



Maryland
Hospital Association

House Bill 1563- Emergency Room Services and Post-Acute Care - Coverage and Facility Studies

Position: *Support*

March 4, 2026

House Health Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of House Bill 1563. This legislation would strengthen the delivery of health care in Maryland by adding safeguards to prevent denials for services provided in emergency departments (EDs), as well as by addressing the broader challenges associated with post-acute care capacity and patient throughput.

Maryland law defines an emergency medical condition as an acute condition, such as chest pain or severe abdominal pain, that a prudent layperson with an average knowledge of health and medicine would reasonably believe requires immediate medical attention. This standard exists so that patients do not hesitate to seek emergency care out of fear that they will be stuck with large out-of-pocket costs if the final diagnosis turns out to be less severe. This aligns with the provisions of the federal Emergency Medical Treatment and Labor Act (EMTALA) that requires providers to examine and stabilize anyone who comes to the emergency department without delay, regardless of insurance status or ability to pay. Hospitals must act immediately based on the symptoms the patient presents with, not on a diagnosis that can only be known after necessary medical evaluation and tests are completed.

However, in practice, payers often lower or deny payment for a claim based on the final diagnosis rather than the symptoms the patient presented with. For example, a patient presenting with crushing chest pain must receive a thorough work-up to eliminate the possibility of it being a heart attack. If tests later show a less severe cause of the pain, such as indigestion or a panic attack, some plans reduce or deny a portion of payment for the claim arguing that the diagnostic tests were unnecessary or that the patient did not need an extensive evaluation given the final diagnosis. In most of these cases, payers will only pay a nominal triage fee that fails to account for all the testing, monitoring, and clinical decision-making required to evaluate complex symptoms and keep a patient safe and stable.

These denials have become a significant operational and financial challenge for hospitals. MHA's review of the Health Services Cost Review Commission (HSCRC) data found that in FY 2024, **one in seven ED claims was denied—roughly 245,000 claims totaling about \$77 million**. These denials cause hospitals to lose millions of dollars in rightful reimbursement, in addition to requiring them to expend significant resources submitting, processing, and

unnecessarily contesting claims. At the same time, these practices can create confusion and financial anxiety for patients who appropriately sought emergency treatment.

HB 1563 would strengthen Maryland's existing prudent lay-person standard by prohibiting ED denials that are based solely on the patient's final diagnosis. This reflects the realities of providing care within EDs and reinforces that insurance coverage should be based on the symptoms that prompted the emergency visit and not on a retrospective determination of the severity of the symptoms and the necessity of any treatment.

Furthermore, the bill also directs the Maryland Health Care Commission and HSCRC, to study hospital and post-acute care bed capacity and recommend options that can facilitate effective transitions from acute to post-acute care settings. Hospitals across the state continue to face significant operational challenges related to discharge delays and post-acute placement shortages. Patients who are medically ready for discharge often remain in hospital beds because an appropriate skilled nursing facility, rehabilitation placement, or other level of care is unavailable. The ED Wait Times Reduction Commission's [interim report](#) also highlights post-acute care shortages as being a significant driver of increased ED boarding and wait times owing to reduced available inpatient capacity. A clearer understanding of where bottlenecks exist in the continuum of care is critical to developing sustainable policy solutions and addressing systemic capacity challenges.

When Marylanders think they may be experiencing an emergency, they should be able to visit the emergency department right away, without worrying that an insurer will later deny coverage on a technicality. HB 1563 would provide both patients and providers with the assurance they need to act quickly and ensure that health care resources are being used to treat patients rather than being diverted into a costly and avoidable cycle of administrative disputes.

For these reasons, we request a favorable report on HB 1563.

For more information, please contact:

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