



maryland  
**health services**  
cost review commission

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## Total Cost of Care Workgroup Meeting

March 25, 2026

# Agenda

- AHEAD
  - Policy Development Timeline
  - Regulatory Workgroup Status Report Update
- 2026 MATT Process
- Healthcare Outcome Payment Effort
- MPA Update
- CTI Geographic Results Data
- High Value Care Plans Update
- Next Steps & Upcoming Meetings

# AHEAD Policy Development Timeline and Regulatory Workgroup Status Report

# HSCRC Focus Areas

Workstream	Status/Timeline*	Expected Workgroup
All-Payer Global Budget Revenue		
Define Global Budget Carve-outs (volumes counted against the required 85% of hospital revenue under GBR)	Memo in Jan 2026. Workgroup held in Feb 2026. Conducting further analyses to be discussed in April 16 <sup>th</sup> Volume workgroup.	Payment Models <i>Volume Subgroup</i>
Adjustments and Assessments (UCC, Deficit Assessment Etc.)	Likely Fall 2026, some discussion during RY2027 update factor process	Payment Models
Financial policies, including Market Shift, Efficiency, etc.	Likely Fall 2026	Payment Models
Quality policies, including Length of Stay	Ongoing	Performance Measurement
Policies, including Avoidable Use, Care Transformation, EQIP 2028	HOPE: Draft presented March 2026 EQIP: Q3 2026	TCOC
Data and Reporting	TBD	Quarterly Data Forum
Impact of Medicare FFS GBRs on Medicaid and Medicare Advantage	Depends on CMS	Payment Models
Capital Policy Refinement	Fall 2026	Payment Models

# Multi-Agency Regulatory Working Group

- Governor Moore directed the creation of a multi-agency State regulatory working group to advance Maryland's goals under the AHEAD Model.
- Stakeholder Engagement Opportunities
  - Early engagement to inform policy priorities
  - Dedicated public input process for each initiative
  - Opportunities to review and comment on draft policy proposals
  - Ongoing, bi-directional feedback between public meetings and presentations
  - Additional feedback through agency-specific forums



## Policy Priorities

- Cost Shifting Policies
- Medicare Advantage Market Stabilization
- Choice and Competition
- Workforce and Graduate Medical Education
- Post-Acute Care
- Total Cost of Care and Primary Care Targets



## State Agency Composition

- Maryland Department of Health (MDH)
- Health Services Cost Review Commission (HSCRC)
- Maryland Insurance Administration (MIA)
- Maryland Health Care Commission (MHCC)
- Maryland Health Benefit Exchange (MHBE)

# Multi-Agency Priorities: Updates and Upcoming Opportunities

Workstream	Status/Timeline	Expected Workgroup
Maryland-Specific Metrics for AHEAD	Awaiting measure feedback from CMMI	Led by MDH
Denials	Next meeting of the Adverse Decisions Workgroup scheduled for March 30th; report due December 2026	Adverse Decisions Workgroup
ED Wait Times	Commission meeting held March 4th; Data Subgroup meeting March 13th; Access and Capacity Subgroup March 26th	ED Wait Times Commission
Medicare Advantage Market Stabilization	Qualified plans notified in February; differential for CY 2027 under development; metrics under development. Further discussion at Payment Models Workgroup on April 1 <sup>st</sup> .	Oversight - Regulatory Working Group Policy Implementation - HSCRC Payment Models in coordination with MIA
Cost-Shifting	Will be part of FY 2028 update factor; metrics under development.	
Workforce including Graduate Medical Education	Preliminary information-gathering in progress; hosting focus groups in March; draft report anticipated for June	Regulatory Working Group
Post-Acute Strategy	Preliminary information-gathering in progress; hosting focus groups in March; draft report anticipated for June	
All-Payer TCOC Growth and Primary Care Investment Targets	Two meetings for all-payer growth held in February; public comment period open until March 20th - listening session scheduled April 10th. PCIW meetings ongoing.	
Choice and Competition	Preliminary information-gathering in progress; hosting focus groups in March; draft report anticipated for June. Additional clarity from CMMI expected soon.	

