



## **AHEAD Regulatory Working Group–Multi-Agency Workplan**

17 October 2025

### **Background**

On September 23, 2025, Governor Moore issued a directive to create a working group of State regulatory agencies, with the aim of achieving the goals and objectives of the State of Maryland under the AHEAD Model. Led by the Secretary of Health, the working group consists of the Maryland Department of Health (MDH), the Maryland Insurance Administration (MIA), the Maryland Health Care Commission (MHCC), the Health Services Cost Review Commission (HSCRC) and the Maryland Health Benefit Exchange (MHBE). Three core values will drive the development of a structure to drive success under the model:

- 1) Health care quality, access, outcomes and affordability are paramount;
- 2) No critical health infrastructure should shoulder this burden alone, and the savings requirement will not be borne exclusively by hospitals; and
- 3) The State will operate as it always does—by being data-driven and heart-led.

The Governor’s Directive instructed the working group to submit an initial plan by October 10, 2025. This Multi-Agency Workplan outlines topics of focus and a timeline for activities, as well as an approach to stakeholder engagement. Priority policies for implementation of the new AHEAD model include cost shifts, as necessary, to meet the negotiated Medicare savings requirements and stabilization of the Medicare Advantage market in Maryland.

As part of the workplan and stakeholder engagement process, the working group will also provide monthly progress updates to designated members of the Maryland General Assembly, as directed by HB 1104 of (Chapter 16 of the Acts of 2025). The AHEAD Legislative Group has been heavily involved in AHEAD Model negotiations and finalization to date and will continue to serve as an important partner.

The working group will submit a report to the Governor in June 2026 with an update on policy development, including recommendations that have been finalized per the timeframes outlined below. The report will include proactive steps that can be taken by the member agencies, State commissions and the Maryland General Assembly, with the aim of promoting market stability, health care affordability, access and quality throughout Maryland. The final report will be strengthened by contributions from key stakeholders, which will be solicited through both topic-specific processes and broader opportunities for bi-directional feedback.

### **Working Group Membership**

- Maryland Department of Health

- Secretary of Health: Dr. Meena Seshamani
- Medicaid Director: Perrie Briskin
- Assistant Secretary for Population Health & Strategic Initiatives: Dr. Elizabeth Kromm
- Health Service Cost Review Commission
  - Executive Director: Dr. Jon Kromm
- Maryland Health Benefit Exchange
  - Executive Director: Michele Eberle
- Maryland Health Care Commission
  - Executive Director: Dr. Douglas Jacobs
- Maryland Insurance Administration
  - Commissioner: Marie Grant

The members may designate additional staff to participate in the working group. The working group will meet regularly to discuss priority items as well as to track progress against the workplan.

## **Multi-Agency Priorities**

### **Cost-Shifting Policy**

Cost-shifting policy is a priority project of the working group, in recognition of the broad impact of the AHEAD model on the health care system. Over the next seven years, the AHEAD Model requires the state to achieve \$460 million in Medicare savings, which is more than the previous AHEAD State Agreement. Cost growth in Medicaid and Medicare Advantage will also need to be managed on the same trajectory. However, unlike the previous AHEAD agreement, the State now has increased flexibility to shift costs across sectors.

As stated in the Governor’s directive, this savings requirement cannot be borne solely by hospitals, nor by any one sector within the health care system.

Given the importance of the cost-shifting policy, it will be among the first initiatives undertaken by the working group. The State will conduct listening sessions in late October through early November, which will inform a proposal for cost-shifting for public comment in November. Following the incorporation of comments received, the working group will submit its recommendations for the Governor’s consideration, with a policy decision from the Governor anticipated in late December.

The HSCRC will address the Governor’s cost-shifting policy in its February (draft) and April (final) 2026 Commission meetings, with an anticipated effective date of January 2027. Depending on the resulting policy design, the MIA would pursue any needed steps for implementation, *e.g.*, updating rate filing instructions.

### **Medicare Advantage Market Stabilization**

In the new AHEAD model, Maryland has the opportunity to propose solutions to CMS to improve the Medicare Advantage market. Multiple carriers have already limited their footprint in Maryland for 2026.

