

House Bill 1563 – Emergency Room Services and Post-Acute Care – Coverage and Facility Studies

POSITION: Favorable

March 4, 2026

House Health Committee

The University of Maryland Medical System (“UMMS”) strongly supports House Bill 1563 – Emergency Room Services and Post-Acute Care – Coverage and Facility Studies. House Bill 1563 (“HB 1563”) would prevent insurance carriers from denying emergency room services on the sole basis that the patient did not experience an emergency medical condition, and require the Maryland Health Care Commission to conduct a study and make recommendations related to bed capacity in post-acute care settings in the State.

Healthcare providers, including hospitals, are facing significant and increasing challenges due to payer denials and inappropriate claim alterations. Nationally, care denials **increased by more than 20 percent between 2022 and 2023**. Similarly, the total dollar amount associated with denials in Maryland **increased nearly 75 percent between FY21 and FY24 (\$299 million to \$522 million)**. One factor driving this growth is the increased use of machine learning algorithms and other artificial intelligence tools. Emergency department denials are the

Emergency department denials are a persistent and significant portion of the overall denial landscape. More than 1 in 7 emergency department claims are denied, and emergency department denials represent nearly 40 percent of all denied claims. Importantly, more than half of initially denied or downcoded claims were ultimately overturned, but only after lengthy delays and multiple, costly rounds of appeals.

Hospitals and health systems also expend significant resources appealing denials, and these administrative costs divert critical resources away from patient care and contribute to cash flow pressures. A recent survey on payment delays and denials found that the average cost incurred by providers to fight denials and downcoding is \$43.84 per claim or industry wide totaled nearly \$20 billion per year.¹

HB 1563 aligns with, and builds on, legislation passed by the General Assembly in 2025 related to adverse decisions. The House Health Committee has repeatedly recognized the significance of increased payer denials on the State’s healthcare delivery system and the ability of patients to access care over the past few years, and HB 1563 will assist these efforts by establishing

¹ Premier National Survey on Payment Delays and Denials, October-December 31, 2023, available at [Trend Alert: Private Payers Retain Profits by Refusing or Delaying Legitimate Medical Claims](#).

standard procedural safeguards and data reporting for better oversight, informed policy development, and improved patient access to care.

For these reasons, the University of Maryland Medical System supports HB 1563, and respectfully requests a *favorable* report on the bill.

For more information, please contact:

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