## Cost-Shifting: Next Steps

- Use HSCRC's annual update factor process to increase commercial hospital rates by \$87 million each calendar year from FY 2028 to FY 2032
- Implementation: Increase commercial hospital rates by \$87 million via the annual update factor process, starting in FY 2028
- Monitoring: Identify sources and specifications for annual monitoring activities including commercial insurance affordability; hospital affordability, access and viability; emerging opportunities for value-based reimbursement for physicians and population health investment

# MA Stabilization: Next Steps

- Implementation:
  - Plan Qualification: By January 23, 2026, finalize plan qualification criteria; by February 20, 2026, identify final Qualified Plans for 2027 - **COMPLETE**
  - Rate Relief: Identify avenue to provide 11.55 percent in additional rate relief for Qualified Plans for the FY 2027 update factor - **IN PROCESS**
- Monitoring: Identify sources and specifications for annual monitoring activities including commercial insurance affordability; total cost of MA rate relief and impact on underserved individuals; impact on MA plan availability, enrollment and quality; additional requirements to improve the efficiency of the MA market or promote population health or quality outcomes

# All-Payer Total Cost of Care Growth Target

Milestone	Action Items	Due Date
Advisory Group Meeting #1	Advisory Committee Introduction	February 5, 2026
Advisory Group Meeting #2	Review Key Considerations and Make Initial Recommendations	February 23, 2026
Written Public Comment Period		February 23 – March 20, 2026
Advisory Group Meeting #3	Public Listening Session and Revise Recommendations as Needed	April 10, 2026
Advisory Group Meeting #4	Public Listening Session and Revise Recommendations as Needed	April 17, 2026
Draft methodology and targets due to the Governor		May 2026
Submit CY 2027-2030 targets to the Governor and CMMI		September 2026

\***Zoom Series Registration Link:** [https://us06web.zoom.us/meeting/register/-3zcmOW7Qb6gk72\\_WXIVfQ](https://us06web.zoom.us/meeting/register/-3zcmOW7Qb6gk72_WXIVfQ)

\*Ad-hoc meetings may be scheduled prior to the final submission to CMMI



# MATT Process

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## 2026 MATT Process

- A forthcoming memo will outline the HSCRC's 2026 data sharing policies for the MPA and other use cases.
- HSCRC's data sharing policies have changed slightly under the AHEAD Model – hospitals will automatically receive patient-level data (PHI) for both beneficiaries with a hospital touch **and for all beneficiaries that are geographically attributed**.
- However, beyond that, hospitals will need to establish a PHI data sharing treatment relationship using a voluntary two-step attestation approach, consistent with the approach for MPA Y8 (2025). The memo will include an explanation of this process.
- The MATT Tool will be available for hospitals to upload their provider partners for CY26 starting on April 6, 2026.

# Healthcare Outcome Payment Effort

# Payment Options – Step 1

- **Step 1:** HSCRC qualifies interventions up to a certain total of projected averted hospital costs.
- Options:
  - qualifying interventions up to \$200 million in projected averted hospital costs.
  - qualifying interventions up to \$150 million in projected averted hospital costs
  - qualifying interventions up to \$100 million in projected averted hospital costs
- Qualifying more initiatives allows for greater participation but
  - If many initiatives are successful reduces payments available to each

# Payment Options – Step 2

- **Step 2:** HSCRC scores each intervention in terms of savings.
- Options:
  - a) Scoring each intervention at actual averted hospital costs
  - b) Scoring each intervention at actual averted hospital costs or projected averted hospital costs, whichever is lower
    - + Prevents outcome payments being above approved spending cap
    - Puts upward pressure on projection amounts as they become a cap on outcome payments
  - c) Scoring each intervention at actual averted hospital costs, or 125% of projected averted hospital costs, which ever is lower
    - + Reduces emphasis on projected amounts
    - Could result in outcome payments being above spending cap by up to 25%
- Potential option with any of the above: If the score is less than half of the projected averted hospital costs, there will be no scored savings.
  - + Places breaks on projections
  - Further penalizes less successful projects
- Regardless of option outcome payments will be 50% of the score.

