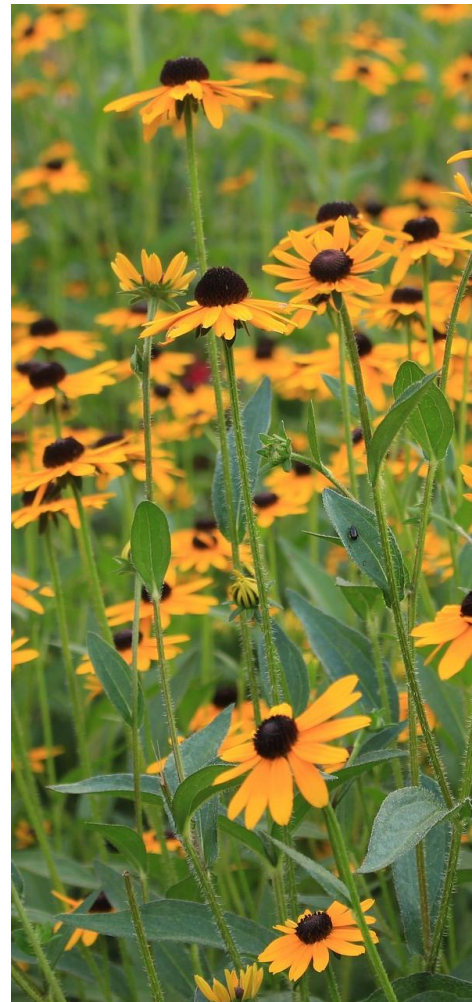




The Hilltop Institute

Insurance and Health System Market Concentration Study: Current Status and Work Plan

Morgan Henderson
2/20/25

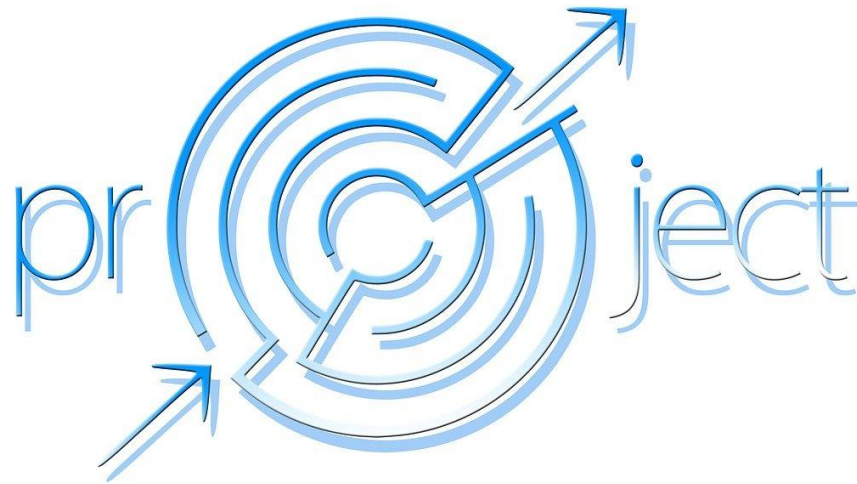


UMBC

Agenda

- Project outline
- Work plan and status
- Preliminary results
- Next steps

Project Outline



JOSELINE A. PEÑA-MELNYK
Legislative District 21
Prince George's and
Anne Arundel Counties

Chair
Health and Government
Operations Committee

Rules and Executive
Nominations Committee
Legislative Policy Committee



The Maryland House of Delegates
ANNAPOLIS, MARYLAND 21401

Annapolis Office
The Maryland House of Delegates
6 Bladen Street, Room 21
Annapolis, Maryland 21401
410-841-3502 • 301-858-3511
800-492-7122 Ext. 3501
Joseline.Pena.Melnyk@house.st

District Office
P. O. Box 1251
College Park, Maryland 20740

June 13, 2024

Ben Steffen, Executive Director
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215
Subject: Request for Study of Maryland

Dear Director Steffen,

Recent news stories report that the U.S. Department of Justice has launched an antitrust investigation into a leading health insurer, citing concerns over acquisitions of health-care providers and other health care companies. These concerns are very similar to the concerns raised by this Committee and the Maryland Health Care Commission to tighten the oversight of acquisitions of and by certain health care facilities.

In order to make appropriate health care policy, the Committee needs to understand the changing health insurance landscape in Maryland and how market concentration as well as the acquisitions/ownership of other health care services and businesses affect competition, affordability, and accessibility and how these then affect consumers and health care practitioners. It is also crucial to address potential inequities in the health insurance market to ensure fair access to affordable and quality care for all Maryland residents.

