

Payment for Professional Services in Maryland (2015 - 2017)

Commission Meeting
April 18, 2019

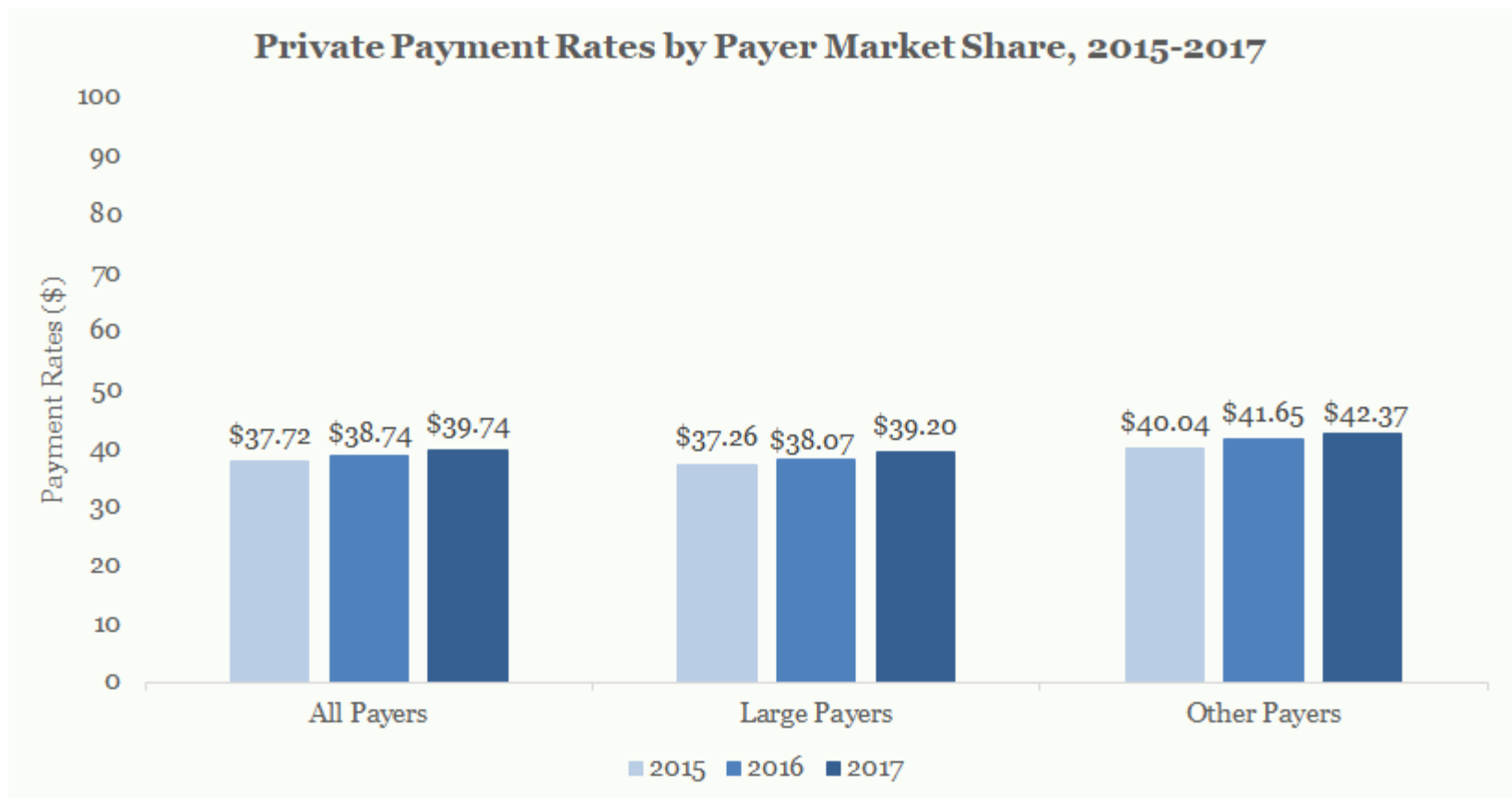


Background

- MHCC is required to report annually on expenditures for privately insured, professional services using the Maryland Medical Care Data Base (MCDB);
 - Source: Medical Care Data Base includes data submitted by health insurance carriers, Third Party Administrators, and Pharmacy Benefits Managers for 2015, 2016 and 2017.
 - Fully-insured and self-insured private plans
 - Limited to professional services only from the MCDB
 - Study variation in payment rates for professional services in Maryland by private payer market share
 - Market share includes large private payers vs. other private payers
- Study is limited to in-network professional services only
- Private payment rates benchmarked to Medicare and Medicaid payment rates
 - Medicare and Medicaid fees from CMS and Medicaid respectively.
 - Payments rates are defined as payments per relative value unit (RVU)
 - RVU measures the quantity of care assigned by CMS to a service

