Maryland
INSURANCE ADMINISTRATION

Suggestions and Recommendations Discussed During Workgroup Meetings #1 - #6

Marie Grant, Insurance Commissioner

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Agenda

- Recommendations Related to State Reporting on Adverse Decisions
  - Definitions for: Medical Service Categories; Health Settings; Adverse Decisions; and Medical Necessity
- Recommendations for Reporting Grievances or Filing Complaints
- Recommendations for Standardized Reporting Requirements
- Strategies and Recommendations for Reducing the Number of Adverse Decisions

Workgroup Charges

From Chapters 671 and 672 of 2025 (Senate Bill 776/HB 995):

f) The Workgroup shall:...

2) make recommendations to improve State reporting on adverse decisions, including recommendations regarding:

i) Standardized definitions of:

1. medical service categories;
2. health settings;
3. adverse decisions; and
4. medical necessity

ii) a standardized method for categorizing adverse decisions and prior authorization denials; and

iii) a standardized process for reporting grievances or filing complaints and appealing adverse decisions;

3) develop strategies for, and make recommendations to reduce, the number of adverse decisions; and

4) develop recommendations for legislation to address the rise in adverse decisions and standardize State reporting requirements regarding adverse decisions across all payers.

Recommendations Related to State Reporting on Adverse Decisions

- The Maryland Hospital Association (MHA) and the Physician appointees recommended exploring options for communicating changes and newly adopted regulations with health care providers so they are not surprised by changes after they have already taken effect (e.g., new Medicare Advantage regulations). Recommendations included:
  - Posting on agency websites
  - Requiring posting on carriers' websites.
- Include data on state employee and local government health plans.

Definitions - Medical Service Categories

- The MIA, in their 2025 report (due December 2026) is requiring commercial carriers to submit the following categories in their appeals and grievance report:
  - Adverse Decisions regarding Prior Authorization or Step Therapy Protocol; Adverse Decisions Overturned after a Reconsideration Request;
  - Non-formulary Prescription Drugs - Number of Requests made and granted;
  - Adverse Decisions Aggregated by ZIP Code;
  - Grievance Decisions Aggregated by ZIP Code; and
  - Whether an Artificial Intelligence, Algorithm, or other software tool was used in making an Adverse Decision.
- The workgroup expressed support for the MIA to expand medical service categories that commercial carriers are required to submit in future appeals and grievance reports to include:
  - Post-acute service categories, including skilled nursing facilities;
  - Inpatient rehabilitation facilities;
  - Inpatient mental and behavioral health; and
  - Inpatient substance use treatment services.

Definitions - Medical Service Categories

- MHA recommended that the MIA further expand outpatient hospital service categories.
- Clarify medical services that could fall under multiple categories
  - e.g., Glucose monitoring devices could be considered Durable Medical Equipment or Pharmacy Service
- The Maryland Office of the Attorney General's Health Education and Advocacy Unit (HEAU) recommended including "contractual denials" as a category for adverse decisions.
- Break down the current "mental health services" category into types of service types.

Definitions - Health Settings

- The Maryland Health Care Commission's (MHCC) proposed regulations would collect data on all claims, including denied claims, and the specific codes that are being used. This would not include plans that are not required to report, such as ERISA plans.
    - The purpose of this action is to amend Regulations .02 and .05 under COMAR 10.25.06 Maryland Medical Care Data Base and Data Collection, which govern the submission of healthcare data (claims, encounters, and eligibility) by payors to the Maryland Health Care Commission (MHCC). The amended regulations will allow the Commission to collect health care data for all services that are not covered (i.e. denied services) and why.

Definitions - Adverse Decisions & Medical Necessity

- MHCC's proposed regulations would collect data on all claims, including denied claims, and the specific codes that are being used. While this would not include plans that are not required to report, such as ERISA plans, this action would broaden the data collection framework to include a full spectrum of denials, including administrative and partial denials, alongside those for medical necessity.
    - MHA recommended capturing data on review types, including prior authorization, concurrent review, and retrospective review.
    - Collect data on where these denials are happening.
- MHA recommended identifying which agency is best positioned to report on the comprehensive set of data on denials beyond adverse decisions in MHCC's proposed regulation above, and
    - Report on the collected data on a regular basis, standardized across payers, and organized in a way that is understandable to the public; and
    - Including the data in a publicly accessible dashboard that allows consumers, providers, and policymakers to monitor trends in denials across payers.

Recommendations for Reporting Grievances or Filing Complaints

- Identify a way to streamline the MIA's process for providers to report complaints or submit grievances. The current system was reported to be "cumbersome," and a "burden on providers"
- Require one uniform, plain language appeal form across payers and denial types

Recommendations for Standardized Reporting Requirements

- Maryland Medicaid suggested identifying and reporting on pre- and post-service adverse decisions within their respective categories for commercial carriers.
- MHA suggested that for a Medicare Advantage plan to qualify for the market stabilization program/hospital rate differential, MA plans should be required to include reporting on adverse decisions and timelines for reviewing adverse decision appeals.
- Identify payer outliers to identify outliers and reasons for variability in denial rates across different payers.

Strategies and Recommendations for Reducing the Number of Adverse Decisions

- Require the use of a standardized form that providers and consumers can use to submit prior authorizations.
  - MHA thinks that e-prior authorizations could also apply to Medicaid HealthChoice MCOs.
- Require the use of a standardized form that providers and consumers can use to file an appeal to an insurer.
  - Some workgroup members noted concerns that could stem from a standardized form such as increased administrative burden for providers.
  - MD Medicaid also noted they must follow Federal regulations and what is reasonable for appeals.
- Multiple submission methods or should there be a requirement to fill out these forms and file them electronically?
  - Multiple methods include, but are not limited to: secure web upload; email submission; fax; and mail alternatives.
  - The Mental Health Association of Maryland suggested electronic forms to have a traceable process.

Strategies and Recommendations for Reducing the Number of Adverse Decisions

- Third party audits of commercial carriers' clinical criteria, similar to MD Medicaid's process for pre-service prior authorizations across MCOs.
- MHA recommended that Medicare Advantage plans which that qualify for the stabilization program should be subject to adhering to reasonable utilization review standards, including compliance with benchmarks for medical necessity determinations, prior authorization processes, and minimal rates of prior authorization and claims denials.
- MHA suggested the state explore opportunities to extend comparable prior authorization standards across all payers, including Medicaid MCOs and Medicare Advantage plans.

Other Suggestions and Recommendations?

- MHA suggested the implementation of electronic notices of denial letters
  - Electronic denial letters are under development for Medicaid Members.
- Study how delays in care affects health outcomes.
- Request additional resources to help with data collection, analysis and accountability.

Written Comments

Written Comments will be accepted through **EOD Thursday, September 3, 2026** on the topics covered in today's meeting.

Those can be submitted via email to:

riley.williams@maryland.gov and janice.lepore1@maryland.gov.

Public Questions or Comments?


Thank you