## Payment Options – Step 3

- **Step 3:** HSCRC adjusts the score, if needed, to fit the total outcome payments within the budget.
  - Standard pro-rated adjustment to score if total payments in Step 2 is more than \$50 million so annual budget does not exceed \$50 million
  - Need for this is eliminated by
    - Qualifying only \$100 M in initiatives
    - Capping payouts at project outcome (Option B on prior slide)
  - Other alternatives have the potential to create varying levels of “over commitment” which will lead to individual successful initiatives being paid at a discounted rate less than 50%

# Outcome Examples

Commission Adopts -> Program results	Step 1: \$200 M Qualifying Step 2: Payout at Actual Results (a)	Step 1: \$100 M Qualifying Step 2: Payout of less of project or actuals (b)
All approved initiatives are successful Average initiative is 25% above projected results	<p>Step 1: Qualify \$200 M projected payout</p> <p>Step 2: Scored Payout: = <math>\\$200 \times 1.25 \times 50\% = \\$125 \text{ M}</math></p> <p>Step 3: Actual payout is only 40 cents on the dollar (<math>\\$50 \text{ M}/\\$125 \text{ M}</math>)</p>	<p>Step 1: Qualify \$100 M projected payout</p> <p>Step 2: Scored Payout: = <math>\\$100 \times 1.00 \times 50\% = \\$50 \text{ M}</math></p> <p>Step 3: Actual payout is 100 cents on the dollar (<math>\\$50 \text{ M}/\\$50 \text{ M}</math>)</p>
50% of initiatives are successful, average initiative matches projected results.	<p>Step 1: Qualify \$200 M projected payout</p> <p>Step 2: Scored Payout: = <math>\\$100 \times 1.0 \times 50\% = \\$50 \text{ M}</math></p> <p>Step 3: Actual payout is 100 cents on the dollar (<math>\\$50 \text{ M}/\\$50 \text{ M}</math>)</p>	<p>Step 1: Qualify \$100 M projected payout</p> <p>Step 2: Scored Payout: = <math>\\$50 \times 1.0 \times 50\% = \\$25 \text{ M}</math></p> <p>Step 3: Actual pay of \$25 M is only half the available dollars</p>

# Policy and Operations Timeline – Tentative

## POLICY

- March 2026
  - Committee request for interest sent out
- April 2026
  - Comment letters due April 8
  - Review Commission comment letters and discuss any revisions for final recommendation with TCOC workgroup
  - Drafting application in portal (see Operations) – begin building out application responses
- May 2026
  - Final commission vote
  - Finalize review committed and notify committee members
  - Applications due in portal (see Operations)
- June 2026
  - Committee review applications
- July 2026
  - Measurement period start July 1, 2026
  - Notify applicants of approval
  - One-time Infrastructure payments in GBRs

## OPERATIONS

- March – April 2026
  - Working through data operationalization
  - Construct clinical episodes
  - Build out of application in portal
  - Creation of documentation and reference content
- May 2026
  - 2025 baseline data available for enrollment
  - Application portal opens end of May
  - Creation of onboarding materials
- June 2026
  - Application portal closes mid-June
  - All reference content, documentation, and onboarding materials finalized
- July 2026
  - Measurement period start July 1, 2026
  - Onboard participants
- September 2026
  - Reporting available



# MPA Update

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## MPA Update

- CMS approved the proposal from December 2025 which maintains the current approach for CY26 as the MPA is sunseting when Medicare fee-for-service global budgets are implemented in 2028.
- HSCRC staff will continue ongoing discussions with stakeholders on the future of care redesign programs throughout 2026 workgroups.
- Proposing to CMMI to end the Traditional MPA in 2027.

# CTI Geographic Results Data

# Broad-based Community Geo CTIs driving results, concentrating positive outcomes

	% of Save	% of Episodes
Community-Based Care	48.9%	66.8%
Emergency Care	3.7%	3.6%
HOPD Services	0.4%	0.3%
Palliative Care	1.3%	0.4%
Primary Care	32.5%	22.8%
Care Transitions	13.1%	6.1%

