

Payment for Professional Services in Maryland (2017 – 2019)

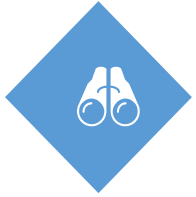
Commission Meeting November 19, 2020



Background

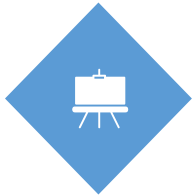


MHCC is required to report annually on expenditures for privately insured, professional services using the Maryland Medical Care Data Base (MCDB) 2017 - 2019



Study is limited to in-network professional services only. Study excludes Federal Employee Health Benefit (FEHB) Program data to Office of Personnel Management decision to claim an ERISA-equivalent exemption.

Market share includes large private payers vs. other private payers.



Private payment rates benchmarked to Medicare and Medicaid payment rates.

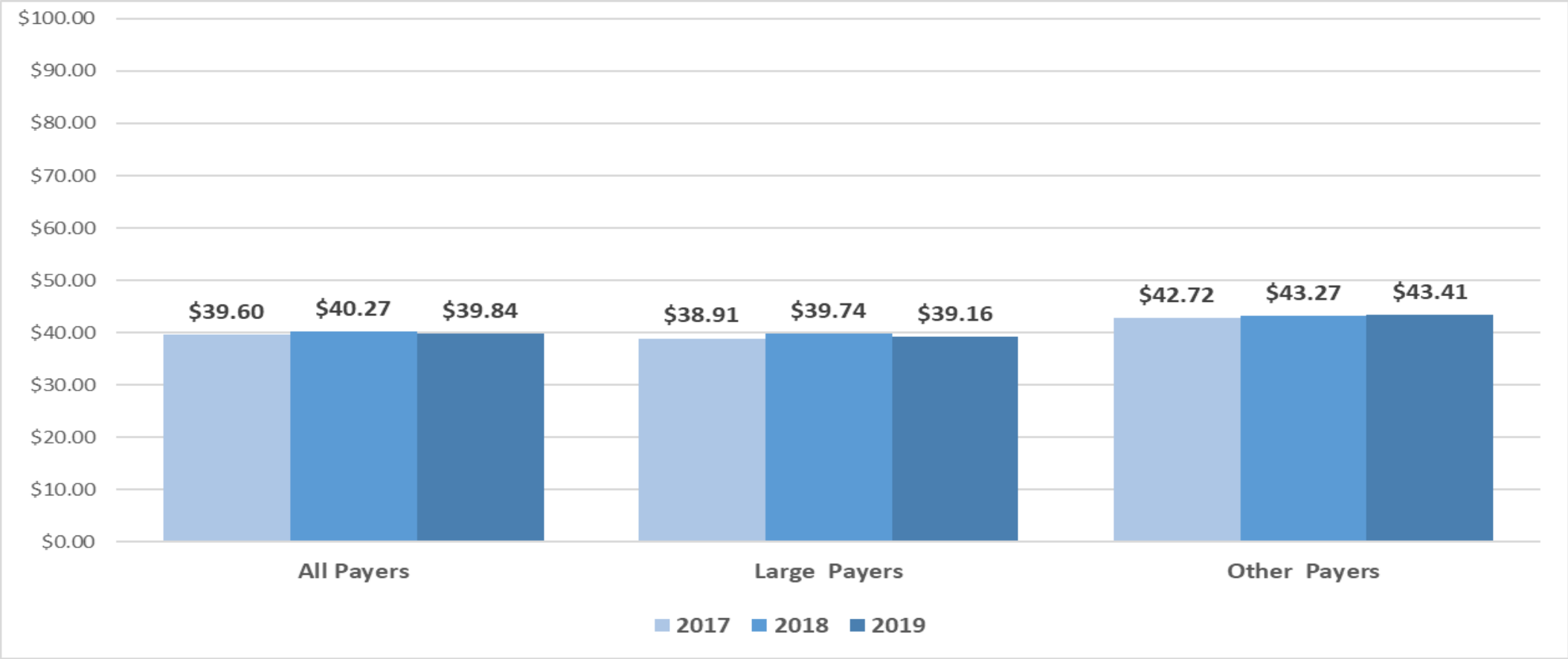
- Medicare and Medicaid fees from CMS and Medicaid respectively
- Relative Value Units (RVU) measures the quantity of care assigned by CMS to a service



Study variation in payment rates for professional services in Maryland by private payer market share.

