

HB0494 - Senate_FAV_MACHC_HI - Primary Care Invest

Uploaded by: Christine Krone

Position: FAV



Senate Finance Committee

March 24, 2026

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

POSITION: SUPPORT

The Mid-Atlantic Association of Community Health Centers (MACHC) is the federally designated Primary Care Association for Delaware and Maryland Community Health Centers. As the backbone of the primary care safety net, Federally Qualified Health Centers (FQHCs) are united by a shared mission to ensure access to high-quality health care to all individuals, regardless of ability to pay. FQHCs are non-profit organizations providing comprehensive primary care to the medically underserved and uninsured. MACHC supports its members in the delivery of accessible, affordable, cost effective, and quality primary health care to those most in need. To this end, MACHC **supports** House Bill 494.

MACHC appreciates the General Assembly’s recognition, reflected in House Bill 494, that primary care in Maryland remains inadequately financed and that stronger state action remains necessary to rebalance investment toward the foundation of the health care system. MACHC recommends a favorable report on House Bill 494.

FQHCs play a critical role in advancing Maryland’s health outcomes and cost-containment goals under the All-Payer Model. Health centers provide comprehensive, team-based primary care in communities with high medical and social needs, integrating behavioral health services, care coordination, chronic disease management, and enabling services such as transportation and outreach. These services are required components of the FQHC model and are central to prevention, access, and continuity of care. Medicaid and Medicare payment policies intentionally recognize the full scope and cost of this care. Both programs reimburse FQHCs using methodologies designed to reflect the reasonable cost of delivering comprehensive primary care to high-need populations. These rates represent deliberate policy decisions aligned with the statutory obligations placed on health centers.

Commercial reimbursement, however, frequently fails to reflect the full range of required FQHC services. Many commercial payment arrangements do not adequately account for care coordination, chronic disease management, and patient navigation and referral support that extend beyond traditional office visits. This persistent misalignment places ongoing financial pressure on health centers and threatens access to care in communities that rely heavily on FQHC services.

House Bill 494 represents an important step toward addressing long-standing imbalances in primary care financing by affirming Maryland’s role in establishing meaningful expectations for primary care investment. Continued state attention to the unique role of FQHCs remains essential to ensuring commercial reimbursement supports the comprehensive services required under the FQHC model.

Thank you for your leadership in strengthening primary care financing in Maryland.

For more information call:

Christine K. Krone
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HB0494 - Senate_FAV_MedChi_HI - Primary Care Inves

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Senate Finance Committee

March 24, 2026

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

POSITION: SUPPORT

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** *House Bill 494: Health Insurance – Primary Care Investment Targets – Reimbursement and Reporting*. This bill requires insurers to reimburse health care providers in a manner that meets the State's annual primary care investment targets, established on or after February 1, 2026. When filing a premium rate or premium rate change with the Maryland Insurance Commissioner, a carrier must submit a description of the carrier's progress in meeting the annual primary care investment targets established by the State.

Maryland has laid substantial groundwork to establish statewide primary care investment targets by forming a Primary Care Investment Workgroup, following a 2022 legislative mandate. The Maryland Health Care Commission convened this Workgroup to analyze current primary care spending across payers, develop standardized measurement methods, and recommend strategies to strengthen primary care. The Workgroup recommended adopting legislation requiring payers to increase investment in primary care as a percentage of total medical spending to meet annual minimum thresholds, which has been incorporated into planning for the AHEAD Model. Therefore, House Bill 494 ensures carrier accountability and transparency in meeting these targets and in reimbursing health care providers.

MedChi urges a favorable vote.

For more information call:

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HB494_HeatherBagnallTestimony

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Position: FAV

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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 24, 2026

HB494 - Health Insurance - Primary Care Investment Targets - Reimbursement and Reporting

Madam Chair, Mr. Vice Chair and members of the esteemed members of the Senate Finance Committee thank you for the consideration of House Bill 494, Health Insurance - Primary Care Investment Targets – Reimbursement and Reporting.

