



# Payment for Professional Services in Maryland (2019 – 2021)

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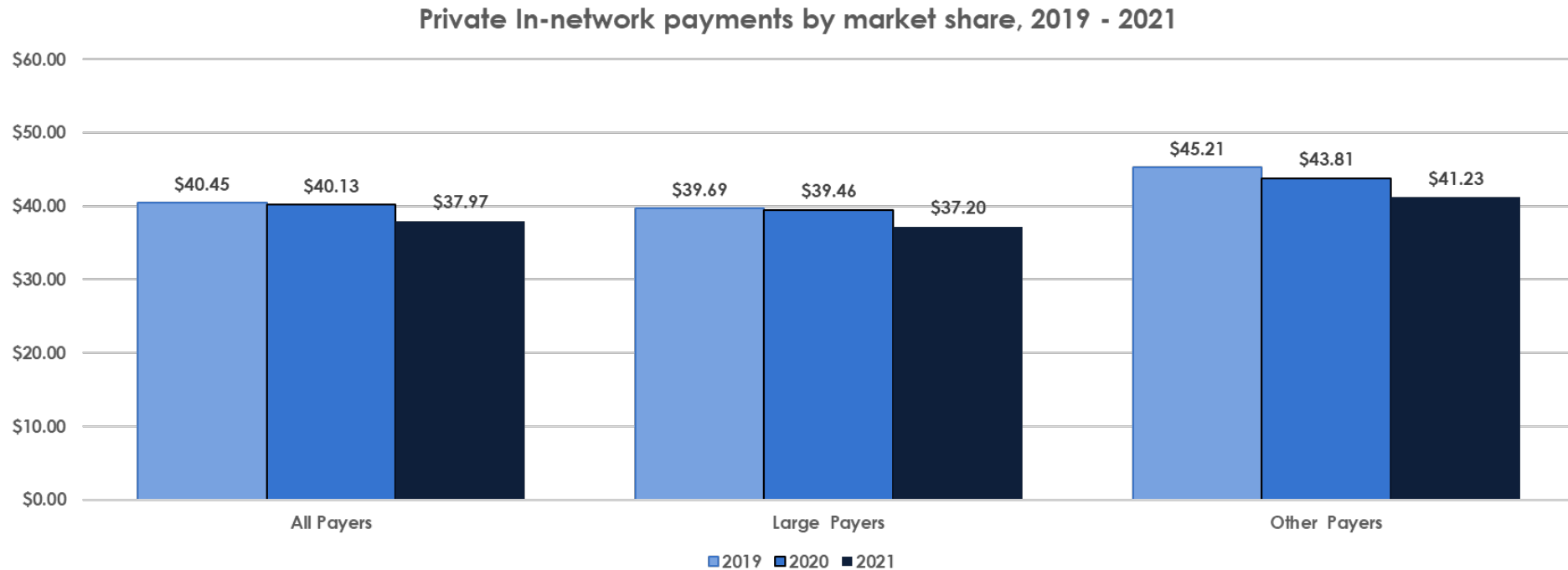
# Background

- ▶ MHCC is required to report annually on expenditures for privately insured, professional services using the Maryland Medical Care Data Base (MCDB) 2019 - 2021
- ▶ 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



