

February 19, 2026

The Honorable Heather Bagnall, Chair  
House Health Committee  
House Office Building, Room 240  
6 Bladen Street  
Annapolis, MD 21401

**Testimony in Support – House Bill 737 – Health Maintenance Organizations – Payments to Nonparticipating Providers – Reimbursement Rate**

On behalf of Northwest Hospital, we urge support for House Bill 737 to establish a base reimbursement requirement for out-of-network (OON) providers for HMO plans in Maryland similar to current law governing OON reimbursement for PPO plans.

At Northwest Hospital, we evaluate nearly 50,000 emergency department patients annually. We are the safety net for our community and care for all patients regardless of their ability to pay or what type of health insurance they may have. We are out of network with Kaiser, Maryland's largest HMO. At Northwest Emergency Department, we take pride in delivering the highest quality emergent care to our patients. Maryland's combination of arguably the longest wait times and lowest compensation in the nation is a significant competitive disadvantage.

Since the federal No Surprises Act (NSA) took effect in 2022, Maryland providers have seen OON reimbursement fall substantially. The NSA provides important financial protection for patients by ensuring they are protected from unexpected costs. Yet, in the absence of guardrails, the unintended consequences of NSA have resulted in substantial underpayment from payors. The Maryland PPO law provides protections against payors taking advantage of the NSA. Conversely, HMOs in Maryland are essentially choosing their own rates. The rates will continue to decline without justification. This negatively impacts recruitment and retention of talented physicians and provides additional fuel for the ED Wait Times burning platform.

House Bill 737 proposes a solution to this problem by implementing a baseline reimbursement rate based on rates prior to the enactment of the NSA when reimbursement was sufficient, and network negotiations were more prevalent and accessible. The legislation mirrors the statute currently in place for PPO plans, which has successfully led to robust and effective provider networks for patients in those plans. As the cost of health insurance continues to rise and more patients seek to manage their healthcare costs by selecting HMO plans, these patient access concerns will continue to worsen and add to current public health concerns. As providers, we are committed to working with the committee and all stakeholders to find a solution that ensures sufficient

access to timely care and reimbursement for essential providers, including fair and competitive compensation for Maryland-based providers. Thank you for your consideration and we urge a favorable report on House Bill 737.

*Nishad Abdul Rahman, Medical Director of Observation and Emergency Medicine,  
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