

## **FAV - SB776 - MDOA Workgroup on Adverse Decisions.**

Uploaded by: Carmel Roques

Position: FAV



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

Date: February 26, 2025

Bill Number: **SB776**

Bill Title: Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment

Committee: Senate Finance

**MDOA Position: FAVORABLE**

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The Department of Aging (MDOA) respectfully submits this favorable testimony on Senate Bill (SB) 776 -Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment.

The Maryland Department of Aging (MDOA) serves as Maryland's State Unit of Aging, administering federal funding for core programs, overseeing the Area Agency on Aging (AAA) network at the local level that provides services, and planning for Maryland's older adult population. MDOA through multiple programs help older adults understand and best take advantage of Medicare and other insurance options. The State Health Insurance Program (SHIP) helps Marylanders compare different Medicare plans, understand coverage and costs of complex options like Medicare Part D (prescription drug coverage) and Medicare Advantage. As needed, SHIP staff assist in navigating lengthy appeals processes. MDOA agrees that adverse decisions occur at concerning rates. Given most Medicare Advantage plans require prior authorization for coverage of some services, SHIP frequently helps beneficiaries appeal denials for care they believe to be medically necessary. In 2023, Medicare Advantage insurers either fully or partially denied 3.2 million prior authorization requests nationally.<sup>1</sup> Only 11.7% of these denials were appealed. Nearly 82% of these appeals resulted in the denial being partially or fully overturned.

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<sup>1</sup> KFF, "Medicare Advantage Insurers Made Nearly 50 Million Prior Authorization Determinations in 2023," available at: <https://www.kff.org/medicare/issue-brief/nearly-50-million-prior-authorization-requests-were-sent-to-medicare-advantage-insurers-in-2023/>



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

This highlights an unnecessarily time-consuming and complicated process that can delay diagnosis and/or treatment and at best, force older adults to endure a long appeal process to get their claim ultimately covered. Rising adverse health insurance decisions pose a significant barrier to making our state Longevity-Ready for more older Marylanders in the future. Maintaining comprehensive health insurance coverage is a critical component of being able to afford a healthy longer life.

MDOA is thus supportive of SB776, which will provide the state a clear new set of data to study this alarming trend of adverse decisions more closely. MDOA thanks the Committee chair for this bill and appreciates the collaboration of well-positioned partners at the Maryland Insurance Administration, Health Services Cost Review Commission and the Maryland Hospital Association. For these reasons MDOA urges a favorable report for SB766.

If you have any questions, please contact Andrea Nunez, Legislative Director, at [andrea.nunez@maryland.gov](mailto:andrea.nunez@maryland.gov) or (443) 414-8183.

Sincerely,

Carmel Roques  
Secretary  
Maryland Department of Aging

# **SB0776\_Workgroup\_to\_Study\_the\_Rise\_in\_Adverse\_Deci**

Uploaded by: Cecilia Plante

Position: FAV



**TESTIMONY FOR SB0776**  
**Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment**

**Bill Sponsor:** Senator Beidle

**Committee:** Finance

**Organization Submitting:** Maryland Legislative Coalition

**Person Submitting:** Cecilia Plante, co-chair

**Position:** FAVORABLE

I am submitting this testimony in strong support of SB0776 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

This bill, if enacted, would create a workgroup to review the adverse decisions made by insurance carriers in the state and make recommendations on –

- Medical service categories
- Health settings
- Adverse decisions
- Medical necessity

They will also determine a standardized method for categorizing the decisions and reporting grievances. Finally, they will make recommendations on how to reduce the number of adverse decisions, including suggesting legislation that would address the rise in such decisions.

As residents of Maryland, anything that can be done to make health insurance companies more focused on the health of Marylanders and more of a partnership instead of a money-making enterprise is more than welcome.

We strongly support this bill and recommend a **FAVORABLE** report in committee.

# **SB776 Workgroup Adverse Decisions LOS Final.pdf**

Uploaded by: Irnise Williams

Position: FAV



**CAROLYN A. QUATTROCKI**  
*Chief Deputy Attorney General*

**LEONARD J. HOWIE III**  
*Deputy Attorney General*

**CARRIE J. WILLIAMS**  
*Deputy Attorney General*

**ZENITA WICKHAM HURLEY**  
*Chief, Equity, Policy, and Engagement*

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**  
**HEALTH EDUCATION AND ADVOCACY UNIT**

**ANTHONY G. BROWN**  
*Attorney General*

**WILLIAM D. GRUHN**  
*Division Chief*

**PETER V. BERNIS**  
*General Counsel*

**CHRISTIAN E. BARRERA**  
*Chief Operating Officer*

**IRNISE F. WILLIAMS**  
*Assistant Attorney General*

February 26, 2025

TO: The Honorable, Pamela Beidle, Chair  
Senate Finance Operations Committee

FROM: Irnise F. Williams, Deputy Director, Health Education and Advocacy Unit

RE: Senate Bill 0776- Workgroup to Study the Rise in Adverse Decisions in the State  
Health Care System – Establishment- **SUPPORT**

The Health Education and Advocacy Unit (HEAU) supports Senate Bill 776, which should help regulators assess compliance with appeals and grievance laws, identify trends and areas that warrant critical review and compliance action, and ensure that enrollees are not denied access to medically necessary care.

