

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1314

(Delegate Miller, *et al.*)

Health and Government Operations

Finance

Health Care - Prior Authorizations - Prohibiting Fees

This bill prohibits an in-network “health care provider” (including a health care practitioner and a facility that provides health care) from charging a fee to obtain a “prior authorization” from a health insurer, a nonprofit health service plan, a health maintenance organization (HMO), any other entity that provides health benefit plans subject to State regulation, or a Medicaid managed care organization (MCO). **The bill takes effect January 1, 2026.**

Fiscal Summary

State Effect: None. The bill only affects private-sector activities.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Prior authorization” means a utilization management technique that (1) is used by carriers and MCOs; (2) requires prior approval for a procedure, treatment, medication, or service before an enrollee is eligible for full payment of the benefit; and (3) is used to determine whether the procedure, treatment, medication, or service is medically necessary.

Current Law:

Establishment of Online Processes

Under Chapters 847 and 848 of 2024, by July 1, 2026, carriers must establish and maintain an online process that can (1) link directly to all e-prescribing systems and electronic health

record systems that use specified standards; (2) accept electronic prior authorization requests from a health care provider; (3) approve electronic prior authorization requests, as specified; and (4) link directly to real-time patient out-of-pocket costs and more affordable medication alternatives made available by the carrier. A carrier may not access health care provider data via the online process other than for the insured or enrollee, without consent. Additionally, a carrier may not impose a fee or charge on a person for accessing the online process.

By July 1, 2025, a carrier must (1) post the contact information for each third-party vendor or other entity that the carrier will use to establish the online process on its website and (2) on the request of a health care provider, provide the contact information for each third-party vendor or other entity.

By July 1, 2026, each health care provider must ensure that the e-prescribing system or electronic health record system they use has the ability to access, at the point of prescribing, (1) the electronic prior authorization process established by a carrier and (2) the real-time patient out-of-pocket cost information and available medication alternatives.

By July 1, 2026, each carrier, or pharmacy benefits manager (PBM) on behalf of the carrier, must provide real-time patient-specific benefit information to insureds and enrollees and contracted health care providers. A carrier or PBM must ensure the information provided is accurate and delivered in an accessible and understandable format, as specified.

Prior Authorization of a Course of Treatment

Also, under Chapters 847 and 848, specified entities must approve a request for the prior authorization of a course of treatment that is (1) for a period of time that is as long as necessary to avoid disruption in care and (2) determined in accordance with applicable coverage criteria, the insured's medical history, and the health care provider's recommendation. For new enrollees, specified entities may not disrupt or require reauthorization for an active course of treatment for covered services until at least 90 days after the enrollment date. These provisions apply to (1) an insurer, nonprofit health service plan, or HMO that provides hospital, medical, or surgical benefits; (2) an insurer, nonprofit health service plan, or HMO that contracts with a private review agent; and (3) an insurer, nonprofit health service plan, or HMO that contracts with a third party to dispense medical devices, appliances, or goods.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2025
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