

**Testimony on House Bill – Favorable**  
**HB 971– Maryland Medical Advisory Committee - Duties and Workgroup to Study the**  
**Adoption of a Fee-for-Service Model for All Medicaid Services**

**House Health Committee**

**February 24, 2026**

Dear Honorable Chair Bagnall, Vice Chair Cullison, and Members of the Committee,

My name is John A Spillane, and I am a Marylander residing in Prince George's County. I'm writing in support of HB 971 –Maryland Medical Advisory Committee - Duties and Workgroup to Study the Adoption of a Fee-for-Service Model for All Medicaid Services.

My family discovered just how crucial Medicaid is as we looked for a nursing home placement for my mother, suffering from dementia. Without Medicaid, it simply would not have been possible for her to find the kind of care she needed.

Unfortunately Maryland will lose up to \$2.7 billion in federal funding annually when all provisions of HR 1 (One Big Beautiful Bill Act (OBBBA)) are implemented.

Administration of Medicaid by the state would be a win-win-win solution for Medicaid patients, providers, and the state as you consider the difficult choices you are being forced to make in the face of the OBBBA provisions, while avoiding cuts to critical services that could harm Marylanders and unnecessary increases in the number of residents without health insurance.

Since Connecticut implemented such a system in 2012, it has saved \$4 billion, spends 14% lower than the Northeastern average per Medicaid enrollee, and has lower administrative spending rates compared with the average of states using a managed care model (3.8% vs 9.4%). Connecticut has also seen the number of primary care physicians who participate in Medicaid increase by 14.6% and participating specialists increase by 11% - even without an increase in reimbursement rates. When there is less bureaucratic complexity, paperwork, and denial of care to deal with, clinicians are more likely to choose to serve Medicaid patients.

HB0971 offers the opportunity to study this cost-effective direct payment model and how best to implement such a model in Maryland. MCO middlemen takes 13 cents of every dollar they received but Maryland could administer Medicaid directly for 3 cents on the dollar. At least seven other states are actively working on similar legislation (Hawaii, Illinois, Minnesota, New York, Rhode Island, West Virginia, and Wisconsin) and three others are considering it.

Marylanders are living in fear that they, or someone they love or care for, will lose Medicaid and the essential medical care they need. I respectfully urge the committee to issue a favorable report on HB 971.

Thank you for your time and consideration.

John A Spillane