



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc  
4000 Garden City Drive  
Hyattsville, Maryland 20785

March 19, 2026

The Honorable Heather Bagnall  
Health and Government Operations Committee  
House Office Building Room 240  
6 Bladen Street  
Annapolis, Maryland 21401

**RE: OPPOSE – House Bill 1126: Health Insurance – Laboratory Services – Freedom of Choice**

Dear Chair Bagnall and Members of the Committee:

Kaiser Permanente respectfully requests an unfavorable report on House Bill 1126. While we appreciate the intent to promote patient choice and equitable access, this legislation would fundamentally undermine the integrated care model that allows Kaiser Permanente to provide high-quality, affordable, and coordinated care to our Maryland members.

Kaiser Permanente's model is built on the seamless integration of clinical services, including primary care, specialty care, pharmacy, and laboratory diagnostics. Our laboratories are not merely "vendors"; they are a critical component of our physician-led care teams.

By managing our own laboratory services, we maintain rigorous internal quality standards that ensure accuracy and consistency across the entire care continuum. Our laboratory results are instantly uploaded into a member's electronic health record (EHR). This allows physicians to review results immediately, adjust treatment plans in real-time, and avoid the delays often associated with external lab transfers. Our integrated system automatically triggers alerts for missing or overdue labs (such as HbA1c tests for diabetics), ensuring that no patient falls through the cracks.

HB 1126 proposes "any willing provider" provisions that would mandate the inclusion of any laboratory willing to accept contract terms. This mandate presents several significant challenges:

1. **Fragmentation of Care:** Allowing enrollees to bypass integrated lab services in favor of disparate third-party providers fractures the medical record. Fragmented data leads to duplicate testing, higher costs, and a greater risk of clinical error.
2. **Increased Administrative Costs:** Forcing an integrated system to manage an unlimited network of external laboratory contracts would create immense administrative overhead, which inevitably translates to higher premiums for Maryland consumers.
3. **Incompatibility with Value-Based Care:** Our model is designed to prioritize outcomes over volume. HB 1126 shifts the focus back toward a traditional fee-for-service framework, which undermines Maryland's broader goals of healthcare cost containment and value-based delivery.

Kaiser Permanente  
Comments on HB 1126  
March 19, 2026

Kaiser Permanente remains committed to ensuring that our members have access to the highest quality care. However, by removing our ability to direct laboratory services within our integrated network, HB 1126 threatens the very efficiencies that make our model successful and affordable.

For these reasons, we urge the Committee to issue an unfavorable report on HB 1126.

Thank you for the opportunity to comment. Please feel free to contact me at [Allison.W.Taylor@kp.org](mailto:Allison.W.Taylor@kp.org) or (919) 818-3285 with questions.

Sincerely,

A handwritten signature in cursive script that reads "Allison Taylor".

Allison Taylor  
Head of Government Relations  
Kaiser Permanente Mid-Atlantic Region