As the Committee is likely aware, there has been a great deal of reporting recently highlighting the impact of carrier denials on consumers' access to care, health, and financial stability. A [2023 KFF Survey of Consumer Experiences with Health Insurance](#) found that "58% of insured adults said they have experienced a problem using their health insurance, including denied claims. Four in ten (39%) of those who reported having trouble paying medical bills said that denied claims contributed to their problem." Another recent [KFF Report](#) found that "Insurers of qualified health plans (QHPs) sold on HealthCare.gov denied 19% of in-network claims in 2023 and 37% of out-of-network claims for a combined average of 20% of all claims." The in-network denial ranged from 1% to 54%. The same report found that consumers rarely file an internal grievance with the carrier (fewer than 1% of denied claims were challenged) and when they do, insurers usually uphold their original decision (56% of challenges were upheld).

That data is consistent with the data the HEAU has reported year-over-year in Annual Reports. Based on carrier reported data over the last ten fiscal years, only 10% of adverse decisions were challenged, and on average, 54% of those grievances were reversed when challenged. The HEAU has assisted many Marylanders whose claims have been denied. In the HEAU's most recent [Annual Report](#) to the General Assembly, HEAU highlighted several consumer stories that demonstrate the gravity of adverse decisions on a consumer's health and access to care:

1. An insurance carrier retroactively denied a cycle of physical therapy treatment (dry needling for a musculoskeletal condition), claiming it was experimental or investigational, even though the treatment is considered safe and effective by the medical community and was deemed medically necessary for the consumer by his own treating provider. It was the only treatment that had provided the consumer with any relief, decreasing pain and increasing range of motion. The insurance carrier upheld the denial on internal appeal. With HEAU's assistance, the claim was submitted to an external reviewer. The denial was overturned, allowing reimbursement for the thirteen visits that had provided the consumer with significant relief.

2. An insurance carrier prospectively denied spinal surgery, deeming the proposed surgical approach as not medically necessary. The carrier wanted the spinal surgeon to use an older methodology, which the spinal surgeon stated he had not used in over a decade. The older methodology used cadaver bone as a spacer between spinal vertebrae. According to the provider, cadaver bone has been documented to be a source of infection, and he cited a 2021 outbreak of tuberculosis linked to contaminated bone graft product. The newer methodology uses cervical cages, rather than cadaver bone. The denial was upheld on two levels of appeal internal to the insurance carrier. Once submitted externally to an Independent Review Organization, the denial was overturned, authorizing the methodology preferred by the spinal surgeon and by the consumer.

3. A consumer had surgery to repair a broken right clavicle, with an expected out-of-pocket expense of \$5,000. During the surgery the consumer sustained a torn vein complication requiring an unexpected vascular surgeon to join the surgical team and an extension of the surgical time. The insurance carrier denied the vascular surgery portion of the claim and specifically instructed the hospital to send the bill of \$43,000 directly to their insured. The HEAU appealed this decision with the reviewing entity which agreed the surgery was medically necessary and the insurer should pay. Despite the decision, it took the insurer more than a year to pay the claim. During this time, HEAU monitored the situation to ensure no further bills would be sent to the consumer. After 15 months, the insurer finally paid.

These examples demonstrate the value of HEAU's assistance when consumers obtain it, but such assistance is a back-end solution to the problem. Health claim denials, particularly when unwarranted, harm consumers by delaying necessary care, risking consumer health and the financial stability of their households. These concerns deserve front-end solutions and warrant critical review by the regulators.

In the last few years, the General Assembly has worked to increase transparency in denial trends, but this workgroup will provide a global review of reporting elements and make fully informed holistic recommendations to ensure regulators have the necessary data needed to warrant critical review and compliance action and ensure that enrollees are not denied access to medically necessary care.

We urge a favorable report and thank the Chair for her amendment adding the HEAU to the workgroup.



