Maryland
Hospital Association

February 20, 2020

To: The Honorable Shane Pendergrass, Chairman
House Health & Government Operations Committee

From: Maansi Raswant, Vice President, Policy
        Maryland Hospital Association

Re: Letter of Information- House Bill 188- Commission on Universal Health Care

Dear Chairman Pendergrass:

On behalf of the Maryland Hospital Association's (MHA) 61 member hospitals and health systems, we appreciate the opportunity to comment on House Bill 188.

Maryland's 61 nonprofit hospitals and health systems care for millions of people each year, treating 2.3 million in emergency departments and delivering more than 67,000 babies. The 108,000 people they employ are caring for Maryland around-the-clock every day—delivering leading edge, high-quality medical service and investing a combined $1.75 billion in their communities, expanding access to housing, education, transportation, and food.

Hospitals believe patient-centered, quality, and efficient care depends on broad-based health care coverage. We appreciate the General Assembly's leadership and commitment to ensuring Marylanders have coverage and access to health care services and look forward to continuing to work together to achieve this shared goal.

Under Maryland's unique Total Cost of Care agreement with the federal government, hospitals are lowering costs and improving population health. In addition to treating illness and injury, hospitals reach out beyond their four walls to keep people well and improve the health of the communities they serve. The result: hospitals take care of the whole person, empower patients and families, coordinate care among different providers, and address social factors that influence people's health.

Expanded health care coverage is essential to the success of the Total Cost of Care agreement. Affordable, comprehensive coverage improves the likelihood that people will access preventive care and ambulatory services—avoiding unnecessary hospital utilization. This is better for everyone, allowing for care delivery in a lower cost setting and potentially preventing or treating an illness early instead of waiting until circumstances are critical.

As a country and state, we have made major progress toward achieving universal coverage. The Affordable Care Act expanded insurance coverage to approximately 400,000 people across the state, lowering the rate of uninsured Marylanders from 11% to 6%. [i, ii] Last year, Gov. Larry

Hogan signed into law the Maryland Easy Enrollment Health Insurance Program, which could cover an additional 100,000 people.[iii] As 2019 tax returns are filed, enrollment in the Maryland Exchange is expected to increase.[iv] Currently, an estimated 200,000 Marylanders lack insurance. Several proposals in front of the General Assembly this session would expand access to coverage, including an additional state-level subsidy for individuals purchasing coverage from the exchange; a requirement for more carrier participation in the individual exchange; and more investments in the small business exchange.

Maryland Health Insurance Coverage Protection Commission is leading several initiatives to continue coverage expansion in the state. These initiatives, in which hospitals are active partners, would strengthen the insurance marketplace and explore additional ways to transform the health care coverage system in the state. Given this progress, large-scale disruption to the state's health care coverage and delivery systems could be detrimental to the ultimate goal of ensuring insurance coverage for all Marylanders.

Maryland's hospitals know firsthand the importance of broad-based, continuous coverage and how critical it is for the success of the model. Under the model, our hospitals have lowered health care spending, while improving quality of care. That includes lowering the rate of hospital readmissions to below the national average.

These improvements were only realized because of the synergies between our unique care delivery model and the expansion of health coverage.

Therefore, as you consider legislation, we encourage you to evaluate its impact on the Total Cost of Care Model and the coverage initiatives already in place or set to begin in the state. Any significant disruption to the health care landscape, or additional costs for the health care system, actually increase the risk that these initiatives will fail. We urge the state to be continuously mindful of its approach to maintain and increase access to health care coverage—the very foundation of our unique and respected health care delivery model.

For more information, please contact:
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[i] Maryland Health Benefit Exchange. *Annual Report 2018*. Retrieved from: https://www.marylandhbe.com/wp-content/uploads/2018/11/MHC_AnnualReport_2018.pdf

[ii] Maryland Department of Legislative Services. *Issue Papers- 2019 Legislative Session.* (2018). Retrieved from: http://dls.maryland.gov/pubs/prod/RecurRpt/Issue-Papers-2019-Legislative-Session.pdf

[iii] Stan Dorn, Health Affairs. *Maryland's Easy Enrollment Health Insurance Program: An Innovative Approach to Covering the Eligible Uninsured* (May 13, 2019).Retrieved from: https://www.healthaffairs.org/do/10.1377/hblog20190510.993788/full/

[iv] Louise Norris. *Maryland Health Insurance Marketplace: History and News of the State's Exchange*. (Jan. 22, 2020). Retrieved from: https://www.healthinsurance.org/maryland-state-health-insurance-exchange/