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*The Maryland State Medical Society*

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TO: The Honorable Peter A. Hammen, Chairman  
Members, House Health & Government Operations Committee  
The Honorable Joseline Pena-Melnyk

FROM: Joseph A. Schwartz, III  
Pamela Metz Kasemeyer  
J. Steven Wise

DATE: March 10, 2011

RE: **SUPPORT** – House Bill 1085 – *Life or Health Insurance Policies and Annuity contracts – Discretionary Clauses - Prohibition*

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The Maryland State Medical Society (MedChi), which represents over 7,300 Maryland physicians and their patients, supports House Bill 1085.

House Bill 1085 declares as void and unenforceable any clause in a health insurance policy which reserves discretion to the carrier to interpret the policy's terms or to provide standards of interpretation. MedChi believes that House Bill 1085 represents sensible policy and is consistent with Maryland's Appeal and Grievance Law which, to use one example, allows a patient to appeal to the Maryland Insurance Administration an HMO's determination that a medical procedure is not "medically necessary."

There is no policy reason to allow the superior party to an insurance contract to be the ultimate arbiter of the meaning of the contract. A dispute over the terms of the contract should be settled by a neutral third party.

MedChi would request a favorable report on House Bill 1085.

**For more information call:**

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