



Maryland
Hospital Association

February 13, 2026

Dr. Jon Kromm
Executive Director
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Dr. Kromm:

On behalf of the Maryland Hospital Association (MHA) and our member hospitals and health systems, we appreciate the opportunity to comment on the Health Services Cost Review Commission's (HSCRC) recommendation for the Healthcare Outcome Payment Effort (HOPE). We commend HSCRC for developing a structure to enable hospitals to continue important population health initiatives that began under the current Care Transformation Initiatives (CTIs) and Potentially Avoidable Utilization (PAU) policies. These policies, along with hospital practices and procedures, support healthier patients and communities.

The proposed HOPE design will enable the continuation of the most successful CTIs under a new care transformation framework and create the opportunity to submit new regional and statewide initiatives. The hospital field appreciates HSCRC's crosswalk that compares the payout processes for the current CTI program, the Healthcare Outcome Payment Effort for rollover CTIs, and the go-forward program. While this tool provides helpful information about the intent of the program, there are additional key questions about the HOPE program design and implications to hospitals. As HSCRC transitions away from the current CTI design to the new HOPE design, it will be critical to provide clear guidance on program measures, performance periods, and revenue adjustments to ensure hospitals can successfully implement and optimize these initiatives.

We respectfully offer the following comments for consideration.

Source of Funding

The proposed HOPE design offers a voluntary, upside-only program. Work group materials from the Jan. 28 Total Cost of Care Workgroup Meeting note that "payment made would be considered in evaluating update factor appropriateness." Clarification is needed on how the program will be funded in the near term and long term, including:

- How will funding these initiatives impact the annual payment update?
- If outcome payments will be considered in evaluating update factor appropriateness, what impact will this have on hospitals that do not have qualifying rollover CTIs? Is there a specific dollar amount that will be used to fund these initiatives?

- Will rewards be capped since the programs are upside only?
- If the HOPE design implements an all-payer scope beginning in FY 2028, how will the funding structure be operationalized with CMS administering Medicare hospital global budgets (HGB) and HSCRC administering HGBs for non-Medicare payers?
- If CMS does not approve including Medicare beneficiaries in the HOPE design in FY 2028 and beyond, will funding be implemented through HSCRC-administered HGBs for non-Medicare payers?

New Care Transformation Framework

The HOPE design includes a new framework for CTIs under which hospitals would define target populations, implement interventions prequalified for the program, demonstrate reductions in emergency department and hospital expenditures, and potentially receive a share of savings for a fixed period to sustain the work. Under this new Care Transformation Framework, only the most successful interventions will be allowed to “roll over” into FY 2027. MHA would appreciate responses to the following questions:

- What is HSCRC’s rationale for selecting the proposed rollover CTI criteria?
- How do the criteria consider new initiatives that show promise but are yet to demonstrate savings?

Regional and Statewide Initiatives

The HOPE design includes the opportunity for hospitals and nonhospital organizations to partner on new regional and statewide interventions to reduce illness and accompanying hospital utilization. MHA seeks further detail on:

- How will HSCRC assess the potential impact of new interventions?
- Will upfront investment costs for these new interventions be covered?
- How were the savings distributions determined (50% for hospitals and 30% for regional and statewide initiatives)?
- Which organization is expected to lead the application process (hospital or nonhospital organizations)?
- What type of nonhospital organizations are eligible to participate?
- Will savings be measured based on the “intent to treat” population?

Technical Panel

HSCRC indicated it will convene a technical panel of public- and private-sector experts to evaluate and qualify proposed interventions, providing guidance to the field to support high-quality submissions. Proposals will be assessed on their evidence base, level of alignment with a state health priority, whether there is a clearly defined target population, and the potential to achieve meaningful impact. MHA would appreciate additional information regarding:

- Who is eligible to serve on the technical panel and what are the criteria for selection?
- What processes will HSCRC implement to ensure transparency, fairness, and consistency in panel decisions?

All-Payer Evaluation Data

While the HOPE programs will move forward in FY 2027 with a Medicare-only approach, HSCRC will develop the processes and infrastructure for a broader all-payer rollout. In FY 2028, HSCRC has indicated it will launch the all-payer version of the HOPE program design. MHA would appreciate details on HSCRC's plan to obtain commercial claims information to support the all-payer approach being contemplated.

A Comprehensive Population Health Strategy

HSCRC directs several population health initiatives, including Revenue for Reform, the Care Redesign Program, High Value Care Plans, Population Health Inventory, and the Innovations in Clinical Delivery Program. The transition to AHEAD will affect each of these programs differently and may require modifications or the retirement of certain initiatives. MHA urges a comprehensive review of all HSCRC-led hospital population health programs to identify needed changes and alignment with the AHEAD statewide Population Health Accountability Plan. Hospitals need clear communication about the initiatives that will continue and which will sunset to plan effectively and proactively allocate resources to population health improvement.

The hospital field is committed to improving the health and wellbeing of all Marylanders. Under the AHEAD Model, population health initiatives will be a key driver of our state's success in the coming decade. A comprehensive approach to population health programming from HSCRC, that is aligned with state goals, will enable hospitals to best leverage resources and plan interventions strategically. Additionally, clear and timely guidance on the revised HOPE population health programs will help hospitals design and manage sustainable and meaningful interventions.

Thank you for the opportunity to comment. We welcome continued dialogue on population health programming.

Sincerely,



Tequila Terry
Senior Vice President, Care Transformation & Finance

cc: Dr. Joshua Sharfstein, Chair HSCRC
Jonathan Blum
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