



The 5 W's of Maryland's Medicare Waiver

Lower costs, higher quality, a healthier Maryland

Who – Maryland's new Medicare waiver is about *you*: It broadens the focus of health care in Maryland from treating you when you're ill or injured, to keeping you healthy. Maryland's hospital leaders and state officials worked with the federal Centers for Medicare & Medicaid Services to craft the new Medicare waiver.

What – The waiver is a 40-year old agreement with Medicare that allows Maryland to set the rates its hospitals charge. Under this unique arrangement, all payors – Medicare, Medicaid, private insurers, and the self-insured – pay the same rates for hospital services. This system has moved spending on hospital care from 25 percent above the national average to 4 percent below, and saved Maryland \$45 billion through lower costs and lower health insurance premiums.

Where – The new waiver expands hospitals' focus from inpatient care to improving the coordination of care both inside and outside of the hospital. From the emergency department to an inpatient room to rehabilitation and home care or the doctor's office, the care path for patients will be smoother, with higher-quality being delivered along the way.

When – Discussions on a new waiver began about two years ago. It was implemented January 1 as a five-year, renewable program whose targets and goals will be monitored by Medicare and implemented by the state's hospital rate setting commission.

Why – The original waiver was based on the condition that Medicare's inpatient costs in Maryland would not grow faster than they did across the nation. Because more care is being provided in outpatient and other settings, and focusing on prevention rather than care within a hospital, that focus had to change. The new conditions control costs, improve the patient's experience of care and the quality of that care, and provide hospitals with more tools to improve the health of the communities they serve.