LCPCM-SB 437-HMO-Reimbursement Rate-Support.pdf
Uploaded by: Andrea Mansfield
Position: FAV

LICENSED CLINICAL PROFESSIONAL COUNSELORS OF MARYLAND

Committee:	Senate Finance Committee
Bill:	SB 437 Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate
Hearing Date:	February 12, 2025
Position:	Support

The Licensed Clinical Professional Counselors of Maryland (LCPCM) support SB 437 Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate. This bill requires health maintenance organizations (HMOs) to reimburse nonparticipating providers a reimbursement rate that takes into consideration the Medicare Economic Index from 2019 to the current year.

LCPCM believes SB 437 will expand access to care and improve outcomes for patients. Increasing reimbursement rates will incentivize providers to participate in HMO networks, strengthening the networks overall. It could also incentivize providers to practice in Maryland addressing the shortage gap and providing better access to care.

For these reasons, LCPCM urges the Committee to give SB 437 a FAVORABLE Report.

Please contact Andrea Mansfield at amansfield@maniscanning.com or (410)562-1617 if we can provide additional information.

2025 MCA SB 437 Non Par Providers Support.pdf
Uploaded by: Ashlie Bagwell
Position: FAV

MARYLAND
CHIROPRACTIC
ASSOCIATION

Testimony on behalf of the Maryland Chiropractic Association
Senate Bill 437--Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate
Support
February 12, 2025
Senate Finance Committee

The Maryland Chiropractic Association (MCA) is a professional organization founded in 1928 and is the leading voice for chiropractors in Maryland. Comprised of individual members, our mission is to elevate the chiropractic profession by educating the public and advancing chiropractic care for the citizens of Maryland. We have weighed in on many issues concerning patient care, insurance and other issues of importance to our members as well as our patients and the general public.

The Maryland Chiropractic Association supports Senate Bill 437. Doctors of Chiropractic are proud to serve the citizens of Maryland as participating as well as non-participating providers of Health Maintenance Organizations (HMO). Indexing the non-participating reimbursement rate to inflation is sound fiscal policy and will have a positive effect on access to care for those in need of chiropractic services.

We appreciate the opportunity to provide written comments on this bill and appreciate Senator Lam's leadership on this issue.

2025 Testimony - Favorable - Senate Bill 437 - HMO

Uploaded by: Barbara Brocato

Position: FAV

BROCATO & SHATTUCK CONSULTING

Date: Wednesday, February 12, 2025

Committee: Senate Finance Committee
The Honorable Pam Beidle, Chair

Bill: Senate Bill 437 - Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate

Position: FAVORABLE

On behalf of our clients: The Maryland Society of Anesthesiologists, The Maryland Dermatological Association, The Maryland Psychological Association, the American Physical Therapy Association, Maryland Chapter, and the Maryland Academy of Nutrition and Dietetics we strongly support Senate Bill 437.

Senate Bill 437 "alters the reimbursement rate that a health maintenance organization (HMO) must pay a nonparticipating provider. Specifically, if an HMO pays a nonparticipating provider 125% of the average rate the HMO paid, reimbursement must be based on the rate paid as of January 31, 2019, indexed for inflation as specified."

Background:
Maryland has an extensive history and track record of success in addressing nonparticipating physician payment in both the HMO and PPO markets. The methodologies in statute strive to ensure fair and transparent payment for providers and balance billing protection for consumers/insured individuals.

Maryland most recently resolved its PPO surprise billing problem in 2010 by requiring insurers to reimburse hospital- based physicians who accept assignment of benefits (i.e., agree not to balance bill their patients) in accordance with a statutory formula. Hospital-based physicians accepting the assignment of benefits would be reimbursed the greater of 140% of the average rate the insurer paid to contracting hospital-based physicians or the final amount the insurer paid to that hospital-based physician as of January 1, 2010 adjusted for inflation. Maryland's benchmark includes a floor in order to be sure insurers enter contract negotiations with hospital-based physicians in good faith and not simply to lower the benchmark rate year over year.

Positive Impact:
Maryland's AOB law has provided patient protection for almost 10 years, has been impartially reviewed[1] and determined to be widely successful. It has eliminated patient complaints of surprise billing, doubled network participation by physicians overall and tripled participation in rural areas. The law is a time tested, evidence based, sound method to protect patients without disrupting existing safety nets and long-standing balances between safety and access to care.