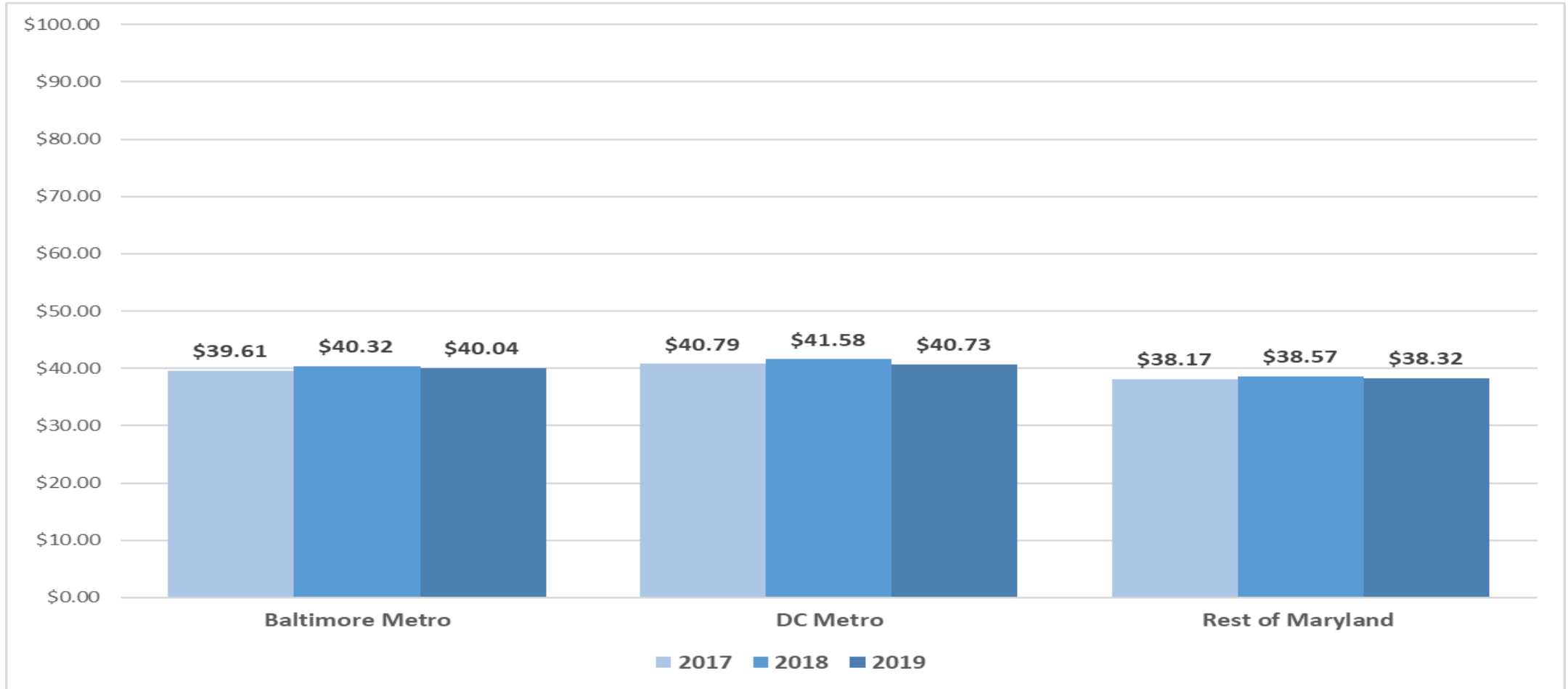
Impact of Private Payer Market Share on Payment Rates

Payments per RVU for all payers decreased at about 1% in 2019 as in 2018 (\$39.84 and \$40.27, respectively). This decrease could be attributable to mix of services in 2019 compared to 2018. In comparison we observed 1.7% increase from 2017 through 2018.



