TESTIMONY ON HB1337

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

Health and Government Operations Committee

FAVORABLE
March 5, 2024

Honorable Chair Peña-Melnyk, Vice Chair Cullison, and Members of the Committee,

A friend, a young man in his 40s, nearly died a couple of years ago when his insurance company refused to preauthorize the life-saving medicine that his doctor ordered. While his doctor worked the phones, haggling with the insurance company, his friends desperately set up a Go Fund Me account. Fortunately, the medicine was eventually approved, and my friend is alive and doing well.

We know that thousands of Marylanders do not have health coverage, and many more have "coverage" they are not able to use because of high insurance deductibles or coinsurance.

This bill addresses a slightly different barrier to care: Insurance company claim and care denials, and delays. Insurance companies justify these denials on the basis that they are not "medically necessary"–essentially second guessing the prescribing physician–or that they are not covered by the insurance policy.

The denials are often unjustified. A large percentage are overturned when contested (appealed or grieved), but only a small percentage are actually contested. If not contested, unjustified claim denials become a windfall for the insurance companies, and an additional expense for patients who already pay premiums and other out-of-pocket costs. Worst case, they contribute to the problem of medical debt, and deprive some patients of needed care.

HB1337 would create greater transparency around insurance claims, claim denials, and the appeals and grievance process, which is much needed. I urge you to pass this bill.

Sincerely,
Jackie MacMillan