Maryland
Hospital Association

August 13, 2021

Kathleen Birrane
Insurance Commissioner
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202

Dear Commissioner Birrane:

On behalf of the 60 hospital and health system members of the Maryland Hospital Association (MHA), we appreciate the opportunity to comment on the proposed individual and small group market insurer rate filings for plan year 2022 (PY2022). We thank the Maryland Insurance Administration (MIA) for its engagement with stakeholders, and we encourage you to continue to promote transparency of insurer rate filings and the underlying data. We also urge MIA to ensure alignment with Maryland's Total Cost of Care Model and facilitate enhanced affordability for consumers. Affordable coverage enables access to the right services, promotes preventive care and early intervention, and advances the health of all Marylanders.

Maryland's hospital delivery system has led the nation in health care innovation for almost half a century. In recent years, payers' and consumers' costs associated with hospitals—both inpatient and outpatient—grew more slowly in Maryland than in similarly situated states. However, this favorable performance in care delivery was not matched with lower insurance premium trends. **We urge MIA to review carriers' proposed rate increases to determine how such discrepancies can be accounted for, and to ask for meaningful programs to sustainably improve the well-being of all Marylanders.**

I. Insurer Filings: Data and Trend Accuracy

As we remark each year, some filings include inaccurate information on the dynamics of hospital costs in the state. UnitedHealthcare's (UHC) filings speak of hospitals shifting costs from public to private payers as a large factor in their projections for PY2022 rates. That may apply in other states, but it is not accurate in Maryland. Given UHC's repetition of this assumption in their annual filings, we urge MIA to identify whether UHC shows evidence in their rate requests that this type of cost-shifting happens in Maryland. **All insurers should use Maryland-specific information when submitting their Maryland rate filings.**

The filings vary greatly in the projected trends for hospital utilization and cost. For rate year 2022 (7/1/21 – 6/30/22) the Health Services Cost Review Commission (HSCRC) approved total hospital allowable revenue growth of just 2.44%. This is total hospital revenue, not just price; hospitals cannot promote volume growth to boost their revenues as may happen in other states.

As discussed during the public hearing on July 20, we know several product- and plan-specific factors develop the composite cost and utilization trends submitted by insurers. We appreciate MIA's paying close attention to the hospital update factor process and continued consultation with HSCRC to resolve discrepancies.

II. Addressing Insurance Affordability and Coverage

Wellness and Care Management Programs

This year we again saw the benefits of the government reinsurance program in lower rate hikes. Maryland hospitals strongly supported the reinsurance program and are pleased by its success. For years prior to the reinsurance program launch, premiums rose steeply. With these rate filings, we see the continuation of individual and small group market stability.

As we cautioned, however, the state cannot look to the reinsurance program as the sole engine of long-term stability in these markets. Reinsurance subsidizes the cost of care for individuals who experience high costs, it does not address root causes of their high usage of care. **To ensure sustained viability of these markets, we must focus on populations with high service utilization and improve their health status.**

Regulators should review insurers' initiatives to improve the health of their enrollees. Under the Total Cost of Care Model agreement with the federal government, Maryland must meet specified population health targets in the Statewide Integrated Health Improvement Strategy (SIHIS), including diabetes and opioid use. These targets and the work to meet them must be taken on by all payers. We understand MIA collects information on the number of care management programs a carrier may have in place. However, understanding effectiveness—including impact on wellness, high-cost utilization, and outcomes of interventions—is key to ensuring our Model's success. This isn't just about money, it's about better health for all Marylanders.

Rising Out-of-Pocket Costs

Beyond fulfilling their promise of caring for their members' health, carriers must also address the impact of rising out-of-pocket costs. The COVID-19 pandemic clearly led to cost-savings for insurers. Per the July 20 MIA actuarial presentation, every carrier saw a significant decline in utilization during the first half of the year due to deferred care. These savings improved medical loss ratios; and, in turn, insurers gave their enrollees premium rebates.

We support measures to decrease health insurance premiums but not if that simply adds to consumers' cost burdens when they need care. We ask MIA to consider more balanced ways to lower patients' out-of-pocket expenses. **We urge MIA to address the continued rise in underinsurance due to the prevalence of high-deductible health plans (HDHPs), which raise costs at the point of service.** HDHPs deter individuals from accessing appropriate upstream care, and then saddle patients with large out-of-pocket costs for the care they receive.

We appreciate MIA's leadership to strengthen access to affordable health coverage and we enjoy our lasting partnership. Please contact us if you need additional information.

Sincerely,

Bob Atlas
President & CEO