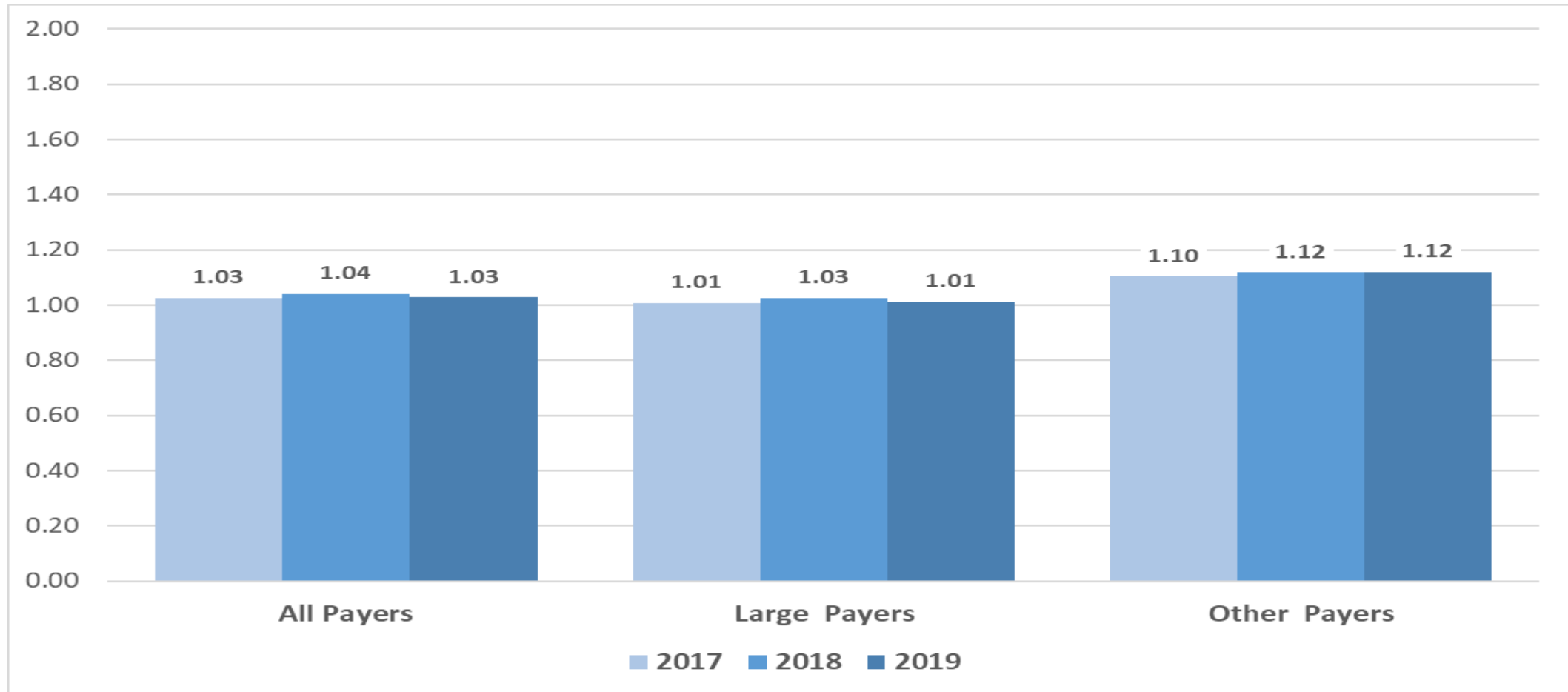
Impact of Maryland Regions on Payment Rates

Payment rates varied across regions with the highest rates in the DC Metro Area. This is consistent with previous years observations.



