



To: Chief Financial Officers  
From: Jon Kromm, Executive Director  
Date: May 7, 2024  
Re: Adjustment to Public Payer Differential

**Joshua Sharfstein, MD**  
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**Joseph Antos, PhD**  
Vice-Chairman

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**Ricardo R. Johnson**

**Maulik Joshi, DrPH**

**Adam Kane, Esq**

**Nicki McCann, JD**

**Jonathan Kromm, PhD**  
Executive Director

**William Henderson**  
Director  
Medical Economics & Data Analytics

**Allan Pack**  
Director  
Population-Based Methodologies

**Gerard J. Schmith**  
Director  
Revenue & Regulation Compliance

**Claudine Williams**  
Director  
Healthcare Data Management & Integrity

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At its December 14, 2022 public meeting, the HSCRC voted to increase the public-payer (Medicare, Medicare Advantage Plans, Medicaid Fee-for-Service, and Medicaid MCOs) differential by 1 percentage point from 7.7 percent to 8.7 percent, effective April 1, 2023 through June 30, 2024. This vote was subsequently approved by CMMI. The purpose of the vote was to mitigate excess Medicare TCOC growth in Maryland for the CY 2023 TCOC Model Performance Year.

As noted above, this change in differential expires June 30, 2024. The public payer differential will decrease back to 7.7 percentage points beginning July 1, 2024. This adjustment will be made through the hospital mark-up adjustment and will be revenue neutral to hospitals. The payer differential shall apply to claims with discharge dates and outpatient service dates on and after July 1, 2024.

If you have any questions, you may contact Jerry Schmith or Cait Cooksey at: [jerry.schmith@maryland.gov](mailto:jerry.schmith@maryland.gov), or [cait.cooksey@maryland.gov](mailto:cait.cooksey@maryland.gov).