



Maryland  
Hospital Association

March 27, 2025

Alyson Schuster, Ph.D.  
Deputy Director, Quality Methodologies  
Health Services Cost Review Commission  
4160 Patterson Avenue  
Baltimore, MD 21215

Dear Dr. Schuster:

On behalf of the Maryland Hospital Association (MHA) and our member hospitals and health systems, we appreciate the opportunity to provide comments to the Health Services Cost Review Commission (HSCRC) on the draft policy proposal for the Rate Year (RY) 2027 Maryland Hospital Acquired Conditions Program (MHAC) that was introduced in the March 2025 public meeting.

MHA commends HSCRC for developing a proposed MHAC methodology that could improve reliability and better account for the unique needs of smaller community hospitals. Under the “Option 1 Composite Methodology” proposed, the MHAC policy would increase reliability and validity of Potentially Preventable Complications (PPC) measurement more than the current methodology. This methodology is also projected to have more favorable outcomes for smaller hospitals which would support the goal to create more financial sustainability for those organizations.

While the proposed PPC composite for MHAC could have these positive outcomes, there are also concerns being raised about the methodology. The proposed composite methodology places an undue burden on Academic Medical Centers (AMCs) by setting norms on unique surgeries, such as complex bowel procedures, complex cardiac surgery, major spinal reconstruction/revision surgery, and neurosurgery. This would create an environment where AMCs would incur greater penalties and have limited opportunities to improve because of the uniquely complex nature of these procedures.

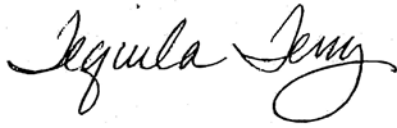
**Recommendation**

MHA recommends that HSCRC incorporate a hybrid approach in its final MHAC recommendation to ensure the methodology considers the diverse hospital types and services being performed across the state. A hybrid approach should allow smaller hospitals to be on the new PPC composite methodology and also allow larger hospitals to remain on the existing MHAC program PPC methodology. This would ensure fairness across all hospitals in Maryland and would not inadvertently or disproportionately advantage or disadvantage any hospital type.

The MHAC policy plays an important role in improving Maryland’s care delivery system and will have significant impacts on hospitals around the state. For these reasons, it is important to take time to ensure the methodologies create opportunities for all hospitals to be successful.

MHA thanks the HSCRC Quality Team for its partnership and our member hospitals look forward to continuing the collaboration on the MHAC program.

Sincerely,



Tequila Terry  
Senior Vice President, Care Transformation and Finance

cc: Dr. Jon Kromm, Executive Director  
Dr. Joshua Sharfstein, Chair  
Dr. James Elliott  
Ricardo Johnson  
Dr. Maulik Joshi  
Adam Kane  
Nicki McCann  
Dr. Farzaneh Sabi