

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 598
 Health

(Delegate Hill, *et al.*)

Finance

**Physicians - Licensing - Internationally Trained Physicians and Licensed
 Physicians Residing in Other Jurisdictions**

This bill repeals existing provisions exempting individuals from certain education requirements for a physician license. Instead, the bill authorizes the Maryland Board of Physicians (MBP), beginning January 1, 2028, to issue a limited license to practice medicine to a physician licensed in a foreign country who meets specified requirements. The term of a limited license may not exceed three years, and a limited license may not be renewed. The bill (1) outlines requirements for a limited license; (2) specifies how MBP may determine an applicant ineligible for or revoke a limited license; (3) provides a pathway to full licensure for limited licensees; and (4) authorizes MBP to adopt regulations and conduct oversight. The bill alters the circumstances under which a physician licensed by and residing in another jurisdiction may practice medicine in the State without a license. The bill also establishes reporting requirements for MBP, expresses the intent of the General Assembly that specified medical schools take certain actions, and makes conforming changes.

Fiscal Summary

State Effect: No effect in FY 2027. MBP special fund expenditures increase by \$1.1 million beginning in FY 2028 for staff and contractual services, as discussed below. MBP special fund revenues increase by an indeterminate amount from application fees beginning in FY 2028.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$0	-	-	-	-
SF Expenditure	\$0	\$1,103,200	\$1,271,900	\$1,279,700	\$1,287,600
Net Effect	\$0	(\$1,103,200)	(\$1,271,900)	(\$1,279,700)	(\$1,287,600)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Definitions

“Facility” means (1) a health system, hospital, hospital-based facility, freestanding emergency facility, or urgent care clinic that has an Accreditation Council for Graduate Medical Education (ACGME) or American Osteopathic Association (AOA) residency program or is affiliated with ACGME or AOA; (2) a school of medicine; (3) the National Institutes for Health; or (4) a federally qualified health center (FQHC).

“State standard of care assessment” means an exam approved by MBP to assess clinical judgment, management of complications, understanding of appropriate collaboration and referral practices, and ethical standards, and demonstrating the ability to construct and execute safe, appropriate treatment plans, including oral theory and practice sessions covering (1) unexpected clinical scenarios and (2) once annual review of a subset of the licensee’s actual cases by an examiner approved by the board.

Qualifications for Applicants

To be eligible for a limited license, an applicant must:

- have received a degree of Doctor of Medicine or its equivalent from a medical school in a foreign country with recognized accreditation status from the Education Commission for Foreign Medical Graduates (ECFMG);
- have completed at least 2 years of training in a residency program (1) accredited by the Accreditation Council for Graduate Medical Education-International; (2) in a country whose graduate medical education accrediting agency has been recognized by the World Federation for Medical Education; (3) accredited by the country’s graduate medical education accrediting agency, or (4) accredited by another accreditation authority approved by MBP and been licensed or otherwise authorized to practice medicine in a foreign country for at least 3 years with a medical license in good standing;
- have practiced medicine in a foreign country (1) for at least 3 out of the 10 years immediately preceding the application for a limited license after completion of a

post-graduate internship or residency or (2) for a period of time determined by MBP on a case-by-case basis;

- have been in good standing with the medical licensing or regulatory authority of the foreign country at the time of departure or, when reasonable efforts to show good standing have been unsuccessful, be approved by MBP on a case-by-case basis;
- have no pending disciplinary matters before any licensing or regulatory body;
- have a valid certificate issued by ECFMG;
- be of good moral character;
- either (1) have achieved a passing score on Steps 1, 2, and 3 of the U.S. Medical Licensing Examination (USMLE) and submit evidence of passing Part 1 of the State standard of care assessment or (2) have an offer of employment from a facility approved by MBP, as specified, and submit a statement to MBP that the applicant agrees to enter a full-time employment relationship with the facility and practice medicine solely at facilities operated by the facility as authorized by the limited license for its duration; and
- satisfy any other criteria established by MBP for the issuance of a limited license.

If the applicant has an offer of employment from a facility, the facility must (1) evaluate the physician's nonclinical skills and familiarity with standards appropriate for medical practice in the State; (2) provide direct clinical oversight for an initial period followed by progressive autonomy based on demonstrated competence; (3) conduct regular case reviews, chart audits, and direct observation; (4) submit biannual competency evaluations to MBP; (5) provide structured support to acclimate the internationally-trained physician to U.S. medical legal standards, documentation practices, quality metrics, and patient communication norms; and (6) immediately report any competence or professionalism concerns to MBP.

A limited license holder who achieved a passing score on Steps 1, 2, and 3 of the USMLE and submitted evidence of passing Part 1 of the State standard of care assessment (1) may not engage in solo practice (private, independent practice in which a physician operates without partners or employment affiliations with other organizations); (2) must practice in affiliation with a "community sponsor" approved by MBP that has agreed to specified supervision requirements; and (3) may not supervise physician assistants, residents, or medical students.

