

SENATE BILL 776

J5, J3

5lr3286
CF HB 995

By: **Senator Beidle**

Introduced and read first time: January 27, 2025

Assigned to: Finance

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 Secretary of Health, or the Secretary's designee;

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

5 (9) 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;

11 (v) one pharmacy services provider;

12 (vi) one behavioral health provider;

13 (vii) one representative of a commercial carrier; and

14 (viii) one representative of a patient advocacy organization.

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

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

19 (e) A member of the Workgroup:

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

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

23 (f) The Workgroup shall:

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

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

- 1 (ii) the number of enrollees in each health plan offered in the State;
- 2 (iii) the diagnostic and procedure information for each adverse
3 decision;
- 4 (iv) network adequacy, including provider ratios and geographic
5 accessibility; and
- 6 (v) any other data used to inform the Workgroup's goal of reducing
7 adverse decisions;

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

- 10 (i) standardized definitions of:
- 11 1. medical service categories;
- 12 2. health settings;
- 13 3. adverse decisions; and
- 14 4. medical necessity;
- 15 (ii) a standardized method for categorizing adverse decisions and
16 prior authorization denials;
- 17 (iii) a standardized process for reporting grievances or filing
18 complaints and appealing adverse decisions; and
- 19 (iv) a standardized method for reporting clinical outcomes, including
20 National Committee for Quality Assurance ratings and Centers for Medicare and Medicaid
21 Services star ratings;

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

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

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
2 1, 2025. It shall remain effective for a period of 1 year and 1 month and, at the end of June
3 30, 2026, this Act, with no further action required by the General Assembly, shall be
4 abrogated and of no further force and effect.