

TO: The Honorable Pamela Beidle, Chair
Senate Finance Committee

SB475
**Support with
Amendments**

FROM: Annie Coble
Assistant Director, Maryland Government Affairs

DATE: February 12, 2025

RE: SB475: Health Insurance - Utilization Review - Exemption for Participation in Value- Based Care Arrangements

Johns Hopkins would like to offer its support for **SB475: Health Insurance - Utilization Review - Exemption for Participation in Value- Based Care Arrangements** and request an amendment for how to ensure easy implementation. This bill prohibits certain insurance requirements for health care services in two-sided incentive arrangements. The goal of legislation is commendable, to ease administrative burden on providers. Value-Based Care Arrangements are specially agreed upon contracts with providers and payers, the nuances of these agreements and mechanisms for implementation need to be considered when implementing policy changes proposed in this legislation.

Currently, Johns Hopkins Medicine participates in several value-based care arrangements with a variety of public and private payors. We believe these arrangements have improved the quality and value of our patient care. These arrangements are often focused on specific quality metrics alongside cost and utilization targets. Other components – including medical necessity review, cost control mechanisms, and workflow processes may exist today outside of these arrangements. We would want to ensure any changes would be complimentary to our current arrangements and processes.

As the Committee is considering this legislation, we would ask for clarification regarding the attribution methodology for these arrangements to ensure there is clarity on those populations that are excluded from any cost control or authorization requirements. To the extent possible, Johns Hopkins would like the attribution methodology to be prospective and to apply across a shared population rather than to specific subgroups to facilitate creation of internal utilization management processes where appropriate.

Johns Hopkins Medicine manages millions of visits annually and understands the value of alleviating the administrative burden that comes with working with payers. However, as stated, this is a nuanced system and we want to make sure the current processes that are working well for our providers and patients are not disrupted and that we continue to deliver the highest quality and value of care which our patients deserve.

Johns Hopkins urges a favorable with amendments report on **SB475**.