



Maryland
Hospital Association

Senate Bill 406 – Prenatal and Infant Care Coordination – Grant Funding and Task Force
Letter of Information to the Senate Finance Committee

Bill Summary

Senate Bill 406 would require the governor to include \$5 million in the annual budget beginning in fiscal year 2021 for the Maryland Prenatal and Infant Care Coordination Services Grant Program Fund; establish the Task Force on Maryland Maternal and Child Health; require the task force to study and make recommendations regarding certain matters; require the task force to report its findings to the General Assembly on or before November 1, 2019; and more.

MHA Position

Under Maryland's new Total Cost of Care agreement with the federal government, Maryland's hospitals are working to lower costs and improve population health. In addition to treating illness and injury, hospitals are reaching out beyond their four walls to keep people well and improve the health of the communities they serve. The result: hospitals are taking care of the whole person, empowering patients and families, coordinating care among different providers, and addressing social factors that influence people's health.

Ensuring that mothers and babies receive the care they need is of course key to this work, and Maryland's hospitals fully support efforts like those in this bill to improve maternal and child health. At the same time, we are concerned that some language in the bill could be interpreted as encouraging the use of hospital rates as a vehicle to generate the \$5 million called for in the bill to accomplish these goals.

Maryland's Total Cost of Care agreement with the federal government includes strict financial and quality goals that must be met by the state to indicate that we are reining in health care costs. The global budget principles used by Maryland's Health Services Cost Review Commission to control costs in our state already include incentives for hospitals and others to prevent adverse health outcomes through the use of preventive care. This is the foundation of our work under Maryland's unique Total Cost of Care agreement with the federal government.

The intent of Senate Bill 406 is commendable and fully supported by Maryland's hospitals. But using the hospital rate setting system to increase program funding is inadvisable because it would artificially increase the total cost of care in Maryland, thus making it more difficult to achieve the savings required by the agreement with the federal government. We look forward to working with the sponsors to address this concern.