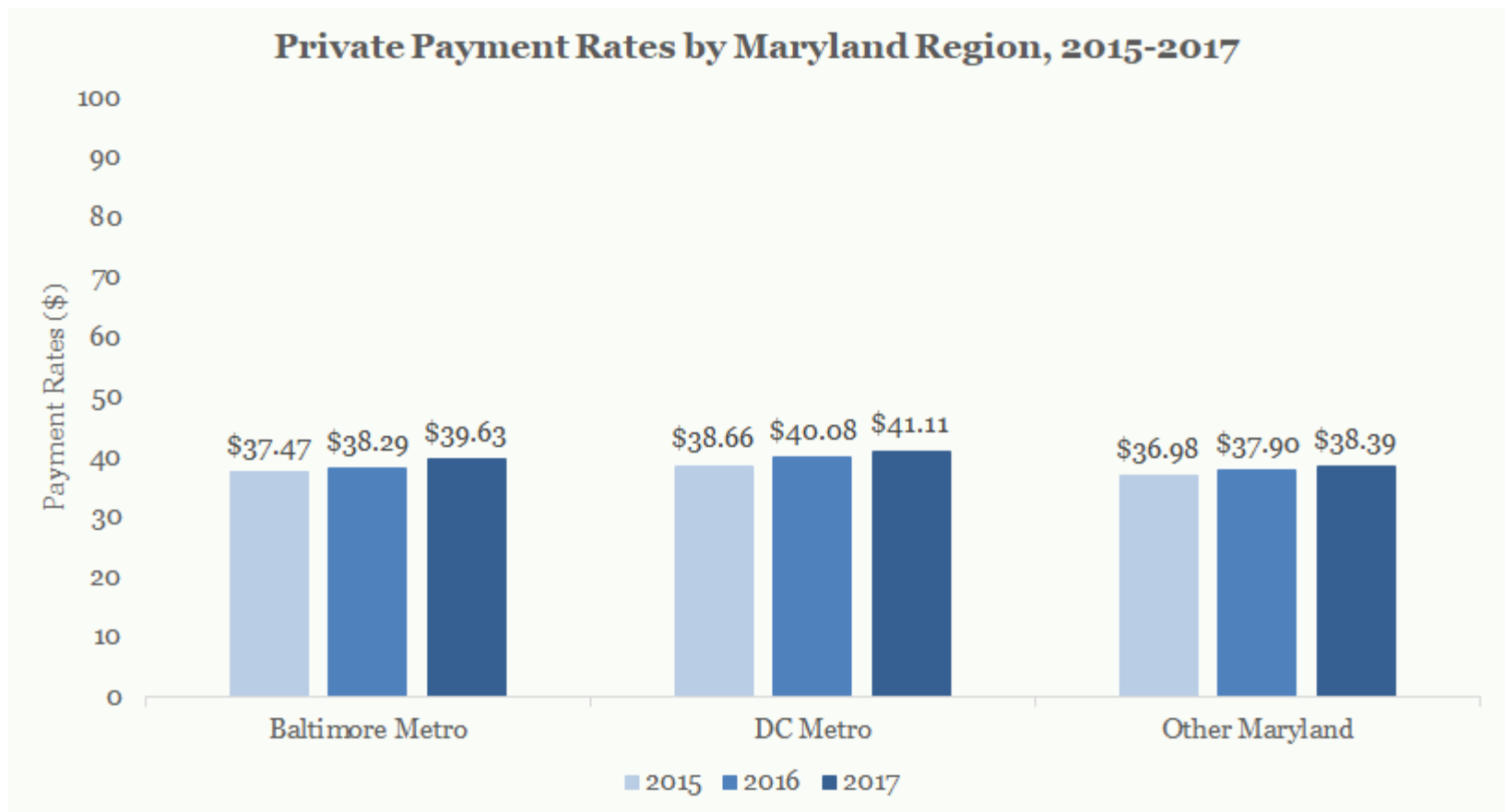
Impact of Private Payer Market Share on Payment Rates

