



THE MARYLAND MODEL



Hospital Field Perspective
CRISP Summit 2022



VALIDATION FOR OUR MODEL

Meaningful Value-Based Payment Reform, Part 1: Maryland Leads The Way

Meaningful Value-Based Payment Reform, Part 2: Expanding The Maryland Model To Other States

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Overall, especially since 2014, the Maryland model has been a financial success by almost any metric.

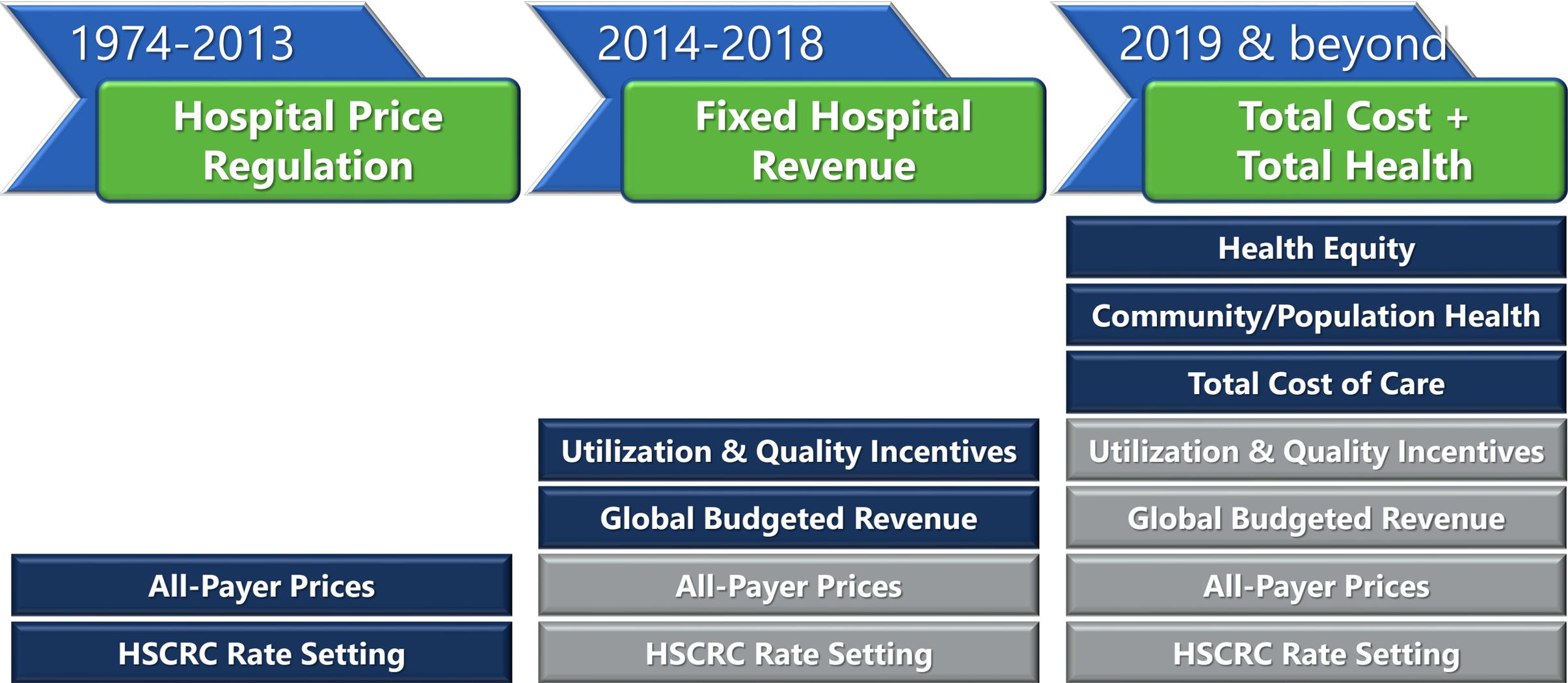
Over the period 2015-2019, Maryland's standardized per-capita Medicare spend declined from 1 percent above the national average to 1 percent below, with improvement in many quality metrics.

Global budgets create powerful incentives for hospitals not to overcharge or overtreat.

Due to Maryland's uniform rate-setting mechanisms, **the state's employer-based health plans pay among the country's lowest rates.** By one estimate, from 2011 to 2017, commercial insurance payments to Maryland hospitals ranged from \$392 to \$544 million per year lower than they would have been without all-payer rate setting.

Importantly, **it shifts incumbent health care payers and providers into value-based care delivery gradually but inexorably.** How can Maryland's model be extended to other states?

