



**2025 Maryland Academy of Family Physicians
Advocacy Day Priority Issues
February 6, 2025**

1. Medicaid Reimbursement Rates

- The Governor's Budget for Fiscal Year 2026 Budget (which begins July 1st) funds Medicaid payments to providers for evaluation and management (E&M) codes at 100% of Medicare. In a year where the State is facing a \$3 billion deficit, this is a giant win, at least at the start of the Session.
- Why is it important?
 - Medicaid payment rates to physicians have historically been too low to ensure an adequate network for enrollees, thus limiting patient access to a doctor. Lack of access to primary care leads to poor outcomes that increase the cost of care for Medicaid recipients. Appropriate payment rates not only encourage private practice physicians to participate in the Medicaid program, but also helps keep patients out of the emergency room and the hospital where many Medicaid enrollees seek care when they cannot find a physician.
- **We are asking that the General Assembly maintain the Governor's funding level, and we want to thank Governor Moore and the General Assembly for recognizing the importance of payment rates.**

2. Loan Assistance Repayment Program for Physicians and Physician Assistants (Physician LARP)

- This program provides loan assistance to physicians and physician assistants who agree to practice primary care in underserved areas of our State.
- **The Governor's Budget for FY 2026 proposes \$3 million in funding for LARP. Again, as with Medicaid payment rates, in a budget climate like this, we are very appreciative of the support for this important program.**
- Historically, LARP relied on limited funding from a lone source—physician licensure fees, which generate only \$400,000 per year to provide loan assistance for the entire State.
- For context on why loan assistance is important, the average medical school debt per student is over \$200,000. When medical student debt is coupled with the lower income levels found in primary care, simple economics explain why physicians do not choose this specialty. Investment in Physician LARP is a powerful tool at the State's disposal to incentivize physicians to enter primary care and ensure patient access to physicians in every part of Maryland.
- Please help provide adequate funding for Physician LARP.

3. Senate Bill 474/House Bill 848–Health Insurance-Adverse Decisions-Reporting and Examinations (SUPPORT)

- These bills are sponsored by the respective chairs of the Senate Finance (Beidle) and the House Health and Government Operations Committee (Pena-Melnyk) and seek to provide greater enforcement authority to the Maryland Insurance Administration, which regulates health insurance carriers in the State.
- The bill requires health insurance carriers, if the number of adverse decisions issued by the carrier for a type of service has grown by more than 10% in the immediately preceding calendar year or 25% in the immediately preceding 3 calendar years, to provide information to the Maryland Insurance Commissioner on the reason for the increase. The bill then authorizes the Commissioner to use the information to conduct a market conduct survey, which can trigger penalties and other compliance actions.
- *Data Points:* Carriers rendered 109,123 adverse decisions in 2023 compared to 74,361 in 2020, representing an increase of 46.7% over the four-year period. By comparison, in 2019, and pre-pandemic, carriers rendered 78,730, representing an increase of 38.6% over the five-year period. Pharmacy services accounted for the highest number of adverse decisions rendered during the period between 2020 and 2023. Adverse decisions for pharmacy services increased by 72.2% from 2020 to 2023.
- Adverse decisions for the combined categories of laboratory and radiology testing increased by 71.6% from 2020 to 2023, (9,693 in 2020 to 16,634 in 2023). Adverse decisions for physician services increased by 20.5% from 2020 to 2023, (3,693 in 2020 to 4,449 in 2023). *Source:* MD Insurance Administration, Maryland Annual Appeals and Grievance Report. December 1, 2024.