



To: The Honorable Pam Beidle, Chair
Senate Finance Committee

From: Scott Klein, MD, MHSA
CEO, Mt. Washington Pediatric Hospital

Date: March 26, 2025

Re: HB1301: Maryland Medical Assistance Program, Maryland Children's Health Program,
and Health Insurance – Transfers to Special Pediatric Hospitals – Prior Authorizations

My name is Scott Klein, CEO of Mt. Washington Pediatric Hospital. I am writing to request a
FAVORABLE report on **HB1301**.

Mt Washington is a unique hospital – a specialty children's hospital. We help transition children from the ICU to home through intensive rehabilitation and parent training in a lower cost environment. The patients we serve have medical and social complexity. 75% are on Medicaid and impacted by social determinants of health. We regularly admit patients needing complex discharge planning. Better to tackle complex discharges in a lower cost environment than the ICU.

We are co-owned by the University of Maryland Medical System and Johns Hopkins Medicine. We partner with pediatric providers throughout Maryland to ensure children receive the right care, in the right place, at the right time. A properly functioning system of care ensures that we provide valuable healthcare in the most cost-effective way.

Maryland's system of care encourages movement of patients expeditiously from high cost to lower cost environments and any delays add waste to the system. The prior authorization process to transfer patients to MWPH is an example where waste is added to the system. As we have seen during Covid, RSV and with the past year's work with some payers, waiving prior authorization allows for more rapid movement of patients to the right environment with no downside. The patient does not benefit from prior authorization nor does the provider. Since we have had no retroactive denials from any of the payers participating, it would appear the prior authorization process does not benefit the payers either.

What the prior authorization process does do is delay transfer. Arranging a bed, coordinating ambulance transportation, and ensuring parents can be available for transport requires knowing when authorization will be in place. This often means scheduling 2-3 days ahead in hopes authorization will go through. For the payers where prior authorization is not required, the teams can arrange transfer as soon as the patient is ready. Any days lost are wasted for the patient and the system. For 450+ admissions, that is a lot of waste for something that doesn't seem to provide value for anyone. Given the difficulty with hospital throughput and emergency room delays, this is an opportunity to ensure an acute pediatric bed is available for those who desperately need one.

The House of Delegates amended HB1301 to clarify that the bill only applies to pediatric hospitals located in the State of Maryland. We support this amendment. The Maryland Department of Health does as well, as you can see in their favorable with amendments testimony submitted to the House on March 15, which is attached.

As a pediatrician who has worked with medically fragile children my entire career, I know the value of our patients reaching us as quickly as possible to take the next steps in their journey home.

For these reasons I respectfully request a favorable report on HB1301.



Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

March 15, 2025

The Honorable Joseline Peña-Melnyk
Chair, House Health and Government Operations Committee
241 House Office Building
Annapolis, MD 21401-1991

RE: House Bill (HB) 1301 - Maryland Medical Assistance Program, Maryland Children's Health Program, and Health Insurance – Transfers to Special Pediatric Hospitals – Prior Authorizations - Letter of Support with Amendments

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of support with amendments for House Bill (HB) 1301 - *Maryland Medical Assistance Program, Maryland Children's Health Program, and Health Insurance – Transfers to Special Pediatric Hospitals – Prior Authorizations*. HB 1301 prohibits Maryland Medicaid and its Managed Care Organizations (MCOs) from prior authorizations of transfers to special pediatric hospitals.

As of January 2025, at least six of the nine MCOs have stopped requiring prior authorizations for transfers to Mount Washington Pediatric Hospital, the predominant specialty pediatric hospital impacted by this legislation. The six MCOs that waive prior authorization continue to apply concurrent review and other utilization management to ensure that the care provided after transfer is medically appropriate. The concurrent review process starts from the date of admission. When a similar policy that suspended prior authorization for hospital transfers was in place during the COVID-19 Public Health Emergency (PHE), notification by the receiving facility to the MCO was required within 72 hours of admission.

As written, this legislation would prohibit prior authorization of *all* transfers to specialty pediatric hospitals, including to those located out of state, which is expected to result in a significant fiscal impact. To eliminate the projected fiscal impact of this bill, the Department respectfully requests an amendment to make the provisions applicable only to specialty pediatric hospitals located within Maryland. If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at sarah.case-herron@maryland.gov.

Sincerely,

Ryan Moran, DrPH, MHSA
Acting Secretary

In the House Health and Government Operations
Committee:

AMENDMENTS TO HOUSE BILL 1301

(First Reading File Bill)

On page 3, in line 13, after "HOSPITAL" insert "WITHIN THE STATE OF MARYLAND". On

page 3, in line 27, after "HOSPITAL" insert "WITHIN THE STATE OF MARYLAND".