



Maryland  
Hospital Association

March 14, 2019

To: The Honorable Shane Pendergrass, Chairman  
House Health & Government Operations Committee

From: Maansi K. Raswant, Vice President, Policy & Data Analytics  
Jennifer Witten, Vice President, Government Affairs

Re: Letter of Information- House Bill 378: State-Provided Health Care Benefits  
House Bill 1087: Healthy Maryland Program Establishment

Dear Chairman Pendergrass:

On behalf of the Maryland Hospital Association's (MHA) 62-member hospitals and health systems, we appreciate the opportunity to comment on the proposed legislation. Hospitals believe that patient-centered, quality, and efficient care depends on broad-based health care coverage. We appreciate General Assembly's leadership and commitment to ensuring Marylanders have coverage and access to health care services and look forward to continuing to work together to achieve this shared goal.

Under Maryland's unique Total Cost of Care agreement with the federal government, Maryland's hospitals are working to lower costs and improve population health. In addition to treating illness and injury, hospitals are reaching out beyond their four walls to keep people well and improve the health of the communities they serve. The result: hospitals are taking care of the whole person, empowering patients and families, coordinating care among different providers, and addressing social factors that influence people's health.

Expansion of health care coverage is essential to the success of the Total Cost of Care agreement. Affordable, comprehensive coverage improves the odds that an individual will access preventative care and ambulatory services, thereby avoiding unnecessary hospital utilization. This is better for everyone, allowing for care delivery in a lower cost setting and potentially preventing or treating an illness early instead of waiting until circumstances are critical.

As a country and state, we have made major progress toward achieving universal coverage. The enactment of the Affordable Care Act expanded insurance coverage to approximately 400,000 people across the state,<sup>i</sup> decreasing the rate of uninsured Marylanders from 11 to six percent.<sup>ii</sup> Legislation currently before the General Assembly, the Protect Maryland Health Care Act of 2019, has the potential to cover an additional 130,000 people.<sup>iii</sup> The result: a remaining 200,000 Marylanders who would lack insurance. Hence, there are several initiatives underway to continue coverage expansion in the state, spearheaded by the Maryland Health Insurance Coverage Protection Commission. These initiatives, in which hospitals are active partners, seek to strengthen the insurance marketplace and explore additional ways to transform the health care

coverage system in the state. Given this progress, large-scale disruption to the state's health care coverage and delivery systems could be detrimental to the ultimate goal of ensuring insurance coverage for all Marylanders.

Maryland's hospitals know firsthand the importance of broad-based, continuous coverage and how critical it is for the success of the model. Our state has made significant cost-savings and health care quality improvements, including reducing the rate of readmissions to below the national average, and reducing hospital-acquired conditions by over 50 percent. These improvements were only realized because of the synergies between our unique care delivery model and the expansion of health coverage.

Therefore, as you consider legislation, we encourage you to evaluate the impact on the Total Cost of Care Model, and the coverage initiatives already in place or set to begin in the state. Any significant disruption to the health care landscape, or additional costs for the health care system, actually increase the risk that these initiatives will fail. We therefore urge the state to be continuously mindful of its approach to maintain and increase access to health care coverage – the very foundation of our unique and respected health care delivery model.

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<sup>i</sup> Maryland Health Benefit Exchange. *Annual Report 2018*. Retrieved from: [https://www.marylandhbe.com/wp-content/uploads/2018/11/MHC\\_AnnualReport\\_2018.pdf](https://www.marylandhbe.com/wp-content/uploads/2018/11/MHC_AnnualReport_2018.pdf)

<sup>ii</sup> Maryland Department of Legislative Services. *Issue Papers- 2019 Legislative Session*. (2018). Retrieved from: <http://dls.maryland.gov/pubs/prod/RecurRpt/Issue-Papers-2019-Legislative-Session.pdf>

<sup>iii</sup> Families USA. *The Down Payment Plan in a Nutshell* (2019). Retrieved from: [https://familiesusa.org/sites/default/files/product\\_documents/NCCI\\_FAQ-Downpayment\\_Fact-Sheet\\_021219.pdf](https://familiesusa.org/sites/default/files/product_documents/NCCI_FAQ-Downpayment_Fact-Sheet_021219.pdf)