



Maryland
Hospital Association

House Bill 202- Budget Reconciliation & Financing Act of 2023

Position: *Support*

February 28, 2023

House Appropriations Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment in support of House Bill 202.

Maryland's 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 Maryland 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 a financial burden on hospital patients, because the assessment adds approximately two percent 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 agreement with the federal government. For the first time, the state failed to meet the financial metrics of the Total Cost of Care Model contract due to several factors relating to the pandemic. This one time assessment reduction will help alleviate that pressure as Maryland begins negotiations with the federal Centers for Medicaid and Medicare 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:
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