- Payment rates increased by about 2.7% from 2015 to 2016 and by about 2.6% from 2016 to 2017



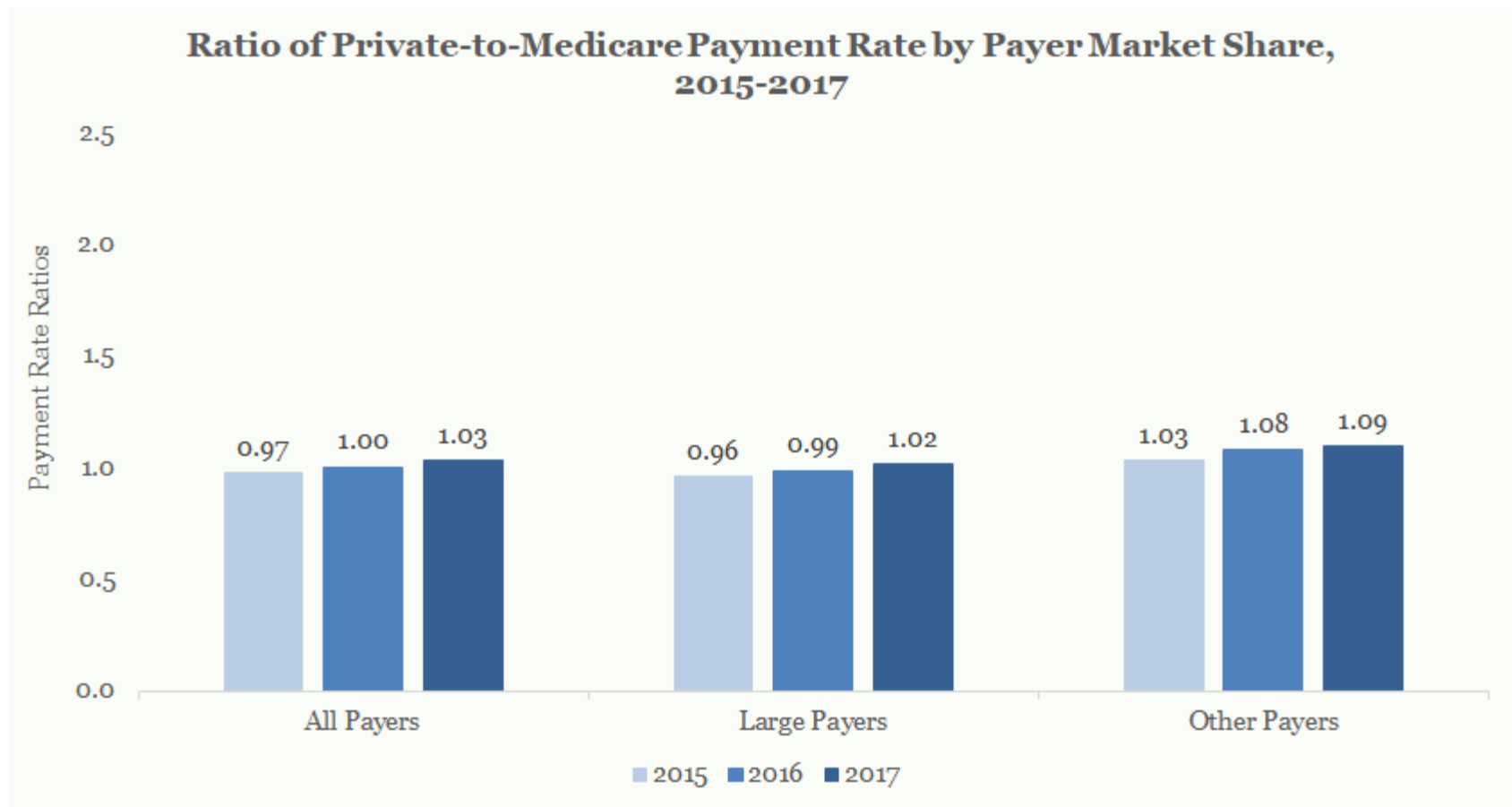
Impact of Maryland Regions on Payment Rates