A community sponsor may include an FQHC, rural health clinic, community health center, a group practice with at least two licensed physicians in good standing with MBP, a local health department, and a nonprofit clinic serving underserved populations. The community sponsor must:

- submit a supervision and integration plan approved by MBP demonstrating capacity to provide (1) structured clinical oversight, (2) access to electronic health records and quality assurance systems, (3) training on U.S. standards of care, risk management, and regulatory compliance, and (4) opportunities for skill development and peer review;
- provide direct clinical oversight for an initial period followed by progressive autonomy based on demonstrated competence;
- conduct regular case reviews, chart audits, and direct observation;
- submit biannual competency evaluations to MBP;
- provide structured support to acclimate the internationally trained physician to U.S. medical legal standards, documentation practices, quality metrics, and patient communication norms; and
- immediately report any competence or professionalism concerns to MBP.

MBP may determine an applicant ineligible for limited licensure if the applicant (1) had a previous disciplinary action, (2) had discipline or competency issues during postgraduate training, or (3) does not submit acceptable evidence that the applicant meets the requirements for a limited license.

MBP may revoke a limited license if the licensee (1) practices outside the scope of the limited license; (2) has their employment terminated; (3) practices medicine outside the State, unless licensed by the other state; (4) has been the subject of a disciplinary action by the health care facility or MBP; or (5) is no longer eligible for the limited license.

Limited license provisions do not apply to a physician who (1) has completed a residency accredited by ACGME, AOA, or the Royal College of Physicians and Surgeons in Canada, or (2) previously resided in or held a medical license from the United States, its territories, or Canada.

Full Licensure

There are two potential pathways to full licensure, contingent on whether the limited license holder (1) achieved a passing score on Steps 1, 2, and 3 of the USMLE and submitted evidence of passing Part 1 of the State standard of care assessment or (2) had an offer of employment from a facility approved by MBP.

A limited license holder who completed path 1 must submit to MBP (1) endorsements by two physicians licensed in the State, at least one of whom is not in practice with the limited license holder and (2) evidence of having passed Part 2 of the State standard of care assessment.

A limited license holder who completed path 2 must submit to MBP: (1) successful completion of the facility's evaluation, with an attestation from the facility's chief medical officer (or physician in an equivalent position) that the limited license holder is competent to practice independently; and (2) achievement of a passing score on Step 3 of the USMLE or having passed Parts 1 and 2 of the State standard of care assessment.

Regulations and Oversight

MBP may (1) adopt regulations necessary for the implementation, administration, and enforcement of the limited licensure program; (2) conduct site visits or audits of community sponsors; and (3) require remediation or modify supervision required under the bill if deficiencies are identified.

Reporting and Implementation Requirements

By December 1, 2027, MBP must report to the Senate Finance Committee and House Health Committee on (1) the status of MBP's preparations to begin accepting limited license applications; and (2) if MBP cannot meet the January 1, 2028 deadline to begin accepting applications, the reason it cannot comply and projected date it will begin accepting applications.

The bill states that it is the intent of the General Assembly that, by July 1, 2027, the Johns Hopkins University School of Medicine, the University of Maryland School of Medicine, and the Meritus School of Osteopathic Medicine, in collaboration with other facilities, must (1) develop the State standard of care assessment for review by MBP and to be administered by the facilities, including a method for examiners to notify MBP if a candidate's exam performance indicates that the candidate is practicing in a manner that may put patients at risk or should otherwise prompt an investigation by MBP; and (2) establish an entity to serve as the examiner for the State standard of care assessment.

MBP must consult with MedChi on the development of policies and regulations implementing the new licensure pathway.

Physicians Licensed by and Residing in Other Jurisdictions

The bill specifies that a physician licensed by and residing in another jurisdiction may practice medicine in Maryland without a license if engaged in clinical training or participating in training of a skill or procedure in a hospital if the physician has no history of medical disciplinary action in any other state, territory, nation, or any branch of the uniformed services or the U.S. Department of Veterans Affairs (VA), *unless the disciplinary action has been satisfied and MBP considers that the behavior has been sufficiently corrected.*

Current Law: Pursuant to § 14-307 of the Health Occupations Article, to qualify for a license as a physician, an applicant must be at least age 18, of good moral character, meet specified education requirements, pass an examination, submit to a criminal history records check, and meet any other requirements MBP establishes through regulations.

An applicant must (1) have a doctoral degree of medicine that is accredited by an MBP-recognized organization and submit acceptable evidence to MBP of successful completion of one year of training in a postgraduate medical training program that is accredited by an MBP-recognized organization or (2) have a doctoral degree of osteopathy from a school of osteopathy in the United States, its territories or possessions, Puerto Rico, or Canada that has standards for graduation equivalent to those established by the AOA and submit acceptable evidence to MBP of successful completion of one year of training in a postgraduate medical training program that is accredited by an MBP-recognized organization.

