



MID-ATLANTIC ASSOCIATION OF
COMMUNITY HEALTH CENTERS

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TO: The Honorable Joseline A. Pena-Melnyk, Chair
Members, House Health and Government Operations Committee
The Honorable Pam Guzzone

FROM: Danna L. Kauffman
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DATE: February 28, 2023

RE: **SUPPORT WITH AMENDMENT** – House Bill 716 – *Managed Care Organizations – Acknowledgement of Responsibility for Payment of a Retroactive Denial – Repeal of Applicability*

On behalf of the Maryland State Medical Society, the Maryland Chapter of the American Academy of Pediatrics, and the Mid-Atlantic Association of Community Health Centers, we **support with amendment** House Bill 716.

Under Maryland law, a carrier, including a managed care organization (MCO), may retroactively deny reimbursement to a health care provider, meaning that the carrier can require the provider to pay back any payments already made for health care services rendered. If the retroactivity involves a coordination of benefits with another carrier, the Medicaid Program or the Medicare Program, the denial can occur up to eighteen months. Otherwise, the time period is 6-months. A carrier that retroactively denies reimbursement to a health care provider must provide the health care provider with a written statement specifying the basis for the retroactive denial. If the retroactive denial of reimbursement results from coordination of benefits, the written statement must provide the name and address of the entity acknowledging responsibility for payment of the denied claim.

For MCOs, House Bill 716 would remove the requirement that the MCO must provide the name and address of the entity acknowledging responsibility for payment of the denied claim. For commercial carriers this requirement remains. The above-referenced health care organizations are concerned that this would make it harder for the physicians and providers to receive payment. Trying to manage a practice when a carrier can retroactively deny a claim that has already been paid up to eighteen months after payment is already very difficult. To no longer require that the MCO provide information to the health care practice on the entity acknowledging responsibility for payment of the denied claim shifts the burden to the health care practice and will make it even more difficult if not impossible for the practice to receive any payment for the care that has already been rendered. Therefore, we request that the language be amended to require that the notice which still has to be provided gives the name and address of the party the MCO has determined to be responsible, which still removes the burden from them on having to receive a statement “acknowledging responsibility.” With this change, we support.