



Senate Finance Committee

February 12, 2025

Senate Bill 474 – *Health Insurance – Adverse Decisions – Reporting and Examinations*

**POSITION: SUPPORT**

On behalf of MedChi, The Maryland State Medical Society, the Maryland Academy of Family Physicians, the Maryland Chapter of the American College of Emergency Physicians, the Maryland Chapter of the American Academy of Pediatrics, the Maryland Section of The American College of Obstetricians and Gynecologists, the Mid-Atlantic Association of Community Health Centers, and the Greater Washington Society for Clinical Social Work, we submit this letter of support for Senate Bill 474.

Senate Bill 474 seeks to provide greater oversight and enforcement related to the number of denials issued by healthcare carriers. The bill states that if the number of adverse decisions by a carrier for a specific service has increased by more than 10% in the past year or 25% in the past three years, the carrier must include the following in their required report to the Maryland Insurance Administration (MIA) a description of any changes in medical management that contributed to the rise in adverse decisions and any other known reasons for the increase.

Healthcare costs and premiums continue to increase. Having insurance is not the same as being able to access health care services. There has been an alarming trend of an increase in denials. According to the latest Appeals and Grievances Report by the MIA, carriers rendered 109,123 adverse decisions in 2023 compared to 74,361 in 2020, representing an increase of 46.7% over the four-year period. Pharmacy services accounted for the highest number of adverse decisions between 2020 and 2023. Adverse decisions for pharmacy services increased by 72.2% from 2020 to 2023, (36,132 in 2020 to 62,210 in 2023). In those rare cases where a physician and/or a patient has the time to submit a complaint to the MIA, almost 70% of the time, the case is resolved (or the carrier reverses) in favor of the patient.

Hopefully, this bill, among others being considered this Session, will help stem the increase in denials and inform health insurance carriers that denial rates will be more closely examined. Under Senate Bill 474, the MIA can use the information as a trigger for an investigation, leading to greater enforcement action. For these reasons, we request a favorable report.

**For more information call:**

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