



The Maryland State Medical Society

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MEDCHI WORKING WITH REVELAR TO IMPROVE PHYSICIAN PRICE TRANSPARENCY DATA IN MARYLAND

BALTIMORE, August 28, 2024 — In Maryland, the state uniquely determines the rates that hospitals are allowed to charge, a practice that has been in effect since 1977. This system has led to slower increases in hospital charges compared to the national average. Under this rate-setting program, the payment rate is established by the state for every inpatient procedure. This means that all payers, whether private or government entities, are billed the same amount for the same services in a particular hospital. Hospitals are prohibited from negotiating these rates with different payers. These rates vary between hospitals, leading to variations in total cost of care.

To provide better healthcare services and lower the total cost of care, hospitals in Maryland no longer receive payment based on the number of procedures they perform. Instead, since 2014, each hospital is allocated a fixed annual sum known as a global budget, with opportunities for increased funding if they can improve quality, such as reducing instances of hospital-acquired complications.

However, apart from hospitals, physicians’ payments are outside this system and are not subject to the same regulations. This is where the Transparency in Coverage Rule comes in. This regulation, created in July of 2022, mandates that plans and issuers must reveal on a publicly accessible website their negotiated rates within the network, charged fees, and approved payments for out-of-network healthcare practitioners. Unlike hospitals, physicians can negotiate their rates with payers in Maryland.

Revelar Analytics, LLC has been able to take these machine-readable files (MRFs) and make them human readable. The variation in negotiated rates is staggering. Here is an illustrative example of the variation among office visit rates for dermatologists for a top insurer:

| Office Visit Code | Min Negotiated Rate | Max Negotiated Rate |
|-------------------|---------------------|---------------------|
| 99203 | \$56.33 | \$120.90 |
| 99204 | \$95.88 | \$183.04 |
| 99213 | \$37.49 | \$83.36 |
| 99214 | \$58.73 | \$122.07 |

For many of these commonly billed codes, a dermatologist’s rates can vary up to three times for the same payer.

MedChi will work with Revelar to employ this data to improve information for physician practices in Maryland. Gene Ransom, MedChi CEO, explained “Maryland has one of the lowest physician payment schemes in the country, leading to access issues and other complexities. Improved data can help physicians make better economic decisions and help policymakers address the physician shortage.”

About MedChi

MedChi, The Maryland State Medical Society, is a non-profit membership association of Maryland physicians. It is the largest physician organization in Maryland. The mission of MedChi is to serve as Maryland's foremost advocate and resource for physicians, their patients and the public health of Maryland. For more information, please visit www.medchi.org.

About Revelar

Revelar is a technology and services company that provides price transparency data to healthcare organizations. Our mission is to empower these organizations with data to ensure success in their contracts across the entire risk continuum- from fee-for-service to value-based care. www.revelaranalytics.com.