

Testimony

Date: February 20, 2026

HB 971

Maryland Medical Advisory Committee- Duties and Workgroup to Study the Adoption of a Fee-For Service Model for All Medicaid Services

FAV

Madam Chair Bagnall and Members of the Committee,

My name is Richard Bruning and I live in Baltimore City, 41st District. I am writing on behalf of Healthcare is a Human Right-Maryland, a grass-roots group that believes that every Marylander, without exception, deserves comprehensive, quality, affordable and appropriate healthcare.

My organization is glad to join with so many like-minded advocacy groups in supporting HB 971. It sets in place a mechanism, when fully implemented, that will result in massive savings for the state of Maryland, prioritize patients over profits, make our healthcare system more transparent and easier for consumers and health practitioners to use.

Over the last several decades, Maryland has made significant progress in increasing healthcare coverage to its citizens. These gains are being rapidly eroded by the severe cuts in federal jobs that impacted health coverage, the failure to renew the Affordable Care Act subsidies and the 2025 Budget Reconciliation Act that reduces Medicaid's funding by \$1T over the next decade. One quarter of all Marylanders, including our most vulnerable populations, will be impacted.

States are scrambling to cover this huge revenue gap. HB 971 offers a very concrete way to identify a new source of income. This bill authorizes the Maryland Medicaid Advisory Committee to set up a working group dedicated to studying the benefit of transitioning away from the use of middlemen Managed Care Organizations (MCOs) in favor of a direct payment system or a fee-for-service model.

Fortunately, there is a model for this- Connecticut, the home of so many nation-wide insurance companies. In 2021, Connecticut eliminated MCOs. In the intervening years, it has saved \$4B. A white paper by Physicians for a National Health Program estimates that if Maryland adopted this plan, it would save \$521M a year.

These savings are possible because MCOs spend \$.13 of every Medicaid dollar on overhead and profit compared to only \$.03 by the state. These massive savings could be used to provide critical healthcare funding in these fiscally challenging times.

Those savings are not the only benefit of transitioning away from middlemen. Currently, nine MCOs manage Medicaid in Maryland. Consumers have horror stories of delays and denials which only increase the profits of the middlemen. In contrast, claims paid on Medicaid guidelines would reduce denials and improve access to care.

Instead of navigating a maze of MCOs and their restrictive networks, consumers would have a unified, statewide network of Medicaid providers. They would have greater choice. Additionally, doctors would be dealing with far less paperwork and bureaucracy. Connecticut has seen an increase of 14.6% of primary care physicians participation in Medicaid programs.

All these benefits are possible through future legislation. To begin the process, HR 971 with its mandated study needs to be passed. Maryland has been a leader in healthcare reform. Seven other states, including West Virginia, are considering legislation around this topic. Healthcare is a Human Right-Maryland urges you to join this movement.

I urge a favorable report on HB 971.

Richard Bruning,

For Healthcare Is A Human Right-Maryland