

## MODEL OVERVIEW

The MD TCOC Model is part of an evolving Maryland Model that began in 2014 with the Maryland All-Payer Model (MDAPM), which introduced all-payer global budgets for hospitals in the state. With the start of the MD TCOC period in 2019, the state took on increasing responsibility for cost and quality—committing to \$2 billion in Medicare savings over 8 years and meeting population health goals. The state and CMS also broadened incentives and supports to engage a wide range of providers in care transformation.

### Model components



Hospital global budgets across all payers



Incentives to hospitals to reduce total cost of care



Incentives to improve the efficiency and quality of episodes spanning hospital and non-hospital care



Waivers allowing hospitals to align incentives with other providers



Primary care practice transformation through Maryland Primary Care Program (MDPCP)



Funding to hospitals and partners to reduce incidence of diabetes and overdose deaths

## PARTICIPANTS



- Almost all hospitals in Maryland received quality-adjusted global budgets (52 hospitals).
- 85% participated in an episode incentive program.



- In 2021, 524 primary care practices participated in MDPCP, over a quarter (27%) of all primary care practices in the state.

## KEY TAKEAWAYS

Many of the targeted outcomes improved during the first three years of the MD TCOC Model (2019-2021):

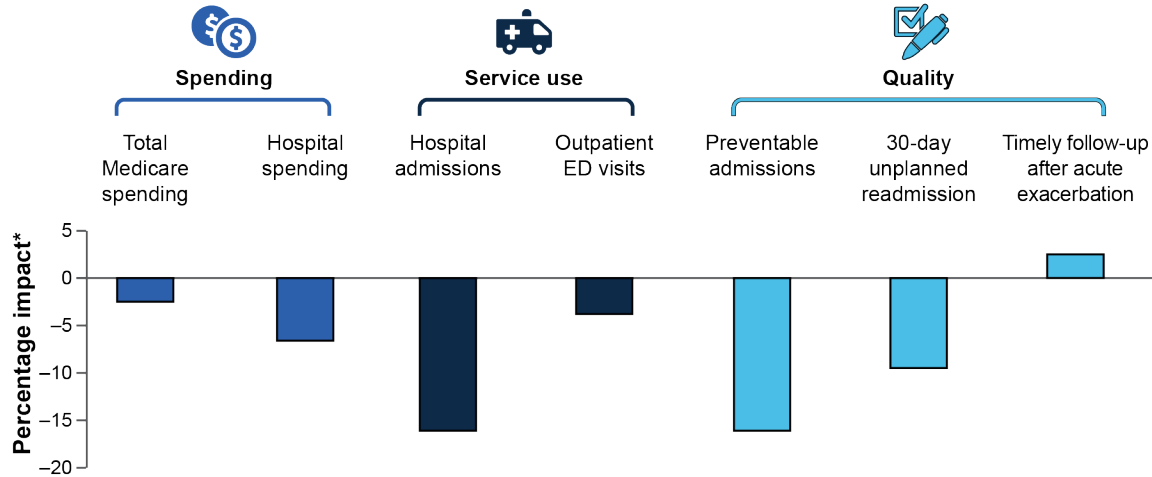
- Total Medicare spending decreased due to decreases in hospital spending that were greater than increases in non-hospital spending.
- Hospital admissions and emergency department (ED) visits decreased.
- Unplanned readmissions decreased and timely follow-up after hospital discharge increased.

For most outcomes, improvements were larger during the MD TCOC Model than at the end of MDAPM (2017-2018). These further improvements could be due to growing effects of global budgets, the broader accountability and incentives introduced since 2019, and synergies between the two.

However, the Model increased non-hospital spending substantially in 2021, lessening overall Medicare savings that year. The evaluation will examine impacts on non-hospital and total spending in future years to see whether 2021 was an aberration or part of a new trend.

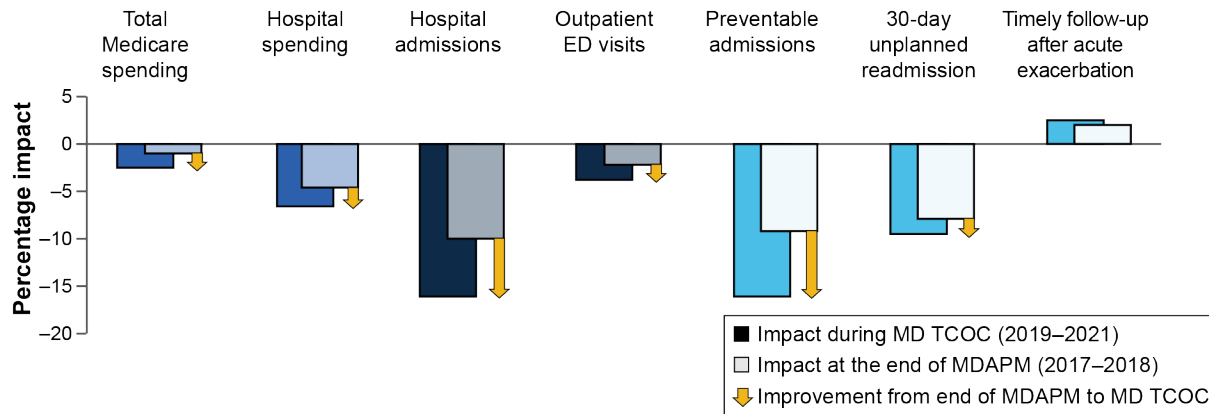
### FINDINGS

In the MD TCOC period (2019-2021), the Model had favorable effects in three domains.



\*The impact is the difference between the outcome that occurred in Maryland and the outcome we estimate would have occurred if Maryland and CMS had not made any of the changes they did starting in 2014. To put all outcomes on a common scale, we express each impact as a percentage (impact estimate divided by the comparison mean).

For most outcomes, impacts of the Model were more favorable during the MD TCOC period (2019-2021) than the last two years of MDAPM—indicating the MD TCOC Model led to further improvement.



However, the Model increased non-hospital spending substantially in 2021, lessening total Medicare savings that year compared to the first two model years.

