



MID-ATLANTIC ASSOCIATION OF
COMMUNITY HEALTH CENTERS

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TO: The Honorable Melony Griffith, Chair
Members, Senate Finance Committee
The Honorable Katherine Klausmeier

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DATE: February 22, 2023

RE: **OPPOSE** – Senate Bill 474 – *Managed Care Organizations – Acknowledgement of Responsibility for Payment of a Retroactive Denial – Repeal of Applicability*

On behalf of the Maryland State Medical Society, the Maryland Chapter of the American Academy of Pediatrics, and the Mid-Atlantic Association of Community Health Centers, we **oppose** Senate Bill 474.

Under Maryland law, a carrier, including a managed care organization (MCO), may retroactively deny reimbursement to a health care provider, meaning that the carrier can require the provider to pay back any payments already made for health care services rendered. If the retroactivity involves a coordination of benefits with another carrier, the Medicaid Program or the Medicare Program, the denial can occur up to eighteen months. Otherwise, the time period is 6-months. A carrier that retroactively denies reimbursement to a health care provider must provide the health care provider with a written statement specifying the basis for the retroactive denial. If the retroactive denial of reimbursement results from coordination of benefits, the written statement must provide the name and address of the entity acknowledging responsibility for payment of the denied claim.

For MCOs, Senate Bill 474 would remove the requirement that the MCO must provide the name and address of the entity acknowledging responsibility for payment of the denied claim. For commercial carriers this requirement remains. The above-referenced health care organizations oppose this bill. Trying to manage a practice when a carrier can retroactively deny a claim that has already been paid up to eighteen months after payment is already very difficult. To no longer require that the MCO provide information to the health care practice on the entity acknowledging responsibility for payment of the denied claim shifts the burden to the health care practice and will make it even more difficult if not impossible for the practice to receive any payment for the care that has already been rendered. Therefore, we request an unfavorable vote.