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House Heath Committee  
January 29, 2026

*House Bill 277 – Insurance – Third Party Administrators – Enforcement*  
**POSITION: SUPPORT**

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports House Bill 277: Insurance – Third Party Administrators – Enforcement**. This authorizes the Insurance Commissioner to impose a civil penalty of up to \$10,000 for each violation of the entire Insurance Article by a third-party administrator (TPA), instead of only for a violation of the provisions of law that directly governs TPAs. Additionally, the bill authorizes the Commissioner to deny a TPA registration to an applicant or refuse to renew, suspend, or revoke a TPA registration if the applicant or registrant has (1) violated the Insurance Article or any other State law related to insurance or (2) knowingly fails to comply with a regulation or order of the Commissioner.

MedChi strongly supports this bill and the need to have greater enforcement authority over TPAs. In addition to other administrative duties, TPAs often negotiate physician fees. As is stated in the Maryland Health Care Commission's Insurer and Provider Concentration Report (2025), commercial reimbursements in Maryland for selected professional services averaged 104% of equivalent Medicare rates, third lowest among all states and significantly lower than the national average of 122%. Low reimbursement rates and the role of TPAs are the subject of the MultiPlan Health Insurance Provider Litigation, of which MedChi is a plaintiff.<sup>1</sup> The MultiPlan litigation alleges that major health insurers used MultiPlan's "repricing" tools to systematically underpay physicians for out-of-network care. To favor insurers and suppress fair reimbursement.

MedChi strongly urges the Maryland Insurance Administration (MIA) and the General Assembly to conduct a comprehensive review of the MIA's enforcement authority and penalties to ensure they meaningfully deter noncompliance, rather than being treated by insurers as a routine cost of doing business. MedChi urges a favorable vote on House Bill 277.

**For more information call:**

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<sup>1</sup> U.S. District Court for the Northern District of Illinois.