excluded from the user fee assessment process at this time.
- ▶ As the health care landscape, MHCC responsibilities, and regulatory frameworks change, MHCC may reassess this allocation.



# User Fee Assessment Waiver Process

MHCC is required to establish a methodology to create a **waiver process** that **exempts certain practitioners** from user fee assessments.

Waiver methodology must:

- Use the **average annual wage** of a health care practitioner.
- Exclude classes (or categories) of health care practitioners that, on average, **earn substantially below that of other practitioners** from user fee assessments.



# Health Care Practitioners Assessed

The Commission currently collects health care practitioner assessments from:

- Chiropractors
  - Dietitians/Nutritionists
  - Occupational Therapists
  - Social Workers
  - Speech Language Pathologists, Audiologists, Hearing Aid Dispensers
- Nurses
  - Podiatrists
  - Physical Therapists
  - Physicians
  - Psychologists
  - Pharmacists
- Optometrists
  - Professional Counselors and Therapists
  - Dentists
  - Massage Therapists
  - Acupuncturists



# Waiver Methodology

Independent actuarial analysis evaluated and recommended potential improvements to the waiver methodology and exempted professionals list.

## Reviewers concluded:

- ▶ The methodology is sound, but salary benchmarks should be updated with current salary and class data.
- ▶ Categories of exempt health care practitioners should clearly match Health Occupation Board categories of licensed health care practitioners.
- ▶ Data limitations: More refined salary and Health Occupation Board data would enable a more refined methodology.

## Updated 2025 midpoint salary benchmark annual wage is \$58,297 per year or \$28.03 per hour.

- ▶ Calculated a midpoint salary for health care practitioner class and license type and averaged all midpoints.
- ▶ Categories of health care practitioners earning an **average annual wage below the benchmark are considered exempt.**



# Exempt Health Care Practitioners

Based on the updated benchmark annual wage, certain categories of licensed health care practitioners will be exempt beginning in FY 2027 User Fee Assessments.

Licensed, Certified, or Registered Practitioner Type	Health Occupations Board
Chiropractic Assistant	Board of Chiropractic Examiners
Qualified Dental Assistants	Board of Dental Examiners
Dental Radiation Technologist	Board of Dental Examiners
Occupational Therapy Assistant	Board of Occupational Therapy Practice
Pharmacist Technician	Board of Pharmacy
Physical Therapy Assistant	Board of Physical Therapy Examiners
Certified Nursing Assistant (certified)	Board of Nursing
Certified Medication Technician (certified)	Board of Nursing
Dialysis Technician (certified)	Board of Nursing
Limited X-Ray Machine Operator (registered)	Board of Physicians
Radiographer	Board of Physicians
Radiologist Assistant	Board of Physicians

FY 2027 – Categories No Longer Exempt	
Practitioner Type	Rationale
<b>Dental Hygienist</b> Board of Dental Examiners	Average salary above the midpoint
<b>Social Worker Associate</b> Board of Social Work Examiners	Now Licensed Bachelor Social Worker; salary above midpoint
<b>Psychology Associate</b> Board of Professional Counselors & Therapists	Average salary above the midpoint
<b>Licensed Practical Nurse</b> Board of Nursing	Average salary above the midpoint
<b>Nurse Psychotherapist</b> Board of Nursing	Must be a registered nurse; salary above midpoint
<b>Animal Acupuncturist</b> Board of Acupuncture	Must be licensed acupuncturist; salary above midpoint



# Recommendations for the Commission: 2026 Report on User Fee Assessment

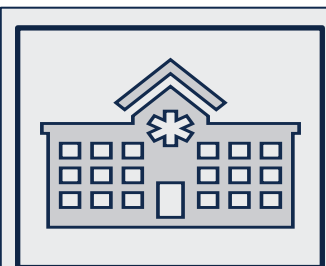
**MHCC request the Commission's approval to:**



**Maintain the current assessment distribution with updated exempted health care practitioners.**



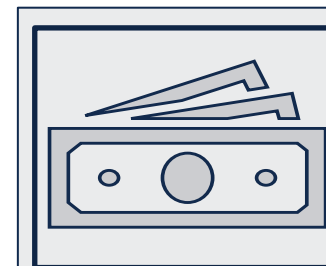
**Update COMAR 10.25.03, to update the dates of June 30, 2026, to June 30, 2030.**



**Continue to study the feasibility of including new health care industries and provider types.**



**Continue projecting future expenditures to ensure appropriate and equitable allocations and exemptions.**



**Update cap mechanism and ceiling.**



# QUESTIONS?