Update: Maryland Total Cost of Care Medicare Model Contract Negotiations

January 8, 2018

The federal government has agreed to approve a one-year extension of Maryland’s All-Payer Hospital Model Contract. The mutually agreed-upon extension of time will allow the federal government to complete its review and to consider four years of performance through the end of 2017. The Centers for Medicare & Medicaid Services (CMS) will have the opportunity to evaluate 2017 Medicare data in early 2018. Maryland’s current All-Payer Hospital Model Contract and amendments will be extended from an expiration date of December 31, 2018 to December 31, 2019, and a savings target consistent with the first five of the years of the model will be agreed to.

Working together, CMS and Maryland are actively discussing development of the next phase of the model to extend efforts beyond hospitals. Maryland and CMS are committed to improving residents’ health and healthcare quality while reducing costs. The Maryland-proposed Total Cost of Care (TCOC) Model is an innovative Medicare per capita savings model aimed at maintaining financial stability in rural hospitals and providing opportunities for health care providers to transform care delivery model by improving health and quality. The continuing federal/Maryland negotiations incorporate the latest directions received from stakeholders in the hospital, physician, insurance, and patient sectors, as well as from federal partners.

CMS and Maryland anticipate executing the All-Payer Medicare Model Contract extension at the beginning of 2018, and will work on proceeding forward with the following common priorities:

- **Further discussions of the TCOC model, including the Maryland Primary Care Program, by CMS and the U.S. Department of Health and Human Services.** Should the TCOC model be finalized and executed in 2018, it will take effect at a mutually agreeable start date.

- **Additional updates to the Care Redesign Participation Agreement,** including efforts to obtain MACRA eligibility for Care Redesign Program participants.