## **SB 776- Workgroup to Study the Rise in Adverse Dec**

Uploaded by: Jake Whitaker

Position: FAV



Maryland  
Hospital Association

**Senate Bill 776 - Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment**

**Position: *Support***

February 28, 2025

Senate Finance Committee

**MHA Position:**

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 776. SB 776 would establish the Workgroup to Study the Rise in Adverse Decisions. An adverse decision occurs when a health insurer denies a claim for health care services. Hospitals and providers have experienced a significant increase in denials over the past several years. This Workgroup, comprised of members of the Maryland General Assembly, state agencies, health care providers, and health insurers, will review and make recommendations to standardize adverse decision reporting requirements across all health payers, including private carriers and managed care organizations. Additionally, this bill requires the Workgroup to develop and report recommendations to the legislature to address the rise in denials of health care claims.

Growth in health payer denials severely raises patient costs and restricts access to necessary care. This trend has been especially pronounced in recent years, with a notable surge in denials within the emergency department and outpatient settings. These denials delay essential care and raise out-of-pocket costs for patients—often forcing them to postpone necessary treatment. Furthermore, hospitals face significant financial strain and operational uncertainty as valuable clinical and administrative resources are diverted to contest inappropriate denials. The growth in adverse decisions has only accelerated in recent years, further exacerbating these challenges for Maryland patients and hospitals.

From fiscal years 2013 to 2024, the total value of denied claims has more than tripled, reaching a staggering \$1.39 billion. In the past three years alone, commercial payer denials have surged, with emergency department denials rising 116%. Notably, denials for medically necessary services have surged, with commercial plan denials rising by 79.1%. Over the past six years, Medicaid managed care organizations have also reported consistently high denial rates.

The Workgroup established by SB 776 is crucial to address the rise in adverse decisions within Maryland's health care system. This collaborative effort aims to enhance transparency, consistency, and accountability when insurers deny claims, ultimately leading to better patient outcomes and a more efficient health care system.

For these reasons, we request a favorable report on SB 776.

For more information, please contact:

Jake Whitaker, Assistant Vice President, Government Affairs & Policy

[Jwhitaker@mhaonline.org](mailto:Jwhitaker@mhaonline.org)

# **SB 776 - MIA - Support.pdf**

Uploaded by: Jamie Sexton

Position: FAV

WES MOORE  
Governor

ARUNA MILLER  
Lt. Governor



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Acting Commissioner

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**Date:** February 28, 2025

**Bill # / Title:** Senate Bill 776 - 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 Senate Bill 776.

Senate Bill 776 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, in consultation with the Maryland Hospital Association (MHA). 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 Senate Bill 776 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 Senate Bill 776 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 Senate Bill 776.

# **2025 MdAPA SB 776 Senate Side.pdf**

Uploaded by: Jennifer Navabi

Position: FAV



**To:** Senate Finance Committee

**Bill:** Senate Bill 776 – Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment

**Date:** February 28, 2025

**Position:** Favorable

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The Maryland Academy of Physician Assistants (MdAPA) supports *Senate Bill 776 – Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment*. This bill creates the Workgroup to Study the Rise in Adverse Decisions in the State Health Care System which is charged with reviewing existing State adverse decision reporting requirements for all health payers in the State, making recommendations to improve State reporting on adverse decisions, developing strategies to reduce the number of adverse decisions, and developing recommendations for legislation to address the rise in adverse decisions and standardize State reporting requirements regarding adverse decisions across all payers.

As required by Chapters 848/847 (SB 791/HB 932), Health Insurance –Utilization Review –Revisions (2024), the Maryland Health Care Commission (MHCC), and the Maryland Insurance Administration (MIA) released a report that, in part, reviewed adverse decisions in Maryland. The report found that adverse decisions increased around seven percent from 2019 to 2022. Maryland does not currently collect the information necessary to fully understand the process and reasons for these adverse decisions. This bill presents an opportunity to identify the reporting information needed on adverse decisions, which could impact the number of Marylanders who receive timely, appropriate care.

We ask for a favorable report. If we can provide any further information, please contact Robyn Elliott at [relliott@policypartners.net](mailto:relliott@policypartners.net).

## **SB 776 - Workgroup to Study the Rise in Adverse De**

Uploaded by: Kimberly Routson

Position: FAV



# MedStar Health

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C 410-916-7817  
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**Kimberly S. Routson**  
Assistant Vice President  
Government Affairs - Maryland

## **SB 776 – Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment**

Position: **Support**  
Senate Finance Committee  
February 28, 2025

As the largest healthcare provider in Maryland and the Washington, D.C., region, MedStar Health's more than 400 care locations include 10 hospitals, 33 urgent care clinics, ambulatory care centers, and primary and specialty care providers. We are also home to the MedStar Health Research Institute and a comprehensive scope of health-related organizations all recognized regionally and nationally for excellence. MedStar Health has one of the largest graduate medical education programs in the country, training 1,150 medical residents annually, and is the medical education and clinical partner of Georgetown University. MedStar Health's team of more than 35,000 includes physicians, nurses, and many other clinical and non-clinical associates who together support MedStar Health's patient-first philosophy that combines care, compassion, and clinical excellence with an emphasis on customer service.