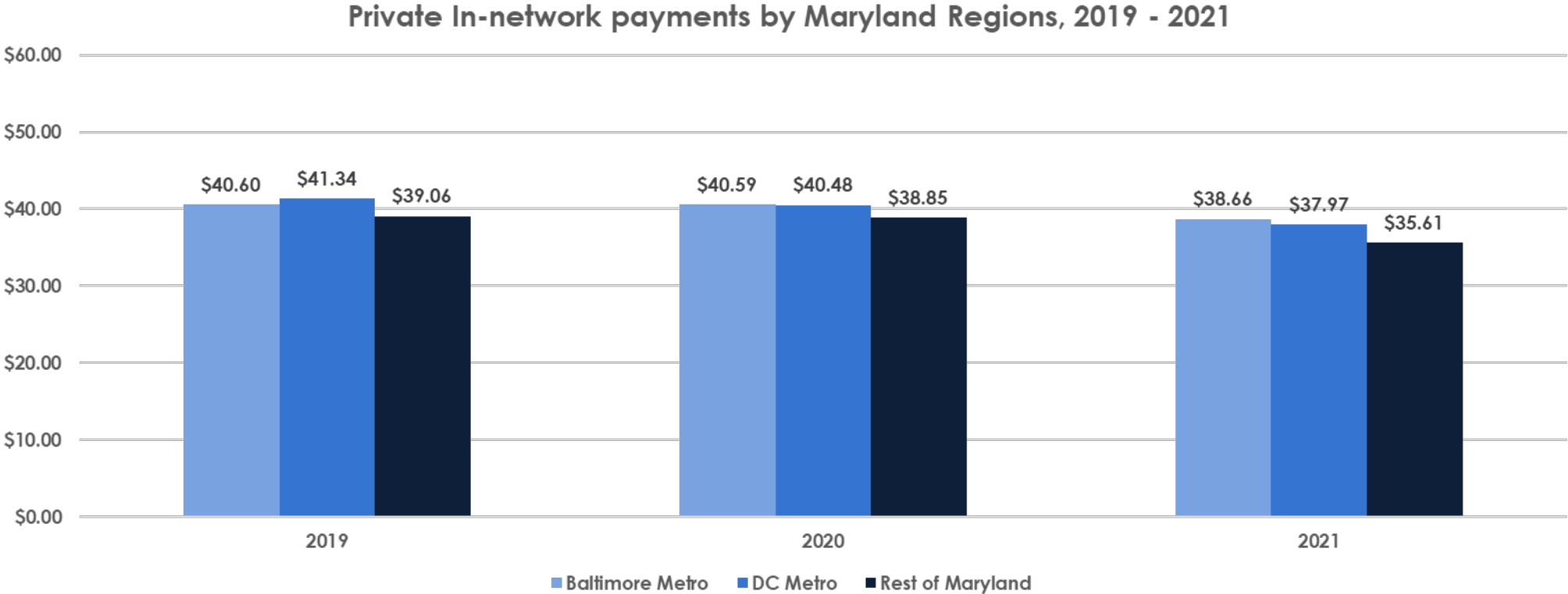
Payments per RVU for all payers decreased about 5.4% in 2021 compared to 2020 (\$37.97 and \$40.13 respectively). In contrast, we observed a 0.8% decrease from 2019 through 2020.



# Impact of Maryland Regions on Payment Rates



Private payment rates in 2021 varied by geographic region in Maryland, with the highest rates in the Baltimore Metro area (\$38.66 compared to \$37.97 in DC Metro and \$35.61 in the rest of Maryland).

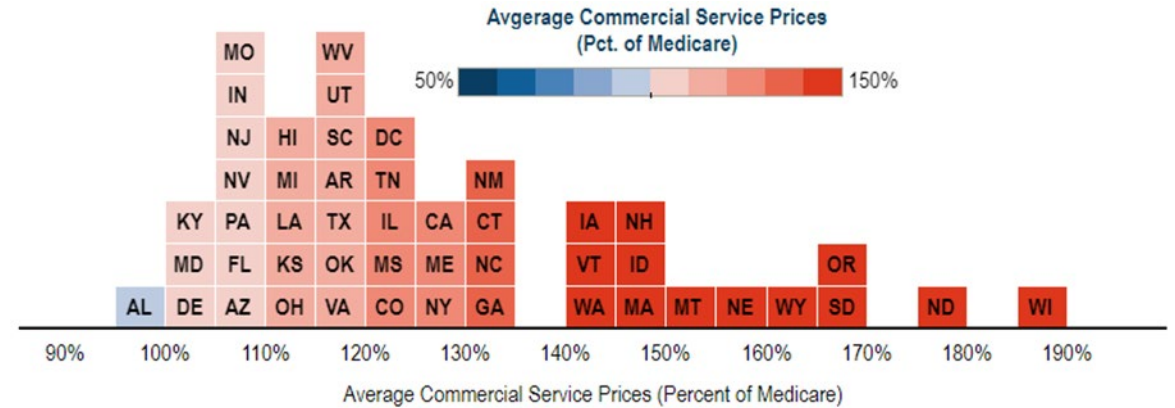
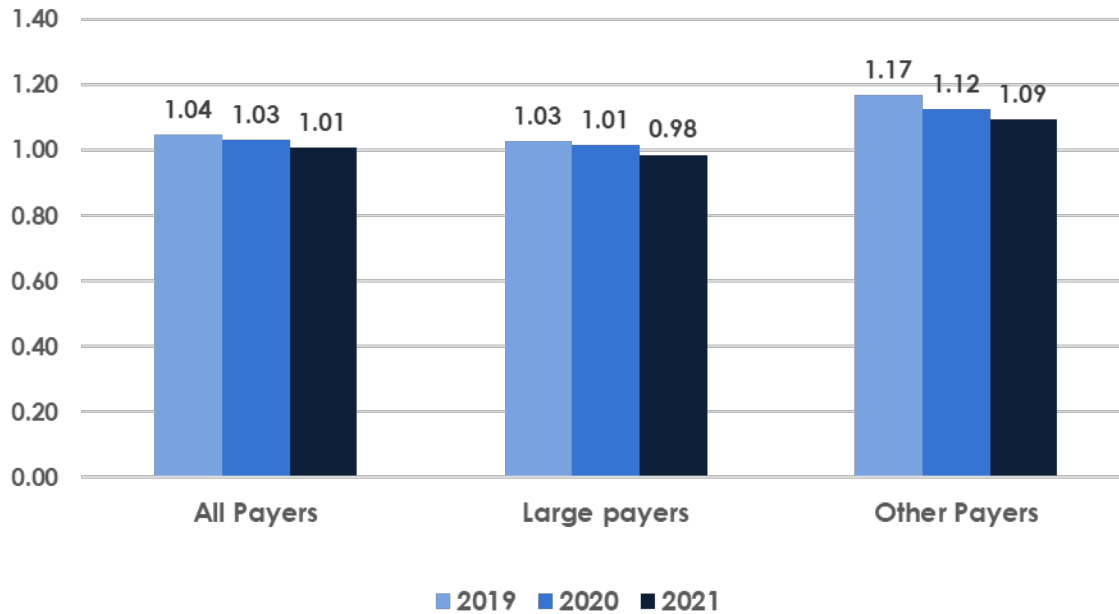


