

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 494
Health

(Delegate Bagnall)

Finance

Health Insurance - Primary Care Investment Targets - Reimbursement and Reporting

This bill requires an individual, group, or blanket health insurance policy or contract delivered or issued for delivery in the State by insurers, nonprofit health service plans, and health maintenance organizations (collectively carriers) to provide reimbursement to health care providers in a manner that meets the annual primary care investment targets established by the State on or after February 1, 2026. When filing a premium rate or premium rate change with the Insurance Commissioner, a carrier must submit a description of the carrier’s progress in meeting the annual primary care investment targets.

Fiscal Summary

State Effect: Any additional workload on the Maryland Insurance Administration can be handled with existing budgeted resources. Expenditures may increase by an indeterminate but likely minimal amount for the State Employee and Retiree Health and Welfare Benefits Program (State plan) beginning in FY 2027, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapter 667 of 2022 requires the Maryland Health Care Commission (MHCC) to provide an annual report to the Governor and the General Assembly, which must include (1) an analysis of primary care investment over the immediately preceding year, including data stratified by zip code and county, in relation to total health

care spending over the previous year; (2) ways to improve the quality of and access to primary care services, with special attention to increasing health care equity, reducing health care disparities, and avoiding increased costs; and (3) any findings and recommendations. MHCC must convene a Primary Care Investment Workgroup to develop the report, including by interpreting the results of the required analysis and making the recommendations.

On December 19, 2025, Governor Wes Moore signed Executive Order 01.01.2025.28 *Establishing All-Payer Total Cost of Care Growth and Primary Care Investment Targets in Maryland*. The order aims to address primary care investment by establishing an all-payer primary care investment target that includes Medicaid, commercial fully insured plans, Medicare Advantage, the State plan, and employer-sponsored health insurance.

MHCC's January 15, 2026 Primary Care Investment Workgroup [report](#) recommends, among other things, that the State (1) establish a primary care investment target based on total medical expense, adjusted for payer-specific variation, that promotes primary care investment in underserved areas; (2) annually publish which payers are meeting the target; and (3) enact legislation to hold payers accountable to achieving targets. The report also recommends legislation to require payers to participate in the Achieving Healthcare Efficiency through Accountable Design (better known as AHEAD) Model primary care programs, including the Maryland Primary Care Program, and to reimburse providers for Advanced Primary Care Management services and integrated behavioral health services with no cost sharing, when permitted by law.

State Expenditures: The State plan is largely self-insured for its medical contracts. Except for the one fully insured integrated health model medical plan (Kaiser), this bill does not apply to the State plan. The Department of Budget and Management advises that the bill likely increases rates for Kaiser by at least 3%, which in turn increases costs for the State plan by an indeterminate but likely minimal amount.

Small Business Effect: Small business primary care practices benefit from greater carrier investment in primary care services.

Additional Information

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

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 11, 2026
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