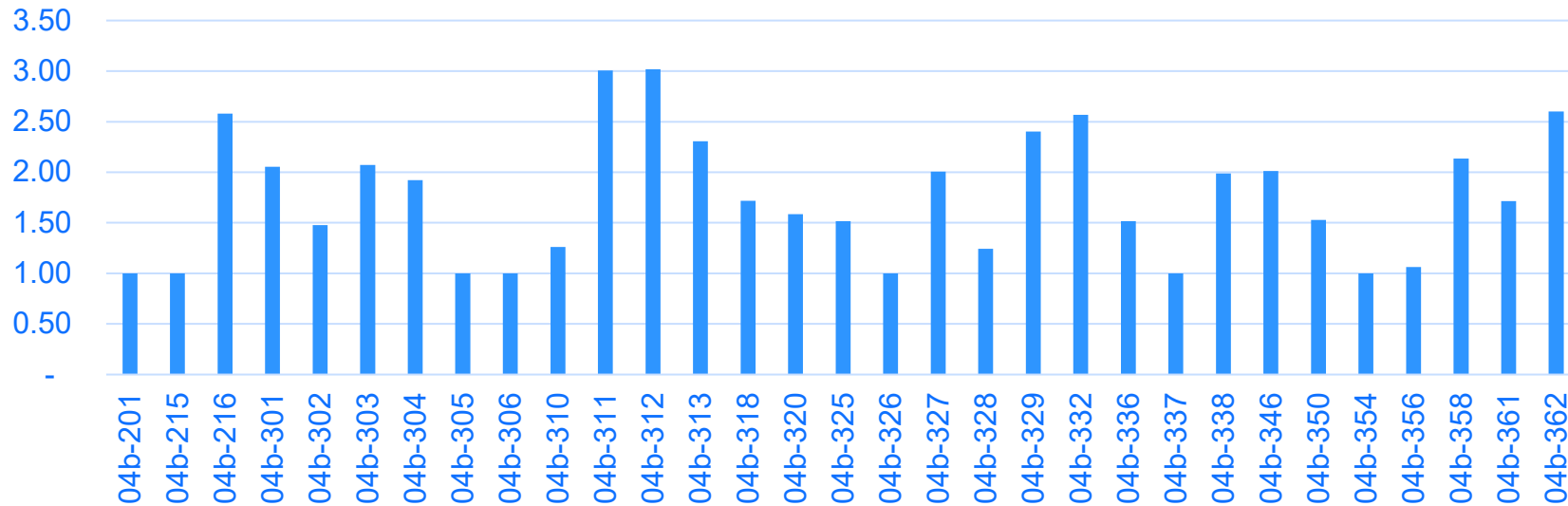
Amounts estimated based on completed episodes reported through February reporting. Results are not final and do not reflect final MSR waterfall

Net CTI Position	# of Hospitals
At Maximum Loss	27
Other Negative	3
Positive	13

HSCRC estimates effective stop loss of 5.1% after 2.5% base stop loss is applied and loss in excess of the maximum are redistributed.

# Duplication in Community Care CTIs

Average Bene Count by Community Care CTIs



Many beneficiaries are represented in more than 1 Community Care CTI. Only 6 have a unique population.

- While the CTI rules are not specific as to duplication across hospitals in community care CTIs (only within hospitals), HSCRC does not believe this level of duplicate attribution was intended within the program design.
- HSCRC is proposing to de-duplicate community care CTIs by discounting savings by splitting savings from a single beneficiary across all claiming CTIs ( $=1/\text{Value above}$ ), HSCRC will provide detail on that as a follow up to this meeting.

# Estimated FY2025 Results by System

System/Hospital	Post Deduping	As Is
1	2.6%	2.3%
2	-0.3%	-1.0%
3	-0.4%	-1.8%
4	-4.5%	-5.1%
5	-4.5%	-5.1%
6	-1.9%	-5.1%
7	-4.5%	-5.1%
8	2.1%	-1.6%
9	-1.7%	-5.1%
10	-4.5%	-5.1%
11	7.2%	16.7%
12	-4.5%	-5.1%
13	-4.5%	-5.1%
14	17.6%	40.2%
15	6.9%	11.4%
16	-4.5%	-5.1%
17	-4.5%	-5.1%

# High Value Care Plans Update

# High Value Care Plans

- HVCPs will end June 30, 2026 assuming HOPE is approved.
  - Final reporting due June 1, 2026
    - HSCRC staff will circulate a final template in April.
    - Failure to report on targets and outcomes will result in a take back of 0.27 percent of inflation removed in the July rate orders.
- Final funding decisions will be made as part of the RY27 Update Factor and shared in the June TCOC workgroup.



# Next Steps

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# TCOC Workplan for Upcoming Months

- Upcoming TCOC Workgroup Dates
  - April 22
    - Review HOPE Comment Letters & Operationalization
  - May 27
  - 2026 Meeting Dates (Tentative) posted on [TCOC Workgroup Webpage](#)

Thank You  
Next Meeting April 22, 8-10 am