SB 776 reflects a collaborative effort to address adverse decisions in the state's health care system. The legislation establishes a workgroup tasked with examining the increase in adverse decisions within Maryland's health care system by including representatives from various hospital organizations and service providers. The workgroup will review, analyze, develop, and propose strategies to standardize a method for categorizing adverse decisions and prior authorization denials. The recommendations of the workgroup will be shared by December 1, 2025, to the Senate Finance Committee and the House Health and Government Operations Committee.

The workgroup is essential to examining the rise of payer denials. According to the Maryland Hospital Association, Maryland's total denials in dollars has more than tripled since 2013 and over the last three years has seen over \$1.39 billion in denials. The growth in denials has started to outpace the growth in gross patient revenue. Denials have increased frequency in the emergency department and outpatient settings. In FY 2024 alone, 13.2% of inpatient cases were denied, this is the highest level seen in the past six years. A contributor to the rise in denials is the integration of artificial intelligence (AI) tools into the review process. The role of AI needs to be regulated to ensure the accuracy of reviews and transparency should be increased in this process. Denials lead to higher out of pocket costs, resulting in patients deferring receiving necessary care. Not only do the denials affect patient care, but the denials and delayed payments of claims contribute to financial pressures on hospitals and operational uncertainties.

Without intervention, the rise of payer denials will result in harmful financial impacts on health care systems providing lifesaving services. The proposed workgroup will be tasked with examining how to combat the rise in denials and will bring together diverse expertise to work thoughtfully on the issue. A more robust collection and review of denials, including detailed reasons for denials, reversal, and carrier plan administrator trends are needed to provide care more efficiently, and address issues of health equity and disparities across our state.

For the reasons above, MedStar Health urges a ***favorable*** report on **SB 776**.

**It's how we treat people.**



# **NCADD-MD - 2025 SB 776 FAV - Adverse Decisions Wor**

Uploaded by: Nancy Rosen-Cohen

Position: FAV



**Senate Finance Committee  
February 28, 2025**

**Senate Bill 776  
Workgroup to Study the Rise in Adverse Decisions in the State Health Care System  
Support**

The National Council on Alcoholism and Drug Dependence - Maryland (NCADD-MD) strongly supports Senate Bill 776, which seeks to establish a Workgroup to Study the Rise in Adverse Decisions in the State Health Care System. This bill is an essential step toward ensuring that Marylanders receive fair and timely access to critical health care services, including for mental health and substance use disorder treatment. The rise in adverse decisions—denials, delays, and barriers to medically necessary care—has created a significant burden on individuals and families seeking treatment. A formal workgroup dedicated to studying and addressing this issue is long overdue.

The establishment of this workgroup will provide a structured, data-driven approach to understanding why adverse decisions in health care are increasing and how we can implement standardized reporting, improved transparency, and patient protections to address these disparities. The workgroup's recommendations, particularly around improving reporting requirements and addressing prior authorization denials, will be essential in making meaningful reforms. Moreover, Maryland already has a foundation for such oversight through its Health Services Cost Review Commission and Maryland Insurance Administration, making it well-positioned to lead the way in tackling this growing crisis.

The increasing frequency of adverse health care decisions is a direct threat to equitable access to care, and this bill is a critical step in ensuring that all Marylanders—particularly those in need of mental health and substance use treatment—receive the care they deserve.

We urge a favorable report on Senate Bill 776.

# **Testimony in support of SB0776 - Workgroup to Stud**

Uploaded by: Richard KAP Kaplowitz

Position: FAV

**SB0776 RichardKaplowitz\_FAV**

02/13/2025

Richard Keith Kaplowitz

Frederick, MD 21703

**TESTIMONY ON SB#/0776 - POSITION: FAVORABLE**

**Workgroup to Study the Rise in Adverse Decisions in the State Health Care System –  
Establishment**

**TO:** Chair Beidle, Vice Chair Hayes and members of the Finance Committee

**FROM:** Richard Keith Kaplowitz

**My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0776, Workgroup to Study the Rise in Adverse Decisions in the State Health Care System – Establishment**

The first step in determining if a problem exists and to derive possible solutions is to collect data necessary to make informed decisions. The denials of care by medical insurers in Maryland have been rapidly increasing. This bill attempts to reign in this practice by those health insurers. As reported by WYPR on December 12, 2024:

Two of Maryland's top three health insurers ranked above the industry average in claims denials in 2023.

