

MedChi

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TO: The Honorable Shane E. Pendergrass, Chair
Members, House Health and Government Operations Committee
The Honorable Andrew Platt

FROM: Danna L. Kauffman
Pamela Metz Kasemeyer
J. Steven Wise
Richard A. Tabuteau

DATE: March 1, 2018

RE: **SUPPORT WITH AMENDMENT** – House Bill 1070 – *Health Insurance –
Retroactive Denial of Reimbursement to Health Care Providers*

The Maryland State Medical Society (MedChi), which represents more than 7,000 Maryland physicians and their patients, **supports** House Bill 1070 **with an amendment**. This bill requires carriers that retroactively deny reimbursement to a health care provider to provide the health care provider: (1) notice of the retroactive denial; (2) at least 30 days to respond to the notice; and (3) the option to pay the amount of the denied reimbursement in lieu of retention by the carrier of an equivalent amount of funds from another claim for reimbursement submitted by the health care provider.

Retroactive denials may occur when the carrier determines that the patient was not covered on the day of service. This has been an unfortunate reality under the Affordable Care Act when individuals signed up for coverage, received insurance cards but then stopped paying premiums and were consequently removed from coverage. It also occurs when the carrier incorrectly makes a duplicate payment or when there is a decision made later that two or more services billed the same day should be bundled as one service.

It has become a customary practice for carriers to recoup funds because of a retroactive denial by withholding a portion of payment from another claim of reimbursement, including another patient's claim. This creates an accounting nightmare for the physician's office. House Bill 1070 seeks to alleviate this burden placed on providers by allowing them an alternative mechanism for repayment to the carrier. MedChi does request that the language be amended to allow the option of a payment plan, if necessary.

On page 3, in line 12, after “PROVIDER” insert “, INCLUDING THE OPTION TO REPAY THROUGH A PAYMENT PLAN”.

With the amendment noted, MedChi respectfully requests that the Committee support House Bill 1070.

For more information call:

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