

# MedChi

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TO: The Honorable Shane E. Pendergrass, Chair  
Members, House Health and Government Operations Committee  
The Honorable Terri L. Hill

FROM: Gene Ransom, CEO

DATE: March 2, 2020

RE: **SUPPORT** – House Bill 838 – *Unregulated Space in Hospital Operating Suites Pilot Project Study*

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The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** House Bill 838.

This legislation establishes a pilot project and calls upon the Health Services Cost Review Commission (HSCRC) to conduct a study, in conjunction with the Maryland Health Care Commission and certain stakeholders, on the feasibility and desirability of allowing for an unregulated space in a hospital operating room as a pilot project. The Commission would then report back to this Committee and the Finance Committee by June of 2021.

This legislation was passed by the House and Senate last year, though it did not cross the finish line in time. But as the 2019 Fiscal Note states, “under the Total Cost of Care Model (TCOC), the successor to the Maryland All-Payer Model Contract, hospital population-based revenues (commonly referred to as global budgets) are regulated by HSCRC...Under the general goals of TCOC...as services are shifted out of hospital facilities toward locations of care that are often lower cost, HSCRC must adjust hospital global budgets to account for the decreases in volume in regulated space.”

MedChi believes that studying the possibility of a pilot project for more efficient use of unregulated space is a worthwhile endeavor. The TCOC Model has resulted in our health care resources being utilized in a different manner than previously, and House Bill 838 is part of the response to that change. For these reasons, MedChi supports House Bill 838.