EVOLUTION – INNOVATION – PROGRESS



HOSPITALS CHANGE TO BE PATIENT CENTERED



Care Management Across Continuum



Home-Based Care



Mobile Integrated Health



Post-Acute Teams



Community Care



Community-Based Primary Care



**Emergency Department
Alternatives/Avoidance**

HOSPITALS ADDRESS PEOPLE'S UNMET SOCIAL NEEDS



Community Safety/ Violence Prevention



Employment



Food Insecurity



Housing Stability



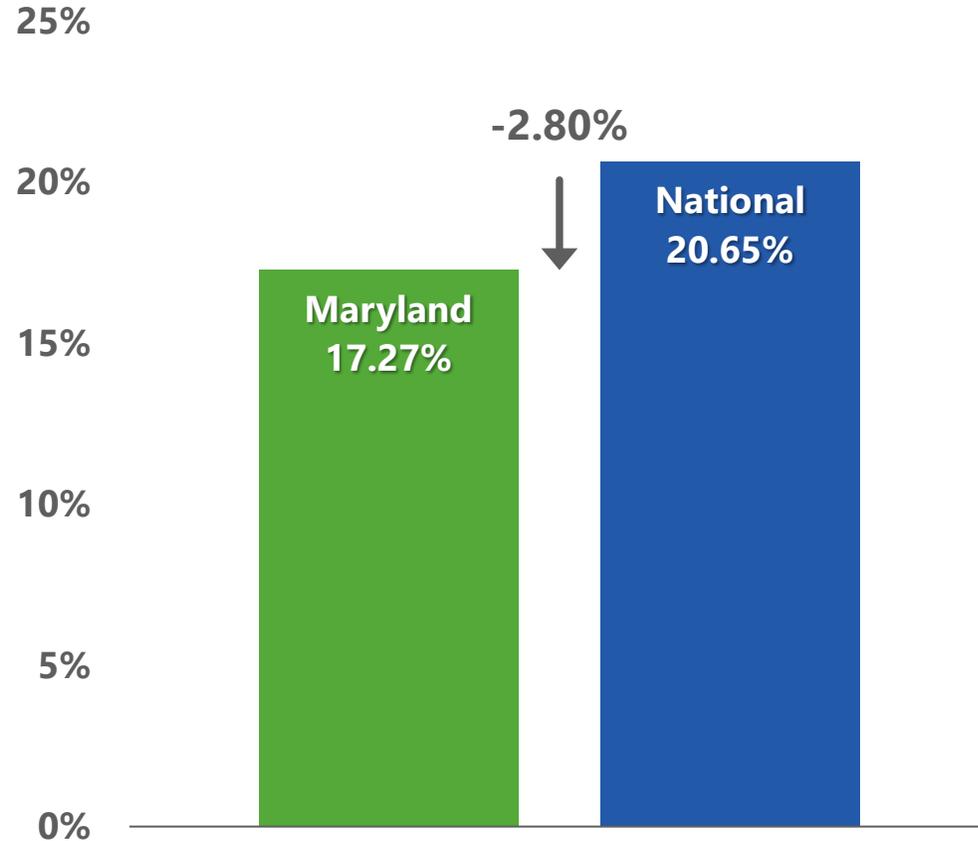
Transportation



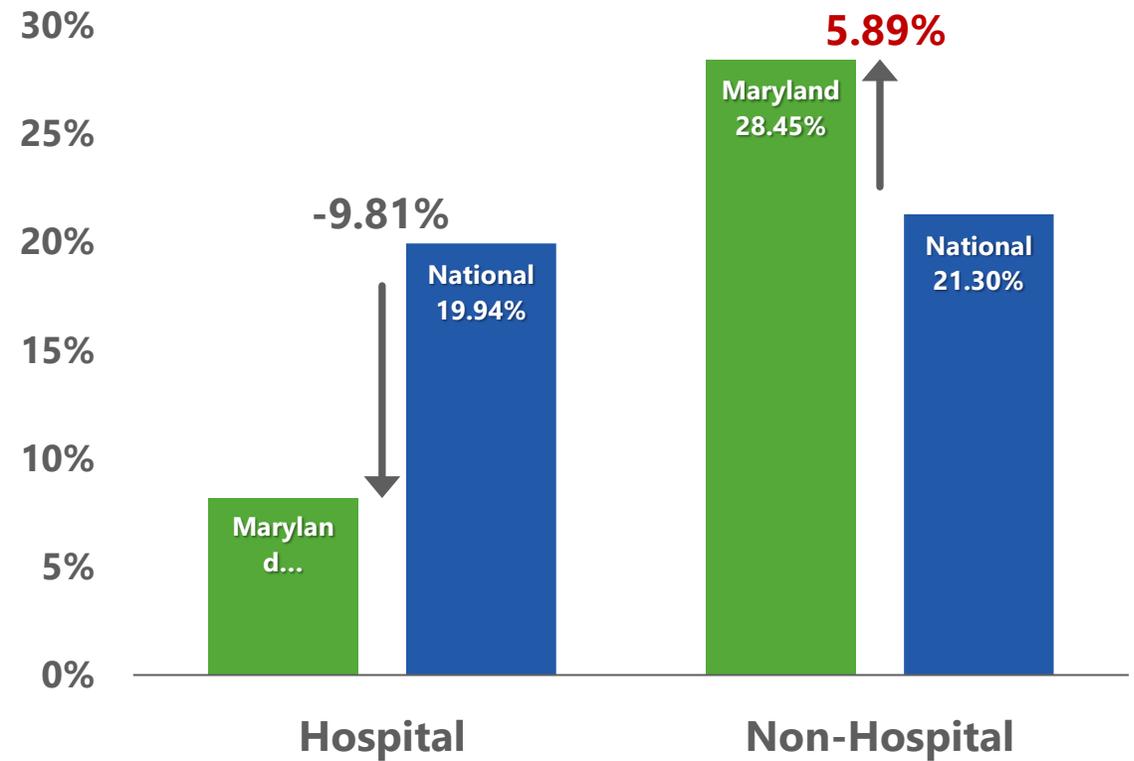
Children and Families

CUMULATIVE MEDICARE GROWTH LOWER THAN NATION

Medicare Total Cost of Care
Cumulative Growth – CY 2014 – CY 2021 YTD



Hospital vs. Non-Hospital Growth
Cumulative Growth – CY 2014 – CY 2021 YTD



Source: CMS monitoring data

Note: Data contain summaries prepared by HSCRC based on data summaries provided by the federal government; data are preliminary and contain lags in claims and there may be material differences in results when final data are received. Savings calculations include addition of Part B non-claims based payments for MDPCP & MSSP

ALIGN TO WIN LONG TERM



Providers across continuum

- Care transitions
- Contain total cost of care



Private payers

- Health equity
- Consumer cost sharing



Public sector

- Population health improvement
- Social determinants of health



People (sometimes patients)

- Healthier lifestyles & self care
- Health literacy