



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

March 9, 2023

The Honorable Joseline A. Peña-Melnyk
Chair, House Health and Government Operations Committee
241 House Office Building
Annapolis, MD 21401-1991

RE: HB 1108 – Health Insurance Carriers and Managed Care Organizations – Participation on Provider Panels – Letter of Concern

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of concern on House Bill (HB) 1108 - Health Insurance Carriers and Managed Care Organizations - Participation on Provider Panels.

As drafted, HB 1108 alters the process by which carriers and managed care organizations (MCOs) determine participation by providers on provider panels. In effect, this will shift MCOs to an any willing provider model. MCOs will be required to include any provider agreeing to the terms of participation in their provider networks. HB 1108 will fundamentally alter the HealthChoice model resulting in a substantial fiscal impact. Increased costs realized by the MCOs by shifting to an any willing provider model will in turn be passed on to MDH, driving increases in MCO capitation rates.

Maryland implemented the HealthChoice program and moved its fee-for-service (FFS) enrollees into a managed care payment system in 1997. Delivery of services to 85% of Medicaid participants through a managed care model enables MDH to ensure participants are able to access high quality care while controlling costs. A critical feature of the HealthChoice model is the ability of the nine MCOs to establish and negotiate rates with their provider networks. Federal and state requirements ensure MCOs networks must be adequate to meet their members' needs.¹

If you need more information, please contact Megan Peters, Acting Director of Governmental Affairs, at megan.peters@maryland.gov or (410) 260-2190.

Sincerely,

Laura Herrera Scott, M.D., M.P.H.
Secretary

¹ See, 42 CFR § 438.68 and COMAR 10.67.05; see also, MCO Agreement 2023, Appendix F, p. 61, <https://health.maryland.gov/mmcp/healthchoice/SiteAssets/pages/home/MCO%20Agreement%202023.pdf>.