



Maryland  
Hospital Association

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## **Maryland a Model for Nation**

**Elkridge, Md.** – Maryland’s hospitals reduced costs since 2014 without shifting costs to other parts of the health care system, according to an [evaluation released](#) by the U.S. Centers for Medicare & Medicaid Services (CMS) and its Center for Medicare & Medicaid Innovation (CMMI).

The evaluation brings to light how Maryland hospitals’ successfully drove down the need for services for Medicare beneficiaries with multiple chronic conditions and beneficiaries dually eligible for Medicare and Medicaid. Maryland also slowed growth in total cost of care—hospital costs, physician and diagnostic services, skilled nursing care, and more—for Medicare beneficiaries. Our hospitals markedly cut the growth trend in hospital expenditures for all payers and lowered the rate of spending on outpatient hospital services compared to targets.

Maryland’s hospitals work under a unique all-payer regulated payment system for hospital services intended to lessen the rise in per capita hospital expenditures, improve health outcomes, and lower growth in total health spending per person.

The review, prepared by RTI International, measures performance in nine areas for 2014 through 2018. It finds Maryland’s All-Payer Model reduced total expenditures and total hospital expenditures for Medicare beneficiaries, relative to growth targets set at the start of the period. The evaluation surmises hospital expenditures were reduced through decreased expenditures for outpatient hospital services.

“This CMS review supports what we have seen firsthand: significant transformation among Maryland’s hospitals in recent years and proof that the Maryland Model works,” says Bob Atlas, President and CEO of the Maryland Hospital Association. “It recognizes the tremendous strides our state’s hospitals have made in quality of care, patient education, community outreach, mobile health, and social supports compared to peers nationally.”

Inpatient admissions trended downward for Maryland residents enrolled in Medicare, Medicaid, and commercial insurance. RTI cites strategies hospitals have employed to drive down admissions and readmissions, including changing clinical care models and leveraging health data and analysis. The most common strategy, adopted by all Maryland hospitals, was the use of care coordination and care managers.

Kate Sapra, deputy director of the division of all-payer models at CMMI, praised the model on social media, saying, “What I’m most impressed with is the decrease in potentially avoidable hospitalizations.”

RTI compares Maryland to a national peer group it created to measure performance in many categories against a statistically similar group of hospitals. Like any statistical comparison, this approach is used to assess the Maryland Model’s impact on cost, utilization and quality to determine if the Model produced different results than a control group.

The full review can be found [here](#).

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**About the Maryland Hospital Association**

*The Maryland Hospital Association serves Maryland’s hospitals and health systems through collective action to shape policies, practices, financing and performance to advance health care and the health of all Marylanders. For more information, visit [www.mhaonline.org](http://www.mhaonline.org).*