MIA, MDH and the HSCRC may need to take steps to support the success of Medicare Advantage plans that improve access and health outcomes for Maryland participants. Medicare beneficiaries who use these plans can benefit from supplemental programs offered by the plans, such as lower out-of-pocket costs and dental and vision coverage, among others. The loss of Medicare Advantage plans operating in Maryland would create disruption for these beneficiaries, who would either have to sign up for a different plan or transition to Medicare FFS.

Medicare Advantage plans have communicated a need for financial support to stabilize the market, which is likely to increase as enrollment continues to grow. The resulting policy solution will need to be considered within the framework of cost-shifting (above). Depending on the approach, CMS approval may be needed, even for any temporary stabilization programs effectuated while Maryland's proposal to CMS for long-term stabilization is under consideration.

The State is committed to developing a policy in time for Medicare Advantage plans to make decisions for the CY 2027 plan year, *i.e.*, in early 2026. The State will conduct listening sessions in late October through early November, which will inform a proposal to be released for public comment in November. Concurrently, the State will enter into dialogue with CMS to discuss any needed approvals that arise from the proposal design. Following the incorporation of comments received, the working group will submit its recommendations for the Governor's consideration, with a policy decision from the Governor anticipated in late December.

If needed, the HSCRC will address the Governor's Medicare Advantage policy in its January (draft) and February (final) 2026 Commission meetings.

## **Choice and Competition**

The State Agreement requires Maryland to select and plan for Choice and Competition policies—*i.e.*, select one of each—by January 1, 2027. Once selected, the options must be implemented by 2029; some of the options have interim milestones.

Options for choice:

1. Implementing Medicaid site neutrality;
2. Improving access to new and/or additional modes of care delivery via telehealth;
3. Advancing prescription drug price transparency; or
4. Prohibiting the use of non-compete clauses to increase provider mobility.

Options for competition:

- 1) Modifying scope of practice restrictions, including for physician assistants and nurse practitioners;
- 2) Repealing certificate of need (CON) requirements for all non-hospital settings;
- 3) Expanding access to care by revising network adequacy provisions in compliance with federal requirements; or
- 4) Expanding contracting flexibilities by repealing any willing provider (AWP) laws.

The draft AHEAD State Agreement—released on September 22, 2025—contained detail not previously available regarding the options for Choice and Competition. Upon the release of the Governor’s Directive, the working group immediately launched initial analysis and held preliminary discussions with stakeholders later in September. The working group will continue considering and incorporating stakeholder feedback as available and appropriate at regular touchpoints. Further discussions will be dependent on the final language included in the State Agreement.

The working group will conduct a preliminary assessment in November 2025 to narrow the potential choices to feasible options and identify key considerations for the State. The Choice and Competition options also overlap in scope with the Rural Health Transformation Program, for which a proposal is due to CMS in November. Working group representatives will utilize existing forums to update stakeholders on this work.

During the first half of 2026, the working group will hold listening sessions to socialize the options with stakeholders, including with legislators to discuss any legislation that may be needed to meet the requirements. The working group will provide opportunities for public comment in April to June 2026 and will release a final proposal in the second half of 2026.

## **Workforce and Graduate Medical Education**

CMS policy on graduate medical education (GME) in the AHEAD hospital global budgets will have important implications for Maryland. HSCRC received a number of comments about potential new approaches for GME investment in a recent public engagement process; however, the comments did not lead to consensus on an approach. Sustainable funding for GME is deeply related to plans for a statewide workforce development strategy, to involve MDH and MHCC. Over the past several years, various agencies and commissions have touched components of workforce strategy within discrete spaces of public health and the health care delivery system. MDH is consolidating those efforts to develop one strategic plan that holistically addresses workforce development needs across the health ecosystem. Strengthening the health care workforce is also a key element of the Rural Health Transformation Program proposal, due in November.

MDH will work with MHCC to build upon recent workforce development studies—such as the 2024 *Investing in Maryland Behavioral Health Talent* report. The two agencies will jointly lead a study to shape GME and workforce development policy under the auspices of AHEAD, including a process to solicit stakeholder input. The agencies will consult with the HSCRC on how payment policies may be leveraged to effectuate the identified initiatives and to coordinate with any changes to HSCRC GME policies that may result from the transition to Medicare global budgets in 2028.

A draft report will be available for public comment in June 2026, with a final report in Fall 2026.

