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Date: February 27, 2025
Bill # / Title: Senate Bill 691 - Cybersecurity – Healthcare Ecosystem
Committee: Senate Finance Committee
Position: Letter of Information

The Maryland Insurance Administration (MIA) appreciates the opportunity to provide information regarding Senate Bill 691.

The MIA currently regulates cybersecurity of Maryland carriers under Title 33 of the Insurance Article, which requires carriers to adopt a security plan that meets specific requirements and requires notification to the MIA in the event of a breach that significantly affects Marylanders. However, this oversight is limited to the entities which the MIA regulates - authorized insurers, nonprofit health service plans, health maintenance organizations, dental organizations, managed general agents, and third-party administrators. Additionally, pursuant to § 33-106, a carrier “that is subject to, governed by, and compliant with the privacy, security and breach notification rules” of the Health Insurance Portability and Accountability Act (HIPAA) is deemed in compliance with the information security and breach investigation requirements of Title 33, but is still obligated to comply with the notification requirements of the Title.

Senate Bill 691 requires the Maryland Health Care Commission and the MIA to each employ a cybersecurity expert and to submit reports on the cybersecurity practices of healthcare ecosystem entities to the State Chief Information Security Officer. In the case of the MIA, the additional requirements for cybersecurity regulation are specifically health insurers and pharmaceutical benefit managers. The bill also mandates that healthcare ecosystem entities adopt cybersecurity standards, undergo third-party audits, and report cybersecurity incidents to the State Security Operations Center. Additionally, the bill authorizes the Maryland Health Care Commission to convene a workgroup to review and make recommendations to improve cybersecurity in the healthcare ecosystem.

The MIA notes that the requirements placed on the Agency in the bill are unable to be executed with current staff due to lack of technical expertise, and would necessitate the hiring of at least

one full time staff member with cybersecurity experience. However, the MIA is committed to enhancing cybersecurity oversight for the entities we regulate, and looks forward to continuing a dialogue with the sponsor to refine amendments to address the ability of the MIA to implement provisions of the bill.

Thank you for the opportunity to provide this letter of information. The MIA is available to provide additional information and assistance to the Committee.