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TO: Joseline A. Pena-Melnyk, Chair
House, Health and Government Operations Committee

FROM: Health Education and Advocacy Unit

RE: HB 1337 – Health Insurance – Appeals and Grievances Process – Reporting Requirements and Establishment of Workgroup (**Support with Sponsor Amendments**)

The Health Education and Advocacy Unit writes in support of House Bill 1337. The bill requires carriers to report membership numbers and clean claims vis-à-vis adverse decisions and grievances. This data has been a perennial recommendation in the HEAU's annual reporting. Without this additional data, we have very limited transparency into denial trends. We also support increased scrutiny of automated processes involved in denial decisions because of the increasing use of Artificial Intelligence and other automated processes used for claims management. Automation of administrative tasks is efficient, but should not be used to replace human judgment in claims decisions.

We understand the sponsor is offering clarifying amendments (inserting the word "clean" on page 2, line 1; and expanding the definition of AI to include other automated processes), as well as an additional amendment to remove the establishment of a formal workgroup in lieu of uncodified language that would request the Maryland Insurance Administration (MIA) together with the HEAU study the topics listed on page 3, (c)(1) through (c)(5) in the interim and report their findings and recommendation to the Chair and Sponsor. The HEAU has spoken with our colleagues at the MIA and the agencies jointly commit to this study.

For these reasons, we request the Committee's support and favorable report for HB 1337.