



March 21, 2025

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: House Bill 1104 – Maryland Department of Health - AHEAD Model Implementation - Electronic Health Care Transactions and Population Health Improvement Fund – Letter of Support as Amended

Dear Chair Beidle and Members of the Committee:

The Health Services Cost Review Commission (HSCRC or Commission) strongly supports House Bill (HB) 1104, titled **“Maryland Department of Health - AHEAD Model Implementation - Electronic Health Care Transactions and Population Health Improvement Fund,”** as amended. HB 1104 facilitates the implementation of the AHEAD Model, the next phase of Maryland’s innovative healthcare reform.

Maryland has long been a national leader in healthcare reform through its all-payer rate-setting system. Since 2014, the State has successfully expanded this model to control healthcare costs and improve access to high quality care for Maryland residents. Beginning in 2026, the AHEAD model will further these efforts by strengthening primary care, enhancing care coordination, and addressing population health needs. This effort will include collaborative work with communities, hospitals, and other stakeholders to develop a Statewide Health Equity Plan with the goal of reducing health disparities and improving overall health outcomes.

HB 1104 conforms with the requirements of Maryland’s State Agreement with Centers for Medicare and Medicaid Services (CMS) and is necessary for AHEAD’s success. HB 1104 allows the State to access and use information from electronic health care transactions to support Maryland’s participation in AHEAD. This data will provide information that is not available from existing data sources. This information is crucial for the State to measure AHEAD Model performance and guide the public health initiatives envisioned under the AHEAD Model. HB 1104 also establishes a Population Health Improvement Fund. The Population Health Improvement Fund is a requirement of the State Agreement with CMS.

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This dedicated fund will have multiple revenue sources, including revenues from an assessment on hospitals set by the HSCRC, money appropriated in the State Budget, interest earnings, and any other money from any other source accepted for the benefit of the fund. HSCRC is required to build the entire amount of the hospital assessment into hospital rates, so these costs will be passed on to health care payers, including Medicare, Medicaid, commercial insurance, and patients. These resources will only be used to address the goals and health outcomes identified by the State Health Equity Plan, including reducing rates of identified preventable conditions, reducing health disparities, and addressing health related social needs.

The Commission urges a favorable report on HB 1104 to ensure the continued success of Maryland's healthcare transformation. If you have questions, please do not hesitate to contact **Jon Kromm, Executive Director**, at jon.kromm@maryland.gov or **Deborah Rivkin, Director of Government Affairs**, at deborah.rivkin@maryland.gov.

Sincerely,



Jon Kromm
Executive Director