



March 23rd, 2026

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

Position: FAV

Dear Madam Chair and Members of the Committee:

My name is Patty Snee and I'm on the staff of Progressive Maryland where I lead our grassroots organizing and coalition building on health care issues.

I am writing to offer favorable testimony for HB1112 on behalf of Progressive Maryland, a statewide nonprofit issue advocacy organization.

Since April of last year, Progressive Maryland along with our national affiliate People's Action has been involved in the massive national effort to stop Medicaid funding cuts and the imposition of burdensome work requirements that will lead to tens of thousands of Marylanders losing Medicaid coverage.

I'm sure you're familiar with the facts and figures. The 2025 Budget Reconciliation Act reduces federal Medicaid funding by \$1 trillion over the next decade. The cuts will be particularly deep and difficult to handle 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.

We're grateful for the tireless efforts of our state health officials to mitigate the harm that the 2025 federal budget is going to inflict on our most vulnerable residents. We've been talking to and surveying our members around the state since last summer, from the Eastern Shore to Western Maryland and in some of our largest counties and cities. As you can imagine there's a great deal of fear, confusion, and anger about what's going to happen to Medicaid. One member, Jennifer, told us this:

“My son, who we fostered to adopt, was born with health problems, and he has been on Medicaid since birth in order to ensure he will always be able to get healthcare to address the conditions he was born with. If cuts are made to Medicaid, then American families may not be willing to take the financial risk of adopting kids with medical needs.”

There are just so many negative consequences with these cuts.

People want to know what the state is doing to find the revenue we need to protect enrollees and everyone who will be impacted. We tell them about what Connecticut did back in 2012 when they transitioned from using private Managed Care Organizations to a fee-for-service model to manage Medicaid. Connecticut, by all accounts, has saved \$4 billion since making the transition.

Almost to a person they say, can Maryland do that? We tell them yes, we are going to advocate for legislation that lets us follow Connecticut's lead.

The recent white paper from Physicians for A National Program estimates that our state could save up to \$521 million annually if we took this action.

How and why would this happen? MCOs on average take about 13 cents of every Medicaid dollar for overhead and profits. The state would only need 3-4 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 the support the state will need to provide to keep people enrolled.

Transitioning away from an MCO model would also simplify the lives of Medicaid enrollees who would not have to endure the stress of trying to choose a plan from multiple MCOs. The state, Medicaid enrollees, and clinicians would all benefit from a direct payment model where there is far less paperwork and bureaucratic complexity to deal with, not to mention care delays and denials.

The dollars not being funneled to MCOs can be used for people’s healthcare treatment, to fund state eligibility operations, and expand the pool of local health department navigators we need to help people keep up with the new “work requirements.”

States like Wisconsin, Rhode Island, Illinois, Minnesota and New York are also looking at the Connecticut example and considering similar legislation.

I urge you to give favorable consideration to this legislation which has unanimously passed the House chamber, and will empower this Commission to address the health insurance affordability crisis as well as the Medicaid funding crisis both in the short term and for the long haul.

Thank you.

Patty Snee
Takoma Park, Maryland

- Link to White Paper published by Physicians For A National Health Program 2025

[PNHP research paper on Removing the Middlemen from Medicaid](#)