The success of Maryland law has been due to the balanced incentives for physicians and insurers to come together to negotiate and be in-network. This success has been supported by data reviewed by the Maryland Health Care Commission (MHCC), showing a consistently decreased volume of out of network payments since the law's implementation in 2010. In fact, the MHCC's review of data in Maryland's All Payer Claims Database (APCD) shows that the overall proportion of health care users with out-of-network services has steeply declined: From 20.9% in 2010 to 9.4% in 2013 to 3.6% in 2017.

[1] FINAL REPORT - Impact of the Assignment of Benefits Legislation - January 15, 2015; Prepared for: The Maryland Health Care Commission; Prepared by: Social & Scientific Systems, Inc.

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What Senate Bill 437 does:
Maryland's PPO law has the date certain of January 1, 2010 in order to be sure insurers enter contract negotiations with hospital-based physicians in good faith and not simply to lower the benchmark rate year over year. However, Maryland HMO law does not provide a date certain in the calculation methodology for out of network rates.

This legislation aligns the HMO law with the PPO law by adding a date certain in the HMO law from which the insurer must base calculations for out of network payment to providers. Current law references 125% of the average contractual rate the health maintenance organization paid as of "January 1 of the previous calendar year". House Bill 418 changes this to … "125% of the average contractual rate the health maintenance organization paid as of JANUARY 31, 2019… INFLATED BY THE CHANGE IN THE MEDICARE ECONOMIC INDEX FROM 2019 TO THE CURRENT YEAR."

Furthermore, "Greater of" language is included to ensure that providers are not subject to rates lower than what they would receive today.

This date reflects what is established in the Federal No Suprises Act to serve as a date certain from which insurers must utilize in determining out of network rates. The date certain provides an important baseline from which insurers must base their non-par reimbursement calculations. Aligning the HMO and AOB laws through the utilization of a date certain that coincides with the Federal No Surprises Act is an important step to take.

For these reasons we ask for a Favorable report on Senate Bill 437.

For more information:
Barbara Brocato – barbara@bmbassoc.com
Dan Shattuck – dans@bmbassoc.com

2025 MCHS SB 437 Senate Side.pdf
Uploaded by: Jennifer Navabi
Position: FAV

Maryland Community Health System

Committee: **Senate Finance Committee**

Bill: **Senate Bill 437 – Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate**

Hearing Date: **February 12, 2025**

Position: **Support**

The Maryland Community Health System (MCHS) supports *Senate Bill 437 – Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate*. Maryland Community Health System is a network of federally qualified health centers (FQHC) across the state whose mission is to provide care to underserved communities. MCHS supports legislative initiatives that remove barriers to access to care.

The bill requires health maintenance organizations to reimburse nonparticipating providers a reimbursement rate that takes into consideration the Medicare Economic Index from 2019 to the current year. FQHCs are committed to providing accessible and affordable healthcare services to underserved populations. By ensuring that nonparticipating providers are reimbursed at a fair rate, FQHCs can promote greater access to care for patients who are unable to access participating providers. Taking into account the Medicare Economic Index ensures that reimbursement rates are updated to reflect changes in the cost of providing healthcare services over time. A change like this helps FQHCs cover their costs and maintain sustainability, ultimately allowing them to continue serving their communities effectively.

We ask for a favorable report on Senate Bill 437. If we can provide any further information, please contact Michael Paddy mpaddy@policypartners.net.

SB437_PatSavage_FAV
Uploaded by: R. Patrick Savage Jr
Position: FAV

Testimony on SB 437

The Honorable Chair Bidle, Vice Chair Hayes, and Members of the Finance Committee. Good afternoon, thank you for the opportunity to address you today it is good to see you and the committee again. I am Dr. Pat Savage, a retired licensed psychologist in Maryland. I am *testifying in strong support for SB 437 on behalf of the more than 1000 members of the* Maryland Psychological Association.

We support this bill for four reasons.

1.) It provides increased access to care by encouraging out-of-network providers to offer their services to HMO members by increasing the fees they are paid by at least the rate of inflation. It is well known that mental health care is inadequately reimbursed by insurers. Did you know that over the last 25 years reimbursement rates for counseling by many HMOs has dropped 50%, which has led to a dearth of providers willing to care for HMO members. HMO reimbursement rates have traditionally been far below the usual and customary rates charged by many providers and have not been indexed to reflect inflation. Mid-career, I withdrew from providing care through HMOs for the simple reason that already low reimbursement rates were not keeping up with the rate of inflation, making sustaining a practice unfeasible. My withdrawal allowed me to selectively provide pro-bono or low-cost services to members of my community rather than contribute to insurers' profits.

