



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
4000 Garden City Drive
Hyattsville, Maryland 20785

March 4, 2026

The Honorable Heather Bagnall
Health and Government Operations Committee
House Office Building Room 240
6 Bladen Street
Annapolis, Maryland 21401

RE: OPPOSE – House Bill 1563: Emergency Room Services and Post–Acute Care – Coverage and Facility Studies

Dear Chair Bagnall and Members of the Committee:

Kaiser Permanente respectfully requests an unfavorable report on House Bill 1563. While we support the General Assembly's goal of reducing emergency department (ED) wait times and improving transitions to post-acute care, the mandates in this bill threaten to dismantle the clinical protocols that ensure patients receive care in the most appropriate and safest setting.

HB 1563 contains a provision that prohibits a carrier from denying coverage for emergency services solely because a patient's condition was not ultimately determined to be an "emergency." This essentially overrides the long-standing Prudent Layperson Standard.

The Prudent Layperson Standard is a legal principle that determines when an insurance company must pay for a patient's emergency room visit. Before this standard was widely adopted, insurance companies often used a hindsight approach: if a patient went to the ER with chest pain but was later diagnosed with simple heartburn, the insurer would deny the claim because the final diagnosis wasn't a "true" medical emergency.

The standard shifts the focus from the final diagnosis to the patient's symptoms at the time they decided to seek care. Under this rule, an emergency is defined based on what a "prudent layperson"—someone with average medical knowledge—would believe is an emergency.

According to the standard, a medical emergency exists if a person experiences symptoms that are severe enough that a reasonable person would believe the absence of immediate medical attention could result in placing the person's health in serious jeopardy, serious impairment to bodily functions, or serious dysfunction of any bodily organ or part.

By mandating coverage regardless of the severity of the condition, the bill inadvertently encourages the use of the ED for non-emergent issues like common colds or minor abrasions. This will exacerbate the very overcrowding and "boarding" issues the state is trying to solve. Kaiser Permanente's integrated model relies on directing members to urgent care or 24/7 telehealth for non-emergencies. These settings provide faster, more cost-effective care. HB 1563 removes the incentive for patients to use these more appropriate venues, leading to increased costs for the entire Maryland healthcare system.

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For these reasons, Kaiser Permanente urges an unfavorable report on HB 1563.

Thank you for the opportunity to comment. Please feel free to contact me at Allison.W.Taylor@kp.org or (919) 818-3285 with questions.

Sincerely,

A handwritten signature in cursive script that reads "Allison Taylor".

Allison Taylor
Head of Government Relations
Kaiser Permanente Mid-Atlantic Region