



Maryland
Hospital Association

HOSPITAL-PHYSICIAN ALIGNMENT BETTER CARE, BETTER HEALTH, LOWER COSTS

THE ISSUE

A fundamentally sound Maryland law designed to protect patients by preventing physicians from referring patients to services in which the physician has a financial interest also inhibits innovative, collaborative partnerships between doctors and hospitals to improve care and hold down costs.

Under a recent change to the state's unique Medicare All-Payer Model agreement with the federal government, which brings an estimated \$2 billion in federal funds to Maryland annually, the federal government will now allow Maryland's hospitals and doctors to work together to control the total cost of health care in our state.

But as federal programs encourage doctors and hospitals to provide value-driven care rather volume-driven care, Maryland law does not provide the assurance that doctors need, making clear that participation in these programs will not subject them to a violation of the self-referral patient protection law. Current Maryland law is unclear as to whether hospitals can share staff and IT hardware and software with doctors. It is also unclear as to whether hospitals can offer financial incentives to community providers to improve quality and keep patients healthy.



The federal programs, along with Maryland's unique model, encourage hospitals and doctors to partner on a health care system for the 21st century, making use of shared data and improved care coordination.

WHAT HOSPITALS ARE FOR

Modernize the compensation arrangement provisions of the state's patient referral law to clarify that collaboration among physicians and hospitals, as encouraged by the federal government, is both permissible and desirable.