# Private Payment Rates Vs Medicare Payment Rates



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

Ratio of Private-to-Medicare Payment Rate by Market Share, 2019 - 2021

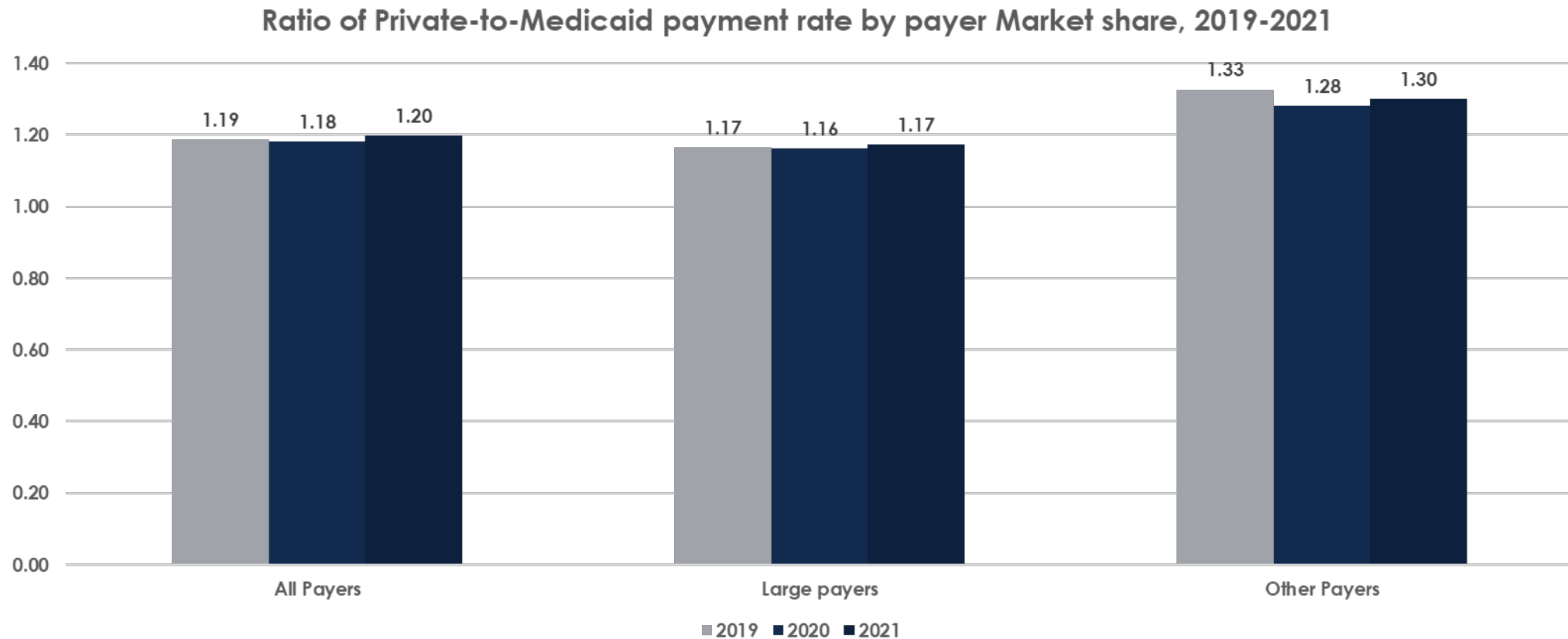


<https://healthcostinstitute.org/hcci-research/comparing-commercial-and-medicare-professional-service-prices>

# Private Payment Rates Vs Medicaid Payment Rates



Payment rate for services reimbursed by all private payers was 20% higher in 2021 compared to Medicaid fee schedule for similar services. This is comparable with previous years observations.



