



House Bill 917 - Health Insurance - Retroactive Denial of Reimbursement

UNFAVORABLE House Health Committee February 26, 2026

Thank you for the opportunity to submit testimony on House Bill 917. The Maryland Managed Care Organization Association (MMCOA) represents all nine Managed Care Organizations (MCOs) that participate in Maryland's HealthChoice program and collectively finance and arrange medical care for nearly 1.3 million Maryland residents.

House Bill 917 would restrict the ability of MCOs to act as stewards of State resources. MCOs are required by regulation to maintain active claims review processes as part of program integrity. In some instances, these reviews result in retroactive denials or payment adjustments, and HB 917 would limit MCOs' ability to recover these funds on behalf of the HealthChoice program.

Maryland's MCOs are highly regulated and operate under established claims payment and reconciliation processes that differ fundamentally from those of commercial insurers. HB 917 would impose new statutory constraints and operational requirements—such as mandatory provider training, limitations on retroactive adjustments, and pre-denial provider engagement—that conflict with longstanding contractual and regulatory practices in Medicaid managed care.

MCOs engage in reconciliations, risk-sharing arrangements, and audits as part of capitated payment models, and their ability to adjust prior payments is governed by a combination of federal requirements, State contracts, and actuarial methodologies. HB 917 would create a new regime with narrow timeframes for claims adjustments, new training obligations, and rigid engagement protocols. Maryland's MCOs believe these changes would be disruptive to established Medicaid claims operations and could create compliance risk under federal rules.

For these reasons, MMCOA respectfully requests an unfavorable report on House Bill 917.

Please contact Joe Winn, Executive Director of MMCOA, with any questions regarding this testimony at jwinn@marylandmco.org.