



Maryland
Hospital Association

February 20, 2020

Chris Peterson
Acting Executive Director
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Mr. Peterson:

On behalf of Maryland's 60 member hospitals and health systems, the Maryland Hospital Association appreciates the opportunity to comment on the commission's proposed Medicare Advantage (MA) Hospital Partnership Grant Program.

Funding should not automatically be offset against inflation.

The original HSCRC staff proposal showed that funding for the grant program would be offset against hospital cost inflation. At the February 12 public meeting, commissioners approved an amended formula that would fund the program through expected Model cost savings. If savings are not enough, the commission will count excess rate funding toward statewide revenue growth but will not automatically offset any amount against hospital cost inflation.

We agree with the commissioners' conclusion. Cost inflation is real. Any funding to bolster MA should not come out of the inflation factor.

Show the expected financial impacts of Medicare Advantage on the Model.

Commissioners cited a potential favorable financial impact to the Model if MA expands in Maryland, particularly plans that serve high-cost beneficiaries. Conversely, commissioners warned of adverse financial impacts if current high-cost MA plan enrollees move to the fee-for-service population.

Echoing our comments from the public meeting, we ask the commission to please present a thorough analysis of the potential favorable and unfavorable effects of alternative scenarios. That would assist all stakeholders as we consider options for a long-term solution.

Commissioners expressed a desire to have a sustainable way to grow MA penetration in Maryland. Increasing transparency of expected financial impacts will allow all stakeholders to give the commission feedback using the same objective knowledge base.

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Thank you for your careful consideration of this matter. If you have any questions, please contact me.

Sincerely,



Brett McCone
Senior Vice President, Health Care Payment

cc: Nelson J. Sabatini, Chairman
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