Both Blue Cross Blue Shield, known as CareFirst in the region, and UnitedHealthcare deny their beneficiaries' claims for medical procedures and appointments more than other companies in the field. CareFirst makes up 55% of Maryland's health insurance market share and denied 17% of claims in 2023, according to [ValuePenguin](#), a consumer research site that specializes in insurance. The industry average is 16%.

UnitedHealthcare denied 32% of claims in 2023 and makes up 9% of the state's market share. Kaiser Permanente is Maryland's second largest health insurer with 26% of the market, however, it only denied 7% of claims. However, Kaiser uses a different model than other insurance companies, often using in-house physicians for care.<sup>1</sup>

This bill will establish the Workgroup to Study the Rise in Adverse Decisions in the State Health Care System and make recommendations to improve State reporting on adverse decisions. Because this is a critical problem in healthcare provision to Marylanders the bill will require the Workgroup to report its findings and recommendations to certain committees of the General Assembly by December 1, 2025. Solutions can then be discussed and bills drafted to resolve identified problems for actions by the Maryland General Assembly in 2026.

**I respectfully urge this committee to return a favorable report on SB#/0776**

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<sup>1</sup> <https://www.wypr.org/wypr-news/2024-12-12/two-of-marylands-top-health-insurers-deny-claims-at-high-rates>

# **2025 ACNM SB 776 Senate Side.pdf**

Uploaded by: Robyn Elliott

Position: FAV



**Committee:** Senate Finance Committee

**Bill:** Senate Bill 776 – Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment

**Date:** February 28, 2025

**Position:** Support

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The Maryland Affiliate of the American College of Nurse Midwives (ACNM) supports *Senate Bill 776 – Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment*. This bill creates the Workgroup to Study the Rise in Adverse Decisions in the State Health Care System which is charged with reviewing existing State adverse decision reporting requirements for all health payers in the State, making recommendations to improve State reporting on adverse decisions, developing strategies to reduce the number of adverse decisions, and developing recommendations for legislation to address the rise in adverse decisions and standardize State reporting requirements regarding adverse decisions across all payers.

As required by Chapters 848/847 (SB 791/HB 932), Health Insurance –Utilization Review –Revisions (2024), the Maryland Health Care Commission (MHCC), and the Maryland Insurance Administration (MIA) released a report that, in part, reviewed adverse decisions in Maryland. The report found that adverse decisions increased around seven percent from 2019 to 2022. Maryland does not currently collect the information necessary to fully understand the process and reasons for these adverse decisions. This bill presents an opportunity to identify the reporting information needed on adverse decisions, which could impact the number of Marylanders who receive timely, appropriate care.

We ask for a favorable report. If we can provide any further information, please contact Robyn Elliott at [relliott@policypartners.net](mailto:relliott@policypartners.net) or (443) 926-3443.

# **MPMA SB776.pdf**

Uploaded by: Sarah Peters

Position: FAV



## MARYLAND PODIATRIC MEDICAL ASSOCIATION

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February 26, 2025

Chair Pamela Beidle  
Senate Finance Committee  
Annapolis, Maryland 21401

### **SB776: Workgroup to Study the Rise in Adverse Decisions in the State Health Care System – Establishment**

#### **Position: Support**

Dear Chair, Vice Chair, and Members of the Committee:

On behalf of the Maryland Podiatric Medical Association (MPMA), representing over 240 podiatrists licensed in Maryland and the practice of podiatry, I write to support SB 776.

A large number of our members have experienced unjustified adverse decisions by third party payors. These denials are often reversed on appeal. The number of denials is definitely growing, and appeals result in an additional amount of time and expense for providers and their staff, often resulting in a reversal of the denial.

SB 776 will establish a well-representative workgroup to analyze the necessary information and documentation of adverse decisions and make recommendations to reduce the growing number of adverse decisions.

For these reasons, we respectfully request a favorable vote on SB 776.

Should you have any questions, please feel free to contact Richard Bloch, MPMA Executive Director, at [Richard@SBHPA.com](mailto:Richard@SBHPA.com) or (410) 332-0736.

Sincerely,

A handwritten signature in blue ink that reads "Adam Lowy, D.P.M.".

