



Maryland Community Health System

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| Committee: | House Health Committee |
| Bill: | House Bill 865 - Health Insurance - Remittance Advice - Interest on Late-Paid Claims |
| Hearing Date: | February 19, 2026 |
| Position: | Support |

The Maryland Community Health System supports House Bill 865 - *Health Insurance - Remittance Advice - Interest on Late-Paid Claim*. This bill requires health insurers, nonprofit health service plans, and HMOs to separately itemize any interest paid on late health care claims in their remittance advice to providers. The bill builds on existing law that requires insurers to pay monthly interest on “clean claims” not paid within 30 days, ensuring that the interest portion of those payments is clearly identified.

Federally qualified health centers (FQHCs) support transparent remittance advice that clearly shows interest owed on late-paid claims which helps FQHCs track and reconcile revenue more accurately, which is important for cash-flow stability. FQHCs already face financial pressure from delayed insurer payments and under-reimbursement under from carriers, so being able to see the interest owed separately can reduce administrative burden and financial uncertainty. Clear remittance information can help these safety-net providers negotiate and enforce prompt payment more effectively, strengthening their ability to serve underserved communities

Thank you for consideration of our testimony. If we can provide any additional information, please contact Michael Paddy at mpaddy@policypartners.net.