



MedStar Health

10980 Grantchester Way
Columbia, MD 21044
410-772-6500 PHONE
410-772-6929 FAX

Debi Kuchka-Craig
Senior Vice President, Managed Care

MedStarHealth.org

March 9, 2022

To: The Honorable Delores G. Kelley
Chair, Senate Finance Committee

Re: **Letter of Support:** SB 834 – Health Insurance – Two-Sided Incentive Arrangements and Capitated Payments - Authorization

Dear Chair Kelley:

On behalf of MedStar Health, I am writing in support of ***SB 834 – Health Insurance – Two-Sided Incentive Arrangements and Capitated Payments- Authorization***, which intends to expand voluntary contracting options between provider organizations and health plans for commercial populations in Maryland. MedStar Health has engaged in multiple value-based contracting arrangements for over a decade and continues to believe these arrangements incent and reward high-quality, efficient, and transformative care delivery.

We work closely with the insurance health plans to design creative approaches that will improve the healthcare experience for the patients we serve. MedStar Health believes the proposed value-based legislation will promote even greater innovation between providers and health insurers, which is needed given the significant challenges facing the healthcare industry today.

MedStar Health actively participated in discussions with the Maryland Hospital Association, MedChi, CareFirst, other health systems, and independent provider groups to address stakeholder concerns surrounding this concept. Our efforts have resulted in proposed legislation that allows for creative arrangements between provider organizations and health plans, while also providing needed guardrails for risk protection and transparency.

MedStar Health will continue to work to transform healthcare delivery to better serve our patients. With experience in alternative payment methodologies, shared savings program participation, and various population health management initiatives, MedStar Health welcomes the continued expansion of voluntary value-based arrangements in Maryland.

For these reasons, we urge a *favorable* report on SB 834.

Sincerely,

Debi Kuchka-Craig, FHFMA, MHS
Senior Vice President, Managed Care

cc: Members, Senate Finance Committee
David A. Smulski, Staff

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