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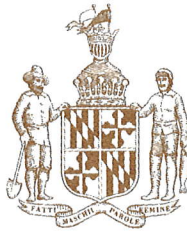
Chair, Finance Committee

Executive Nominations Committee

Joint Committee on Gaming Oversight

Joint Committee on Management  
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Spending Affordability Committee



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**THE SENATE OF MARYLAND**  
**ANNAPOLIS, MARYLAND 21401**

March 20, 2025

**Senate Bill 474**  
**Health Insurance – Adverse Decisions**  
**Reporting and Examinations**

Good afternoon, Chair Pena-Melnyk and Members of the Health and Government Operations Committee:

Thank you for the opportunity to present Senate Bill 474, Health Insurance – Adverse Decisions – Reporting and Examinations. SB 474 passed the Senate unanimously 44 – 0 and is the cross-file of HB 848 passed by this Committee and the House of Delegates. I understand the House Bill was amended in this Committee and hope we can work together to achieve the best legislation possible.

SB 474 seeks to provide the Maryland Insurance Administration with greater enforcement authority to ensure that health insurance carriers are not improperly issuing denials under Maryland's Appeals and Grievances law. Last Session, we passed a comprehensive bill to tighten timeframes, increase transparency, and broaden prior authorization policies under Maryland's appeals and grievances law. However, these laws only help Marylanders if the carriers comply.

Over the last several years, we have seen a significant increase in denials. We have all heard from constituents struggling to receive health care services despite paying high premium costs. Between 2019 and 2023, there has been an increase of 38.6% in adverse decisions reported by carriers. Over 109,000 adverse decisions were reported by carriers in 2023. Pharmacy services in particular saw a significant increase - about 71.6% - and account for the majority of the adverse decisions.

Therefore, Senate Bill 474 provides that if the carriers report more than a 10% increase in the number of denials in the immediately preceding calendar year or more than 25% in the immediately preceding three calendar years for a particular service, the carriers are required to submit a report to the Maryland Insurance Administration detailing any changes in medical management and any other reason for the increase. The Insurance Commissioner may then use this information to institute a market conduct examination.

Again, Maryland has strong laws, but we also need strong oversight to ensure compliance. I respectfully request a favorable report on Senate Bill 474.