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Health and Government Operations
Committee

Chair, St. Mary's County Delegation

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 21, 2023

Delegate Josselyn Pena- Melnyk

Chair

House Health and Government Operations Committee

HB 420- Health Services Cost Review Commission - Hospital Rates - All-Payer Model Contract

FAVORABLE

Dear Chair Pena- Melnyk and Members of the Committee:

Thank you for the opportunity to present HB- 420 Health Services Cost Review Commission - Hospital Rates - All-Payer Model Contract for consideration.

HB 420 is a technical change to the HSCRC's authorizing statutes that help ensure success with the Total Cost of Care (TCOC) Model. By conforming Health-General §19-219(b), this bill creates alignment between other provisions in the statute and Maryland's commitments under TCOC. As part of its mission, The HSCRC is tasked with executing TCOC -the successor to All Payer Models Contract. Its hospital rate setting system serves as a leading tool for making sure Maryland satisfies all cost & quality criteria set forth by TCOC.

The Total Cost of Care Model is an agreement between the State and Federal Government, designed to improve healthcare quality, invest in population health and primary care, and constrain healthcare costs. It is vital that HSCRC have the authority to consider this model when setting hospital rates, as it is a key tool used by the State to meet required targets.

HSCRC has been setting hospital rates since 1977, and HB 420 will bring this section of HSCRC's statute into conformity with other sections that require it to consider the Total Cost of Care Model in their work. This is a necessary step forward in ensuring that Maryland patients receive the best possible care.

Please give HB 420 a FAVORABLE report.

Thank you,

A handwritten signature in blue ink that reads "Matt Morgan".

Matt Morgan
Delegate