Adam Lowy, D.P.M., MPMA President

Cc: Richard Bloch, MPMA Executive Director  
Sarah Peters, Husch Blackwell Strategies



## **SB776\_Testimony**

Uploaded by: Senator Beidle Senator Beidle

Position: FAV

**PAMELA G. BEIDLE**  
*Legislative District 32*  
Anne Arundel County



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Chair, Finance Committee

Executive Nominations Committee

Joint Committee on Gaming Oversight

Joint Committee on Management  
of Public Funds

Spending Affordability Committee

## THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

February 28, 2025

### **Senate Bill 776** **Workgroup to Study the Rise in Adverse Decisions in the State Health Care System** **Establishment**

Good afternoon, Vice Chair Hayes and Members of the Finance Committee:

SB 776 establishes the Workgroup to Study the Rise in Adverse Decisions in the State Health Care System, bringing together members of the Maryland General Assembly, state agencies, health care providers, and health payers. This Workgroup will review and recommend ways to standardize adverse decision reporting requirements across all health payers, while also developing strategies to reduce the number of inappropriate denials and proposing policy solutions to address this growing issue.

An adverse decision occurs when a health payer—whether a private insurer, Medicare, Medicaid, or a Managed Care Organization (MCO)—denies a patient's claim for necessary health services or prescription drugs. In recent years, the frequency of erroneous adverse decisions has surged, raising serious concerns. In Maryland, insurers issue adverse decisions more than 50 percent of the time for certain health services, such as pharmaceutical claims. The Fiscal Year 2024 Office of the Attorney General Health Education and Advocacy Unit Appeals and Grievances report reveals that while only 10 percent of adverse decisions in the last decade have been challenged, 54 percent of those decisions were ultimately overturned—suggesting that many denials were issued incorrectly in the first place.

The consequences of this rising trend are severe. Patients frequently lose access to critical health services and prescription medications when their prior authorization requests are denied, leading to disruptions in care and worsening health outcomes. Additionally, adverse decisions increase out-of-pocket costs and medical debt, forcing patients to either forgo treatment or absorb unexpected financial burdens when insurers deem claims "not medically necessary." Health care providers also experience significant challenges, as they must divert clinical and administrative resources to contest inappropriate denials, creating additional financial strain and operational uncertainty.

Standardizing data collection on adverse decisions is essential for addressing these issues. Health insurers process more than five billion payment claims annually, and approximately 850 million—about one in six—are denied. However, less than 1 percent of patients appeal these denials, meaning the true extent of the problem often goes unaddressed. The lack of comprehensive data makes it difficult for policymakers to identify trends, assess the scope of the issue, and implement meaningful reforms.

By establishing uniform reporting requirements, SB 776 will provide data necessary to track trends, identify systemic issues, and implement targeted reforms to reduce inappropriate denials. Without standardized and transparent reporting, insurers can continue to issue denials unchecked, leaving patients and providers to bear the consequences. Fixing gaps in current reporting requirements will ensure that all relevant data is captured, offering a comprehensive and accurate picture of Maryland's health care landscape. This data-driven approach will not only help reduce adverse decisions but also lay the foundation for significant policy reforms that strengthen patient protection, increase accountability for health payers, and improve access to medically necessary care. Ensuring that Marylanders receive the health care they need should not be an uphill battle.

Senate Bill 776 is a crucial step toward a more transparent, fair, and patient-centered health care system. For these reasons, I respectfully request a favorable report on SB 776.

# **SB 776- FIN - HSCRC - LOS.docx.pdf**

Uploaded by: State of Maryland (MD)

Position: FAV

February 26, 2025

The Honorable Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

**RE: Senate Bill 776 – Workgroup to Study the Rise in Adverse  
Decisions in the State Health Care System – Establishment – Letter  
of Support**

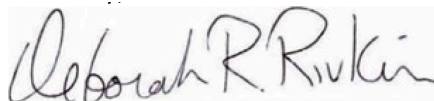
Dear Chair Beidle and Committee Members:

The Health Services Cost Review Commission (HSCRC) respectfully submits this Letter of Support on Senate Bill 776, “Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment.”

SB 776 will establish a workgroup consisting of legislators, key government agencies and stakeholders to study adverse decision reporting requirements for all health payers in Maryland, and to make recommendations to improve State reporting on adverse decisions. The workgroup analysis will provide needed transparency into adverse decision making data, allowing a better understanding of recent patterns and trends including the frequency of claim denials, and populations or conditions that may be more vulnerable to adverse decisions. This information will in turn empower policymakers with critical information to develop data-driven policy improvements focused on reducing unnecessary denials and appeals, lowering administrative burdens for both insurers and healthcare providers, and strengthening Maryland’s health care system. HSCRC supports SB 776 as a valuable step toward improving healthcare access, fairness, and efficiency in Maryland.

