



The Maryland State Medical Society
1211 Cathedral Street
Baltimore, MD 21201-5516
410.539.0872
Fax: 410.547.0915
1.800.492.1056
www.medchi.org



Maryland Chapter
AMERICAN COLLEGE OF
EMERGENCY PHYSICIANS

Senate Finance Committee
February 18, 2026

Senate Bill 416 – *Health Maintenance Organizations – Payments to Nonparticipating Providers – Reimbursement Rate*

POSITION: SUPPORT WITH AMENDMENT

On behalf of MedChi, The Maryland State Medical Society, and the Maryland Chapter of the American College of Emergency Physicians (MDACEP), we submit this letter of **support with amendment** for Senate Bill 416, which alters the reimbursement rate a health maintenance organization (HMO) must pay a nonparticipating provider. Specifically, if an HMO pays a nonparticipating provider 125% of the average rate the HMO paid, reimbursement must be based on the rate paid as of January 31, 2019, indexed for inflation.

This bill seeks to address a disparity in Maryland's healthcare system: the low payment rates insurers pay to physicians and other healthcare practitioners. A study by the Maryland Health Care Commission ([Maryland Insurer and Provider Market Concentration Study in Maryland](#)) substantiated that Maryland's payment rates by commercial healthcare insurers (when compared to Medicare) are among the worst in the country. Maryland ranks third from the bottom, only ahead of Alabama and Delaware. Payment rates by healthcare insurers are stagnant and are not keeping up with the cost of providing care and inflation. As a result, many physician practices have closed or announced they can no longer participate with certain insurance companies because of low payment rates, which disadvantages patients by forcing them to be out of network to stay with that physician or switch physicians.

Senate Bill 416 seeks to address the nonparticipating provider rate by amending the formula to better align with today's costs. While opponents will argue that it will disincentivize physicians and other practitioners from joining an insurer's network, there is no evidence that this will occur. In fact, that was the argument made when Maryland passed the Assignment of Benefits law, and the exact opposite occurred: more physicians and other practitioners joined insurance networks. Again, this proposal aims to provide fair rates to nonparticipating providers, as negotiated rates are often too low to remain in the network. Ultimately, Maryland needs to address the broader rate issue, and hopefully, this bill will be a start. While we offer no specific amendment at this time, MedChi and MDACEP recognize the need to ensure that setting a date certain should not disadvantage any specialty. We look forward to working on this issue and on the bill.

For more information call:

Danna L. Kauffman
J. Steven Wise
Andrew G. Vetter
Christine K. Krone
410-244-7000