



Maryland
Hospital Association

May 22, 2019

Allan Pack
Principal Deputy Director
Director, Population-Based Methodologies
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Allan:

On behalf of Maryland's 61-member hospitals and health systems, the Maryland Hospital Association appreciates the opportunity to comment on the commission's proposed market shift consolidation policy.

MHA supports the proposal to consolidate market shift measurement. We agree the proposed changes make the policy simpler and more predictable. Engaging hospitals to address the underlying clinical and geographical groupings, while reducing the number of markets measured, is important for success.

We also agree the HSCRC staff should establish a work group to evaluate potential changes to the demographic adjustment. Under global budgets, the annual revenue adjustment for age-weighted population changes is a foundational incentive. We appreciate the commission's need to balance population-based revenues with adequate funding for hospitals to treat the patients and communities they serve.

Moving forward, the commission plans to address several cornerstone policies that affect hospital revenues, including capital funding, efficiency, and potentially repurposing regulated hospital space. As the commission considers refining market shift, the demographic adjustment and other policies, we ask that the commission carefully consider aligning all policy changes to have consistent incentives.

Thank you again for your careful consideration of these matters. If you have any questions, please contact me.

Sincerely,

Brett McCone
Senior Vice President, Health Care Payment

cc: Nelson J. Sabatini, Chairman
Joseph Antos, Ph.D., Vice Chairman
Victoria W. Bayless
John M. Colmers

James N. Elliott, M.D.
Adam Kane
Jack Keane
Katie Wunderlich, Executive Director