

MedChi

The Maryland State Medical Society



Your Advocate.

Your Resource.

Your Profession.



IMPACT UPDATE

MedChi's mission is to serve as Maryland's foremost advocate and resource for physicians, patients, and the public health.



From the President...
Eric Wargotz, M.D.

The connection between health care and public policy has never been more visible or more consequential. Every day, physicians witness the direct impact that laws, regulations, and administrative decisions have on the lives of our patients. From insurance coverage and medication access to public health preparedness and workforce policies, the practice of medicine does not occur in isolation—it is shaped, constrained, and enabled by the decisions made in legislative chambers and regulatory bodies. For this reason, the voice of the physician is indispensable. When health policy is crafted without the insight of those who provide care, the resulting decisions often fall short of what patients and communities truly need.



From the CEO...
Gene Ransom, III

Maryland officially signed the updated amendment to the AHEAD State Agreement with the Centers for Medicare & Medicaid Services (CMS), marking a major milestone for Maryland's long-standing, nation-leading value-based health care model.

For more than a decade, Maryland's global budget and all-payer system has been the method to pay Maryland hospitals. The updated agreement ensures this model continues with major changes.

The new AHEAD model sets ambitious statewide goals for decelerating healthcare spending, increasing investment in primary care, and improving population health. The agreement

Physician advocacy is not a side activity or an optional professional interest; it is a fundamental extension of our ethical obligation to care. Effective advocacy pushes the boundaries of our reach beyond clinic walls and exam rooms, allowing us to protect patient well-being on a broader scale. By engaging with policymakers, we ensure that the lived realities of patients—particularly the most vulnerable—inform the structures meant to support them.

Advocacy also centers the wellness of both those receiving and providing care. Physicians understand the pressures of a strained system, the administrative burdens that erode patient time, and the mental health challenges affecting providers. Through advocacy, we are able to champion reforms that promote a sustainable, humane health care environment, recognizing that the well-being of clinicians is inseparable from the quality of patient care.

Our profession holds an unparalleled combination of expertise, experience, and public trust. Policymakers rely on credible, data-driven input—something physicians are uniquely positioned to provide. By lending our voices, we help shape policies grounded not in politics or conjecture, but in science, evidence, and compassion.

Physician advocacy is also a powerful tool for addressing systemic inequities. Health disparities rooted in race, geography, income, and other social determinants cannot be dismantled without active engagement from those who see these inequities play out daily. Our commitment to fairness demands that we participate in creating structural solutions.

Advocacy helps steer the future direction of medicine itself. As technology evolves, as new models of care emerge, and as societal expectations shift, physicians must be at the table to guide how the health system adapts.

It is a profound honor to contribute to MedChi's advocacy efforts on behalf of our patients and our profession. I urge every physician to join me in this essential work in 2026—because advocacy is not optional. It is our responsibility, our privilege, and our path to a better health system for all.

reflects months of detailed negotiations with CMS and strong engagement from Maryland's hospitals, payers, physicians, and other health system partners.

At a high level, the final agreement includes:

- Stability in the early years: only modest adjustments in 2026 and 2027, with CMS's new global budget methodology beginning in 2028
- EQIP extended in perpetuity: A major win for physicians and the state
- Protection of Maryland's global budget system: CMS and Maryland reaffirm the all-payer model and commit to a smoother, phased transition to the updated CMS global budget framework
- Flexibility for hospitals and physicians:
 - A bridge period preventing sudden or destabilizing shifts in Medicare hospital revenues
 - A new guardrail ensuring that excess Medicare savings are reinvested back into hospital global budgets
 - Continued flexibility to invest in population health
 - Preservation of physician value-based care programs until new models are developed
- Greater flexibility on choice and competition requirements, including extended implementation timelines.
- Alignment with Medicaid: creating a pathway for Medicaid rates to track with Medicare global budget rates as federal rulemaking progresses
- Lower threshold for services under global budgets: reduced from 90% to 85%, while retaining the ability for Maryland to set Maryland-specific rates for certain carved-out services

Maryland hospitals are now reviewing participation agreements and preparing for the implementation timeline. Several cross-cutting policy issues will require continued collaboration across state agencies, including:

- Post-acute care
- Graduate medical education
- Cost-shifting dynamics
- Medicare Advantage alignment
- Primary care investment requirements

Governor Moore has established a state regulatory working group to coordinate and resolve these issues, with a final set of recommendations due in June 2026.

Talk to your patients about open enrollment today!

Webinar:
The New AHEAD Model

Join MedChi's panel of experts for a 90-minute update on Maryland's AHEAD model following the recently updated agreement between Maryland and the Centers for Medicare & Medicaid Services.

The panel will discuss the major changes included in the agreement and what hospitals and physicians can expect in both the short- and long-term.

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December 12, 2025
12:00 p.m. - 1:30 p.m.

Register Now!

Eric Wargotz, M.D., President, MedChi Moderator
Benjamin Lowentritt, M.D., Chair, MedChi Looking AHEAD Committee
Gene Ransom, CEO, MedChi

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Center for
Value Based Care

Center for the Private
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Employed Physician

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