

Findings at a Glance

Model Overview

- The Maryland All-Payer Model (MDAPM) exempted Maryland hospitals from Medicare’s inpatient and outpatient prospective payment systems and shifted the state’s hospital payment structure to an all-payer, annual global budget.
- Maryland’s all-payer rate-setting system eliminates the payment differences across payers present in other states by establishing uniform payment rates for all payers.

MDAPM tested whether a statewide all-payer system with capitated hospital payments was an effective model for reducing costs and improving access and quality.

Participation



- All regulated acute care hospitals in Maryland
- All patients hospitalized at Maryland hospitals

Findings



Hospitals successfully reduced utilization and lowered expenditures for beneficiaries with multiple chronic conditions and beneficiaries eligible for both Medicare and Medicaid more than their counterparts.



Commercial insurance had 6.1% slower growth in total hospital expenditures but growth in total expenditures did not slow. Emergency department (ED) visits and inpatient admissions declined for Maryland residents enrolled in commercial insurance although the decline was not statistically significant for inpatient admissions.



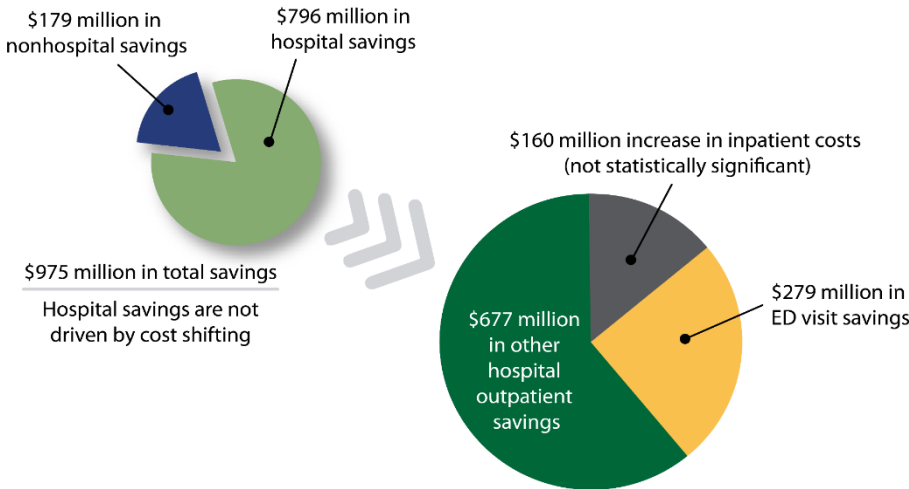
Admissions and ED visits trended downwards for Medicaid beneficiaries.



Although Maryland hospitals focused on improving patient experience, patient satisfaction scores were unaffected.

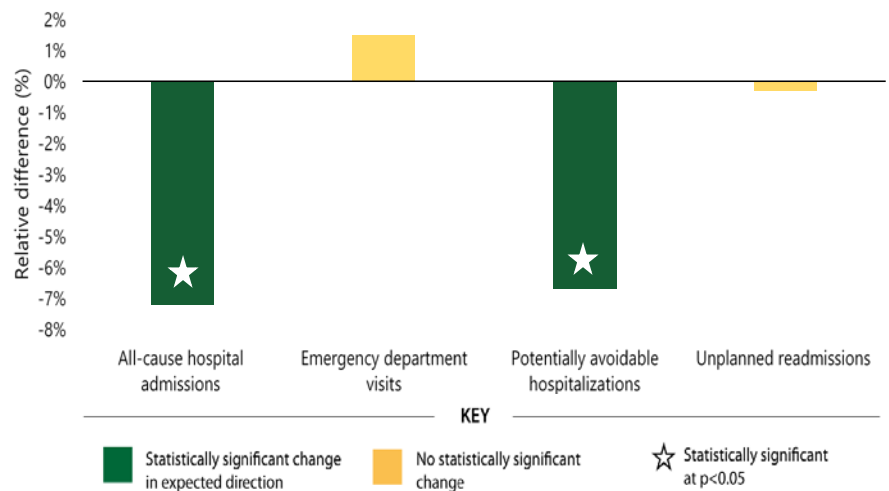
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Total Medicare expenditures declined by 2.8% and hospital expenditures declined by 4.1% without shifting costs to other parts of the health care system. A 17.2% reduction in outpatient department service expenditures drove Medicare hospital savings.

MDAPM reduced hospital admissions and potentially avoidable hospitalizations but did not impact emergency department visits or unplanned readmissions for Medicare beneficiaries.



Key Takeaways

MDAPM reduced total expenditures for Medicare beneficiaries and reduced hospital expenditures for both Medicare beneficiaries and commercial plan members. Reductions in hospital outpatient expenditures drove these Medicare savings. MDAPM also reduced hospital admissions and potentially avoidable hospitalizations but had no impact on ED visits or unplanned readmissions for Medicare beneficiaries. The current Maryland Total Cost of Care Model (MD TCOC), which began January 1, 2019, builds on the progress made in MDAPM and lessons learned by promoting greater alignment of the health care system in Maryland.

This document summarizes the evaluation report prepared by an independent contractor. For more information about MDAPM and to download the evaluation report, visit <https://innovation.cms.gov/initiatives/Maryland-All-Payer-Model/>