



The Maryland State Medical Society

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Additional Information Contact:
Gene M. Ransom, CEO
Office: 410-539-0872 x 3305

NEW ALL PAYER MODEL FOR MARYLAND POPULATION-BASED AND PATIENT-CENTERED PAYMENT SYSTEMS

BALTIMORE, July 31, 2014 – Maryland’s new medicare waiver represents the most significant change to healthcare in the state in 40 years.

The new all-payer model for hospital payment shifts the focus from fee per service to focus on population health. The quality-based payment initiatives for hospitals aims to reduce readmissions, prevent medical complications, and improve the standard of care for patients. While the previous model concentrated only on hospital inpatient services, the new waiver addresses overall healthcare spending.

Physicians who initiate and deliver programs to improve patient health will succeed. The new waiver will present hospitals and outpatient centers with incentives to extend their services and develop programs that reduce avoidable readmissions by promoting medication compliance and encouraging follow-up appointments as a preventative measure. Surgeons can prevent unnecessary admissions through better health management and encouraging more outpatient cases and surgical alternatives.

State and federal officials claim this change offers tremendous promise for Maryland to be a national leader in improving quality and reducing hospitalizations and costs. The shift from the old volume driven model to the new population and value driven model is expected to result in long term state economic growth, a minimum of \$330 million in Medicare payment savings and a significant increase in overall patient health. MedChi CEO, Gene M. Ransom, states, “The waiver offers threats and opportunities to the patients and physicians of Maryland. As the state’s largest physician organization, MedChi, The Maryland State Medical Society, will be offering a set of programs that discuss how physicians’ practices and their income will be affected.” For more information, visit the MedChi website at www.medchi.org.

About MedChi

MedChi, The Maryland State Medical Society, is a non-profit membership association of Maryland physicians. Formed in 1799, it is still the largest physician organization in Maryland today. 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.