HB 494 is a partner bill to the AHEAD model pillar of accessible, affordable, primary care as well as the state’s effort to use primary care as an upstream tool for wellness. Increased primary care investment is essential to expand the primary care workforce, build interprofessional teams, and ensure an adequate technical infrastructure to support care. HB 494 aligns with the Centers for Medicare & Medicaid Services (CMS), Advancing Healthcare Efficiency through Accountable Design (AHEAD) Model.

Under the AHEAD agreement, CMS will hold Maryland accountable through performance requirements for meeting targets, which include primary care investment, for all payers in the State. The targets are inclusive of expenditures for Medicare, Medicaid, commercial insurance, employer-sponsored insurance, and the State employee health plan. However, though CMS can hold the State accountable, currently there is no established mechanism for the State to hold payers accountable, in turn, for meeting the targets, which is why HB 494 is needed.

HB 494 also grants the MIA enforcement authority to ensure entities meet primary care targets to be established in the bill. The MIA has established authority over and relationships with payers who have the capacity to make the greatest impact in primary care investment. Incorporating a description of their progress into the rate review process makes use of the MIA's existing resources and touchpoints with health plans in the State.

Primary care is the only specialty where increased supply results in lower mortality and more equitable health outcomes, and thus, should be considered a public good.

The Maryland Health Care Commission established the Primary Care Investment Workgroup (PCIW), which includes primary care clinicians, payers, legislators, and other State agencies including HSCRC and the MIA, and has published two annual reports showing that primary care spending has stagnated over the last several years.

Measuring meaningful progress toward targets requires a mechanism for payers to demonstrate compliance. HB 494 will establish a framework under MIA for monitoring primary care spending and complements federal policy that is increasingly focused on investing in primary care.

Supporting Marylanders' access to high-quality primary care is central to the State's goal of ensuring a world-class health system, and to fulfilling the promise of the AHEAD model. Investments in primary care are necessary to reduce disparities, achieve better outcomes, improve population health and help slow total spending. HB 494 provides a clear and enforceable pathway for payers to meet the State's primary care investment target and ensures the transparency needed to monitor progress. For all these reasons, I request a favorable report.

2026 Session - MHCC - HB 494 - Primary Care Invest

Uploaded by: Douglas Jacobs

Position: FAV



2026 SESSION
POSITION PAPER

BILL NUMBER: HB 494

COMMITTEE: Senate Finance

POSITION: Support

TITLE: Health Insurance – Primary Care Investment Targets – Reimbursement and Reporting

BILL ANALYSIS

HB 494 – Health Insurance – Primary Care Investment Targets – Reimbursement and Reporting requires certain entities to provide reimbursement to health care providers in a manner that meets the annual primary care investment targets established by the State on or after February 1, 2026; and requires certain entities to provide a description of the entity's progress in meeting the annual primary care investment targets to the Maryland Insurance Commissioner when filing a premium rate or premium rate change with the Commissioner.

POSITION AND RATIONALE

The Maryland Health Care Commission (MHCC), Health Services Cost Review Commission (HSCRC) and Maryland Insurance Administration (MIA) support *HB 494* and believe that increased primary care investment is needed to expand the primary care workforce, build interprofessional teams, and ensure an adequate technical infrastructure to support care. The bill aligns with the Centers for Medicare & Medicaid Services (CMS), Advancing Healthcare Efficiency through Accountable Design (AHEAD) Model.¹ The AHEAD Model is a voluntary total cost of care model designed to help states curb growth of health care costs, support increased investments in primary care, provide financial stability for hospitals, and support consumer connection to community resources.² Maryland signed the agreement to participate in the AHEAD Model on November 1, 2024, making Maryland the first state to participate in the model, and signed an amended and restated agreement on November 12, 2026. CMS will hold Maryland accountable through performance requirements for meeting targets, which include primary care investment, for all payers in the State, and serves as a

¹ The Centers for Medicare & Medicaid Services, available at: <https://www.cms.gov/priorities/innovation/innovation-models/ahead>.

