



February 16, 2022

The Honorable Shane E. Pendergrass
Chair, House Health and Government Operations Committee
Room 241, House Office Building
Annapolis, MD 21401

RE: House Bill 765 – Maryland Medical Assistance Program - Doula Program – Letter of Information

Dear Chair Pendergrass and Committee Members:

The Health Services Cost Review Commission (HSCRC) submits this letter of information for House Bill 765 (HB 765) titled, "Maryland Medical Assistance Program - Doula Program." The HSCRC believes doulas provide important support for pregnant and postpartum women, which aligns with the State's goal to improve maternal health outcomes. The HSCRC applauds the sponsor for highlighting this important work; however, we do not believe that statutory changes are necessary to continue the progress that Medicaid has made in this area. In fact, this bill could unintentionally prevent program flexibility as Medicaid implements their Doula program by moving program elements from regulations to statute. As a new program, flexibility is particularly important as adjustments may need to be made. In addition, HSCRC requests that the Committee consider whether this bill results in conflicting authority to set hospital rates, as discussed further below.

The HSCRC is an independent state agency responsible for regulating the quality and cost of hospital services to ensure all Marylanders have access to high value healthcare. The HSCRC establishes rates for all hospital services and helps develop the State's innovative efforts to transform the delivery system and achieve goals under the unique Maryland Health Model. The mission of HSCRC's work is to enhance the quality of healthcare and patient experience, improve population health and health outcomes, and reduce the total cost of care for Marylanders.

One of the initiatives aimed at improving health under the Maryland Health Model is the Statewide Integrated Health Improvement Strategy (SIHIS). SIHIS is an agreement between the State of Maryland and the federal Centers for Medicare & Medicaid Services designed to engage State agencies and private-sector partners to invest in improving health, address disparities, and reduce costs for Marylanders. One of the population health goals under SIHIS is to reduce the State's severe maternal morbidity rate. The purpose of having a SIHIS goal on maternal morbidity is to focus public and private efforts in the State on this critical issue.

To help achieve the goal of reduced maternal morbidity, the HSCRC established a Maternal and Child Health Funding Initiative to fund programs and initiatives led by MDH to address the several maternal morbidity. A portion of the Initiative's \$40 million in cumulative funding for four years (FY22 – FY25) will be directed to support doula services for Medicaid beneficiaries. Doula services have demonstrated a favorable impact on maternal outcomes. HSCRC does not need the statutory change in this bill to continue this funding.

Finally, as noted above, the HSCRC is concerned about the potential impact of HB 765 on HSCRC's authority to set hospital rates. HSCRC's concern is based on the interaction of the term "medically necessary" and the inclusion of specified reimbursement rates in

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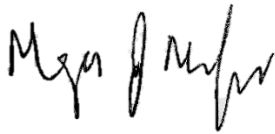
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HB 765. Under Maryland law, all payers reimburse for HSCRC-regulated hospital services at levels set by the HSCRC. HSCRC's rate setting authority is limited to hospital services. By determining these services to be medically necessary and setting a reimbursement rate for doula services in the bill, there could be confusion; the bill could be interpreted to supersede HSCRC's rate-setting authority should doulas be employed by hospitals. If this bill moves forward, HSCRC recommends exempting hospital rates set by HSCRC from the bill or clarifying that doula services are not hospital services for purposes of HSCRC rate-setting.

The HSCRC remains committed to supporting Medicaid coverage of doula services for pregnant and postpartum women. These services are a key tool to reach the SIHIS goal of reducing maternal morbidity. If you have any questions or if we may provide you with any further information, please do not hesitate to contact me at 410-382-3855 or megan.renfrew1@maryland.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Megan Renfrew". The signature is fluid and cursive, with the first name "Megan" being more prominent than the last name "Renfrew".

Megan Renfrew
Associate Director of External Affairs