

# inseparable

March 12, 2026

House Health Committee  
240 Taylor House Office Building  
Annapolis, Maryland 21401

*Via electronic submission*

**RE: Support for HB 1450 (Health Insurance - Coordination of Benefits - Carrier Responsibilities and Retroactive Denials of Reimbursement)**

Chair Bagnall, Vice Chair Cullison, and Members of the Committee:

On behalf of Inseparable, a national nonprofit organization focused on closing the treatment gap for individuals with mental health and substance use conditions, I write in strong support of House Bill 1450. This legislation would place important guardrails on retroactive denials and payment clawbacks related to coordination of benefits, helping ensure that insurance practices do not undermine providers' ability to deliver essential care.

**Why HB 1450 Is Necessary**

Currently, when an individual is covered by more than one health plan, disputes between carriers over coordination of benefits can result in retroactive denials of reimbursement months after services have been approved, delivered, and paid. These retroactive recoveries - commonly referred to as "clawbacks" - occur when an insurer takes back payment that has already been issued to a provider for services that were previously approved and reimbursed. Clawbacks typically happen when insurers determine that a different payer should have been responsible for the claim, when coordination-of-benefits rules are reinterpreted after payment has been made, or when coverage information changes after services are delivered. Even when providers have billed in good faith and complied with all known requirements, they may later face payment clawbacks because insurers subsequently determine that another carrier should have been primary. For example, a provider may deliver several months of outpatient therapy to a patient whose commercial insurance initially processes and pays the claims, only for the insurer to later determine that Medicaid, a spouse's plan, or a different employer-sponsored policy should have been the primary payer, triggering a demand that the provider repay the original reimbursement.

These retroactive reversals create significant financial instability for providers. Mental health and substance use treatment often involves ongoing services delivered over extended periods of time. When payments can be clawed back long after care has been provided, providers are left absorbing costs and financial risk for circumstances outside of their control.

This unpredictability can discourage providers from participating in insurance networks, ultimately reducing access to care for individuals with mental health disorders and substance use conditions. Over time, the financial uncertainty created by retroactive clawbacks can make it particularly difficult for smaller community-based providers - who often operate on thin margins - to remain financially viable while continuing to accept insurance. As a result, some providers may limit the number of insured patients they see, decline to contract with certain carriers, or shift to cash-only models. These dynamics further narrow the already limited behavioral provider network and make it harder for patients and families to find timely, affordable care.

### **Providing Predictability and Protecting Access to Care**

HB 1450 addresses this problem by placing clearer limits on retroactive denials associated with coordination of benefits. By establishing reasonable timeframes and clarifying carrier responsibilities, the bill reduces prolonged financial exposure and prevents insurers from revisiting payment decisions long after services have been rendered.

While Inseparable strongly believes that clawbacks for services that have been approved and delivered should never occur (except in instances of fraud), we support HB 1450 as an important step toward increasing payment certainty and administrative fairness. Financial predictability is essential to maintaining strong provider networks and ensuring that insurance coverage works as intended.

### **Protecting Individuals with Mental Health and Substance Use Conditions**

Administrative complexity and reimbursement instability are major contributors to narrow insurance networks in mental health and substance use care. When providers cannot rely on timely and final payment decisions, participation in insurance networks becomes increasingly difficult to sustain.

In 2025, [36% of adults in Maryland](#) with a mental health disorder reported that they needed treatment but did not receive it. At a time when more than one in three adults who need care are already going without treatment, Maryland cannot afford insurance practices that further destabilize provider networks. Strengthening protections against retroactive payment clawbacks helps preserve network adequacy and safeguards access to care.

**Conclusion**

HB 1450 is a meaningful step forward in improving payment stability and protecting access to mental health and substance use care in Maryland. By limiting retroactive reimbursement reversals related to coordination of benefits, this bill supports providers, protects patients, and strengthens insurance network participation.

We respectfully urge the Committee to issue a favorable report on House Bill 1450.

Sincerely,

A handwritten signature in blue ink that reads "David Lloyd". The signature is written in a cursive, flowing style.

David Lloyd  
Chief Policy Officer, Inseparable