If you have any questions or if I may provide you with any further information, please do not hesitate to contact me at 410-991-7422 or [deborah.rivkin@maryland.gov](mailto:deborah.rivkin@maryland.gov), or Jon Kromm, Executive Director, at [jon.kromm@maryland.gov](mailto:jon.kromm@maryland.gov).

Sincerely,



Deborah Rivkin  
Director, Government Affairs

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Chairman

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Director  
Revenue & Regulation Compliance

Claudine Williams  
Director  
Healthcare Data Management & Integrity

## **SB 776.pdf**

Uploaded by: Taylor Dickerson

Position: FAV



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[www.marylandpsychology.org](http://www.marylandpsychology.org)

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Taylor Dickerson

February 26, 2025

Senator Pamela Beidle, Chair  
Senator Antonio Hayes, Vice Chair  
Finance Committee  
Miller Senate Office Building, 3 East  
Annapolis, MD 21401

### **RE: SB 776 – Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment**

### **Position: SUPPORT**

Dear Chair, Vice-Chair and Members of the Committee:

The Maryland Psychological Association, (MPA), which represents over 1,000 doctoral level psychologists throughout the state, asks the Senate Finance Committee to **FAVORABLY report on SB 776**.

SB 776 establishes a dedicated workgroup to study the rising number of adverse decisions in our State Health Care System. This legislation represents a crucial step toward enhancing the accountability, transparency, and overall quality of our state's healthcare services. SB 776 will empower the workgroup to:

- **Improve Reporting Practices:** The bill will lead to better state reporting on adverse decisions, ensuring that these critical events are documented comprehensively. Enhanced reporting will provide clearer insights into the patterns and causes behind these decisions.
- **Standardize Grievance and Decision Categorization:** By developing standardized methods for reporting grievances and categorizing adverse decisions and pre-authorization denials, the workgroup will facilitate a more consistent and reliable data collection process. This standardization is essential for identifying systemic issues and formulating targeted interventions.
- **Develop Reduction Strategies:** With a clear understanding of current shortcomings, the workgroup can craft actionable strategies and recommendations aimed at reducing the number of adverse decisions. This proactive approach is key to ensuring that patients receive fair and timely access to care, while also improving the operational efficiency of healthcare providers.

The rising trend of adverse decisions has far-reaching implications—not only for patient care but also for the credibility and sustainability of our healthcare system. Establishing this workgroup will foster a culture of continuous improvement and accountability, ultimately benefiting patients, providers, and the community at large.

Thank you for your time and consideration. We urge the Committee to issue a **favorable report on SB 776**. If we can be of any further assistance, please do not hesitate to contact MPA's Legislative Chair, Dr. Stephanie Wolf, JD, Ph.D. at [mpalegislativeworkgroup@gmail.com](mailto:mpalegislativeworkgroup@gmail.com).

Respectfully submitted,

*David Goode-Cross, Ph.D.*  
David Goode-Cross, Ph.D.  
President

*Stephanie Wolf, JD, Ph.D.*  
Stephanie Wolf, JD, Ph.D.  
Chair, MPA Legislative Committee

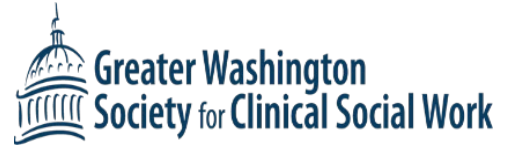
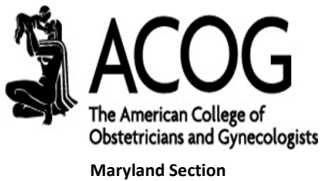
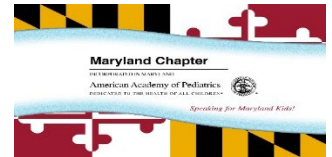
cc: Richard Bloch, Esq., Counsel for Maryland Psychological Association  
Barbara Brocato & Dan Shattuck, MPA Government Affairs

**SB0776\_FWA\_MedChi, MDACEP, MDAAP, MDACOG, MACHC, G**

Uploaded by: Danna Kauffman

Position: FWA





Senate Finance Committee

February 28, 2025

Senate Bill 776 – *Workgroup to Study the Rise in Adverse Decisions in the State Health Care System – Establishment*

**POSITION: SUPPORT WITH AMENDMENT**

On behalf of MedChi, The Maryland State Medical Society, the Maryland Chapter of the American College of Emergency Physicians, the Maryland Chapter of the American Academy of Pediatrics, the Maryland Section of The American College of Obstetricians and Gynecologists, the Mid-Atlantic Association of Community Health Centers, and the Greater Washington Society for Clinical Social Work, we submit this letter of support with amendment for Senate Bill 776.