However, under current law, an applicant for a physician license is exempt from the above specified educational requirements if the applicant:

- has studied medicine at a foreign medical school;
- is certified by ECFMG or its successor as approved by MBP;
- passes a qualifying examination for foreign medical school graduates required by MBP;
- meets any other qualifications for foreign medical school graduates that MBP establishes in its regulation for licensing of applicants;
- submits acceptable evidence to MBP of any requirements established in regulation; and
- meets at least one of the following requirements: (1) the applicant graduated from any foreign medical school and submits acceptable evidence to MBP of successful completion of two years of training in a postgraduate medical education program accredited by an MBP-recognized organization or (2) the applicant successfully completed a fifth pathway program and submits specified evidence to MBP.

A physician licensed by and residing in another jurisdiction may practice medicine without a license if the physician:

- is engaged in consultation with a physician licensed in the State about a particular patient and does not direct patient care;
- is designated as a team physician for a team that travels to the State for a sporting event and has an active, unrestricted license to practice medicine in the jurisdiction where the physician regularly engages in the practice of medicine;

- is engaged in clinical training or participates in training or teaching of a skill or procedure in a hospital over a limited period if (1) the skill or procedure is generally advanced, could not be conveniently taught, and is likely to benefit Maryland patients; (2) a licensed physician who practices at a hospital in the State will be responsible for the medical care provided by the visiting physician; (3) the visiting physician has no history of any medical disciplinary action in any other state, territory, nation, or branch of the uniformed services or the VA, and has no significant detrimental malpractice history; and (4) the patients and physician meet certain malpractice insurance requirements;
- is employed by the federal government while practicing within the scope of employment;
- prescribes home health services to a patient who resides in the State and resides in and is authorized to practice medicine by an adjoining state; or
- practices under supervision of a licensed physician.

State Fiscal Effect: MBP advises that it requires significant additional resources to implement the new licensing authority under the bill. Specifically, MBP would require two new licensure analysts to perform the full range of licensure services for additional applicants. The board advises that in Illinois (which created a pathway to licensure for internationally trained physicians in late 2025), the medical board received 100 applications for internationally trained physicians. In addition to handling the larger number of applications, licensure analysts would need to verify that an international postgraduate training program is substantially similar to one in the United States. MBP also advises that it would need to enter into contracts for several new contractual services, as discussed below.

Prior to beginning to issue the new licenses, in fiscal 2028, MBP advises it would incur approximately \$125,000 in one-time software update expenses to incorporate the new license into the existing licensing system (\$50,000) and web-based practitioner profile platform (\$75,000). Additionally, MBP requires a \$250,000 contract (beginning July 2027 and until licenses are issued in January 2028) to approve the standard of care exam and its examiners.

Once licenses begin to be issued in January 2028, MBP advises it would require several annual contracts at an estimated annual cost of up to \$1.1 million, including:

- \$150,000 to evaluate the equivalency of medical education and training programs;
- \$100,000 to obtain background checks from international sources for each licensee;
- \$200,000 for translation services to translate documentation provided by applicants that is not in English;

- \$200,000 for international legal consultant services to examine any disciplinary or legal matters related to an applicant that require investigation; and
- \$450,000 to evaluate the competency of physicians licensed under this pathway (assuming approximately 30 physicians are licensed under this pathway each year).

To the extent these services are not needed, or can be obtained for less, special fund expenditures are reduced.

Thus, MBP special fund expenditures increase by as much as \$1.1 million in fiscal 2028. This estimate reflects the cost of hiring two licensure analysts beginning July 1, 2027. It includes salaries, fringe benefits, one-time contractual costs to approve the standard of care exam, one-time software updates, ongoing contractual services (which begin January 1, 2028, and thus reflect six months of costs), and other operating expenses.

Positions	2.0
Salaries and Fringe Benefits	\$158,521
One-time Contractual Costs	250,000
One-time Software Updates	125,000
Ongoing Contractual Services	550,000
Other Operating Expenses	<u>19,725</u>
Total FY 2028 State Expenditures	\$1,103,246

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

The Budget Reconciliation and Financing Act of 2026, as passed by the General Assembly, authorizes \$2.0 million from the fund balance of the State Board of Physicians Fund to be used to support to programs in the Maryland Department of Health’s Office of Population Health Improvement for fiscal 2027 only. MBP advises that this would reduce the funds available for implementation of the bill.

Special fund revenues increase by an indeterminate amount beginning in fiscal 2028 from new licensure fees. The amount of such revenues depends on the fee set by MBP and the number of applicants for the new limited license and cannot be reliably estimated.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1199 of 2025.

Designated Cross File: SB 380 (Senator Lewis Young) - Finance.

Information Source(s): Maryland Department of Health; Department of Legislative Services

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