



Mt. Washington  
Pediatric Hospital

Where Children Go to Heal and Grow

Est. 1922

An affiliate of University of Maryland Medical System and Johns Hopkins Medicine

HB1376

Favorable

**To:** The Honorable Pamela G. Beidle, Chair  
Senate Finance Committee

**From:** Mary Miller, FACHE  
CFO, Mt. Washington Pediatric Hospital

**Date:** March 31, 2026

**Re:** HB1376: Maryland Medical Assistance Program, Maryland Children’s Health Program,  
and Health Insurance – Transfers to Special Pediatric Hospitals – Requirements

I am writing to request a favorable report on HB1376

Per last year’s HB1301, payers cannot require MWPH to obtain a prior authorization for a transfer to a pediatric specialty hospital. This new law has benefited children who can move more quickly to post-acute (lower-cost) care once they are medically ready.

Mt. Washington Pediatric Hospital continues to provide clinical information to payers to confirm that specialty pediatric services are approved and MWPH will be paid. But the transfer does not have to await the payer’s decision, particularly on cases where we are confident the child will qualify for coverage.

However, FFS Medicaid has interpreted “*may* not ***require*** prior authorization for a transfer to a special pediatric hospital” as “*shall* not ***provide*** prior authorization for a transfer to a special pediatric hospital.” The state has refused to consider medical necessity until after the child is already admitted to MWPH. No other payer is taking this approach.

HB 1376, as amended, includes consensus language that Maryland Medicaid and the Maryland Department of Health have stated will enable FFS Medicaid to (1) provide prior authorization upon request of a specialty pediatric hospital; and

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[mwph.org](http://mwph.org)

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(2) clarify the appeal rights of a specialty pediatric hospital in cases where there is a medical necessity denial.

This bill is important, because while there is generally a shared understanding of patients who qualify for specialty pediatric services, there are still cases where the hospital and the payer disagree. If the state refuses to assess medical necessity until after admission, the hospital is at substantial risk for inpatient stays at -0-payment. Admissions without an initial medical necessity approval are denied for payment even at the lower, administrative day rate.

The risk is particularly high for FFS Medicaid, where the hospital's appeal rights have not been clarified or documented.

FFS Medicaid accounts for a significant percentage of admissions to MWPH, averaging 66 per year, or 15% of total admissions.

### **Right to Appeal Pre-Admission Adverse Medical Necessity Decisions**

Per MD Medical Assistance Program Hospital Transmittal No. 316 (10/28/24), MWPH can pursue a retrospective review of a Medicaid medical necessity denial for continued hospital care. However, the program has never provided information fully detailing the rights or processes associated with this retrospective review, or if it applies to pre-admission denials of medical necessity.

HB1376, as amended, provides clarifying language that confirms the right of a pediatric specialty hospital to request a reconsideration and retrospective review of a pre-admission medical necessity denial. The review process will also include a physician review as part of the reconsideration. These are the same appeal rights afforded to acute care hospitals in the State.

This will allow the hospital to continue its important work on behalf of Maryland's children

For these reasons, MWPH requests a favorable report on HB 1376, as amended.