² The AHEAD Model performance period begins in January 2026 and concludes at the end of December 2035.

potential model for targets to be established by *HB 494*. The targets are inclusive of expenditures for Medicare, Medicaid, commercial insurance, employer-sponsored insurance, and the State employee health plan. Even though CMS can hold the State accountable, currently there is no established mechanism for the State to hold payers accountable, in turn, for meeting the targets, which is why *HB 494* is needed.

HB 494 also grants the MIA an important role in ensuring that entities meet primary care targets to be established in the bill. The MIA has established authority over and relationships with payers who have the capacity to make the greatest impact in primary care investment. Incorporating a description of their progress into the rate review process makes use of the MIA's existing resources and touchpoints with health plans in the State. The MIA is prepared to incorporate *HB 494* into their range of duties that protect Maryland consumers and the prosperity of primary care in our State.

Primary care is the only specialty where increased supply results in lower mortality and more equitable health outcomes, and thus, should be considered a public good.³ Chapter 667 (Senate Bill 734), *Maryland Health Care Commission – Primary Care Report and Workgroup*, enacted in 2022 and codified at §19-108.4 of the Health-General Article,⁴ mandates that MHCC conduct an annual analysis of primary care and make recommendations on the level of primary care investment relative to overall health care spending. The law requires MHCC to form a multi-stakeholder workgroup⁵ to provide input on the analysis and recommendations and submit a report to the Governor and the General Assembly annually by December 1st.⁶ The MHCC established the Primary Care Investment Workgroup (PCIW), which includes primary care clinicians, payers, legislators, and other State agencies including HSCRC and the MIA, and has published two annual reports showing that primary care spending has stagnated over the last several years.

The Health of US Primary Care: 2025 Scorecard Report (Scorecard), published by the Milbank Memorial Fund and The Physicians Foundation, illustrates that primary care investment nationally has continued to decline.⁷ According to the Scorecard, primary care spending averaged less than five percent of total medical expenditures across all payers, compared to more than six percent at its peak in 2013. Underinvestment in primary care

³ National Academies of Sciences, Engineering, and Medicine. *Implementing High-Quality Primary Care: Rebuilding The Foundation of Health Care*. Washington, DC: The National Academies Press, 2021. <https://nap.nationalacademies.org/catalog/25983/implementing-high-quality-primary-care-rebuilding-the-foundation-of-health>. Accessed August 26, 2025.

⁴ Chapter 667 of the 2022 Laws of Maryland. https://mgaleg.maryland.gov/2022RS/chapters_noln/Ch_667_sb0734E.pdf. Accessed August 26, 2025.

⁵ The Act requires representation from the Maryland Primary Care Program, Health Services Cost Review Commission, Maryland Insurance Administration, Maryland Department of Health, the primary care community, carriers, managed care organizations, and health services researchers with expertise in primary care.

⁶ The MHCC submitted the second annual report in September 2025: https://mhcc.maryland.gov/mhcc/pages/home/workgroups/documents/pcw/pci_rpt.pdf.

⁷ Jabbarpour Y, Jetty A, Byun H, et al. *The Health of US Primary Care: 2025 Scorecard Report*. Milbank Memorial Fund; 2025. Available at: <https://www.milbank.org/wp-content/uploads/2025/02/Milbank-Scorecard-2025-ACCESS-v07.pdf>.

undermines population health and increases health care costs.⁸ About 17 states have passed legislation to measure primary care investment,⁹ and with *HB 494*, Maryland is among several states (California, Colorado, Connecticut, Delaware, Oregon, and Rhode Island) that would be pursuing strategies to increase investment in primary care, which is especially important given our obligations under the AHEAD Model.

In addition, statewide accountability requirements under the AHEAD model include targets for all-payer TCOC growth and all-payer primary care investment, led by the HSCRC and MHCC, respectively. The State must set the targets for CY 2027 through CY 2030 90 days prior to the start of 2027, with targets required for the duration of the model, through 2035. MHCC and HSCRC are collaborating on this effort, to ensure compatibility between the methodological approaches used to set the primary care investment component and the total cost of care (TCOC) component. MHCC and HSCRC are currently holding public meetings with stakeholders and will develop a final proposal, which is due to the Governor no later than May 2026.¹⁰

Measuring meaningful progress toward targets requires a mechanism for payers to demonstrate compliance. If passed, *HB 494* will establish a framework under MIA for monitoring primary care spending. Notably, *HB 494* complements federal policy that is increasingly focused on investing in primary care. For example, in the 2025 Physician Fee Schedule, Medicare finalized new Advanced Primary Care Management codes that better recognize the resources required for primary care, and in July 2025, CMS proposed additional behavioral health integration add-on codes for 2026.¹¹ *HB 494* provides an opportunity for the State to mirror this focus with measurable outcomes for most state-level plans.