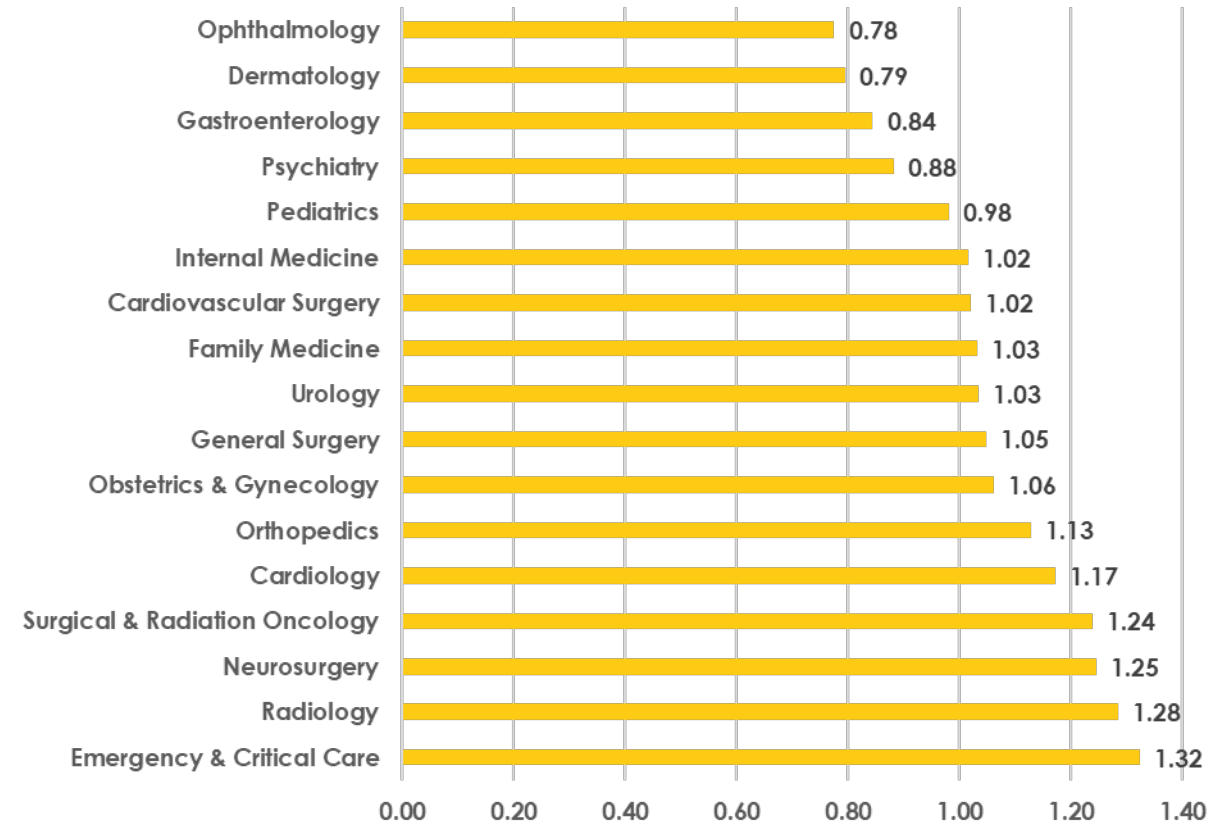
# Private to Medicare Payment Ratios By Specialty, 2021



Private to Medicare Payment ratios across specialties showed variation.

- Private rates for ophthalmology, dermatology, gastroenterology, psychiatry and pediatrics were lower than Medicare rates.
- Internal medicine, cardiovascular surgery, family medicine and urology rates were modestly higher than Medicare rates.
- General Surgery and Obstetrics & Gynecology 105% and 106% of Medicare rates respectively.
- Six specialties received private rates between 113% to 132% of Medicare rates,
  - Orthopedics (113%), Cardiology (117%), Surgical & Radiation Oncology (124%), Neurosurgery (125%), Radiology (128%) and Emergency & Critical care (132%)

Private to Medicare Payment Ratios By Specialty, 2021



# Takeaway



- ▶ Payments per RVU for all payers decreased about 5.4% in 2021 compared to 2020 (\$37.97 and \$40.13 respectively). In contrast, we observed a 0.8% decrease from 2019 through 2020.
- The private payment rates for 2021 were about 101% of Medicare and about 120% of Medicaid. Compared to a year ago, private payments were about 103% and 118% of Medicare and Medicaid rates respectively.
- ▶ Private payment rates in 2021 varied by geographic region in Maryland, with the highest rates in the Baltimore Metro area (\$38.66 compared to \$37.97 in DC Metro and \$35.61 in the rest of Maryland).
- ▶ 2021 Private to Medicare Payment ratios across specialties showed variation. Internal Medicine and family medicine rates were modestly higher than Medicare rates. Six specialties received private rates between 113% to 132% of Medicare rates.