



Maryland  
Hospital Association

March 2, 2023

To: The Honorable Cory V. McCray, Chair, Senate Health and Human Services Subcommittee  
Members of the Senate Health and Human Services Subcommittee

Re: Letter of Support - FY 2024 Medical Care Programs Administration Budget

Dear Chair McCray:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment on the proposed FY 2024 Medicaid budget. Maryland hospitals appreciate Governor Moore's inclusion of a one-time \$50 million reduction of the Medicaid Deficit Assessment in FY 2024 in this year's Budget Reconciliation & Financing Act (BRFA). We urge the General Assembly to protect that \$50 million reduction in the FY 2024 budget.

Reducing the assessment yields multiple benefits for individual Marylanders and for the state. First, it lessens patients' financial burden because the assessment adds approximately 2% to every hospital bill in Maryland. Additionally, the assessment artificially inflates Maryland's health care spending, which puts additional pressure on the state's ability to meet the cost-saving requirements of the Total Cost of Care Model agreement with the federal government. For the first time, the state failed to meet the financial metrics of the Model contract due to factors relating to the COVID-19 pandemic. This one-time assessment reduction will help alleviate that pressure as Maryland begins negotiations with the federal Center for Medicare & Medicaid Innovation (CMMI) on the next phase of the Total Cost of Care Model.

Reducing the assessment in no way financially benefits hospitals; rather it is a true and direct reduction in health care costs in Maryland via our unique rate setting system. We urge the committee to protect this critically important investment in the state's budget.

For more information, please contact:  
Brian Frazee, Vice President, Government Affairs  
Bfrazee@mhaonline.org