



March 2, 2022

The Honorable Shane Pendergrass, Chair
House Health and Government Operations Committee
House Office Building
Annapolis, Maryland 21401

RE: House Bill 1148 - Health Insurance - Two-Sided Incentive Arrangements and Capitated Payments – Authorization

Position: Unfavorable

Dear Chair Pendergrass and Members of the Committee:

We are writing on behalf of Bethesda NEWtrition and Wellness Solutions (BNWS) to express our concerns with House Bill 1148 - Health Insurance - Two-Sided Incentive Arrangements and Capitated Payments - Authorization. As drafted, House Bill 1148 among other provisions will allow carriers to enter into 2-sided risk arrangements and also capitated payment programs with all healthcare practitioners, not just physicians. While participation in the models would be voluntary, this change in law gives us pause.

BNWS is a health care, wellness and care coordination organization serving a growing number of patients. Founded initially to provide nutrition services for diabetes and weight management in Bethesda, Maryland, primary care services were added in 2016 to support BNWS's mission of coordinated patient care. In order to create a patient-centered, comprehensive care practice, adjunct therapies like physical, occupational therapy and behavioral health services were incorporated into the practice. BNWS is now a comprehensive source for a variety of health care services, both onsite and in the home.

We strongly support innovation and the development of new healthcare delivery models. Our focus is on partnering with patients and creating connections in the community to provide the most well-rounded, patient-centered care for our patients. While our size allows us to be nimble to meet the changing needs of our clients, it also puts us at a disadvantage compared to larger health systems and larger group practices.



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We are concerned that small practices like ours will not be able to withstand the unintended consequences of 2-sided and capitated care models. As drafted, House Bill 1148 will create more advantages for larger practices which may in fact lead to the acquisition of smaller practices.

This will leave an ever-growing gap in care access and delivery for those patients who are chronically underserved or pose higher health risks that may not align well with the incentives of 2-sided risk or capitated care models. These outlier patients will have fewer options to seek care in the community and will have to resort to hospitals and emergency departments for their care.

We are concerned that there is not enough clarity in what exactly the 2-sided risk models will be and if there will be sufficient protection in the law for small practices like ours if we do or do not want to participate. There needs to be additional oversight of these models to ensure that all involved, including patients, have the resources available to succeed and recourse to appeal to the Maryland Insurance Administration or other entity if needed.

For these reasons we ask for an unfavorable report on House Bill 1148 until more is known about the specific models envisioned by the carriers.

Sincerely,

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