

BROCATO & SHATTUCK

Date: Thursday, March 9, 2023
Committee: Health and Government Operations Committee
The Honorable Joseline Peña-Melnyk, Chair
Bill: House Bill 1108 - Health Insurance Carriers and Managed Care Organizations – Participation on Provider Panels
Position: **Favorable**

On behalf of our clients: Maryland Society of Anesthesiologists (MSA), Maryland Society of Otolaryngology (MSO), US Acute Care Solutions (USACS), and Pediatrix we support House Bill 1108. With the ever-changing healthcare landscape this bill will help physicians to participate and remain engaged on provider panels with insurance carriers and MCOs.

As drafted, House Bill 1108: *“Alters the process by which health insurance carriers and managed care organizations determine participation by providers on provider panels; and requiring internal review systems to include grievances involving the rejection of a provider's application to participate on a provider panel.”* Specifically, the bill on page 6 adds important new protections for physicians that would prohibit carriers from terminating participation on its provider panel or otherwise penalize a provider for:

...(IV) THE NUMBER OF CLAIMS REIMBURSED TO THE PROVIDER OR THE AMOUNT OF REIMBURSEMENT ASSOCIATED WITH THE CLAIMS.

(2) A CARRIER MAY NOT TERMINATE A PROVIDER'S PARTICIPATION ON ITS PROVIDER PANEL DURING THE TERM OF A CONTRACT UNLESS THERE IS A FINDING THAT THE PROVIDER:

- (I) COMMITTED FRAUD;**
- (II) ABUSED A PATIENT;**
- (III) IS INCOMPETENT; OR**
- (IV) HAS LOST THE PROVIDER'S LICENSE, REGISTRATION, OR PERMIT.**

There are increasing challenges facing the healthcare delivery landscape in Maryland. First and foremost is addressing healthcare access needs across the State. If we all learned nothing else from Covid-19, it is how vulnerable everyone is to gaps in the health care system. We must address workforce shortages to ensure an adequate and stable physician workforce that can efficiently and equitably meet the needs of all Marylanders.

We are aware of instances where physician groups are experiencing unusual difficulty staying in-network and negotiating fair reimbursement from Maryland insurance carriers. This has been happening in other states as well and appears to be an unintended outcome of the implementation of the Federal No Surprises Act.

Medical practices are striving to do what is necessary to recruit and retain physicians and most importantly, remain in network to ensure an adequate workforce and reimbursement stream. Workforce shortages impact the day-to-day ability for practices to maintain the high levels of quality care and provide the multitude of services required of patients and the facilities in which they work.

Maryland's body of Insurance law and regulation currently in place has helped to maintain a large and stable in-network provider pool. House Bill 1108 will strengthen the law around participation with carriers and provide important protections for physicians who wish to remain in network and not be terminated from participation solely due to their reimbursement rates or claims volume.

We ask for a Favorable report on House Bill 1108.

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