

HB 1148/SB 834 Health Insurance – Two-Sided Incentive Arrangements and Capitated Payments -Authorization

Position: Support

Thank you for the opportunity to provide written comments in support of this bill that expands options for physician groups to contract with health insurers for commercial populations in Maryland. We support this bill.

Privia Health (“Privia”) is a national physician-focused-organization with more than 90 Privia group practices that represent over 400 physicians and providers in Maryland and Washington DC. Privia operates in five additional states with more than 350 group practices and over 2,300 physicians and providers. Collectively, we deliver healthcare to more than 3 million Americans, including more than 700,000 seniors over the age of 65. We are committed to transforming the healthcare delivery experience for providers and consumers. Privia supports the proposed legislation to broaden voluntary contracting options for the financing of healthcare delivery. We have demonstrated great success in improving outcomes for Medicare beneficiaries through the use of two-sided incentive models and would like to have the option to contract for these models in the commercial sector as well.

The COVID-19 pandemic has brought to light the significant challenges of fee-for-service primary care and the need to transition to a value-based system where payment is made at predictable intervals (such as a per-member, per-month payment) and based on improved health outcomes, instead of volume of visits. Privia and our physicians would like to have the option to contract in capitated primary care models in the future that offer greater flexibility and financial sustainability. We believe the removal of the legal barriers identified in the bill can enable us to best care for our unique patient population with predictable and stable payments.

Additionally, effective population health management in these models requires timely and transparent data. We support the provision in this law that makes quality and cost information transparent to providers in value-based contracts with payers.

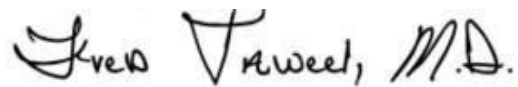
Two-sided incentive and capitated arrangements are not new. National payers and federal and state governments are aggressively pursuing these programs. For example, the Centers for Medicare and Medicaid Services (CMS) overhauled the Medicare Shared Savings Program (MSSP) in 2018 to accelerate Medicare ACOs toward two-sided incentives – now nearly 41% of Medicare ACOs feature shared risk and more are expected to join in the coming years. These arrangements hold the promise to improve quality, outcomes, equity, access, and affordability for patients and communities. Privia is proud to have a demonstrated track record of success in these models.

Privia strongly supports the policy goals advanced by this bill. These necessary changes will give providers and insurers the options to voluntarily work together on innovative initiatives that can improve the health and wellbeing of the Maryland residents we collectively serve. We look forward to partnering with legislators and other stakeholders in transforming healthcare for the better in Maryland.

We urge a favorable report.



Market President, Mid-Atlantic



Fred Taweel, MD
CMO and Chairman of the Board of Governors,
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