

TESTIMONY IN SUPPORT OF SB 797

Maryland Medical Assistance Program and Health Insurance – Claims for Reimbursement –
Downcoding

TO: Chair of the Senate Finance Committee and Members of the Committee

FROM: Erinn Maury, MD, representing myself and MedChi

DATE: March 1, 2026

POSITION: SUPPORT

Thank you for the opportunity to provide testimony in support of Senate Bill 797. As a small, independent rheumatology practice serving Anne Arundel County and the surrounding Maryland communities, I urge a favorable report on this critical legislation.

The Impact of Downcoding on Specialized Care

Rheumatology is a cognitively intensive specialty. We manage complex, multi-system autoimmune and inflammatory diseases—such as rheumatoid arthritis, lupus, and vasculitis—that require extensive medical decision-making (MDM). When we submit a claim for a high-complexity visit, it reflects the significant time and expertise required to review lab results, manage high risk medications, and coordinate care for patients with multiple comorbidities.

Downcoding occurs when an insurer uses automated algorithms to override our clinical documentation, arbitrarily changing a "Level 4" or "Level 5" visit to a lower level of service without ever reviewing the specific medical necessity of that encounter and the documentation. It essentially devalues specialized care.

Why SB 797 is Essential for Small Practices

For a small private practice, the impacts of downcoding are three-fold:

Administrative Exhaustion: When a claim is downcoded, our limited staff must spend hours—sometimes weeks—appealing the decision, submitting reams of paperwork, and sitting on hold with insurers. This is time stolen from patient care.

Financial Sustainability: Small practices operate on thin margins. Systematic downcoding functions as a "shadow" pay cut that undermines our ability to keep our doors open and continue seeing patients.

Clinical Integrity:

SB 797 ensures that a physician's clinical judgment is respected. The decision regarding the complexity of a patient's condition should be made by the provider in the room, not by an algorithm designed to minimize reimbursement.

Protecting Patient Access

If specialty practices cannot be fairly reimbursed for the complex care they provide, they are often forced to stop accepting certain insurances or close their doors entirely. My practice had to stop taking both Aetna and Cigna last year because they were automatically downcoding our visits. Downcoding can directly affect access to care, worsen the existing shortage of specialists in Maryland, and increase wait times for patients whose diseases may be rapidly progressing.

By establishing clear procedures and prohibitions against unfair downcoding, SB 797 brings much-needed transparency and fairness to the reimbursement process. It ensures that the focus remains on the patient's health rather than the insurer's bottom line.

For these reasons, on behalf of MedChi, specialists like myself, and most importantly, patient access to care, I respectfully request a FAVORABLE report on SB 797.