



Maryland
Hospital Association

House Bill 1563- Emergency Room Services and Post-Acute Care - Coverage and Facility Studies

Position: *Support as Amended*

March 25, 2026

Senate Finance Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of House Bill 1563 as amended. This legislation would strengthen the delivery of health care in Maryland by strengthening oversight over denials for services provided in emergency departments (EDs), as well as by addressing the broader challenges associated with post-acute care capacity and patient throughput.

Maryland law defines an emergency medical condition as an acute condition, such as chest pain or severe abdominal pain, that a prudent layperson with an average knowledge of health and medicine would reasonably believe requires immediate medical attention. This standard exists so that patients do not hesitate to seek emergency care out of fear that they will be stuck with large out-of-pocket costs if the final diagnosis turns out to be less severe. This aligns with the provisions of the federal Emergency Medical Treatment and Labor Act (EMTALA) that requires providers to examine and stabilize anyone who comes to the emergency department without delay, regardless of insurance status or ability to pay. Hospitals must act immediately based on the symptoms the patient presents with, not on a diagnosis that can only be known after necessary medical evaluation and tests are completed.

However, in practice, payers often lower or deny payment for a claim based on the final diagnosis rather than the symptoms the patient presented with. For example, a patient presenting with crushing chest pain must receive a thorough work-up to eliminate the possibility of it being a heart attack. If tests later show a less severe cause of the pain, such as indigestion or a panic attack, some plans will only pay a nominal triage fee while denying a portion of the claim arguing that the diagnostic tests or other evaluative components were medically unnecessary

These denials have become a significant operational and financial challenge for hospitals. MHA's review of the Health Services Cost Review Commission (HSCRC) data found that in FY 2024, **one in seven ED claims was denied—roughly 245,000 claims totaling about \$77 million**. These denials cause hospitals to lose millions of dollars in rightful reimbursement, in addition to requiring them to expend significant resources submitting, processing, and unnecessarily contesting claims. At the same time, these practices can create confusion and financial anxiety for patients who appropriately sought emergency treatment.

As amended, HB 1563 would help alleviate some of these challenges by enabling the Maryland Insurance Administration to investigate payers who consistently, wrongfully, deny claims for ED services by deeming these services as medically unnecessary or by imposing other utilization review requirements. This would help promote greater accountability in payer practices, ensure that reimbursement decisions appropriately reflect clinical practice and realities, and potentially reduce administrative burdens, allowing providers to focus resources on patient care.

Furthermore, the bill also directs the Maryland Health Care Commission and HSCRC, to study hospital and post-acute care bed capacity and recommend options that can facilitate effective transitions from acute to post-acute care settings. Hospitals across the state continue to face significant operational challenges related to discharge delays and post-acute placement shortages. Patients who are medically ready for discharge often remain in hospital beds because an appropriate skilled nursing facility, rehabilitation placement, or other level of care is unavailable. The ED Wait Times Reduction Commission's [interim report](#) also highlights post-acute care shortages as being a significant driver of increased ED boarding and wait times owing to reduced available inpatient capacity. A clearer understanding of where bottlenecks exist in the continuum of care is critical to developing sustainable policy solutions and addressing systemic capacity challenges.

For these reasons, we request a favorable report on HB 1563 as amended.

For more information, please contact:

Andrew Nicklas, Senior Vice President, Government Affairs & Policy and General Counsel
Anicklas@mhaonline.org