2.) It simplifies and clarifies the administrative aspects of providing mental health

care. Providing mental health care has always been a challenging endeavor. Over my 38 years of practice, providing care became increasingly more complex and burdened by administrative regulations that did little to enhance the quality of care. Anything that can be done to simplify the administrative burden is welcomed.

3.) It protects patients and providers by providing a clear formula to determine out of network payments that has been shown to eliminate surprise billing, hence, avoiding patient-provider conflicts that can diminish the effectiveness of mental health care.

4.) It allows patients in need of specialized services to more easily obtain them when they are not available through the HMO.

For these reasons, I ask that you provide a FAVORABLE report on SB 437. A small step towards opening the access to care door just a bit wider. Thank you, Senator Lam, for sponsoring this bill

Thank you for this opportunity to speak to you today on this important issue.

R. Patrick Savage, Jr., Ph.D.

6703 Ilex Court

New Market, MD 21774

SB 437.pdf
Uploaded by: Taylor Dickerson
Position: FAV

MARYLAND
PSYCHOLOGICAL ASSOCIATION

PO Box 368 Laurel, MD 20725 410-992-4258 www.marylandpsychology.org

February 10, 2025

Senator Pamela Beidle, Chair
Senator Antonio Hayes, Vice Chair
Finance Committee
Miller Senate Office Building, 3 East
Annapolis, MD 21401

RE: SB 437 Health Maintenance Organizations – Payments to Non-Participating Providers – Reimbursement Rate

Position: SUPPORT

Dear Chair, Vice-Chair and Members of the Committee:

The Maryland Psychological Association, (MPA), which represents over 1,000 doctoral level psychologists throughout the state, asks the Senate Finance Committee to **FAVORABLY report on SB 437.**

SB 437 aligns the HMO law with the PPO law by adding a specific date to the HMO law from which the insurer must base calculations for out of network payment to providers. Maryland's PPO law has the specific date of January 1, 2010, to be sure that insurers enter contract negotiations with hospital-based physicians in good faith (as opposed to, for example, lowering the benchmark rate year over year). **However, Maryland HMO law does not provide a date certain in the calculation methodology for out of network rates and this problem would be remedied with SB 437.**

Current law references 125% of the average contractual rate the health maintenance organization paid as of **"***January 1 of the previous calendar year***". Senate Bill 437** changes this to … "125% of the average contractual rate the health maintenance organization paid as of **JANUARY 31, 2019… INFLATED BY THE CHANGE IN THE MEDICARE ECONOMIC INDEX FROM 2019 TO THE CURRENT YEAR."** This date reflects what is established in the Federal No Suprises Act to serve as the specific date and baseline from which insurers must utilize in determining out of network rate.

We urge the Committee to issue a **favorable report on SB 437**. If we can be of any further assistance, please do not hesitate to contact MPA's Legislative Chair, Dr. Stephanie Wolf, JD, Ph.D. at mpalegislativecommittee@gmail.com.

Respectfully submitted,

David Goode-Cross, Ph.D.
David Goode-Cross, Ph.D.
President

Stephanie Wolf, JD, Ph.D.
Stephanie Wolf, JD, Ph.D.
Chair, MPA Legislative Committee

cc: Richard Bloch, Esq., Counsel for Maryland Psychological Association
Barbara Brocato & Dan Shattuck, MPA Government Affairs

SB0437_FWA_MedChi, MDACEP, MDAAP, MACHC_HMOs - Pay

Uploaded by: Danna Kauffman

Position: FWA

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Senate Finance Committee
February 12, 2025
Senate Bill 437 – *Health Maintenance Organizations – Payments to Nonparticipating Providers – Reimbursement Rate*
POSITION: SUPPORT WITH AMENDMENT

On behalf of MedChi, The Maryland State Medical Society, the Maryland Chapter of the American College of Emergency Physicians, the Maryland Chapter of the American Academy of Pediatrics, and the Mid-Atlantic Association of Community Health Centers, we submit this letter of support with amendment for Senate Bill 437.

