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Health and Government
Operations Committee

Subcommittees

Government Operations
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Insurance and Pharmaceuticals



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THE MARYLAND HOUSE OF DELEGATES
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**HB 716 – Managed Care Organizations – Acknowledgment of Responsibility for Payment of a
Retroactive Denial – Repeal of Applicability**

Testimony of Delegate Pam Guzzone

February 28, 2023

Good afternoon Madam Chair and members of the Health and Government Operations Committee. I'm Delegate Pam Guzzone representing Howard County's District 13 and I am here in support of House Bill 716.

This bill will alter the information a Managed Care Organization – or MCO – must provide in writing to a health care provider when the MCO is retroactively denying reimbursement as a result of coordination of benefits.

Retroactive denial of reimbursement as a result of coordination of benefits occurs when another payer has been identified as providing coverage to the member. MCOs, which are carriers for Medicaid recipients, are by definition the payer of last resort, and should not be held responsible for paying a claim that should be paid by a private payer.

Currently, as part of the retroactive denial of care process, it is only when the private payer *acknowledges* the claim obligation that the MCO can recoup its costs on coordination of benefits grounds. This is a high bar; a bar that the Department of Health has confirmed with CMS goes beyond the requirements of federal regulation (See Department of Health letter in the bill package).

This bill makes clear that an MCO need only provide a written statement to the provider with the name and address of the entity identified by the MCO as responsible for the payment of a claim being retroactively denied.

Again, MCO/Medicaid is the payer of last resort and therefore should not be responsible for paying claims when there is a commercial payer that should be.

This change will prevent state dollars from erroneously being spent on claims that should be covered by private carriers and reduce inappropriate spending of the State's Medicaid funds.

I respectfully request a favorable report on HB 716.