



Maryland  
Hospital Association

September 11, 2023

The Honorable Chiquita Brooks-LaSure  
Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
200 Independence Avenue, S.W.  
Washington, DC 20201

**Re: CMS-1786-P, Medicare Program: Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems; Quality Reporting Programs; Payment for Intensive Outpatient Services in Rural Health Clinics, Federally Qualified Health Centers, and Opioid Treatment Programs; Hospital Price Transparency; Changes to Community Mental Health Centers Conditions of Participation, Proposed Changes to the Inpatient Prospective Payment System Medicare Code Editor; Rural Emergency Hospital Conditions of Participation Technical Correction**

Dear Administrator Brooks-LaSure:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) proposed changes to the hospital price transparency program included in the calendar year 2024 outpatient prospective payment system (OPPS) proposed rule.

MHA supports the comments submitted by the American Hospital Association (AHA) and the Healthcare Financial Management Association (HFMA) regarding the hospital price transparency proposed rules. We support an extended period to prepare for implementation, in part, to work with CMS to ensure Maryland's unique circumstances are considered. In addition to issues identified by AHA and HFMA, MHA submits the following comments.

### **Maryland's Model Requires Payers to Pay the Same Rates**

Unlike hospitals in other states, Maryland hospitals are subject to an "all-payer" system. Under the system, in each hospital, all payers are *charged* the same price for the same service. Public payers such as Medicare and Medicaid *pay* a slightly lower rate—traditionally a 7.7% differential—but that difference is minor compared to other states. All commercial payers receive a 2% differential, without distortion of commercial contracting in other states. In a simple example and assuming no cost sharing, if the item charge is \$100, Medicare and Medicaid pay \$92.30 and all private payers pay \$98.

Hospital rates are set annually by the Maryland Health Services Cost Review Commission (HSCRC). HSCRC also fixes each hospital's total annual revenue—its Global Budget Revenue, or GBR—at the beginning of a fiscal year regardless of the number of patients served or the number of services provided. Prices for individual services are dynamic and may rise or fall within a narrowly defined corridor throughout the fiscal year to meet the GBR. HSCRC maintains oversight over hospitals and can take enforcement action for violations.

The Maryland Model presents unique compliance questions for our hospitals, and MHA welcomes an opportunity to engage with CMS staff to discuss how the Model interacts with the proposed rules. MHA and our hospitals believe Maryland's rate setting system should result in simple, streamlined reporting because of the consistent charges and consistent payment levels.

**CMS Should Allow Hospitals to Designate Contacts to Streamline Communication During the Enforcement Process**

CMS is proposing at 45 CFR §180.70(b)(1) that a hospital submit a confirmation of receipt when it receives a warning of compliance violations. The preamble of the proposed rules indicates that as part of the confirmation, CMS may request contact information from the hospital.

We urge CMS to allow hospitals to designate, or confirm, the appropriate hospital point of contact to receive communications from CMS. Allowing hospitals to designate individuals responsible for monitoring compliance with the price transparency requirements early in the process would streamline communication and expedite corrective actions to address deficiencies as necessary.

Thank you again for this opportunity to comment. We appreciate the chance to work with CMS to advance policies that would improve access to affordable health care in Maryland.

Sincerely,



Brett McCone  
Senior Vice President, Health Care Payment