

Senate Finance Committee

3/24/2026

*House Bill 494 - Health Insurance - Primary Care Investment Targets - Reimbursement and Reporting*

**Position: Support**

Aledade is an ACO facilitator and a national leader in the delivery of value-based primary care. In Maryland, over 100 Aledade partner organizations deliver high value and impactful primary care to more than 164,000 patients. These clinicians have over a decade of success in delivering better care at a lower cost while simultaneously improving outcomes and saving health care dollars. Aledade requests your **support** for House Bill 494.

Primary care is the only medical specialty shown to improve health outcomes as supply expands but primary care is in crisis nationwide: a recent survey found that 88% of physicians in small practices expressed concerns about finances and staying independent.<sup>1</sup> In Maryland in particular commercial reimbursement rates for primary care are at an unsustainable level. While the overhead costs of running a practice have increased significantly in recent years commercial reimbursement rates have not kept up. For example, medical malpractice costs have risen 63% since 2001 while Medicare payments have increased only 10%.<sup>2</sup> This financial gap forces primary care physicians to make hard decisions about their businesses including sale to private equity and other non-healthcare organizations.

While shared savings programs such as MDPCP/AHEAD, MSSP, and others as well as quality improvement programs have helped diversify primary care revenue sources, they have not resolved the underlying problem. Today the ability for primary care providers to recruit new doctors to Maryland, pay fair wages to staff, and invest in infrastructure is not possible without structural reform.

Maryland has experienced a 14.9% decline in the total number of primary care clinicians between 2014 and 2019.<sup>3</sup> The statistics show that the result is worse outcomes, higher costs, and more chronic disease.<sup>4</sup> A fundamental shift in how Maryland values the foundations of primary care is needed.

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<sup>1</sup> LaPointe, Jacqueline, "As Financial Standing Improves, Physicians Worry About Sustaining It", TechCrush, March 5, 2027. <https://www.techtarget.com/revcyclemanagement/news/366639643/As-financial-standing-improves-physicians-worry-about-sustaining-it>

<sup>2</sup> Hudson, Caroline. "How Independent Physicians Are Fighting Back against Rising Costs." Modern Healthcare, February 27, 2026. <https://www.modernhealthcare.com/providers/mh-independent-physicians-private-equity-partnerships>.

<sup>3</sup> <https://thepcc.org/wp-content/uploads/2024/09/The-State-of-Primary-Care-Maryland.pdf>

<sup>4</sup> Sabety, Adrienne. H, Jena, Anupam B, Barnett, Michael L. "Changes in Health Care Use and Outcomes After Turnover in Primary Care." JAMA Internal Medicine, Vol. 181, Issue 2 (2021), 186-194. <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2773066>

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Increased primary care reimbursement, which HB 494 would provide, is a strategic tool that allows primary care in Maryland to move toward a sustainable, equitable, and high value ecosystem.

Aledade has been an enthusiastic participant in the Maryland Health Care Commission's Primary Care Investment Workgroup and is supportive of the findings in the 2025 *Primary Care Investment and Analysis Recommendations Report*. The report recommends that the General Assembly set a required target for primary care spending by commercial payers and ensures that payers meet that target. House Bill 494 would empower the state to set such a target and grant the Insurance Commissioner the ability to review rate filings in light of that target to ensure compliance. Passage of the bill will help address core issues and ensure the long-term survival of primary care capacity in the state. For these reasons Aledade respectfully requests the Committee's support for House Bill 494.

Respectfully yours,

Tyler Blanchard - Maryland Market President, Aledade

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