Senate Bill 437 alters the reimbursement rate a health maintenance organization (HMO) must pay a nonparticipating provider. Specifically, if an HMO pays a nonparticipating provider 125% of the average rate the HMO paid, reimbursement must be based on the rate paid as of January 31, 2019, indexed for inflation.

This bill seeks to address a disparity within Maryland's healthcare system: the low payment rates paid by healthcare insurers to physicians and other healthcare practitioners. A study by the Health Care Institute revealed that Maryland's payment rates by commercial healthcare insurers (when compared to Medicare) are among the worst in the country. Maryland ranks third from the bottom, only ahead of Alabama and Delaware. Payment rates by healthcare insurers are stagnant and are not keeping up with the cost of providing care and inflation. As a result, many physician practices have closed or announced that they can no longer participate with certain insurance companies because of low rates, which then disadvantages the patient because they either need to be out of network to stay with that physician or switch physicians.

Senate Bill 437 seeks to address the nonparticipating provider rate by amending the formula to better align with today's costs. While opponents will argue that it will disincentivize physicians and other practitioners from joining an insurer's network, there is no evidence that will occur. In fact, that was the argument made when Maryland passed the Assignment of Benefits law, and the exact opposite occurred – a greater number of physicians and other practitioners joined insurance networks. The above-mentioned organizations support the amendment being introduced by the sponsor to "hold harmless" those specialties that are concerned that their rates could be decreased under this legislative proposal. Again, this proposal aims to provide fair rates to nonparticipating providers, given that the negotiated rates are often too low to stay in the network. Ultimately, Maryland needs to address the broader rate issue, and hopefully, this bill will be a start. We urge a favorable vote with the amendment.

For more information call:
Danna L. Kauffman
J. Steven Wise
Andrew G. Vetter
Christine K. Krone
410-244-7000

SB 437_Nonparticipating providers_oppose.pdf
Uploaded by: Allison Taylor
Position: UNF

KAISER PERMANENTE®

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

February 12, 2025

The Honorable Pamela Beidle
Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 437 - Oppose

Dear Chair Beidle and Members of the Committee:

Kaiser Permanente respectfully opposes SB 437, "Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate."

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.[1] Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for over 825,000 members. In Maryland, we deliver care to approximately 475,000 members.

As a group-model health maintenance organization (HMO), KP closely coordinates primary, secondary, and hospital care; places a strong emphasis on prevention; and extensively uses care pathways and electronic medical records. Compared with more than 1,000 health plans nationwide, Kaiser Permanente's Mid-Atlantic region is one of only three commercial health plans to receive 5 out of 5 stars from the 2024 National Committee for Quality Assurance's (NCQA) Health Plan Ratings annual report. Kaiser Permanente is renowned for the tight integration of its clinical services, meaning that it is selective about which health providers it contracts with in order to provide the highest quality affordable health coverage for its members.

Current law requires that an HMO pay a nonparticipating provider the greater of two rates for an evaluation and management service: 1) either 140% of the rate paid by Medicare, or 2) 125% of the average rate from January 1 of the previous year. SB 437 proposes to amend the latter alternative, to tie the reimbursement rate to 125% of the average rate paid as of January 31, 2019, inflated by the change in the Medicare Economic Index from 2019 to the current year.

The proponents expect that this legislation would substantially increase the rates nonparticipating emergency service providers could charge HMOs (albeit with no corresponding benefit to consumers). **However, a study by the Maryland Health Care Commission, requested by this**

[1] Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.

committee, determined that this approach would pick winners and losers among medical specialties and have mixed results for emergency physicians:

- Emergency physicians would receive higher reimbursement in some settings and lower in others. The study showed that emergency medicine reimbursement rates for hospital-based E&M services for one payer would more than double, jumping from $168 to $458. For the same specialty, the non-hospital-based E&M services rates for the same payer would decrease from $186 to $126.

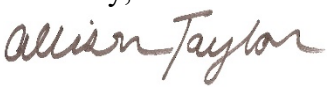
- One specialty that would be especially hit hard is Critical Care – physicians who provide comprehensive care to patients with life-threatening conditions in intensive care units (ICUs) and similar settings. Reimbursement rates for this specialty would be expected to decrease overall in all settings studied by MHCC.

- Other specialties that could experience rate reductions include primary care, radiology, and medical and surgical specialists.

