

HOUSE BILL 995

J5, J3

5lr3283
CF SB 776

By: **Delegate Pena–Melnyk**

Introduced and read first time: January 31, 2025

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of establishing the Workgroup to Study the Rise in Adverse Decisions in
5 the State Health Care System; and generally relating to the Workgroup to Study the
6 Rise in Adverse Decisions in the State Health Care System.

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
8 That:

9 (a) There is a Workgroup to Study the Rise in Adverse Decisions in the State
10 Health Care System.

11 (b) The Workgroup consists of the following members:

12 (1) one member of the Senate of Maryland, appointed by the President of
13 the Senate;

14 (2) one member of the House of Delegates, appointed by the Speaker of the
15 House;

16 (3) the Maryland Insurance Commissioner, or the Commissioner's
17 designee;

18 (4) the Deputy Secretary of the Maryland Medicaid Program, or the Deputy
19 Secretary's designee;

20 (5) the Executive Director of the Health Services Cost Review Commission,
21 or the Executive Director's designee;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (6) the Executive Director of the Maryland Health Care Commission, or the
2 Executive Director's designee;

3 (7) the Executive Director of the Chesapeake Regional Information System
4 for our Patients, or the Executive Director's designee; and

5 (8) the following members, appointed by the President of the Senate and
6 Speaker of the House:

7 (i) one representative of the Maryland Hospital Association;

8 (ii) one representative of the League of Life and Health Insurers;

9 (iii) one representative of a managed care plan;

10 (iv) two representatives of Maryland hospitals, with one
11 representative from a large hospital system and one representative from a community
12 hospital;

13 (v) one pharmacy services provider;

14 (vi) one behavioral health provider;

15 (vii) one representative of a commercial carrier;

16 (viii) one representative of a patient advocacy organization;

17 (ix) one physician; and

18 (x) one representative of MedChi.

19 (c) The Workgroup members shall elect the chair of the Workgroup.

20 (d) The Health Services Cost Review Commission and the Maryland Insurance
21 Administration, jointly and in consultation with the Maryland Hospital Association, shall
22 provide staff for the Workgroup.

23 (e) A member of the Workgroup:

24 (1) may not receive compensation as a member of the Workgroup; but

25 (2) is entitled to reimbursement for expenses under the Standard State
26 Travel Regulations, as provided in the State budget.

27 (f) The Workgroup shall:

1 (1) review existing State adverse decision reporting requirements for all
2 health payers in the State and include in its final report:

3 (i) the number of adverse decisions compared to the total number of
4 claims processed each year on average;

5 (ii) the number of enrollees in each health plan offered in the State;

6 (iii) the diagnostic and procedure information for each adverse
7 decision; and

8 (iv) any other data used to inform the Workgroup's goal of reducing
9 adverse decisions;

10 (2) make recommendations to improve State reporting on adverse
11 decisions, including recommendations regarding:

12 (i) standardized definitions of:

13 1. medical service categories;

14 2. health settings;

15 3. adverse decisions; and

16 4. medical necessity;

17 (ii) a standardized method for categorizing adverse decisions and
18 prior authorization denials; and

19 (iii) a standardized process for reporting grievances or filing
20 complaints and appealing adverse decisions;

21 (3) develop strategies for, and make recommendations to reduce, the
22 number of adverse decisions; and

23 (4) develop recommendations for legislation to address the rise in adverse
24 decisions and standardize State reporting requirements regarding adverse decisions across
25 all payers.

26 (g) On or before December 1, 2025, the Workgroup shall report its findings and
27 recommendations to the Senate Finance Committee and the House Health and
28 Government Operations Committee, in accordance with § 2-1257 of the State Government
29 Article.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
31 1, 2025. It shall remain effective for a period of 1 year and 1 month and, at the end of June

1 30, 2026, this Act, with no further action required by the General Assembly, shall be
2 abrogated and of no further force and effect.