Maryland
Hospital Association

House Bill 865- Health Insurance - Remittance Advice - Interest on Late-Paid Claims

Position: *Support*
February 19, 2026
House Health Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of House Bill 865.

This legislation strengthens transparency in the claims processes by requiring insurers to provide remittance advice that clearly identifies and itemizes interest owed when claims are paid late. HB 865 improves provider payment accuracy while reinforcing existing prompt-pay requirements that insurers must already follow under Maryland law.

Maryland's law requires insurers to either pay a clean claim or issue a notice explaining the status of the claim within 30 days of receiving it. If a claim is not clean or if the insurer disputes part of it, the insurer must also specify exactly what additional information is needed. When payments are late, Maryland law requires interest to be paid at escalating monthly rates. HB 865 ensures that the amount of interest paid by payers is clear by requiring insurers to include a separate, itemized accounting of those interest payments on the remittance advice. This is a straightforward improvement that helps hospitals confirm they are being compensated as required by law.

This bill helps address unecessary administrative burdens for hospitals at a time when they have growing financial pressures. As Maryland transitions to the AHEAD Model and confronts federal Medicaid cuts, hospitals are being asked to do more with less. At the same time, rising premiums, the expansion of high deductible health plans, and increasing payer denials are shifting more cost and risk onto both patients and providers. In this challenging environment, HB 865 provides meaningful relief by creating clearer, more predictable processes that support hospitals' ability to focus on patient care rather than navigating unnecessary administrative obstacles.

For these reasons, we request a favorable report on HB 865.

For more information, please contact:
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