

To: The Honorable Heather Bagnall, Chair
House Health Committee

From: Mary Miller, FACHE
CFO, Mt. Washington Pediatric Hospital

Date: March 5, 2026

Re: HB1376: Maryland Medical Assistance Program, Maryland Children's Health Program,
and Health Insurance – Transfers to Special Pediatric Hospitals – Requirements

I am writing to request a favorable report on HB1376.

Mt. Washington Pediatric Hospital does life-changing work on behalf of its patients and their families. But Medicaid's interpretation of last year's prior authorization law, and its lack of clarity on our appeal rights, are endangering this mission.

Per last year's HB1301, payers cannot require MWPH to obtain a prior authorization for a transfer to a pediatric specialty hospital. Thank you for your work on this law last year; it has helped children move more quickly to post-acute (lower-cost) care once they are medically ready.

Mt. Washington Pediatric Hospital continues to work with payers – both before and after admission – to make sure we agree that this is the right place for the child. If there is uncertainty, the hospital can wait for approval before admission.

However, FFS Medicaid is refusing to engage in this collaboration before the child is transferred to MWPH. The state is interpreting "**may not require** prior authorization for a transfer to a special pediatric hospital" as "**shall not provide** prior authorization for a transfer to a special pediatric hospital." The state is refusing to consider medical necessity until after the child is already admitted to MWPH. No other payer is taking this approach.

If the state refuses to assess medical necessity until after admission, the hospital is at substantial risk for inpatient stays at -0- payment.

The risk is particularly high for FFS Medicaid, where the hospital's appeal rights have not been clarified or documented. Although the state has said MWPH has the right to appeal, it has never provided the rules or processes around this appeal right.

In HB1376, we are asking the state to 1) work with us pre-admission to assess medical necessity for our care, and 2) confirm that a specialty pediatric hospital has the right to request a reconsideration of a medical necessity denial, with a physician review. And we are asking that the hospital be paid for taking care of the child while the appeal is considered.

This will allow the hospital to continue its important work on behalf of Maryland's children.

For these reasons I respectfully request a favorable report on HB1376.

Thank you.