

Summary of the State Agreement

On November 12, 2025, Maryland and CMS signed a new agreement providing the framework for the Maryland health care model over the next 10 years. This agreement reflects months of detailed negotiations with strong engagement from hospitals, payers, providers, and other partners across the state.

The new AHEAD Model sets the policy framework to achieve statewide goals for slowing the growth of healthcare spending, increasing investment in primary care, and improving health across the state. The agreement:

- **Maintains an aligned focus on overall health.** The agreement continues the alignment of hospital global budgets and quality metrics across payers, to better streamline and coordinate efforts around providing better care that improves the health of all Marylanders.
- **Provides savings.** The agreement provides for slower growth in Medicare and overall health care expenditures in a way that supports market stability.
- **Creates a stable transition.** The agreement requires only small changes for the next two years, in 2026 and 2027, followed by a three year transition to Medicare's new global budget methodology in the national AHEAD Model.
- **Protects rural health.** The agreement will continue Maryland's tradition of supporting rural health institutions, initiatives, and outcomes.
- **Enhances flexibility for hospitals and providers.** The agreement preserves physician value-based programs until new versions are developed, provides that some advanced hospital services can be paid individually, and provides that Maryland Medicaid will fully participate alongside Medicare.
- **Invests in primary care.** Maryland will set and reach goals for primary care spending, which will enhance access to care.
- **Creates new opportunities for innovation and health.** Maryland can choose new ways to increase choice and competition, improve quality, and set key goals and key measures for health improvement.

In summary, the Maryland-CMS agreement provides the foundation for continuing to reach our goals of access, affordability, and quality in health care for all Marylanders.