

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 489
 Finance

(Senator Lam, *et al.*)

Health

Health Occupations - Physicians Trained in Foreign Countries - Exemption
 From Educational Requirements and Limited License

This bill alters the exemption from certain educational requirements for a license to practice medicine for applicants who have studied at an international medical school. Beginning October 1, 2028, the Maryland Board of Physicians (MBP) may issue a limited license to practice medicine to a physician trained and licensed in a foreign country who meets specified requirements. A limited license authorizes the license holder to practice medicine only (1) while employed full-time by a “health care facility” and (2) in the employing health care facility or a facility operated by the employing health care facility. The term of a limited license may not exceed three years. A limited license may not be renewed. The bill also establishes reasons MBP may determine an applicant ineligible for a limited license or revoke a limited license. Uncodified language requires MBP to consult with MedChi on the development of policies and regulations to implement the bill.

Fiscal Summary

State Effect: MBP special fund expenditures increase by \$68,600 in FY 2028 for staff. Future years reflect annualization and ongoing costs. MBP special fund revenues increase, likely minimally, beginning in FY 2029 to the extent MBP sets a limited license fee.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$0	\$0	-	-	-
SF Expenditure	\$0	\$68,600	\$85,900	\$89,900	\$93,800
Net Effect	\$0	(\$68,600)	(\$85,900)	(\$89,900)	(\$93,800)

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law/Bill Summary:

Exemptions to Educational Requirements

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 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.

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 (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.

Under current law, a “fifth pathway program” means a program MBP approves in regulations for a student who (1) has studied medicine at an international medical school; (2) was a U.S. citizen when the student enrolled in the international medical school; and (3) has completed all of the formal requirements for graduation from the international medical school, except any social service or postgraduate requirements.

The bill repeals the option to complete and submit evidence of completing a fifth pathway program as a qualification for exemption from educational requirements for physician licensure. Instead, an applicant is exempt from educational requirements for physician licensure if the applicant meets the requirements noted above and, rather than meeting one of two specified requirements (including successful completion of a fifth pathway program), graduated from any international medical school and submits acceptable evidence to MBP of successful completion of two years of postgraduate training in an accredited training program.

Limited Licensure

Under the bill, beginning October 1, 2028, MBP may issue a limited license to practice medicine to a physician trained and licensed in a foreign country who meets specified requirements. To be eligible for a limited license, an applicant must:

- be of good moral character;
- have received a degree of Doctor of Medicine or its equivalent from a medical school located outside the United States with recognized accreditation status from ECFMG;
- have completed at least two 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, or (3) accredited by another accreditation authority approved by MBP;
- have been in good standing with the medical licensing or regulatory authority in the foreign country at the time of the applicant’s departure, or if reasonable attempts to obtain licensure status have been unsuccessful, be approved by MBP on an individual basis;
- have no pending disciplinary matters before a licensing or regulatory body;
- have an offer of employment with a participating “health care facility” (defined as a local health department, school of medicine, federally qualified health center, health system, hospital, hospital-based facility, or freestanding emergency facility) that will evaluate the applicant’s nonclinical skills and familiarity with standards appropriate for medical practice in the State; and
- satisfy any other requirements established by MBP in regulation, including prior practice experience.

MBP may determine an applicant ineligible for a limited license if the applicant (1) was subject to disciplinary action; (2) had discipline or competency problems during postgraduate training; or (3) fails to submit evidence acceptable to MBP that the applicant meets the requirements for a limited license.

To apply for a limited license, an applicant must submit an application to MBP and pay the application fee set by MBP.

MBP may revoke a limited license if the licensee (1) practices outside the scope of the limited license; (2) is no longer employed by the health care facility; (3) practices medicine outside the State without being legally authorized to practice in the other jurisdiction; (4) has been subject to 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 the Accreditation Council for Graduate Medical Education, the American Osteopathic Association, or the Royal College of Physicians and Surgeons in Canada, or (2) previously held a medical license issued in the United States or Canada.

State Fiscal Effect: MBP advises that, while health care facilities will likely assist the board in vetting applicants, the board requires a licensure analyst to review applicants' credentials and process applications. Although limited licenses will not be issued until October 1, 2028, the bill requires MBP to work with MedChi on regulations and the new license type would require additional training for staff.

Thus, MDH special fund expenditures increase by \$68,645 in fiscal 2028. This estimate reflects the cost of hiring one licensure analyst effective October 1, 2027 (one year prior to issuance of limited licenses) to consult with MedChi on the development of policies and regulations, promulgate limited licensure regulations, assist with related training, and review and process applications for limited licensure. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$59,484
Operating Expenses	<u>9,161</u>
Total FY 2028 State Expenditures	\$68,645

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

To the extent MBP sets a license fee for a limited license, MBP special fund revenues increase, likely minimally, beginning in fiscal 2029. The amount of such revenues will depend on the fee set and the number of limited license applications received, which cannot be reliably estimated at this time.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

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