Maryland Supreme Court Limits Provider Charges Under Medical Records Act

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The Supreme Court of Maryland (formerly the Court of Appeals) recently issued a ruling which limits the fees that providers may charge to patients when presented with a request for medical records. The ruling is important for providers to understand, so that they do not improperly charge fees to patients.

In *Hollabaugh v. MRO Corporation*, 2025 WL 1903601, the Supreme Court ruled that a provider may not charge a preparation fee for a records search that does not result in any records being provided. Plaintiff Hollabaugh, a patient, submitted through her attorney a medical records request to a health care provider. The provider had contracted with defendant MRO to fulfill such requests. MRO did not produce any records, but billed Hollabaugh’s attorney a preparation fee of $22.88, which is the maximum amount allowed under the Maryland Medical Records Act (*see* Md. Code Ann., Health-General, §4-301through 4-310).

MRO argued that this charge was proper because the preparation fee covers any attempted retrieval of medical records. The Supreme Court disagreed with MRO, the trial court, and the Appellate Court of Maryland (formerly the Court of Special Appeals), stating that the Medical Records Act “allows that [preparation] fee to be charged only when the health care provider actually retrieves and prepares records.” With this question of law having been resolved, the *Hollabaugh* case, which is a putative class action against MRO, now returns to the trial court.

This ruling comes at a time when physicians are being tasked with greater and more time-consuming administrative tasks and well-documented battles with health insurers such as low payment rates, prior authorization, and down-coding. To not be compensated for the task of searching for patient records, even when they are found to not exist, only raises the financial pressure on medical practices and their staff. Normally, MedChi would respond to such a ruling with legislation in the next Maryland General Assembly Session. However, federal law (45 C.F.R. §164.524) governing medical records provides a similar restriction on charges for the retrieval of records, as the Supreme Court of Maryland noted in its decision. Thus, absent action at the federal level, an attempted State legislative fix that allows a preparation fee to be charged even without records being found would face legal challenges as being in conflict with federal law.

In sum, providers who conduct searches for medical records in response to patient requests which yield no records would be wise not to seek preparation fees from that patient under the Supreme Court’s recent interpretation of the Maryland Medical Records Act.

*NOTE: This article is informational only and is not a substitute for professional legal advice. It is essential to consult with a qualified attorney regarding any specific legal questions or concerns you may have*.