



MedStar Health
MedStar Emergency Physicians

February 16, 2026

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

**Re: Testimony in Support of Senate Bill 416 – Health Maintenance Organizations –
Payments to Nonparticipating Providers – Reimbursement Rate**

Dear Chair Beidle and Members of the Committee:

On behalf of MedStar Health and MedStar Emergency Physicians, I am writing to express our strong support for Senate Bill 416. This legislation would establish a reasonable base reimbursement requirement for out-of-network (OON) providers serving HMO enrollees in Maryland, aligning HMO reimbursement standards with the framework already in place for PPO plans.

Across our MedStar Hospitals, we evaluate approximately 450,000 patients in our Emergency Department each year. As a cornerstone of our community's healthcare system, we provide care to every patient who walks through our doors—regardless of insurance status or ability to pay. We are currently out of network with Kaiser Permanente, the largest HMO operating in Maryland.

Our Emergency Departments are committed to delivering exceptional, high-quality emergent care. We are proud of our internationally recognized Emergency Medicine faculty and our role in training outstanding residents, physician assistants, and nurses. However, it is recognized that practicing in the state of Maryland is particularly challenging. Lengthy wait times combined with reimbursement rates that are among the lowest in the nation place our state at a significant competitive disadvantage in recruiting and retaining top medical talent.

Since the implementation of the federal No Surprises Act in 2022, OON reimbursement for Maryland providers has declined substantially. While the Act appropriately protects patients from unexpected medical bills, it has also produced unintended consequences. In the absence of guardrails, some payors have reduced reimbursement to unsustainable levels. Maryland's existing PPO statute includes important protections that help prevent this type of underpayment. In contrast, HMO plans are effectively able to set their own reimbursement rates, which continue to trend downward without meaningful justification.

This erosion in reimbursement directly affects our ability to sustain physician staffing, recruit new providers, and maintain timely access to emergency care. As more Marylanders select HMO plans to manage rising insurance costs, these access challenges will only intensify—exacerbating emergency department wait times and broader public health concerns.

Senate Bill 416 offers a practical and balanced solution. By establishing a baseline reimbursement rate tied to pre-No Surprises Act levels—when reimbursement was more stable and negotiations were more reasonable—the bill would restore fairness and predictability to the system. Importantly, it mirrors the successful statutory approach already applied to PPO plans, which has helped foster stronger provider networks and better patient access.

We remain committed to working collaboratively with the Committee, payors, and other stakeholders to ensure Maryland patients have access to timely, high-quality emergency care while also ensuring fair and competitive compensation for the providers who deliver it.

Thank you for your leadership on this issue and for your consideration of this important legislation. We respectfully urge a favorable report on Senate Bill 416.

Respectfully,

A handwritten signature in black ink that reads "David Hager". The signature is fluid and cursive, with a long horizontal stroke at the end.

David Hager, MD
Physician Executive Director
MedStar Health and MedStar Emergency Physicians