



Maryland
Hospital Association

December 14, 2016

The Honorable Lawrence J. Hogan, Jr.
Governor of Maryland
100 State Circle
Annapolis, MD 21401-1925

Dear Governor Hogan:

Three years ago, the Maryland Hospital Association (MHA) stepped forward to support the state's submission to the federal government of an innovative modernization of Maryland's historic all-payer hospital rate-setting system. Since its implementation, and working in partnership with the state, Maryland's hospitals have achieved tremendous early success: hospital savings to Medicare now far exceed the five-year demonstration's target, and other metrics to improve the quality of care and health of all Marylanders are well on track. This work has been daunting, as the ideas and methodologies included in our demonstration model had never before been tried or tested on a statewide scale.

To ensure the continued success of this current demonstration, and in accordance with the contract between the state and the Centers for Medicare & Medicaid Services (CMS), Maryland is now required to submit to CMS a plan for the progression of the model into its next phase. Maryland's hospitals have been actively engaged in the development of this plan through the Advisory Council of the Health Services Cost Review Commission and Department of Health & Mental Hygiene, and we have provided written comments on the proposed progression plan throughout the process. While details will need to be defined as the plan is further developed during discussions between the state and CMS, we continue to support the submission of the All-Payer Model Progression Plan to CMS. Success under this expanded model will require even greater collaboration between all our partners and the patients and communities we serve, as we continue to deliver on the promise of a health care system that promises lower costs, higher quality, and a healthier Maryland.

We look forward to working with you, DHMH Secretary Mitchell, and HSCRC Chairman Sabatini to move this initiative forward.

Sincerely,

Carmela Coyle
President & CEO