



Maryland
Hospital Association

June 2, 2017

Nelson J. Sabatini
Chairman, Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Chairman Sabatini:

On behalf of the Maryland Hospital Association's 64 member hospitals and health systems, I am writing to support the staff recommendation for the update to global budgets and non-global budget revenues for fiscal year 2018. As the draft recommendation notes, significant progress has been made in the past three years toward achieving the goals of the All-Payer Model demonstration, with Medicare hospital savings far exceeding the requirements through calendar year 2016, and the quality improvement goals of reductions in readmissions and hospital-acquired conditions well on track. These accomplishments were accelerated by the commission and its staff, including the infrastructure investments, recognition of high-cost drug growth, and other funding provided in the model's first three years. Together, we must continue to ensure future progress toward the Triple Aim goals of the demonstration, and the funding recommended in the 2018 update will help make that possible.

At the same time, Maryland's hospitals also recognize the need to continue to reduce avoidable hospital utilization. ***Maryland's hospitals – individually and collectively – are committed to transforming the delivery of care and to the challenge of further reducing avoidable hospital utilization.*** Hospitals are keenly aware that the funding provided for next year demands that the Medicare total cost of care be monitored closely, to ensure that growth in non-hospital spending is more than offset by reductions in avoidable hospital utilization. We hope that the addition of the two Care Redesign Programs for next year will also help accomplish the demonstration's goals.

We look forward to discussing this update at the commission's meeting on June 14, and to continue to work together on behalf of the patients and communities we serve.

Sincerely,

Michael B. Robbins, Senior Vice President

cc: Herbert S. Wong, Ph.D., Vice Chairman
Joseph Antos, Ph.D.
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