

MEDCHI, THE MARYLAND STATE MEDICAL SOCIETY  
HOUSE OF DELEGATES

INTRODUCED BY: Montgomery County Medical Society

SUBJECT: Prevention of Automatic Down Coding of Claims by Health Insurance Companies Without  
Physician Notification

REFERRED TO:

1  
2 **Whereas**, down coding occurs when health insurance companies reduce the reimbursement level of a claim  
3 by changing the procedure code submitted by a physician, often resulting in lower payments for services  
4 rendered; and

5 **Whereas**, health insurance companies often down code claims automatically without notifying physicians,  
6 making it difficult for physicians to track which claims have been altered; and

7 **Whereas**, physicians are frequently required to submit additional paper documentation to appeal downcoded  
8 claims, creating unnecessary administrative burdens and delays in payment for services provided; and

9 **Whereas**, automatic down coding without notification or justification limits the transparency and  
10 accountability of health insurance companies, negatively impacting physician practices and patient care; and

11 **Whereas**, the appeals process for down coded claims is often cumbersome, time-consuming, and inefficient,  
12 placing significant strain on physicians' administrative resources; and

13 **Whereas**, fair and transparent claims processing is essential to maintaining a balanced healthcare system that  
14 compensates physicians adequately for their services; therefore be it

15 **RESOLVED**, that MedChi work legislatively and/or regulatorily to prevent health insurance companies  
16 from automatically down coding claims without notifying physicians at the time the down coding occurs and  
17 providing a clear rationale for the adjustment; and be it further

18 **RESOLVED**, that MedChi work legislatively and/or regulatorily to require that health insurance companies  
19 accept electronic documentation for appeals of down coded claims, rather than mandating paper submission,  
20 to reduce the administrative burden on physician practices and expedite the resolution of appeals; and be it  
21 further

22 **RESOLVED**, that MedChi seek and/or support stronger regulatory oversight to ensure that health insurance  
23 companies provide timely notification and justification when a claim is down coded, and that physicians are  
24 given a fair and reasonable opportunity to appeal the decision electronically with appropriate supporting  
25 documentation.