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**Date:** **March 19, 2025**

**Bill # / Title:** **House Bill 995 - Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment**

**Committee:** **Senate Finance Committee**

**Position:** **Support**

The Maryland Insurance Administration (MIA) appreciates the opportunity to share its support for House Bill 995.

House Bill 995 establishes a workgroup to study the rise in adverse decisions in the State Health Care System. The bill requires the workgroup to review existing State adverse decision reporting requirements for all health payers in the State and make recommendations to improve State reporting on adverse decisions. The workgroup is to be staffed by the Health Services Cost Review Commission (HSCRC) and the MIA. The Maryland Insurance Commissioner or her designee will serve as a member, along with key representatives of the legislature, stakeholder groups representing the industry, and various agencies in state government. The workgroup is required to report its findings and recommendations on or before December 1, 2025.

The introduction of House Bill 995 comes at a critical time for the insurance market in Maryland. Adverse decisions in the fully insured market have more than doubled since 2015, while our fully insured market has shrunk. While adverse decisions as a percentage of covered lives were about 4.6% in 2015, they have since grown to encompass 12.7% of the fully insured market in 2023, with some service categories seeing growth rates in the triple digits.

The workgroup established under HB 995 will examine reporting requirements and trends in adverse decisions across payers (not just the fully insured market) and by service, and make recommendations to the General Assembly on ways to improve reporting on adverse decisions as well as standardizing State reporting requirements. The MIA believes this work will help stakeholders and policymakers gain insight into the factors driving the increases in adverse decisions, and formulate effective responses.

For these reasons, the MIA recommends a favorable committee report on House Bill 995.