



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc  
2101 East Jefferson Street  
Rockville, Maryland 20852

March 8, 2022

The Honorable Delores G. Kelley  
Senate Finance Committee  
3 East, Miller Senate Office Building  
11 Bladen Street  
Annapolis, Maryland 21401

**RE: SB 834 – Support**

Dear Chair Kelley and Members of the Committee:

Kaiser Permanente is pleased to support SB 834, Health Insurance - Two-Sided Incentive Arrangements and Capitated Payments – Authorization.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.<sup>1</sup> Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 800,000 members. In Maryland, we deliver care to over 460,000 members.

At the heart of Kaiser Permanente’s mission is the belief that all people deserve access to high-quality, affordable health care. We are committed to achieving that mission by building on our country’s progress over the past decade that has enabled more people to access health care and coverage than ever before.

We support a model of care that best serves patients by aligning physicians and health plans to drive coordination wherever patients receive care. This model rewards quality clinical outcomes instead of encouraging unnecessary and often extremely expensive treatments. SB 834 envisions two ways to do this. First, it allows carriers and providers to enter into two-sided incentive arrangements, where a provider may earn an incentive and a carrier may recoup funds in accordance with the terms of a contract between the provider and carrier.

Second, the bill establishes that a provider or set of providers is not engaged in insurance business solely because the provider or providers enter into a contract with a carrier that includes capitated payments in a self-funded group health insurance plan. As a result, the bill provides an additional avenue for carriers and providers to provide a value-based plan offering to Marylanders.

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<sup>1</sup> Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation’s largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente’s members.

Kaiser Permanente  
Comments on SB 834  
March 8, 2022

Thank you for the opportunity to comment. Please feel free to contact me at [Allison.W.Taylor@kp.org](mailto:Allison.W.Taylor@kp.org) or (202) 924-7496 with questions.

Sincerely,

A handwritten signature in cursive script that reads "Allison Taylor".

Allison Taylor  
Director of Government Relations  
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.