This bill is not the solution. It contradicts the goals of the No Surprises Act, increases healthcare costs, and compromises the stability of our healthcare system. We urge an unfavorable report for SB 437.

Thank you for the opportunity to comment. Please feel free to contact me at Allison.W.Taylor@kp.org or (919) 818-3285 with questions.

Sincerely,



Allison Taylor
Director of Government Relations
Kaiser Permanente

2025 SB437 Opp HMO Reimbursement Rates.pdf
Uploaded by: Deborah Brocato
Position: UNF

Opposition Statement SB437
Health Maintenance Organizations – Payments to Nonparticipating Providers – Reimbursement Rate
Deborah Brocato, Legislative Consultant
Maryland Right to Life

We Oppose SB437
On behalf of our Board of Directors and members across the state, we strongly object to the appropriation and use of any public funds for the purposes of abortion violence. Maryland Right to Life opposes any appropriations from this bill being used for abortion purposes. We request an amendment to SB437 to prevent this bill from being used for abortion, abortion services and abortion funding. The bill aims to provide reimbursements to patients who receive diagnosis, treatment and services at a trauma center, whether Level I, II, or III, and to physicians employed at these trauma centers or emergency departments.

There have been efforts by the General Assembly to force Hospital emergency rooms to perform abortions and staff the emergency departments with personnel for that purpose. Maryland Right to Life objects to any bill that provides funding for staffing the abortion workforce. Abortion is not an emergency treatment.

Abortion is not healthcare and is never medically necessary – and therefore, does not deserve public funding. A miscarriage is the ending of a pregnancy *after* the baby has died; an ectopic pregnancy is not a viable pregnancy and the baby cannot continue to develop. Abortion is the intentional killing of a developing human being and often causes physical and psychological injury to the mother. Sometimes, it is necessary for a woman to have a dilatation and curettage (D&C) to complete the miscarriage so she does not develop infection, sepsis or possibly die. This is NOT the same as using D&C for abortion. Nonviable pregnancies, such as ectopic and molar pregnancies, are just as stated - nonviable – the baby has not survived or will not survive. It is necessary to remove such pregnancies for the health of the mother. Again, these are not the same as abortion because the pregnancy is not healthy and developing – the baby has died or is dying. There are no laws to prevent physicians from treating these cases.

Abortion always kills a human child and often causes physical and psychological injury to women and girls. Abortion enables the exploitation of women and girls by sexual abusers and sex traffickers to continue in the course of their crimes and victimization.

Pregnancy is not a disease and abortion cures no illness or disease and therefore is not healthcare. 85% of obstetricians and gynecologists refuse to commit abortions as their medical oath requires them to first do no harm to their patients – either mother or baby. In the rare cases when continuation of pregnancy threatens the physical life of the mother, medical providers may induce birth, but have a duty to treat both the mother and the baby. There is no law in any state that prohibits medical intervention to save the physical life of the mother in the case of medical emergency, such as ectopic pregnancy or abortion. **These medical interventions do not constitute intentional abortion and are performed**

in hospitals when a woman or girl is admitted an evaluated. Emergency departments should not be forced to become abortion clinics.

Recent radical enactments of the Maryland General Assembly have completely removed abortion from the spectrum of "healthcare". Because of the Abortion Care Access Act of 2022, the state is denying poor women access to care by licensed physicians making abortion unsafe in Maryland. With the unregulated proliferation of chemical "Do-It-Yourself" abortion pills, women are self-administering back-alley style abortions, where they suffer and bleed alone, without examination or care by a doctor. When women experience complications from abortion, they are typically refused care by the abortionist and referred to hospital emergency rooms where medical providers are often coerced into completing abortions against heir rights of conscience. Amber Thurman of Georgia died from sepsis caused by the incomplete abortion initiated by the deadly abortion pills. Abortion pills are promoted as safe and easy. This young girl had no idea how serious her condition was until it was too late.

Abortion is about revenue. The state of Maryland forces taxpayers to subsidize the abortion industry through direct Maryland Medicaid reimbursements to abortion providers, through various state grants and contracts, and through pass-through funding in various state programs. Health insurance carriers are required to provide reproductive health coverage to participate with the Maryland Health Choice program.

MDH is Failing Pregnant Women: The Maryland Department of Health has consistently failed to meet the needs of pregnant women and families in Maryland and appropriations should be withheld until the Department provides the annual report to the Centers for Disease Control to measure the number of abortions committed each year in Maryland, abortion reasons, funding sources and related health complications or injuries.

