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Bill # / Title: House Bill 1093 - Health Insurance – Provider Panels - Requirements

Committee: House Health Committee

Position: Letter of Information

The Maryland Insurance Administration (MIA) appreciates the opportunity to provide information regarding House Bill 1093.

House Bill 1093 is intended to streamline and standardize the process by which health care providers are credentialed and added to insurance networks, improve the accuracy and accessibility of provider directories, increase transparency and accountability for carriers, and ensure broader inclusion of essential community and behavioral health providers in insurance networks.

House Bill 1093 requires insurance companies in Maryland to process provider credentialing applications much faster than before - cutting the amount of time permitted for carriers to respond to an application from 30 days to 5 days, and final application decisions from 120 days to 30 days (and as short as 15 days for certain behavioral health providers). It requires carriers to send written notice of decisions by email, and imposes \$500-per-day penalties for missed deadlines payable to providers and makes the MIA responsible for collecting and paying out the penalties to providers. It eliminates application fees, and strengthens rules for using the online credentialing system and maintaining accurate provider directories – provisions which the MIA would also be required to enforce. The bill also expands protections for essential community providers—such as those at federally qualified health centers and school-based health centers—so carriers cannot limit their participation in insurance networks. Finally, it increases oversight of the multi-carrier common online provider directory information system by tasking a nonprofit alliance of health plans and trade associations with establishing and maintaining a stakeholder workgroup to identify and address operational issues with the system. This alliance would be required to submit a report of the workgroup’s findings to the Maryland Insurance Commissioner every year, who must in turn report its findings to the Maryland General Assembly.

While House Bill 1093 has the potential to offer a number of benefits for providers, it also may produce a number of unintended consequences as well. On the one hand because the bill requires insurance companies to make faster decisions on whether to credential a provider, the bill could

expand access to care by allowing new doctors to start seeing their patients in-network sooner than previously, fewer delays when a FQHC hires a new clinician, and better access to behavioral health providers. It could also lead to more accurate provider directories and the limitations on insurance companies' ability to exclude certain types of community-based providers (Federal Qualified Health Centers (FQHC), local health departments, and school-based health centers) could help protect access to care for underserved communities. In addition, insurance companies would face more accountability for any delays in approving provider applications that may encourage faster processing of applications.

Alternatively, House Bill 1093 might produce some unintended consequences that work opposite to the bills' intent. While consumers may gain access to more participating providers from some provider types (notably the behavioral health providers where the number of providers on the panel can no longer be limited), for other types of providers, however, carriers might wind up rejecting more provider applications due to not having enough time to complete the credentialing process.

Furthermore, the provisions that include additional requirements for the multi-carrier common online provider directory information system impose new oversight obligations on the MIA which appear problematic. While the Commissioner has not designated such a system to date, it is unclear if there is any system that would meet the current statutory requirements imposed by the bill. Particularly challenging is the requirement that the system must be developed by a nonprofit alliance that establishes and maintains a workgroup that submits a report to the Commissioner each year and meets other requirements established by the Commissioner. Under current State law, the Commissioner would have no authority to enforce the requirements against the nonprofit alliance or ensure that the alliance establishes a workgroup that produces an annual report.

The oversight provisions of House Bill 1093 also impose a number of obligations on the MIA which could increase the fiscal cost to the State. The provision that would require the MIA to collect penalties and remit them to providers is unlike any other provision in the Insurance Article, and will produce a number of one-time costs totaling approximately \$175,000, including legal, actuarial, and IT consulting support.

The legislation also requires the MIA provide oversight of carrier responses to the credentialing application process (carriers must respond in 2 business days), evaluate compliance with any new regulations that govern online credentialing system use, and monitor stakeholder workgroup reporting organized by an entity that the MIA does not regulate in order to ensure that the requirement to produce an annual report is fulfilled. Because of this, the MIA will likely require new data intake and tracking systems, complaint monitoring enhancements, and reporting automation tools. The MIA will also need to hire new staff to monitor and distribute civil money penalties as provided for in the bill. In sum, these new provisions will cost the MIA an estimated \$696,000 in the first year, including one-time costs, and \$371,000 annually thereafter for salaries and ongoing maintenance.

Thank you for the opportunity to provide this letter of information. The MIA is available to provide additional information and assistance to the committee.