

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1126
Health

(Delegate Qi)

Health Insurance and Managed Care Organizations - Laboratory Services -
Contract Providers

This bill prohibits a carrier that provides coverage for laboratory services from prohibiting an enrollee from selecting, or limiting the ability of an enrollee to select, a laboratory of the enrollee's choice for laboratory services if the laboratory participates as a contract provider in the health benefit plan offered by the carrier. A carrier may not deny a laboratory the right to participate as a contract provider if the laboratory agrees to (1) provide laboratory services in a manner that meets the terms and conditions under the health benefit plan and (2) the terms of reimbursement established by the carrier under the health benefit plan. A carrier may not, for laboratory services provided by a contract provider, impose on the enrollee a copayment, fee, or condition not imposed on all other enrollees for the same laboratory under the health benefit plan. The bill's prohibitions also apply to Medicaid managed care organizations (MCOs).

Fiscal Summary

State Effect: Special fund revenues increase minimally for the Maryland Insurance Administration (MIA) in FY 2027 only from the \$125 rate and form filing fee; any additional MIA workload can be handled with existing resources. Medicaid expenditures (50% general funds, 50% federal funds) may increase by an indeterminate amount beginning in FY 2027, as discussed below. Federal fund revenues increase accordingly. The State Employee and Retiree Health and Welfare Benefits Program is not likely materially affected.

Local Effect: Local governments with fully insured health benefit plans are not likely materially affected.

Small Business Effect: Potential meaningful.

Analysis

Current Law: The federal Patient Protection and Affordable Care Act requires nongrandfathered health plans to cover 10 essential health benefits, which include laboratory services.

For each health care facility (including a laboratory) in a carrier's network, the network directory must include the health care facility's name and address, and the type of services provided by the health care facility, as well as a statement that advises enrollees and prospective enrollees to contact a health care facility before seeking treatment or services to confirm the facility's participation in the carrier's network.

State Fiscal Effect: The Maryland Department of Health (MDH) advises that the bill's requirement to accept any willing laboratory provider may increase costs for Medicaid MCOs, which in turn may require a change or increase in MCO capitation rates paid by MDH. The amount of any such increase cannot be reliably estimated but would be subject to a 50% federal match.

Small Business Effect: Any small business laboratories that contract with health insurance carriers to provide diagnostic testing may benefit.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Maryland Insurance Administration; Department of Legislative Services

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jg/ljm

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