



## DEPARTMENT OF HEALTH

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

March 21, 2023

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

**RE: SB 474 – Managed Care Organizations – Retroactive Denial of Reimbursement – Information in Written Statement – Letter of Support as Amended**

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (MDH) submits this letter of support as amended for SB 474 – Managed Care Organizations – Acknowledgment of Responsibility for Payment of a Retroactive Denial of Reimbursement – Information in Written Statement.

SB 474 is an emergency bill that requires that if a retroactive denial of reimbursement is the result of coordination of benefits, a written statement by a managed care organization (MCO) to a provider shall include the name and address of the entity identified by the MCO as responsible for payment of the claim. These requirements will continue to apply to commercial insurers. The bill will take effect on the day it is passed.

When an individual has commercial insurance or Medicare in addition to Medicaid, Medicaid is the payer of last resort. In these cases, Medicaid serves as supplemental insurance and the other insurer is primarily responsible for review and payment of claims before Medicaid. This policy ensures costs are not inappropriately shifted to the State and federal government simply because a commercial carrier has not acknowledged responsibility in writing for payment. MDH further notes that the Centers for Medicare and Medicaid Services (CMS) confirmed that the current statute is far reaching and does not align with federal rules. This would put MDH at substantial risk of federal audit seeking recoveries for services inappropriately paid for by Medicaid.

If you need more information, please contact Megan Peters, Acting Director of Governmental Affairs, at [megan.peters@maryland.gov](mailto:megan.peters@maryland.gov) or (410) 260-3190.

Sincerely,

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