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**House Bill 716 - Managed Care Organizations -
Acknowledgment of Responsibility for Payment of a Retroactive
Denial - Repeal of Applicability**

FAVORABLE

**House Health and Government Operations Committee
February 28, 2023**

Thank you for the opportunity to submit this testimony in support of House Bill 716- Managed Care Organizations - Acknowledgment of Responsibility for Payment of a Retroactive Denial - Repeal of Applicability.

The Maryland Managed Care Organization Association's (MMCOA) nine member Medicaid MCOs that serve over 1.5 million Marylanders through the Medicaid HealthChoice program are committed to identifying ways to improve quality and access to care for all Medicaid participants, as well as identifying efficiencies to improve the HealthChoice program and its cost-saving potential to the State.

The purpose of House Bill 716 is to ensure that if a carrier is the primary payer of a claim, an MCO is not responsible for guaranteeing payment of the claim by the responsible carrier. As the payer of last resort, Medicaid MCOs should not be held responsible for the payment of a claim that should be paid by a private payer.

Every MCO is obligated to communicate at the time of the retroactive denial that another payer has been identified as providing coverage to the member. Submission of the claim must be made to the identified payer since Medicaid is the payer of last resort. MCOs are not in a position to guarantee that another payer will be financially responsible for the claim. Otherwise, the Medicaid Program will be paying claims with state dollars that should have been paid by a commercial payer.

If there is no change in the current law, the result will be additional state dollars spent on claims that should have been covered by private carriers resulting in a violation of state and federal rules that intend for Medicaid to be the payer of last resort. In addition, the state will inappropriately experience an increase in the amount of state Medicaid dollars spent on claims.

For these reasons, we respectfully request a favorable report on House Bill 716.

Please contact Jennifer Briemann, Executive Director of MMCOA, with any questions regarding this testimony at jbriemann@marylandmco.org.