

February 15, 2026

The Honorable Pamela Beidle, Chair
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

On behalf of University of Maryland, we respectfully urge support for Senate Bill 416, which would establish a base reimbursement standard for out-of-network (OON) providers under HMO plans in Maryland, consistent with the framework currently applied to PPO plans.

At University of Maryland Capital Region, our emergency department evaluates approximately 52,000 patients each year. We serve as a critical safety net for our community, providing care to all patients regardless of insurance status or ability to pay. Although we deliver high-quality emergency care around the clock, we remain out of network with Kaiser, Maryland's largest HMO. Maryland already faces among the longest emergency department wait times and lowest physician compensation rates in the nation, creating a significant and growing competitive disadvantage in recruiting and retaining clinicians.

Since implementation of the federal No Surprises Act (NSA) in 2022, Maryland providers have experienced a substantial decline in OON reimbursement. While the NSA appropriately protects patients from unexpected medical bills, the absence of adequate guardrails has led to unintended consequences—namely, significant underpayment by payors. Maryland's existing PPO statute helps prevent exploitation of the NSA by establishing reimbursement protections. In contrast, HMOs currently operate without comparable constraints, effectively allowing them to set reimbursement rates unilaterally. Without legislative action, these rates will continue to decline without justification, further undermining physician recruitment and retention and exacerbating already critical emergency department wait times.

Senate Bill 416 addresses this imbalance by establishing a baseline reimbursement rate tied to pre-NSA levels, when reimbursement was more adequate and network negotiations were more feasible. The bill mirrors existing PPO law, which has resulted in stable provider networks and improved access to care for patients enrolled in those plans. As health insurance premiums continue to rise, more patients are selecting HMO plans to manage costs, making these access and workforce challenges increasingly urgent.

As providers, we are committed to working collaboratively with the committee and all stakeholders to ensure patients have timely access to essential emergency care while

supporting fair, competitive reimbursement for Maryland-based clinicians. We respectfully request a favorable report on Senate Bill 416 and thank you for your consideration.

Sincerely,

Merissa Weiss MD

Medical Director of the Emergency Department

University of Maryland Capital Region