



NATIONAL QUALITY FORUM

Driving measurable health
improvements together

March 1, 2022

Re: Support for HB 1148/SB 834: Health Insurance - Two-Sided Incentive Arrangements and Capitated Payments - Authorization

Dear Honorable Members of the House Health and Government Operations Committee and the Senate Finance Committee,

I am writing to express my strong support for the proposed legislation HB 1148/SB 834 (Health Insurance – Two Sided Arrangements and Capitated Payments). The provisions included in this bill will enable Maryland’s value-based payment models to incorporate several highly effective components of payment models implemented in other states and nationally that have, heretofore, not been permitted in Maryland. Based on my experiences both as an architect of value-based payment models and as an evaluator of these models, I firmly believe that the Bill’s provisions will support the success of Maryland’s payment models in delivering better quality and outcomes while reducing cost and cost growth.

Prior to my role as CEO of the National Quality Forum, I served as Senior Vice President of Performance Measurement and Improvement at Blue Cross Blue Shield of Massachusetts (BCBSMA), where I was one of the architects of the BCBSMA Alternative Quality Contract (AQC). Launched in 2009, the AQC combines provider accountability for total cost of care, quality, outcomes and patient experience. Its results, published in more than a dozen peer reviewed scientific articles, catalyzed similar payment reform models nationally and internationally. Specifically, through combining provider accountability for a global, population-based budget with a broad set of quality measures, the AQC has driven improved quality and health outcomes, while reducing cost and cost growth for over more than a decade. In addition, within 4 years of its launch, nearly all Massachusetts providers statewide were participating and continue to do so, despite the program being voluntary. The major features of the AQC mirror those provided for in this bill – global budgets balanced with quality measures and significant performance incentives.

In my role as a Commissioner on the Medicare Payment Advisory Commission (MedPAC), I have similarly worked to incorporate the best and most proven features of value-based payment into recommendations for payment reform. And in my roughly two years of experience as a founding executive at Haven, the joint venture of Amazon, JPMorgan Chase and Berkshire Hathaway, I worked to address the significant challenges that purchasers face with health care affordability and the absence of value for the ever-growing share of wallet that health care costs consume. This combination of experiences has shown me that we need a health care system in which financial and clinical goals are aligned. Now, as the CEO of NQF, I am eager to ensure that our nation’s portfolio of quality measures is able to deliver on the promise of payment reform – affording reliable and valid measures of health care performance that can be the basis for incentives in innovative payment models. HB 1148/SB 834 will enable Maryland providers and health plans to use the powerful lever of payment reform to those important ends.

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Maryland has a strong and proud history of health care leadership. These changes will give providers and health plans critical tools to work together on innovative payment models that can improve the health and wellbeing of Maryland residents while enabling a more sustainable spending growth rate. I urge passage of this bill.

Sincerely yours,

A handwritten signature in black ink that reads "Dana Gelb Safran". The signature is written in a cursive, flowing style.

Dana Gelb Safran, Sc.D.
National Quality Forum
President & CEO