## **Post-Acute**

Challenges in the post-acute space have complicated the efficient delivery of hospital services, with hospitals reporting difficulties confirming clinically appropriate discharge placements for patients. These challenges can be more significant depending on discharge timing (*e.g.*, near or during the weekend) and

diagnostic needs. Solutions to these concerns are likely to be multi-variate and extend beyond the purview of the HSCRC and will involve the Medicaid program and other payers. Foundational to this effort will be to leverage and explore alignment across existing programs, such as value-based purchasing programs for skilled nursing facilities and hospital readmissions payment policies. The AHEAD agreement provides some flexibility for the State to gain savings credits for initiatives that impact care beyond the hospital.

MHCC will lead the development of a report with recommendations, working with the HSCRC, MIA and MDH, *i.e.*, the Medicaid program. The recommendations will emphasize quality, access and cost savings, including the impact of mergers and acquisitions. Information-gathering from interested stakeholders will begin in April 2026, with draft recommendations in June and final recommendation in the Fall 2026. Depending on the resulting recommendations, programs and policies would be effectuated starting in Fall 2026 through CY 2027.

### **Total Cost of Care and Primary Care Targets**

Statewide accountability requirements under the AHEAD model include targets for all-payer TCOC growth and all-payer primary care investment, in addition to existing Medicare FFS targets.

Per Sections 10.b.i-ii and 10.d.i-ii of the AHEAD State Agreement, the State must establish the process to set the All-Payer Total Cost of Care Growth and Primary Care Investment Targets, respectively, prior to the end of CY 2025. The State has drafted language for an Executive Order, which must be issued by December 31, 2025 to fulfill the State Agreement requirement. The Executive Order will reference state statute already passed regarding primary care investment.

Subsequently, the State must set the targets for CY 2027 through CY 2030 via Executive Order 90 days prior to the start of 2027. As of October 2025, MHCC and HSCRC expect to continue collaborating on analyses to calculate a baseline and trend factor for commercial insurance; a similar analysis on Medicare Advantage is forthcoming. This effort will extend to MDH to conduct the analysis for Medicaid expenditures.

The Primary Care Investment Target work builds on analyses led by MHCC, under the auspices of Chapter 667 of the Acts of 2022 - Primary Care Report and Workgroup - which, in addition to quantifying primary care expenditures in the state, requires MHCC to make recommendations on primary care investment. With support from the Primary Care Investment Workgroup, the 2025 analysis generated for this year's report used the AHEAD Model's definition of primary care providers and services.

MHCC will continue to lead the primary care investment component, and the HSCRC will lead the development of the TCOC growth target component. MHCC and HSCRC have been actively working together to ensure compatibility of methodological approaches and will continue to collaborate through the submission of the targets and longer-term implementation and measurement under the AHEAD Model.

MHCC and HSCRC will hold an organizational session with stakeholders in December 2025 to review the Executive Order. Additional public meetings will be held between January and April 2026 to review relevant analytics and develop a final proposal.

## Stakeholder Engagement

Maryland stakeholders across the industry of health systems and health care providers, consumers, public health leaders, employers, insurers, legislators and other interested parties have a variety of forums through which they provide input on programmatic design and implementation and receive updates (as displayed in Table 1).

In combination with the existing forums listed in Table 1, the working group will utilize a dedicated public process for each initiative as the foundation to seek public input on the issues outlined above, from conceptualization through finalization.<sup>1</sup> A unique stakeholder approach has been included for each of the initiatives under relevant sections. The timeframe for these activities is also reflected in the Timeline section, below. Although tailored to each particular policy, the working group’s stakeholder engagement prioritizes:

- Allowing for early and broad-based stakeholder education and input;
- Opportunity to review and comment on draft policy proposals; and
- Availability for bi-directional feedback between public meetings and presentations.

The working group will broadcast these opportunities for public comment and participation through existing channels, including workgroups and listservs.

**Table 1. Potential Channels for AHEAD Design Input**

Entity	Forums
MDH	Maryland Medicaid Advisory Committee <i>Monthly meetings and listserv</i>
	Managed Care Organization Liaison Meeting <i>Monthly meetings</i>
	Local Health Officer Roundtable <i>Monthly meetings and listserv</i>
	Maryland Primary Care Program Advisory <i>Quarterly meetings, newsletter</i>
MIA <sup>2</sup>	Life and Health Industry Forums <i>Biannual meetings</i>

<sup>1</sup> The process for policy finalization and implementation will vary by issue, e.g., regulation changes, commission vote, rate filings, etc.

