

May 1, 2026

Kenneth Yeates-Trotman
Director, Analysis and Information Systems
Maryland Health Care Commission
4160 Patterson Avenue,
Baltimore, MD 21202

Dear Director Yeates-Trotman:

On behalf of the Maryland Hospital Association (MHA) and its member hospitals and health systems, thank you for the opportunity to comment on proposed regulatory changes to COMAR 10.25.06 regarding the collection of denied claims data.

MHA supports the proposed collection and inclusion of data on claim denials in the Medical Care Data Base to increase transparency and accountability across payers. We believe it is imperative that the data collected under the regulations is comprehensive and standardized to capture the scope and impact of denials on patients and hospitals. This data will help to identify trends in denial rates and denial reasons across all payers, evaluate the impact on patient access and outcomes, substantiate the administrative burden on providers, and inform policy solutions.

Denials burden both patients and hospitals, adding to administrative demands, complicating the navigation and delivery of health care, and delaying reimbursement of critical patient care.

Analysis of denial data submitted by hospitals to the Health Services Cost Review Commission shows denials have increased significantly over the past decade, with growth accelerating in recent years. From 2019 to 2024, the total dollars denied in Maryland hospitals increased 47%, an increase of \$166 million in unpaid services. In 2024, one in every eight claims for inpatient hospital services had a denial.

Payer denials can create barriers that delay medically necessary treatments, medications, or follow-up care for patients. Many patients face unexpected financial liability, such as higher out-of-pocket costs, while also being asked to navigate lengthy and complex insurance processes and billing requirements as they manage their own health. This can lead to sicker patients and higher overall health care costs. These barriers disproportionately affect vulnerable populations and may worsen health disparities.

Claim denials also impose significant and growing administrative and financial burdens on Maryland hospitals. Hospitals dedicate staff and resources to review, appeal, and resubmit denied claims, often multiple times for the same service and patient. This diverts resources away from patient care and contributes to operational inefficiencies across the health care system. Predictable revenue is essential to maintain access to care. Payment denials and delays interfere with hospitals' ability to plan, invest in workforce, and maintain essential services.

As the Maryland Health Care Commission (MHCC) noted, improved data on denied claims has significant value for public health initiatives. Denials data can identify patterns in access barriers, coverage gaps, and inequities across populations and geographic areas. Denial amounts are rising; however, appeals are often successful, and a substantial portion of denials are ultimately overturned, raising questions about payers' initial determinations. In Maryland, more than 55% of adverse decisions that were appealed to the state over the past decade were ultimately reversed.¹ Similarly, a study of closed external appeals in New York state showed that overturned percentages increased from 38% in 2019 to 52.5% in 2025.²

It is important that the denials data submitted to MHCC is comprehensive, standardized, and aligned with other state and federal data collection frameworks to support policy solutions to reduce problem denials, support access to care, and minimize financial disruption and administrative burden for providers.

As MHCC refines and implements the proposed regulations, MHA encourages adoption of a data collection framework with specificity to prevent the submission of incomplete or inconsistent data on denials that could limit the data repository's utility for policy analysis and decision-making. The regulatory framework should include collection of the initial denial date and the payer responsible for the denial. In addition, the required data submission should include the reason for the denial. When collecting this information, it is important to have denial reasons that are categorized into standard definitions to ensure a shared interpretation across all hospitals. The framework should also collect information on partial denials and capture standardized information on appeals and denials that are overturned on appeal.

Additionally, we recommend expanding the definition of "denials" in Section 02.6.a. to include denials for incomplete coding or missing information, which is currently proposed to be excluded from the definition in Section 02.6.b. The MCDB Submission Manual, which contains information on data reporting requirements with guidelines of technical specifications and layouts, must also be updated with specific details regarding the denials data to be collected.

To support consistent reporting of denials data, MHA suggests aligning the proposed requirements with other state and federal data collection frameworks, including CMS data submission requirements and Health Services Cost Review Commission denials data framework, which is currently being updated to include new reporting elements. Consistency across datasets will allow for easier validation and enable more meaningful comparisons across programs and populations. More specifically, we recommend MHCC to include a denial reason field and align its denial reason categories with those specified in HSCRC's denials template.

¹ Maryland Hospital Association, "Preserve Access and Affordability for Maryland Patients," March 2026, https://mhaonline.org/index.php?pda_v3_pf=/_pda/2026/03/Preserve-Access-and-Affordability-for-Maryland-Patients.pdf

² Rahim A, Eom KY, Bruch JD. Overturned Health Insurance Claim Denials. *JAMA Intern Med*. Published online April 13, 2026. doi:10.1001/jamainternmed.2026.0358

We are pleased to learn that Managed Care Organizations (MCOs) will submit their denials data through this regulation as MCOs constitute a significant portion of all-payer denials (39% of total dollars denied in 2024).

MHA appreciates MHCC's leadership to address the growing issue of claim denials and supports the development of a comprehensive data collection framework. We welcome the opportunity to partner with MHCC to explore ways to strengthen the proposed regulations such as by standardizing data elements and aligning with existing frameworks to ensure that the data collected can effectively inform policy solutions that protect patient access to care, reduce administrative burden, and improve reimbursement accuracy.

We look forward to continuing our collaboration with MHCC and other stakeholders on this important issue.

Sincerely,



Melony G. Griffith
President & CEO

CC: Dr. Douglas Jacobs, Executive Director, MHCC