

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 380 (Senator Lewis Young)
 Finance

Physicians - Licensing - Internationally Trained Physicians

This bill authorizes the Maryland Board of Physicians (MBP), beginning October 1, 2028, to issue a license to practice medicine to a physician licensed in a country other than the United States, its territories or possessions, Puerto Rico, or Canada who meets specified requirements. The term of the license may not exceed three years, and the license may not be renewed. MBP may determine an applicant ineligible for licensure if the applicant had (1) a previous disciplinary action, or (2) discipline or competency issues during postgraduate training. MBP may revoke a license if the licensee (1) practices outside the scope of the license, (2) has their employment terminated, (3) has been the subject of a disciplinary action, or (4) is no longer eligible for the license. MBP must adopt regulations for implementation, administration, and enforcement, including minimum qualifications and application fees, conditions applicable to a licensee, and a pathway to full licensure.

Fiscal Summary

State Effect: MBP special fund expenditures increase by \$28,400 in FY 2027 for additional staff beginning April 1, 2027. Future years reflect annualization, ongoing staff, and contractual services, as discussed below. MBP special fund revenues increase by an indeterminate amount from application fees beginning in FY 2029.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$0	\$0	-	-	-
SF Expenditure	\$28,400	\$207,100	\$735,900	\$739,900	\$743,800
Net Effect	(\$28,400)	(\$207,100)	(\$-)	(\$-)	(\$-)

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: An applicant must submit evidence to MBP that the applicant:

- has received a degree of Doctor of Medicine or its equivalent from a legally chartered medical school outside of the United States, its territories or possessions, Puerto Rico, or Canada that is recognized by the World Health Organization;
- has completed at least two years of postgraduate training in the country in which the applicant is licensed that is equivalent to a postgraduate residency program accredited by the Accreditation Council for Graduate Medical Education;
- has been licensed or otherwise authorized to practice medicine in a country other than the United States, its territories or possessions, Puerto Rico, or Canada, and has practiced medicine for at least five of the last seven years;
- is in good standing with the medical licensing or regulatory authority in their country of practice, with which MBP, the Federation of State Medical Boards, or another nationally recognized medical standards oversight entity can verify the physician's discipline and criminal background history;
- has no pending disciplinary matters before any licensing or regulatory body;
- has a valid certificate issued by the Educational Commission for Foreign Medical Graduates;
- has achieved a passing score on steps 1, 2 (clinical knowledge), and 3 of the U.S. Medical Licensing Examination;
- is domiciled in the State;
- demonstrates oral and written competency in English;
- is of good moral character; and
- has satisfied any other criteria established by MBP for the issuance of a license to an international licensee.

An applicant must also meet other requirements for licensure under MBP, as dictated in §§ 14-309 and 14-313 of the Health Occupations Article, which include (1) completing a criminal history records check (CHRC), (2) submitting an application to MBP, and (3) paying the application fee.

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 CHRC, 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 American Osteopathic Association 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 the Educational Commission for Foreign Medical Graduates 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.

State Fiscal Effect: MBP advises that it requires significant additional resources to implement the new licensing authority under the bill. Specifically, MBP would require one new licensure analyst (to begin by April 1, 2027) 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 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).

Once licenses begin to be issued in October 2028 (fiscal 2029), MBP would require several annual contracts at an estimated annual cost of up to \$650,000, including: (1) \$150,000 to evaluate the equivalency of medical education and training programs; (2) \$100,000 to obtain background checks from international sources for each licensee; (3) \$200,000 for translation services to translate documentation provided by applicants that is not in English; and (4) \$200,000 for international legal consultant services to examine any disciplinary or legal matters related to an applicant that require investigation. 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 \$28,422 in fiscal 2027. This estimate reflects the cost of hiring one MBP licensure analyst effective April 1, 2027. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
Position	1.0	-	-
Salary and Fringe Benefits	\$20,670	\$79,260	\$83,117
Contractual Services	0	125,000	650,000
Other Operating Expenses	<u>7,752</u>	<u>2,805</u>	<u>2,832</u>
Total State Expenditures	\$28,422	\$207,065	\$735,949

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses. In fiscal 2028, special fund expenditures increase to \$207,065 for ongoing staff and \$125,000 in one-time only contractual expenses to update the licensure system and web-based practitioner profile. Beginning in fiscal 2029, expenditures increase to as much as \$735,949 for ongoing staff and up to \$650,000 in contractual services, as discussed above.

Under the Budget Reconciliation and Financing Act of 2026, \$2.0 million of the State Board of Physicians Fund balance may be used to support to programs in the Maryland Department of Health’s Office of Population Health Improvement. 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 2029 from licensure fees. The amount of such revenues depends on the fee set by MBP and the number of applicants for the new license and cannot be reliably estimated at this time.

Additional Comments: MBP conducted a workgroup and issued a report on the licensing of internationally trained physicians in 2024. In its report, the workgroup recommended legislation with a delayed implementation date (at least October 1, 2027) so that further recommendations can be made.

Additional Information

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

Designated Cross File: HB 598 (Delegate Hill, *et al.*) - Health.

Information Source(s): Department of Legislative Services

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sj/jc

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