



MDAFP Legislative Report

2026 South East Family Medicine Forum

The 449th Session of the Maryland General Assembly led to major changes that took place just over one month prior to the start of the session, with the election of a new Speaker of the House. This prompted a significant reorganization of House leadership, committee structure, and committee assignments, creating a learning curve for legislators, staff, and lobbyists alike.

MDAFP Priorities

1. Preceptor Tax Credit (PASSED)

This legislation (House Bill 595/Senate Bill 466) was introduced at the request of MDAFP and was sponsored by Senator Nancy King (D) and Delegate Robyn Lewis (D). It will make physicians who precept eligible for the tax credit regardless of whether the medical student they are working with attends school in the State or outside of it. Current law requires in-state attendance. The bill will also reduce the number of hours from the current 100 to 90.

This bill has been sent to the Governor and was signed, enacting it to take effect on July 1, 2026 (the beginning of the State's fiscal year).

2. Medicaid Payment Rates

Despite the projected \$1.4 billion budget deficit, the budget adopted by the General Assembly included level funding for Medicaid E&M codes, keeping them at approximately 98.5% of Medicare rates. While we would like to get back to 100%, with the State facing persistent budget deficits, this is a win. As part of the State's Operating Budget bill, this legislation has already been signed into law by the Governor.

3. Naturopath Prescribing (FAILED)

House Bill 520/Senate Bill 470 would have authorized licensed naturopathic doctors in the State to prescribe prescription drugs and, potentially, controlled dangerous substances. MDAFP emphasized the substantial differences in experience between naturopathic and allopathic doctors and stressed how inequitable it would be if they were given similar prescribing privileges, but despite that the House passed the legislation. Fortunately, the Senate Finance Committee saw the issue very differently and the bill did not advance.

4. Psychologist Prescribing (FAILED)

Legislation to allow psychologists to prescribe also failed (HB 1021/SB 568).

5. Non-Economic Damages Cap (FAILED)

This legislation (Senate Bill 474/House Bill 476) would have eliminated the cap on non-economic damages in tort cases. These are damages paid for pain and suffering to plaintiffs in negligence cases. While the bills did not immediately affect the cap on medical malpractice cases, they would have been a marker for what is to come of the med mal cap on non-economic damages, and for that reason MDAFP opposed these bills. A repeal or increase of the current \$920,000 cap would affect malpractice premiums across all specialties at a time when the State is already struggling to attract physicians.

6. Punitive Damages (FAILED)

House Bill 906/Senate Bill 718 would have lowered the standard for an award of punitive damages in negligence cases. Currently, Maryland's standard of actual malice has limited the frequency of punitive damage awards in medical malpractice cases, but this legislation could abruptly change that and allow them to be awarded in many more, which is why MDAFP opposed it.

7. Loan Assistance Repayment Program

The Governor's budget provides \$2 million in funding for the Physicians Loan Assistance Repayment Program (LARP). While this is decent funding when compared to historical levels, the source of the money is not one we would prefer. As is typical in a difficult budget year, funds are raided from various sources. Here, the budget takes the \$2 million from the Board of Physician's reserve fund, i.e., license fees paid by physicians. While this is not something we particularly like, at least the funds are being applied to a program that we support and not being sent to the General Fund for unexplained uses.

8. Pharmacists-Treatment of Minor Conditions (FAILED)

House Bill 1150/Senate Bill 506 would have allowed pharmacists to diagnose "minor conditions" and then prescribe medications to treat the condition. Again, as with the Naturopath bill, the House passed the measure with amendments removing some conditions from the list that could be treated by pharmacists, such as urinary tract infections, but the Senate Finance Committee did not advance the bill and it died.

9. Health Insurance – Provider Panels – Requirements (PASSED)

House Bill 1093/Senate Bill 808 shorten the timeframes for when a health insurer must act upon a physician's credentialing application. Beginning January 1, 2027:

- Within 15 days (rather than 30 days) of receiving a completed application, carriers are required to send to the email address or mailing address on the application a written notice that the carrier either intends to process or reject the application;
- Within 60 days (rather than 120 days) after providing the notice that the carrier intends to process the application, the carrier must either accept or reject the physician for participation in the carrier's provider panel. However, for certain therapists and professional counselors, the requirement is 30 days (rather than 60 days); and
- If an incomplete application is received, the carrier must inform the physician within 10 days of receiving it that the application is incomplete and the information necessary to make the application complete.

Furthermore, the legislation requires carriers to accept the uniform credentialing form (UCF) through an online credentialing system, provide a direct phone number and email for UCF inquiries, and respond within two business days of receiving a message. Carriers must also rely on the online system as the primary source for creating and updating provider directories. In addition, the bill mandates that the vendor permit physicians to grant access to a designated credentialing manager and establish a stakeholder workgroup to identify and resolve operational issues, ensuring the system's efficiency.

10. Insurer Downcoding

Legislation to prohibit automatic downcoding by health insurers was introduced but did not pass (House Bill 1153/Senate Bill 797). However, the desired result was obtained through enforcement action by the MD Insurance Administration (MIA). Following the bill hearings, the MIA issued an order fining Cigna \$80k for its downcoding policy and, on April 7th, distributed a bulletin stating that "under current Maryland law, a third party payor may not proactively modify a service code on its own assessment and send payment for a lower code, placing the burden on the provider or other person entitled to reimbursement to resubmit the initial claim and higher billing code." The order and the bulletin negated the need for the legislation.