

Bill Title: HB1112 - Health Insurance Coverage Protection Commission - Study on Individual and Group Health Insurance Market Stability

Hearing Date: 03/25/2026

Position: FAV

From: Donna Ticknor, MD; Anne Arundel County, District 33B

Date: 03/23/2026

Dear Madam Chair and Members of the Health Committee:

My name is Dr. Donna Ticknor and I live in District 33 B. I have been a Maryland resident for 28 years. I practice medicine throughout the State of Maryland and have been a practicing physician for over 25 years.

The 2025 Budget Reconciliation Act reduces federal Medicaid funding by \$1 trillion over the next decade. The cuts will be particularly deep in 2027 and 2028. Medicaid is a lifeline for one out of four Marylanders, including children and low-income families, people with disabilities, the elderly and working adults who don't have affordable insurance options, and five out of eight nursing home residents. Medically and financially vulnerable folks are living in fear that they or someone in their family will lose Medicaid and the essential medical care they need.

We appreciate all the work that our state health officials have been doing to understand the implications of HR 1 and the ways in which Medicaid enrollees will need information and support to meet the new work requirements. Maryland needs to identify new sources of significant revenue to offset the federal cuts and avoid cuts in services.

The sponsor amendment for HB1112 will empower the Commission to examine the benefits of transitioning away from using middlemen Managed Care Organizations (MCOs) in favor of a direct payment system or fee-for-service model. Connecticut adopted such a system in 2012 and has saved \$4 billion over the intervening years. Their state has also seen increased participation from clinicians.

A recent white paper published by Physicians for a National Health program estimates that Maryland could save up to \$521 million annually by taking a similar step.

On average, MCOs take 13 cents of every Medicaid dollar for overhead and profits. The state would only need 3 cents on a dollar to administer and run our publicly funded Medicaid program. By removing the "middle man" the state retains more of each Medicaid dollar which can then be directed towards patients, doctors and caregivers.

In addition to the significant cost savings, transitioning away from an MCO model would also simplify the lives of Medicaid enrollees and the clinicians who care for them. Instead of worrying about whether a specialist is part of their particular MCO's network, Medicaid enrollees would choose from a unified statewide network of Medicaid providers.

Connecticut has found that a simplified, unified Medicaid system has helped draw physicians into the program. When there is less time-consuming paperwork and bureaucratic, clinicians are

more likely to choose to serve Medicaid patients. Decreasing clinically inappropriate insurance denials and the administrative burden that takes away time from directly treating patients will reduce the Moral Injury that drives clinicians away from participating in Medicaid programs and also leaving the healthcare profession.

<https://pnhp.org/understanding-moral-injury-in-health-care/>

<https://pnhp.org/removing-the-middlemen-from-medicaid/>

Some of Maryland's MCOs are owned and operated by for-profit insurance companies with terrible track records of care denials. Others are owned by nonprofit health systems. The health systems who operate MCOs might object that scrapping the MCO model would destroy valuable opportunities for improving care coordination, however, that is not the case. Connecticut has continued to effectively promote care coordination by providing dedicated funds for primary care practices that operate as "patient-centered medical homes" (PCMHs). Some of Connecticut's largest health systems participate in the PCMH model and they have been able to use that model to streamline care and to minimize unnecessary emergency-room visits.

Currently, Maryland Medicaid programs struggle to enroll an adequate number of mental health clinicians, especially psychiatrists and specialized mental health clinicians. By simplifying the process of using one state-run Medicaid program, it will reduce the cost and the administrative burden to solo mental health clinicians and small mental health clinics and encourage more participation. It will also reduce the number of unnecessary prior authorizations and profit-driven mental health care denials. This improves the care and choice of Medicaid recipients.

We owe it to our children, our seniors, healthcare workers, and our most vulnerable residents to move expeditiously to explore this option. The 9 or 10 cents from each Medicaid dollar that isn't going to MCOs can be used to pay for healthcare treatment, to fund state eligibility operations, and expand the pool of local health department navigators we will need to help people keep up with the new "work requirements."

Other states are actively working on similar legislation - Hawaii, Minnesota, Illinois, Wisconsin, New York, Rhode Island and West Virginia.

I urge you to give favorable consideration to this amendment and reclaim the revenue we need to respond to the harm of federal budget cuts.

Thank you.

Respectfully submitted,

Donna Ticknor, MD

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