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TESTIMONY ON SB#/0474 - POSITION: FAVORABLE

Health Insurance - Adverse Decisions - Reporting and Examinations

TO: Chair Beidle, Vice Chair Hayes and members of the Finance Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#/0474, Health Insurance - Adverse Decisions - Reporting and Examinations

Denials of care by medical insurers in Maryland have been rapidly increasing. This bill attempts to reign in this practice by those health insurers. As reported by WYPR on December 12, 2024:

Two of Maryland's top three health insurers ranked above the industry average in claims denials in 2023.

Both Blue Cross Blue Shield, known as CareFirst in the region, and UnitedHealthcare deny their beneficiaries' claims for medical procedures and appointments more than other companies in the field.

CareFirst makes up 55% of Maryland's health insurance market share and denied 17% of claims in 2023, according to [ValuePenguin](#), a consumer research site that specializes in insurance.

The industry average is 16%.

UnitedHealthcare denied 32% of claims in 2023 and makes up 9% of the state's market share.

Kaiser Permanente is Maryland's second largest health insurer with 26% of the market, however, it only denied 7% of claims. However, Kaiser uses a different model than other insurance companies, often using in-house physicians for care. ¹

This bill will empower Maryland to take actions against these carriers for their adverse actions affected the health and lives of Marylanders. The bill will require certain carriers, if the number of adverse decisions issued by the carrier for a type of service has grown by more than 10% in the immediately preceding calendar year or 25% in the immediately preceding 3 calendar years, to provide certain information to the Maryland Insurance Commissioner. It then authorizes the Commissioner to use certain adverse decision information as the basis of a certain examination.

I respectfully urge this committee to return a favorable report on SB#/0474

¹ <https://www.wypr.org/wypr-news/2024-12-12/two-of-marylands-top-health-insurers-deny-claims-at-high-rates>