- Payment rates varied across regions with the highest rates in the DC Metro Area



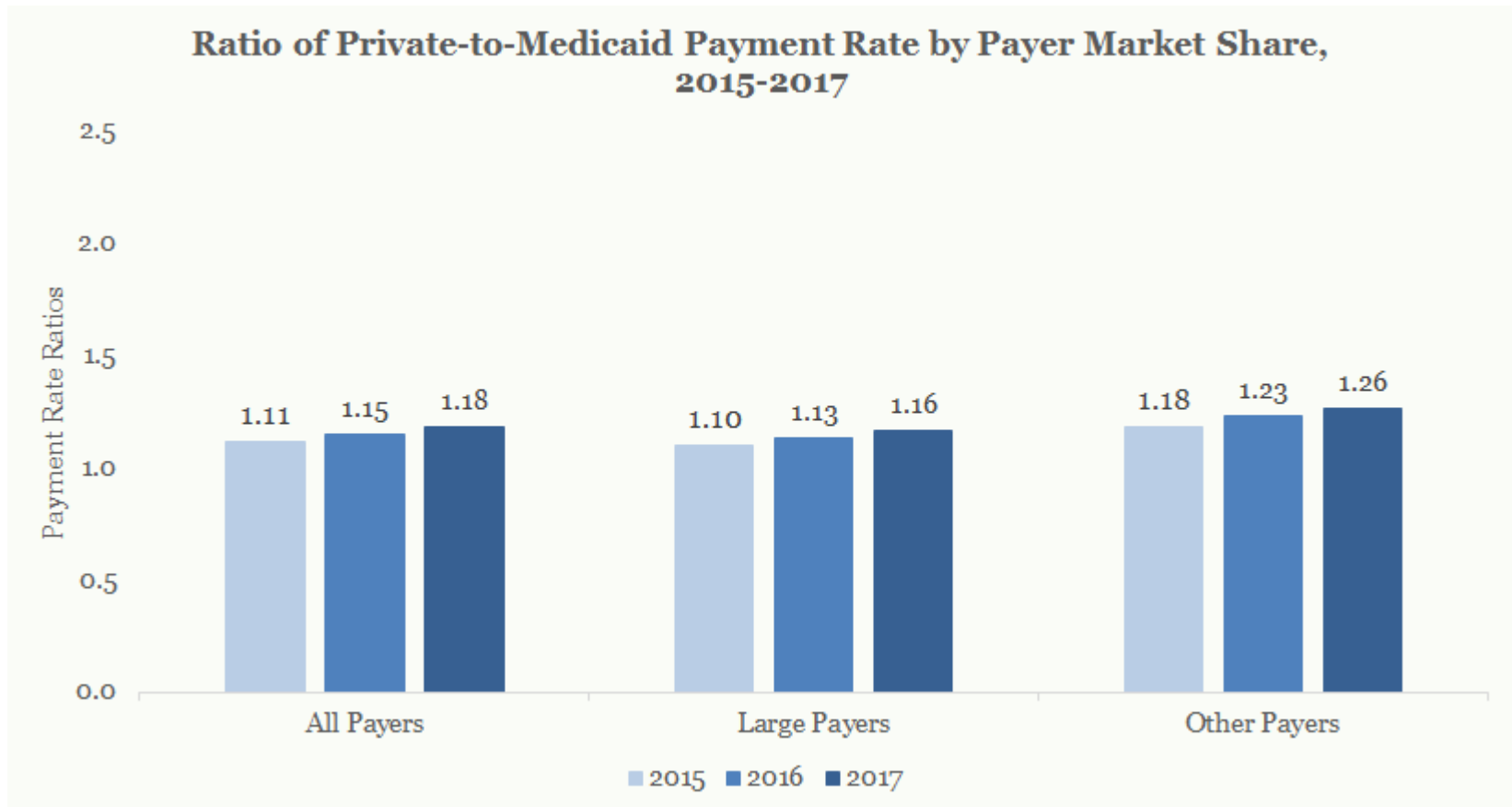
How Private Payment Rates Compare with Medicare Payments

- Payment rate for services reimbursed by all private payers was comparable to what Medicare would have paid



How Private Payment Rates Compare with Medicaid Payments

- Payment rate for services reimbursed by all private payers was 11%, 15%, and 18% higher than if the services were reimbursed under the Medicaid fee schedule



Questions?