Testimony in SUPPORT of HB 1337

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

House Health and Government Operations Committee

March 5, 2024

Dear Honorable Chair Peña-Melnyk, Vice Chair Cullison, 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.

That is just one example of the most basic data points we need to know, and as daily we continue to hear about the development and implementation of automated processes including decision-making models utilizing artificial intelligence, it is of the utmost criticality that we work together to better understand the business practices of insurance carriers and how they will continue to change in an ever-evolving technological landscape. Ethical principles must be centered in the development of these technologies to build systems based on trust, and working collaboratively to understand them will ensure the best solution for everyone in the state.

Private insurance companies should aim to operate at the highest standards in interest of we the people - the patients and their policyholders - to ensure we are receiving the critical care we need to live healthy and happy lives, not creating more and more barriers by increasingly denying claims and leaving us with more stress like navigating the claims appeal process or carrying the burden of medical debt. If you pass this legislation, our state can be a leader in advocating for the people and modeling the ways private insurance companies collaboratively could work *with* our state agencies and policyholders, not against them at the bare minimum of effort. For what we are paying, we all deserve better.

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

Sincerely,

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