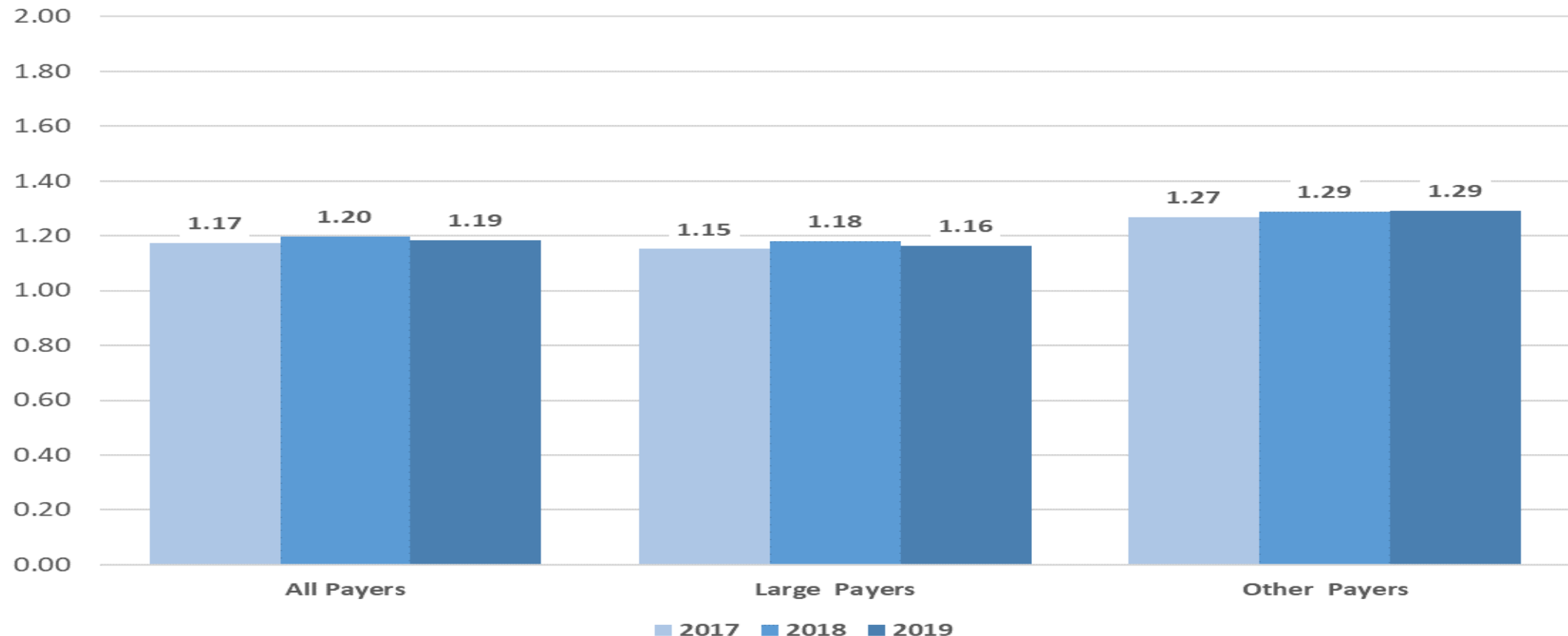
Private Payment Rates Vs Medicare Payment Rates

Payment rate for services reimbursed by all private payers was comparable to what Medicare would have paid. This is consistent with previous years observations.



Private Payment Rates Vs Medicaid Payment Rates

Payment rate for services reimbursed by all private payers was 19% higher in 2019 compared to Medicaid fee schedule for similar services. This is comparable with previous years observations.





Takeaway



Payments per RVU for all payers decreased about 1% in 2019 compared to 2018 (\$39.84 and \$40.27, respectively). In comparison, we observed a 1.7% increase from 2017 through 2018.



The private payment rates for 2019 were about 103% of Medicare and about 119% of Medicaid. Compared to a year ago, private payments were about 104% and 120% of Medicare and Medicaid rates respectively.



Private payment rates in 2019 varied by geographic region in Maryland, with the highest rates in the DC Metro area (\$40.73 compared to \$40.04 in Baltimore Metro and \$38.32 in the rest of Maryland).