

Date: April 22, 2021
To: MedChi House of Delegates
From: Ram Peruvemba and David Safferman
Re: Medical Policy Council Report

The primary focus of the Medical Policy Council during the legislative session centered on legislation introduced by CareFirst. The legislation would allow for novel Value Based payment models involving insurers and providers. Specifically, it would allow for dual sided risk arrangements that would expose providers to potential financial penalties for not meeting predefined metrics. The Council had several issues with this legislation:

1. Historically, CMS has reserved dual sided risk arrangements for healthcare entities that had been successful in one sided arrangements that do not involve financial penalties. CMS structured such a pathway to maintain the financial integrity of the provider by limiting risk and to access the ability of healthcare entities to meet the predefined metrics.
2. The proposed legislation appeared to remove the Maryland Insurance Administration as a regulating body. In the absence of any regulatory authority and with no predefined consumer or provider protections, CareFirst would have considerable market power to significantly reduce reimbursements.
3. The legislation would require adaptation of the Self-Referral Law and this has been a point of contention within the provider community.
4. We must exam the dynamics of this legislation in the context of new surprise billing legislation that governs out of network payments. Since, by definition, these new models would be in network, providers could not use the stipulated arbitration to settle payment disputes.

Ultimately, MedChi, in conjunction with MHA and CareFirst, withdrew the legislation with an understanding that the issue would be revisited next session after input from all stakeholders on these vital issues.

Respectfully submitted,

Ram Peruvemba and David Safferman