Supporting Marylanders' access to high-quality primary care is central to the State's goal of ensuring a world-class health system, and to fulfilling the promise of the AHEAD model. Investments in primary care are necessary to reduce disparities, achieve better outcomes, improve population health and help slow total spending. *HB 494* provides a clear and enforceable pathway for payers to meet the State's primary care investment target and ensures the transparency needed to monitor progress. For these reasons, MHCC, HSCRC, and MIA request a favorable report.

⁸ Primary Care Collaborative. *State Investment Hub*. <https://thepcc.org/policy/state-investment-hub/>. Accessed August 27, 2025.

⁹ Primary Care Collaborative. *Primary Care Investment Guide 2025*. Washington, DC: Primary Care Collaborative; December 18, 2025. Available at: <https://thepcc.org/wp-content/uploads/2025/12/REPORT-Primary-Care-Investment-Guide-2025.pdf>.

¹⁰ State of Maryland Executive Department. Executive Order 01.01.2025.28. Establishing All-Payer Total Cost of Care Growth and Primary Care Investment Targets in Maryland. Available at https://hscrc.maryland.gov/Documents/AHEAD/EO%2001.01.2025.28%20Establishing%20All-Payer%20Total%20Cost%20of%20Care%20Growth%20and%20Primary%20Care%20Investment%20Targets%20in%20Maryland_Accessible.pdf.

¹¹ 2026 Medicare Physician Payment Schedule and Quality Payment Program Final Rule, Summary and Analysis, American Medical Association, available at <https://www.ama-assn.org/system/files/2026-mpfs-final-rule-summary-analysis.pdf>.

HB0494 crossover FAV - Primary Care Investment Tar

Uploaded by: Richard KAP Kaplowitz

Position: FAV

HB0494_CrossOver_Bill_RichardKaplowitz_FAV

03/24/2026

Richard Keith Kaplowitz

Frederick, MD 21703

TESTIMONY ON CROSSOVER BILL HB#0494- POSITION: FAVORABLE

Health Insurance - Primary Care Investment Targets - Reimbursement and Reporting

TO: Chair Beidle, Vice Chair Hayes, and members of the Finance Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of crossover bill HB#0494, **Health Insurance - Primary Care Investment Targets - Reimbursement and Reporting**

There is an annual primary care investment target established by the State for health care providers. This bill will provide that, when filing a premium rate or premium rate change with the commissioner ..., a carrier shall submit a description of the carrier's progress in meeting the annual primary care investment targets established by the state as required ...

Further, this section applies to individual, group, or blanket health insurance policies and contracts delivered or issued for delivery in the state by insurers, nonprofit health service plans, and health maintenance organizations.

An entity subject to this section shall provide reimbursement to health care providers in a manner that meets the annual primary care investment targets established by the state on or after February 1, 2026.

This bill meets its goals by requiring certain entities to provide reimbursement to health care providers in a manner that meets the annual primary care investment targets established by the State on or after February 1, 2026; and requiring certain entities to provide a description of the entity's progress in meeting the annual primary care investment targets to the Maryland Insurance Commissioner when filing a premium rate or premium rate change with the Commissioner.

I respectfully urge this committee to return a favorable report on crossover bill HB#0494.

2026 ACNM HB 494 Senate Side.pdf

Uploaded by: Robyn Elliott

Position: FAV



Committee: Senate Finance Committee

Bill: House Bill 494 – Health Insurance – Primary Care Investment Targets – Reimbursement and Reporting

Hearing Date: March 24, 2026

Position: Support

The Maryland Affiliate of the American College of Nurse Midwives (ACNM) strongly supports *House Bill 494 - Health Insurance – Primary Care Investment Targets – Reimbursement and Reporting*. The legislation requires commercial carriers to support access to primary care by meeting Maryland’s primary care investment targets.

