



**House Bill 1301 - Maryland Medical Assistance Program, Maryland Children's Health Program,
and Health Insurance – Transfers to Special Pediatric Hospitals – Prior Authorizations**

**Letter of Information
House Health & Government Operations Committee
March 10, 2025**

On behalf of the Maryland Managed Care Organization Association (MMCOA), which represents all nine MCOs serving Medicaid, thank you for the opportunity to submit this Letter of Information concerning House Bill 1301: Maryland Medical Assistance Program, Maryland Children's Health Program, and Health Insurance – Transfers to Special Pediatric Hospitals – Prior Authorizations.

Maryland's Medicaid MCOs are committed to ensuring that children receive appropriate care in the appropriate setting and continue to collaborate closely with health systems across the state. Children comprise approximately 40 percent of Maryland's Medicaid population. This legislation is similar to last year's bill (HB1376), and our concerns about the continued erosion of managed care tools—such as prior authorization—remain unchanged. Prior authorization is a foundational tool of managed care. Utilization management tools like prior authorization are essential in every state's Medicaid program. These tools are important to ensure that HealthChoice members receive medically necessary, clinically appropriate care, which is critical to the program's sustainability.

Should the Committee decide to advance House Bill 1301, we recommend amending the bill to limit its scope to Maryland hospital systems. As currently drafted, the bill extends to out-of-state systems that fall outside the hospital rate-setting process.

MMCOA and individual MCOs have engaged with the hospital system advocating for this legislation throughout the interim, making progress in addressing their concerns. As a result of this dialogue, a majority of MCOs have either established arrangements with the hospital system in question or waived prior authorization. The remaining MCOs, which have yet to finalize agreements, either serve low patient volumes, have been informed they are not causing transfer issues, or both. We continue to believe that non-legislative solutions can be reached through dialogue and cooperation.

Thank you again for the opportunity to provide perspective on House Bill 1301.