

SENATE BILL 776

J5, J3

5lr3286
CF HB 995

By: **Senator Beidle**

Introduced and read first time: January 27, 2025

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 21, 2025

CHAPTER _____

1 AN ACT concerning

2 **Workgroup to Study the Rise in Adverse Decisions in the State Health Care**
3 **System – Establishment**

4 FOR the purpose of establishing the Workgroup to Study the Rise in Adverse Decisions in
5 the State Health Care System; and generally relating to the Workgroup to Study the
6 Rise in Adverse Decisions in the State Health Care System.

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
8 That:

9 (a) There is a Workgroup to Study the Rise in Adverse Decisions in the State
10 Health Care System.

11 (b) The Workgroup consists of the following members:

12 (1) one member of the Senate of Maryland, appointed by the President of
13 the Senate;

14 (2) one member of the House of Delegates, appointed by the Speaker of the
15 House;

16 (3) the Maryland Insurance Commissioner, or the Commissioner's
17 designee;

18 ~~(4) the Secretary of Health, or the Secretary's designee;~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~(5)~~ (4) the Deputy Secretary of the Maryland Medicaid Program, or the Deputy
2 Secretary's designee;

3 ~~(6)~~ (5) the Executive Director of the Health Services Cost Review Commission,
4 or the Executive Director's designee;

5 ~~(7)~~ (6) the Executive Director of the Maryland Health Care Commission, or the
6 Executive Director's designee;

7 ~~(8)~~ (7) the Executive Director of the Chesapeake Regional Information System
8 for our Patients, or the Executive Director's designee; ~~and~~

9 (8) the Director of the Health Education and Advocacy Unit of the Office of
10 the Attorney General, or the Director's designee; and

11 (9) the following members, appointed by the ~~President of the Senate and~~
12 ~~Speaker of the House~~ Governor:

13 (i) one representative of the Maryland Hospital Association;

14 (ii) one representative of the League of Life and Health Insurers;

15 (iii) one representative of a managed care plan;

16 (iv) two representatives of Maryland hospitals, with one
17 representative from a large hospital system and one representative from a community
18 hospital;

19 (v) one pharmacy services provider;

20 (vi) one behavioral health provider;

21 (vii) one representative of a commercial carrier; ~~and~~

22 (viii) one representative of a patient advocacy organization;

23 (ix) one physician;

24 (x) one representative of MedChi; and

25 (xi) one representative of a federally qualified health center.

26 (c) The Workgroup members shall elect the chair of the Workgroup.

1 (d) The Health Services Cost Review Commission and the Maryland Insurance
2 Administration, jointly ~~and in consultation with the Maryland Hospital Association,~~ shall
3 provide staff for the Workgroup.

4 (e) A member of the Workgroup:

5 (1) may not receive compensation as a member of the Workgroup; but

6 (2) is entitled to reimbursement for expenses under the Standard State
7 Travel Regulations, as provided in the State budget.

8 (f) The Workgroup shall:

9 (1) review existing State adverse decision reporting requirements for all
10 health payers in the State and include in its final report:

11 (i) the number of adverse decisions compared to the total number of
12 claims processed each year on average;

13 (ii) the number of enrollees in each health plan offered in the State;

14 (iii) the diagnostic and procedure information for each adverse
15 decision;

16 (iv) network adequacy, including provider ratios and geographic
17 accessibility; and

18 (v) any other data used to inform the Workgroup's goal of reducing
19 adverse decisions;

20 (2) make recommendations to improve State reporting on adverse
21 decisions, including recommendations regarding:

22 (i) standardized definitions of:

23 1. medical service categories;

24 2. health settings;

25 3. adverse decisions; and

26 4. medical necessity;

27 (ii) a standardized method for categorizing adverse decisions and
28 prior authorization denials;

1 (iii) a standardized process for reporting grievances or filing
2 complaints and appealing adverse decisions; and

3 (iv) a standardized method for reporting clinical outcomes, including
4 National Committee for Quality Assurance ratings and Centers for Medicare and Medicaid
5 Services star ratings;

6 (3) develop strategies for, and make recommendations to reduce, the
7 number of adverse decisions; and

8 (4) develop recommendations for legislation to address the rise in adverse
9 decisions and standardize State reporting requirements regarding adverse decisions across
10 all payers.

11 (g) On or before December 1, 2025, the Workgroup shall report its findings and
12 recommendations to the Senate Finance Committee and the House Health and
13 Government Operations Committee, in accordance with § 2-1257 of the State Government
14 Article.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
16 1, 2025. It shall remain effective for a period of 1 year and 1 month and, at the end of June
17 30, 2026, this Act, with no further action required by the General Assembly, shall be
18 abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.