



**House Bill 1153 -
Maryland Medical Assistance Program and Health Insurance - Claims for
Reimbursement - Downcoding**

**UNFAVORABLE
House Health Committee
March 5, 2026**

Thank you for the opportunity to submit testimony on House Bill 1153 – Maryland Medical Assistance Program and Health Insurance – Claims for Reimbursement – Downcoding. The Maryland Managed Care Organization Association (MMCOA), which represents all nine Medicaid managed care organizations (MCOs), finances and arranges care for nearly 1.3 million HealthChoice members across the State.

House Bill 1153 would restrict the ability of MCOs to conduct appropriate and routine reviews of submitted claims. Claim review—including the identification of upcoding, where higher-level service codes are billed for relatively minor services—is a core managed care function and a routine part of responsible claims oversight in Maryland Medicaid managed care.

Through claims reviews, MCOs routinely identify evaluation and management levels that exceed documented medical decision-making or time, procedure codes that do not meet coverage or coding requirements, and units or modifiers that are not supported by the record. Internal audits and program integrity investigations consistently show that overpayments are often driven by unsupported coding, including upcoding and improper unit billing, which must be corrected or recovered to protect public funds.

Maryland Medicaid regulations require MCOs, as stewards of State resources, to maintain active claims review processes to prevent overpayments, fraud, waste, and abuse, and to ensure accurate encounter data submission. This is an important role that supports program integrity. Any policy response should preserve transparency and appropriate provider protections without undermining the MCOs’ obligation to conduct responsible claims review and protect the integrity of the Medicaid program.

For these reasons, MMCOA respectfully requests an unfavorable report on House Bill 1153.

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