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Joint Committee on
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The Maryland House of Delegates
ANNAPOLIS, MARYLAND 21401

House Bill 418 – Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate

Chairman, Vice Chairman, and members of the committee thank you for the opportunity to present House Bill 418 – Health Maintenance Organizations - Payments to Nonparticipating Providers - Reimbursement Rate.

Maryland has a history of successfully addressing nonparticipating physician payment in both HMO and PPO markets through fair and transparent payment methodologies.

- **Resolution of PPO Surprise Billing:** Maryland resolved its PPO surprise billing issue in 2010 by requiring insurers to reimburse hospital-based physicians who accept assignment of benefits according to a statutory formula, ensuring fair negotiations and preventing insurers from lowering the benchmark rate annually.
- **Positive Impact of AOB Law:** Maryland's AOB law has been effective in protecting patients from surprise billing, increasing physician network participation, and reducing the frequency of out-of-network payments since its implementation in 2010.
- **House Bill 418:** House Bill 418 aims to align HMO and PPO laws by establishing a date certain for out-of-network rate calculations, and applying a “greater of” methodology to ensure providers do not receive payments below what they are receiving after passage of this bill.
- These measures work to ensure fair reimbursement calculations and encourage carriers to come to the table and negotiate fair contracts.

For these reasons we ask for a **Favorable report on House Bill 418.**