

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 848 (Delegate Pena-Melnyk, *et al.*)
Health and Government Operations

Health Insurance - Adverse Decisions - Reporting and Examinations

This bill expands the required contents of the quarterly appeals and grievances report each carrier must submit to the Insurance Commissioner. If the number of adverse decisions issued by a carrier for a type of service has grown by more than 10% in the immediately preceding calendar year or 25% in the immediately preceding three years, the carrier must include (1) a description of any changes in medical management contributing to the rise in adverse decisions for the type of service and (2) any other known reasons for the increase. The bill authorizes the Commissioner to use information provided in the quarterly appeals and grievances report as a basis for an examination of the carrier.

Fiscal Summary

State Effect: Any impact on the Maryland Insurance Administration can be absorbed within existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: On a quarterly basis, each carrier must submit a report to the Commissioner that describes specified activities regarding appeals and grievances, including:

- the number of members entitled to health care benefits under a policy, plan, or certificate issued or delivered in the State by the carrier;
- the number of clean claims for reimbursement processed by the carrier;

- the outcome of each grievance filed with the carrier;
- the number and outcomes of cases that were considered emergency cases and subject to an expedited procedure;
- the time within which the carrier made a grievance decision on each case, including emergency and nonemergency cases;
- the number of grievances filed with the carrier that resulted from an adverse decision involving length of stay for inpatient hospitalization as related to the medical procedure involved; and
- the number of adverse decisions issued by the carrier for a nonemergency case and the type of service at issue in the adverse decisions.

The report must also describe the number and outcome of all other cases that resulted from an adverse decision involving the length of stay for inpatient hospitalization as related to the medical procedure involved.

The Commissioner must compile an annual summary report based on the information provided by carriers (and information provided by the Secretary of Health regarding health maintenance organizations) and provide copies of the summary report to the Governor and the General Assembly.

Additional Information

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

Designated Cross File: SB 474 (Senator Beidle) - Finance.

Information Source(s): Maryland Insurance Administration; Department of Legislative Services

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