

## Chapter 671

**(Senate Bill 776)**

AN ACT concerning

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

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

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

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

(b) The Workgroup consists of the following members:

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

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

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

~~(4) the Secretary of Health, or the Secretary's designee;~~

~~(5)~~ (4) the Deputy Secretary of the Maryland Medicaid Program, or the Deputy Secretary's designee;

~~(6)~~ (5) the Executive Director of the Health Services Cost Review Commission, or the Executive Director's designee;

~~(7)~~ (6) the Executive Director of the Maryland Health Care Commission, or the Executive Director's designee;

~~(8)~~ (7) the Executive Director of the Chesapeake Regional Information System for our Patients, or the Executive Director's designee; ~~and~~

(8) the Director of the Health Education and Advocacy Unit of the Office of the Attorney General, or the Director's designee; and

(9) the following members, appointed by the ~~President of the Senate and Speaker of the House~~ Governor:

- (i) one representative of the Maryland Hospital Association;
- (ii) one representative of the League of Life and Health Insurers;
- (iii) one representative of a managed care plan;
- (iv) two representatives of Maryland hospitals, with one representative from a large hospital system and one representative from a community hospital;
- (v) one pharmacy services provider;
- (vi) one behavioral health provider;
- (vii) one representative of a commercial carrier; ~~and~~
- (viii) one representative of a patient advocacy organization;
- (ix) ~~one physician~~ two physicians;
- (x) one representative of MedChi; and
- (xi) one representative of a federally qualified health center.

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

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

(e) A member of the Workgroup:

- (1) may not receive compensation as a member of the Workgroup; but
- (2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Workgroup shall:

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

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

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

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

(iv) network adequacy, including provider ratios and geographic accessibility; and

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

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

(i) standardized definitions of:

1. medical service categories;

2. health settings;

3. adverse decisions; and

4. medical necessity;

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

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

(iv) a standardized method for reporting clinical outcomes, including National Committee for Quality Assurance ratings and Centers for Medicare and Medicaid Services star ratings;

(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.

(g) On or before December 1, 2025, the Workgroup shall report its findings and recommendations to the Senate Finance Committee and the House Health and

Government Operations Committee, in accordance with § 2–1257 of the State Government Article.

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

**Approved by the Governor, May 20, 2025.**