<sup>2</sup> The MIA is in the midst of responding to a request from legislative leaders on the creation of a Health Insurance Advisory Board. Should this be established, it would be another forum for AHEAD communications.

Entity	Forums
	MIA Consumer Newsletter <i>Monthly written updates</i>
MHCC	MHCC Commission Meeting <i>Monthly meetings</i>
	Primary Care Investment Workgroup <i>Meetings as needed</i>
	ED Wait Time Reduction Commission <i>Quarterly meetings</i>
	MHCC-convened technology meetings <i>Ad-hoc</i>
HSCRC	HSCRC Commission Meeting <i>Monthly meetings</i>
	HSCRC Workgroups: Total Cost of Care, Performance Measurement, Payment Models, Volume <i>Monthly meetings, listserv</i>
MHBE	MHBE Board Meeting <i>Monthly</i>
	Standing Advisory Committee <i>Quarterly meetings</i>
	Plan Management Stakeholder Committee <i>Quarterly meetings</i>
	Small Business Programs Advisory Committee <i>Quarterly meetings</i>
	Broker Advisory Committee <i>Quarterly meetings</i>
Legislative	Maryland Commission on Health Equity and Data Advisory Committee <i>Quarterly meetings; ad hoc meetings</i>
	AHEAD Legislative Group <i>Monthly</i>

**Timeline**

The submission timeline for this workplan falls prior to the signing of AHEAD State Agreement. This demonstrates the State’s commitment to timely action in addressing issues and policies that are central to the success of AHEAD Model implementation in Maryland. In concert with a robust stakeholder engagement approach, outlined above and reflected in the timeline below, the State is positioned to quickly respond to time-sensitive needs and ensure adequate time for analysis, discussion and careful development of long-term policies.

Table 2 provides a breakdown of the anticipated timeframe for each of the priority areas detailed earlier in the workplan.

**Table 2. Timeframe for Multi-Agency Policy Development**

Initiative	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026
<b>Regulatory Working Group Activities</b>										
Initial and Final Plans due to Governor		X								X
<b>Cost-Shifting Policy</b>										
Listening sessions and initial draft development		X	X							
Public comment period for draft policy proposal			X							
Submit draft policy proposal to the Governor				X						
Governor writes letter with policy decision and rationale on cost-shifting to HSCRC				X						
HSCRC votes on Governor’s cost-shifting policy, anticipated to be effective starting in January 2027						X		X		
MIA actions, <i>e.g.</i> , updating rate filing instructions								X		
<b>Medicare Advantage Market Stabilization</b>										
Listening sessions and initial draft development		X	X							
Public comment period for draft policy proposal			X							
CMS engagement to discuss potential approvals			X	X						
Submit draft policy proposal to the Governor				X						
Governor writes letter with policy decision and rationale on cost-shifting to HSCRC				X						

Initiative	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026
HSCRC votes on Governor’s Medicare Advantage policy, to support plan decisions for the CY 2027 plan year					X	X				
<b>Choice and Competition</b>										
Initial public presentation and stakeholder discussion	X									
Updates to agency-led workgroups			X							
Conduct presentations and meetings to discuss options with stakeholders, including consideration of any needed legislation					X	X	X	X		
Public comment period for preliminary selections								X	X	X
<i>Final proposal due second half of 2026</i>										
<b>Graduate Medical Education and Workforce</b>										
Listening sessions and initial draft development										X
Public comment period for draft policy proposal										X
<i>Final report due fall 2026</i>										
<b>Post-Acute Strategy</b>										
Listening sessions and initial draft development										X
Public comment period for draft policy proposal										X
<i>Final recommendations due fall 2026</i>										
<b>Total Cost of Care and Primary Care Targets</b>										
Public presentation of Executive Order				X						

Initiative	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026
Executive Order due to CMMI				X						
Methodology Development										
Additional public meetings to review relevant analytics and develop a final proposal						X		X		
<i>Target Calculations due to CMMI in September 2026</i>										