

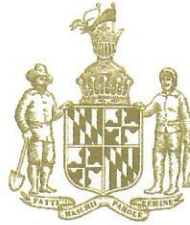
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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Senate Bill 808 – Health Insurance – Provider Panels - Requirement

March 4, 2026

Madame Chair and Members of the Finance Committee:

Under current law, insurance carriers use the credentialing process to determine if providers meet the requirements to participate on insurance panels. Maryland's credentialing statute was intended to be helpful by providing uniform timeframes and administrative mile markers across state-regulated health insurance, Medicaid managed care, and dental plans. However, Maryland's statute on credentialing is so old that it may be contributing to credentialing issues, rather than solving them.

Dating back to the 1990's, our credentialing statute was designed when credentialing was a paper process. Providers filled out paper applications and submitted their credentialing packets by fax or through the mail. Carriers had to verify credentials through the mail from primary sources, such as out-of-state licensure boards and higher education institutions. Carriers and providers also handled any official follow-up communications through the mail.

Senate Bill 808 seeks to modernize our credentialing law by acknowledging the credentialing process can be, *and should be*, managed electronically. Senate Bill 808 updates Maryland law by:

- Reducing the credentialing timeframe from a maximum of 120 to 30 days for carriers to process a completed application. Since we no longer have to rely on the U.S. mail for credentialing, providers should not have to wait 120 days;
- Ensuring payors are responsive to providers' inquiries about their credentialing applications. The bill requires payors to establish a dedicated email address and voice mailbox as well as respond to provider inquiries within two business days. This Committee took a very similar approach to the preauthorization process;
- Requiring all carriers to utilize the uniform electronic credentialing platform as designated by the Insurance Commissioner. Most carriers already use the CAQH platform (Council for Affordable Quality Healthcare). With CAQH, providers can upload a single credentialing application. Then, any carrier can access the application as part of the credentialing process. Use of such a platform reduces redundancy for both carriers and providers;
- Requiring CAQH (or any platform designated by the Insurance Commissioner as the State's uniform credentialing platform) to form an ongoing workgroup with providers and carriers to

resolve operational issues. This will help keep minor operational issues from becoming major logjams; and

- Providing the Insurance Commissioner with authority to leverage up to a \$500 daily penalty for a violation of the credentialing statute. The Insurance Commissioner would collect the penalty and remit it to the provider to offset the impact of the carrier's violation.

Senate Bill 808 also contains provisions to improve the accuracy of provider directories for commercial carriers. When providers use CAQH to upload an initial credentialing application, they must continue to attest every 120 days as to the accuracy of the information. Carriers should be using CAQH to keep provider directories up-to-date.

On the surface, Senate Bill 808 sounds like a very technical bill; but at the core, the bill is really about healthcare access. Our federally qualified health centers, private medical practices, and dental offices are working diligently to recruit providers. Yet when they are able to hire someone, they face long delays in deploying them to serve their community. Credentialing should be *and can be* streamlined, fast, and efficient.

Senate Bill 808 will support healthcare providers in meeting the needs of their communities, all the way from Western Maryland to the Eastern Shore. While we cannot increase the number of healthcare providers overnight, we can do better in ensuring that outdated administrative processes, such as credentialing, do not stand in the way of the provision of healthcare services, and so I respectfully request a favorable report on Senate Bill 808.