

Testimony in SUPPORT of HB 1337

Health Insurance - Appeals and Grievances Process-Reporting Requirements and
Establishment of Workgroup

Senate Finance Committee | March 25, 2024

FAVORABLE

Dear Honorable Chair Beidle, Vice Chair Klausmeier, and Members of the Committee -

I am writing today because for too many years I have been concerned about how hard private health insurance companies are making it to get reimbursed for claims, leaving people with unplanned medical bills. It puts even more work on healthcare providers, the heroes we already ask so much of day-in and day-out, and creates even more stress for patients by asking them to manage appeals on their own, of which many of us do not have the time or resources to navigate independently.

The number of unjustified claim and care denials continues to grow each year. Here in Maryland alone we saw a 12.5% increase in adverse decisions in FY2022. In that same period we saw that only 11% of policyholders filed a grievance, but 54% of those adverse decisions were overturned or modified. That led to patients recovering over \$1.7 million dollars through the appeals and grievances process, savings that are critical to working-class families struggling to survive. If that is the pattern of behavior in such a small sample of decisions, what is happening in the other 90%?! I know that if I were to receive a performance review at work and in the first 10% of my deliverables more than half of the data was wrong, I'd find myself under much more stringent review and having to provide more transparency into what I am doing.

As consumers of these insurance products, we deserve better. And to help advocate for consumers, the agencies and resources our state has created to protect us, like the Maryland Insurance Administration and the Health Education and Advocacy Unit of the Office of the Attorney General, need more transparency from these companies to ensure their practices and behaviors are legal, acting in the best interest of the people. While the state has visibility into some of these performance indicators, even basic sets of data like the total number of people covered under a policy are not reported making it difficult to understand the full picture of what coverage decisions private insurance companies are making relative to all of their policyholders.

Passing this bill will help to increase transparency that will aid regulators, policyholders, and anyone trying to choose a health insurance plan. For what we are paying, we all deserve better.

Please Support HB 1337 and encourage your Senate colleagues to do the same.

Sincerely,

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