Primary care includes primary midwifery services, as delineated by Senate Bill 734 of 2022. Despite the importance of primary care to the overall health of Marylanders, commercial carriers did not increase their investment in primary care between 2021 and 2023 according to the Maryland Health Care Commission.ⁱ HB 494 will help remedy this lack of investment.

We ask for a favorable report. If we can provide any further information, please contact Robyn Elliott at relliott@policypartners.net or (443) 926-3443.

ⁱ https://mhcc.maryland.gov/mhcc/pages/home/workgroups/documents/pcw/pci_rpt.pdf

2026 MCHS HB 494 Senate Side.pdf

Uploaded by: Robyn Elliott

Position: FAV



Maryland Community Health System

Committee:	Senate Finance Committee
Bill:	House Bill 494 – Health Insurance – Primary Care Investment Targets – Reimbursement and Reporting
Hearing Date:	March 24, 2026
Position:	Support

The Maryland Community Health System (MCHS) strongly supports *Health Insurance – Primary Care Investment Targets – Reimbursement and Reporting*. The bill requires state-regulated commercial plans to meet Maryland’s primary care investment targets by setting sufficient rates for providers.

MCHS serves on Maryland’s Primary Care Investment Workgroup, as established by Senate Bill 734 of 2022. This workgroup’s mission is critical, as 1.6 million Marylanders live in primary care shortage areas.ⁱ Yet, according to the Maryland Health Care Commission, the level of investment from carriers was flat between 2021 and 2023.ⁱⁱ HB 494 helps to increase the investment needed to make primary care available in all parts of Maryland. As a network of federally qualified health centers, MCHS has seen first-hand the impact of the shortage of primary care on our underserved communities.

We ask for a favorable report. If we can provide any additional information, please contact Robyn Elliott at relliott@policypartners.net or (443) 926-3443.

ⁱ <https://www.kff.org/other-health/state-indicator/primary-care-health-professional-shortage-areas-hpsas/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

ⁱⁱ https://mhcc.maryland.gov/mhcc/pages/home/workgroups/documents/pcw/pci_rpt.pdf

HB 494 - Health Insurance - Primary Care Investmen

Uploaded by: Sara Westrick

Position: FAV



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**HB 494 - Health Insurance - Primary Care Investment Targets –
Reimbursement and Reporting
Senate Finance Committee
March 24, 2026
FAVORABLE**

Good afternoon, Chair Beidle, Vice Chair Hayes, and members of the Finance Committee. Thank you for the opportunity to submit testimony in support of House Bill 494, concerning primary care investment targets.

My name is Sara Westrick, Advocacy Director for AARP Maryland, one of the largest membership-based organizations in the state, with approximately 850,000 members. We represent the interests of Maryland's over 50 population, ensuring that policy decisions reflect the needs of older adults.

As we age, regular access to primary care is essential to staying healthy, managing chronic conditions, and avoiding costly hospital visits. Strong primary care keeps older adults independent and connected to their communities.

House Bill 494 helps ensure that insurance carriers invest appropriately in primary care by linking reimbursement and rate filings to the State's primary care investment targets. This accountability matters to older adults, who too often face long waits for appointments or difficulty finding providers who accept their coverage.

By strengthening primary care investment and transparency, this bill supports better health outcomes and more affordable care for Maryland's aging population. For these reasons, AARP Maryland respectfully urges a favorable report on House Bill 494.

If you have any questions, please contact Sara Westrick at swestrick@aarp.org or by calling 410-310-0374.



Aledade - Tyler Blanchard - HB494 Testimony.pdf

Uploaded by: Tyler Blanchard

Position: FAV

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.¹ 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%.² 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 2019.³ The statistics show that the result is worse outcomes, higher costs, and more chronic disease.⁴ A fundamental shift in how Maryland values the foundations of primary care is needed.

¹ 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>

² 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>.

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

⁴ 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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