- The Department has routinely failed to enforce existing state health and safety regulations of abortion clinics, even after two women were near fatally injured in botched abortions.
- The Department has routinely failed to provide women with information and access to abortion alternatives, including the Maryland Safe Haven Program (see Department of Human Services), affordable adoption programs or referral to quality prenatal care and family planning services that do not promote abortion.
- The Department has demonstrated systemic bias in favor of abortion providers, engaging in active partnerships with Planned Parenthood and other abortion organizations to develop and implement public programs, curriculum and training. In doing so the department is failing to provide medically accurate information on pregnancy and abortion.
- The Department systemically discriminates against any reproductive health and education providers who are unwilling to promote abortion and in doing so, suppresses pro-live speech and action in community-based programs and public education.

- The Department fails to collect, aggregate and report data about abortion and the correlation between abortion and maternal mortality, maternal injury, subsequent preterm birth, miscarriage and infertility.
- The Department is failing to protect the Constitutionally-guaranteed rights of freedom of conscience and religion for health care workers, contributing to the scarcity of medical professions and personnel in Maryland.
- The Department is failing to protect women and girls from sexual abuse and sex trafficking by waiving reporting requirements for abortions, waiving mandatory reporter requirements for abortionists, and failing to regulate abortion practices.

Caring for pregnant women and girls costs money. Maryland is failing pregnant women and girls by favoring the funding of the abortion industry over access to abortion alternatives , including the Maryland Safe Haven Program (see Department of Human Services), affordable adoption programs or referral to quality prenatal care and family planning services that do not promote abortion. The Assembly promotes legislation that funds the killing of unborn children instead of legislation that respects and protects life. According to the Guttmacher Institute, a pro-abortion research organization, a baby is killed by abortion every 97 seconds, about 2,700 babies killed by abortion every day.

Funding restrictions are constitutional. The Supreme Court of the United States, in *Dobbs v. Jackson Women's Health* (2022), overturned *Roe v. Wade* (1973) and held that there is no right to abortion found in the Constitution of the United States. As early as 1980 the Supreme Court affirmed in *Harris v. McRae*, that *Roe* had created a limitation on government, not a government funding entitlement. The Court ruled that the government may distinguish between abortion and other procedures in funding decisions -- noting that "*no other procedure involves the purposeful termination of a potential life*", and held that there is "*no limitation on the authority of a State to make a value judgment favoring childbirth over abortion, and to implement that judgment by the allocation of public funds*."

Maryland urges the addition of an amendment to exclude any funding for this bill to be used for abortion purposes. Without this amendment, we ask that you give SB437 an unfavorable report.

SB 437_MDCC_Health Maintenance Organizations - Pay
Uploaded by: Hannah Allen
Position: UNF

MARYLAND
Chamber of Commerce

LEGISLATIVE POSITION:
Unfavorable
Senate Bill 437 - Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate
Finance Committee
Wednesday, February 12, 2025

Dear Chairwoman Beidle and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

Senate Bill 437 would amend the reimbursement rate at which health maintenance organizations (HMOs) are required to pay nonparticipating health care providers for services.

Under current statute, HMOs must compensate nonparticipating providers for evaluation and management services at either 140% of the Medicare rate or 125% of the previous year's average rate. SB 437 would tie the reimbursement rate 125% of the average rate paid as of January 31, 2019, adjusted by the Medicare Economic Index change from 2019 to the current year.

There is already a formula for what an HMO must pay out of network, and patients are protected under federal law from unexpected costs of emergency services. The federal No Surprises Act of 2022 prevents providers from charging patients more than their in-network cost-sharing for emergency services, even if the provider is out-of-network. This means that a provider cannot 'balance bill' out of network members who receive emergency services, protecting patients from receiving a large or surprise bill. This reduces the rate at which providers can charge for their services. SB 437 would substantially raise the rates nonparticipating emergency service providers could bill HMOs, without offering any corresponding benefits to consumers.

SB 437 would lead to increased health care costs to employers and their employees without any increase in the quality of health care services. Employers could also see impacts in employee satisfaction and retention if healthcare costs rise significantly.

We urge the committee to consider the implications this legislation could have on consumers. Additionally, there is concern that this is a workaround to the existing federal law.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report** on **SB 437**.