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February 27, 2025

The Honorable Pam Beidle
Chair, Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

Senate Bill 691– Cybersecurity – Healthcare Ecosystem

Dear Chair Beidle,

The League of Life and Health Insurers of Maryland, Inc. *supports Senate Bill 691 – Cybersecurity – Healthcare Ecosystem* with amendments.

We applaud the important goal of this bill as cyber events are a reality in this technologically interwoven, dependent, and increasingly connected universe. While we certainly understand the broad reach of Senate Bill 691 to ensure stakeholders in the health care universe have documented and well-developed approaches to cybersecurity, we believe the catchment is misguided. Insurance carriers are already required to have significant cyber protections and function, as well as an omnibus piece of legislation that the committee passed in 2023 to address data breaches, protections, and security.

These protections came at great cost to implement for carriers, but those protections will pay off in the long term. Yes, there will be cost to implement mandated protections, but in this ever-complicated world it is money well spent. Carriers already regularly conduct security audits, implement multi-factor authorization, encrypt sensitive data, require frequent password changes, and establish an incident response plan.

Carriers have a variety of approaches, but as the world evolves and the threats expand, many have established support networks that include the Cybersecurity & Infrastructure Security Agency (CISA) and the Federal Bureau of Investigation (FBI) to help broaden insight into potential threats and accelerate the response to vulnerabilities. Carriers outline their cybersecurity requirements and incorporate them into their partners' contractual obligations. Carriers are committed to prioritizing cybersecurity to ensure the confidentiality and integrity of data, allowing people to focus on their top priorities: access to affordable, equitable, high-quality healthcare.

We most certainly believe that all stakeholders and entities in the health care continuum should be required to have formal security policy, and frankly, there is really only one major stakeholder that has not been

required to have a formal policy in the last decade. While many entities must have protections for Maryland consumers, Maryland's hospitals are not one of the health care organizations that have yet to have mandated protections for consumers. We believe that should change and the bill should be amended to just require Maryland hospitals that get the benefit of entities they do business with to implement protections but have none of their own.

For these reasons, the League urges the committee to give Senate Bill 691 a favorable with amendment report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal line extending to the right.

Matthew Celentano
Executive Director

cc: Members, Senate Finance Committee