This bill establishes a workgroup to (1) review existing State adverse decision reporting requirements for all health payers in the State and include specified information in its final report; (2) make recommendations to improve State reporting on adverse decisions, including specified standardized definitions, methods, and processes; (3) develop strategies for, and make recommendations to reduce the number of adverse decisions; and (4) develop recommendations for legislation to address the rise in adverse decisions and standardize State reporting requirements regarding adverse decisions across all payers.

Maryland has a robust appeals and grievances law, and, because of it, the State is able to track the number of adverse decisions by health insurance carriers. The annual report by the Maryland Insurance Administration clearly demonstrates an alarming trend in the increase of adverse decisions, which too often deny patients health care services and overburden physicians as they work to care for their patients. The above-referenced organizations believe that this workgroup is timely to develop strategies to reverse the trend. In supporting the legislation, we would request that the workgroup include a named representative from MedChi, a representative from a federal qualified health center, and two physicians rather than one physician (similar to the hospital representatives).

With these amendments, we urge a favorable vote.

**For more information call:**

Danna L. Kauffman  
J. Steven Wise  
Andrew G. Vetter  
Christine K. Krone  
410-244-7000

# **DOCS-#238939-v1-SB\_776\_FWA\_League.pdf**

Uploaded by: Matthew Celentano

Position: FWA



15 School Street, Suite 200  
Annapolis, Maryland 21401  
410-269-1554

February 28, 2025

The Honorable Pam Beidle  
Chair, Senate Finance Committee  
3 East  
Miller Senate Office Building  
Annapolis, MD 21401

**Senate Bill 776 - Workgroup to Study the Rise in Adverse Decisions in the State Health Care System - Establishment**

Dear Chair Beidle,

The League of Life and Health Insurers of Maryland, Inc. supports *Senate Bill 776 - Workgroup to Study the Rise in Adverse Decisions in the State Health Care System – Establishment* favorable with amendment.

The League is eager to have a nuanced look at adverse decisions in the state that impact consumers, but also the business of health care and especially the interactions between health care entities. We believe that there is a lot of misinformation about what actually happens, how the operations of entities communicate, and the general nuts and bolts of how massive organizations operate. We welcome an opportunity to get to the granular level and discover what might be the best way forward for Maryland consumers.

We do request a simple amendment. League members do not think it is appropriate for the Maryland Hospital Association (MHA) to staff the workgroup. They are clearly biased in this discussion, have shared data that carriers dispute, and are clearly advocating for different actions from many named in the workgroup structure. We don't believe it would be appropriate for them to staff a workgroup if we desire a balanced discussion.

With the inclusion of the amendment requested to remove the MHA as workgroup staff, the League urges the committee to give Senate Bill 776 a favorable report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matt Celentano", with a long horizontal stroke extending to the right.

Matthew Celentano  
Executive Director

cc: Members, Senate Finance Committee

# **2025 MCHS SB 776 Senate Side.pdf**

Uploaded by: Robyn Elliott

Position: FWA



## Maryland Community Health System

**Bill Number:** Senate Bill 776 – Workgroup to Study the Rise in Adverse Decisions in the State Health Care Systems - Establishment

**Committee:** House Health and Government Operations Committee

**Hearing Date:** February 28, 2025

**Position:** Support with Amendment

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The Maryland Community Health System (MCHS) strongly supports *Senate Bill 776 – Workgroup to Study the Rise in Adverse Decisions in the State Health Care Systems - Establishment*. Under existing law, carriers must report on volume of adverse decisions. The Workgroup would study potential modifications to reporting requirements to provide more information on the recent spike in adverse decisions.

Maryland Community Health System is a network of federally qualified health centers providing primary, behavioral, and dental care to underserved communities throughout Maryland. Our health centers have been severely impacted by the growth in adverse decisions from private insurers and managed care organizations. The number of adverse decisions is beginning to compromise our health centers' ability to meet the health needs of their patients and communities.

We strongly support this bill, as it will provide needed information about the reasons behind the growth in adverse decisions. This information will support ongoing work by regulators, insurers and MCOs, and providers to understand how to address the issue.

We request an amendment to add a federally qualified health center to the Workgroup, as we provide an important and unique perspective on coverage issues in underserved communities. Since our health centers provide such a broad range of services, they have valuable data on the impact of adverse decisions on somatic, behavioral health, and dental care.

Here is our requested amendment:

On page 2 after line 18, add:

*“one representative of a federally qualified health center”*

We ask for a favorable with amendment report. If we can answer any questions, please contact Robyn Elliott at [relliott@policypartners.net](mailto:relliott@policypartners.net).