



Maryland
Hospital Association

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Federal Agreement Paves Way to Achieving Health Care's Triple Aim in Maryland

Elkridge, Md. — A wholesale transformation of the role Maryland's hospitals play in their communities has resulted in more than \$100 million in cost savings in just one year, according to recently released data.

In the first full year of an [agreement](#) the state has with the federal Centers for Medicare & Medicaid Services, hospitals have taken full responsibility for the health care needs of the communities they serve, not just their patients. There are many examples, from bedside prescription delivery to post-hospital care coordination to expanded wellness initiatives, that demonstrate how the traditional role of a hospital is evolving to meet the needs of Marylanders in the 21st century and to achieve the Triple Aim of health care — lower costs, healthier communities and improved patient experience.

Examples of this transformation include:

- Intensive coordination with primary care physicians and nursing facilities
- In-home visits after discharge, to connect people with support to manage chronic illness
- Free or reduced-cost clinics for underserved patients with chronic diseases, including those suffering from mental health and substance abuse problems
- Hotlines for patients to ask questions directly to a nurse
- Telehealth monitoring for chronic disease management
- Transportation to medical appointments
- Embedding social workers in emergency departments to make sure patients connect with needed follow-up and transition services
- Subsidized medications for those in need of financial assistance
- Community health education

“Hospitals have changed dramatically in just 18 months, and these data are highly encouraging,” said Maryland Hospital Association President & CEO Carmela Coyle. “This new health care environment being created in Maryland — one never tested on such a large scale and under such scrutiny — is the right thing to do for the patients and communities that hospitals have the privilege to serve.”

Background and Progress

In January 2014, Maryland entered an agreement, commonly called the Medicare waiver, which [modernized and extended the state's unique way of paying hospitals for the care they provide](#). Maryland is the only state in the country where hospital rates are set not by hospitals, but by an independent state agency, much like utility rates are set. This 40-year-old system has saved the state some \$45 billion in health care costs since its inception. The centerpiece of the system is a waiver from the federal Medicare program under which Medicare agrees to pay Maryland's hospitals the same rates that the state sets for all others who pay for hospital care.

In the first year, hospitals have made impressive gains in meeting the [targets outlined by the agreement](#). Hospitals have:

- Reduced total Medicare hospital spending by more than \$100 million
- Reduced the readmissions rate faster than the nation as a whole
- Reduced infections and other hospital-acquired conditions by 26 percent

“For decades, Maryland’s hospitals have operated under a regulatory system that kept health care equitable, affordable and high-quality,” Coyle said. “From the data gathered under the first year of the modernized version of that system, it’s clear that hospitals are building on those early successes and creating an even stronger health care environment in Maryland.”

About the Maryland Hospital Association

MHA advocates for Maryland's hospitals, health systems, and patients before legislative and regulatory bodies. Membership is composed of community and teaching hospitals, health systems, specialty and veterans' hospitals, and long-term care facilities. Visit www.mhaonline.org for more.

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