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February 19, 2026

The Honorable Heather Bagnall
Chair, House Health Committee
240 Taylor Office Building
Annapolis, MD 21401

House Bill 684 – Health Insurance – Material Changes to Provider Networks and Special Enrollment Period

Dear Chair Bagnall,

The League of Life and Health Insurers of Maryland, Inc. respectfully opposes *House Bill 684 – Health Insurance – Material Changes to Provider Networks and Special Enrollment Period* and urges the Committee to issue an unfavorable report.

Network terminations have historically been an extremely rare occurrence in Maryland and, more broadly, throughout the county. As explained in greater detail below, this bill is an overcorrection that will create extreme and unnecessary angst and disruption for members as well as employers. Furthermore, the bill's significant and costly impact on employers would ultimately equate to increased premium costs for members.

Unreasonable time period for notice to members

Contract negotiations between carriers and providers are complex business discussions that require active engagement from both parties. Nearly all of them conclude successfully after good-faith negotiations and reasonable compromise. However, the details of most negotiations aren't finalized until a few weeks prior to the term date despite the fact that both parties fully intend to reach agreement.

Current law requires that carriers notify consumers 30 days prior to contract expirations if agreement has not been reached. House Bill 684 would increase this notification period and require carriers to notify consumers *several months* before contract expirations that negotiations *could* fail, creating unnecessary alarm and confusion. Such notices will cause consumers to fear losing access to trusted physicians, even though nearly all negotiations ultimately result in continued partnerships, making this creation of stress and worry among members wholly unnecessary and avoidable. Simply put, these provisions would generate

unwarranted concern among consumers given they are far more often than not unaware of these routine negotiations.

Ramifications of establishing a special enrollment period

The bill also creates a special enrollment period (SEP) in the event of provider termination. League members believe existing continuity-of-care protections are sufficient. Maryland's current continuity of care laws (primarily MD Insurance Code §15-833 and COMAR 10.09.65.20) ensure patients can continue treatment with a non-participating provider for up to 90 days (or through pregnancy/acute conditions) if their doctor leaves a network or they change plans. It forces new insurers to accept preauthorizations from old ones for continuity. League members believe this is sufficient and will always work with beneficiaries to ensure their care is available and accessible.

The impact of having employers have to go through a mid-year human resources debacle to choose a new plan after extensive time and resource allocation to choose the first plan will end up adding cost to their plan and ultimately to their employees. Expanding SEPs in this context could destabilize the risk pool, as individuals anticipating higher medical costs are more likely to enroll, leading to increased claims costs and upward pressure on premiums. Over time, this dynamic can drive healthier individuals from the market and raise costs for all. This phenomenon is often described as a "death spiral" risk if premiums rise and healthier members exit the market.

Additionally, a SEP triggered by provider terminations would create operational challenges for businesses and human resources departments that carefully select coverage options during annual enrollment. In rare situations like those seen in 2025, employers could be forced into rushed plan changes, creating unnecessary disruption for employers and employees alike.

House Bill 684 also adds a requirement for carriers, in certain circumstances, to file an updated access plan with the Commissioner within 5 business days after the effective date of the termination. Further, it imposes at \$5,000 per day fine on the carrier who fails to file a timely updated access plan. The first days after any termination occurs are challenging for both carriers and providers. In those crucial first days, carriers are working on updating provider directories and experience a large influx of customer service calls and continuation of care requests that need to be addressed timely. Creating a requirement in such an expedited fashion would result in shifting resources away from these important tasks. Section 15-112(c)(2) of the Insurance Article currently requires a carrier to advise the Commissioner of a reasonable timeframe to file the updated access plan. We suggest that 15-business days is a more realistic timeframe. Additionally, the Insurance Article already provides the Commissioner with a mechanism to access a penalty should a carrier fail to produce a timely updated access plan. See §4-113 of the Insurance Article.

Increased number of terminations

House Bill 684 will serve to promote more, rather than fewer, terminations of agreements in that it removes all incentives for hospitals to reach agreement on contract terms. This change will allow them to make outrageous demands of carriers and huge rate increases that, if not met by carriers, will lead to deterioration of negotiations and resulting terminations. Moreover, should carriers refuse to accept such aforementioned demands, hospitals will have the secondary option of simply allowing contracts to terminate, knowing their patients will easily just switch carriers to stay with them. House Bill 684 creates a win-win situation for hospitals in every contract negotiation that takes place in the state and, as a result, will only lead to more terminations of agreements in Maryland.

For these reasons, the League respectfully urges the Committee to give House Bill 684 an unfavorable report.

Very truly yours,

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

Matthew Celentano
Executive Director

cc: Members, House Health Committee