

MHCC Payor-Provider Workgroup Discussions—Consensus Points

The Maryland Hospital Association and Maryland Patient Care and Access Coalition believe that the efforts of the Work Group have revealed the following **points of general consensus** that could form the basis for an initial, written work product from the Work Group to Chairman Hammen and the rest of the HGO Committee regarding potential modernization of the Maryland Patient Referral Law (MPRL):

- The Affordable Care Act, innovative private payor arrangements, and Maryland's all-payer hospital agreement have created in Maryland a more rapid move toward **value-based payment and provider integration**.
- The opportunities presented by a value-based payment system are **fundamentally different** from those in the traditional fee-for-service system.
- **The Maryland Patient Referral Law (MPRL) should be modernized to allow for the development of new bona-fide value-based payment models, risk-sharing arrangements, and alignment models.** The work group effort has resulted in general consensus that **greater clarity is needed** to ensure that emerging compensation arrangements under these models are permissible.
- This aim can be achieved by **working within the current MPRL framework**, which covers referrals involving all payors (government, commercial, private), applies to all health care practitioners (not just physicians as under the federal Stark law), and applies to all health care services (not just designated health services or entities providing designated health services as under the federal Stark Law).
- Maryland should consider **incorporating the elements from the federal Stark law** that can enhance the MPRL to provide payment clarity, predictability and stability to health care practitioners as they consider partnerships and new models designed to achieve value-based payment goals.
- Changes **should neither repeal the MPRL nor replace it with the federal Stark Law.**
- The well-being of patients must be paramount in the evaluation of any changes to the MPRL. Accordingly, any changes considered **must not diminish important protections for patients against inappropriate utilization or costs of healthcare services.**
- Any revisions to the MPRL **cannot jeopardize Maryland's all-payer rate setting agreement** with the federal government, which requires reduction in inappropriate utilization and strict limits on health care spending, both in and outside of the hospital.