Therefore, I am writing to request that the Maryland Health Care Commission study the dynamics of these issues. In light of these considerations, we recommend that the Maryland Health Care Commission prioritize the following actions in conducting the study:

1. Analyze how market concentration at both the regional and product level affects competition. In analyzing this issue, we would like information on how market concentration in Maryland may be affecting practitioner payment rates and how Maryland's practitioner payment rates compare nationally. In addition, how market concentration may be affecting provider networks and whether consumers have the full range of choice in services or are being directed to services that may be beneficial to an insurer.

2. Consider and report on the increasing vertical and horizontal integration within the health insurance market, especially in purchases and investments of physician groups, technology companies and other related industries and if consumers benefit from increased access to services and lower costs and how Maryland currently regulates or receives notice of these purchases/investments.
3. Explore policy interventions to promote competition, transparency, and accountability in the health care market, such as enhancing regulatory oversight, encouraging insurer diversity, and fostering innovation in care delivery models.

In conclusion, we encourage the Commission to work collaboratively with the Maryland Insurance Administration in studying these issues. As always, we thank you for your work and any recommendations to ensure proactive measures are taken to address health insurer concentration and increasing vertical and horizontal integration so we can work towards a more equitable and sustainable health care system that meets the needs of all Maryland residents. We respectfully request that you provide us with your findings and recommendations by December 1, 2024.

Sincerely,

Joseline A. Peña-Melnyk

“... to understand the changing health insurance landscape in Maryland and how market concentration as well as the acquisitions/ownership of other health care services and businesses affect competition, affordability, and accessibility and how these then affect consumers and health care practitioners...”

One
report,
five
separate
parts

1) Insurance landscape overview

- A) How has market concentration of insurers changed over time?
- B) How much do carriers pay to Maryland providers?

2) Insurer provider networks

- Using survey data to be supplied by the 5 largest carriers in MD (largest PPO and HMO networks) for 2023 and 2024, how does concentration appear to affect provider networks?
- Lit review – relationship between insurer concentration and consumers access to health services

One
report,
five
separate
parts
continued

3) Provider concentration overview

- Examine trends in market concentration of health systems over time in MD and neighboring states
- Examine trends in ownership of physician groups, ambulatory surgery centers, PBMs, specialty pharmacy managers, health IT firms

4) Lit review: do investment and acquisitions benefit consumers through higher quality, lower costs, and better integrated care? What are the costs that accompany acquisitions?

- Most likely limit to recent period (e.g., studies published since 2020)

One
report,
five
separate
parts
continued

5) What are some policy options Maryland can take to promote competition, transparency, and accountability in health care markets?

Work Plan and Status




Work Plan and Status

- Finalize access to restricted datasets
 - Status: in progress, almost complete (IQVIA)
- Design and disseminate carrier network template to five largest carriers in Maryland.
 - Status: draft template with MHCC, then to MIA for review
- Download, process, and analyze relevant publicly available data
 - CMS MLR files; MHBE analytic dashboard; CMS provider of services files; AHRQ ownership files; NPPES NPI database; Medicare FFS provider enrollment files; Area Resources File; Transparency in Coverage files
 - Status: in progress, many complete

Work Plan and Status

- Process and analyze restricted data (APCD and IQVIA)
 - Status: Awaiting access
- Collect relevant literature on investments, acquisitions, insurer market concentration
 - Status: In progress
- Draft and send MHCC interim report
 - Status: Complete
- Draft and send MHCC report outline
 - Status: Complete
- Draft report and infographic, send to MHCC
- Incorporate feedback on report, finalize, send to MHCC by **September 1, 2025**
- Present results

Key Dates

- Work plan 
- Interim report 
- Report outline 
- Draft final report + 4-page infographic:
- Final report + 4-page infographic:
September 1, 2025

Preliminary Results

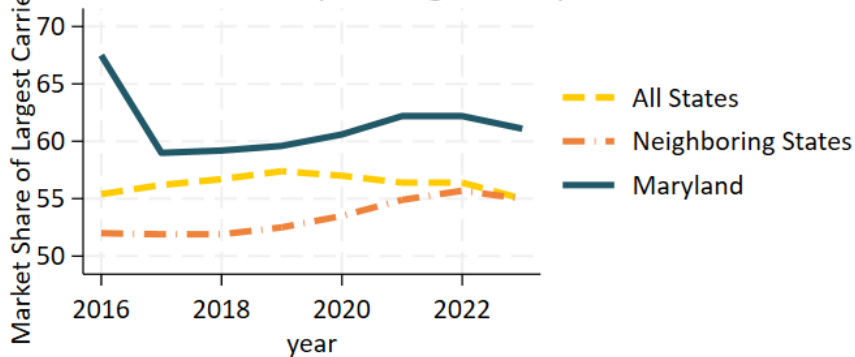


Largest Carrier in Maryland had 57-78% Market Share across market segments in 2023

Market Share of Largest Carrier (# Covered Lives) Overall and by Market Segment (2016-2023)

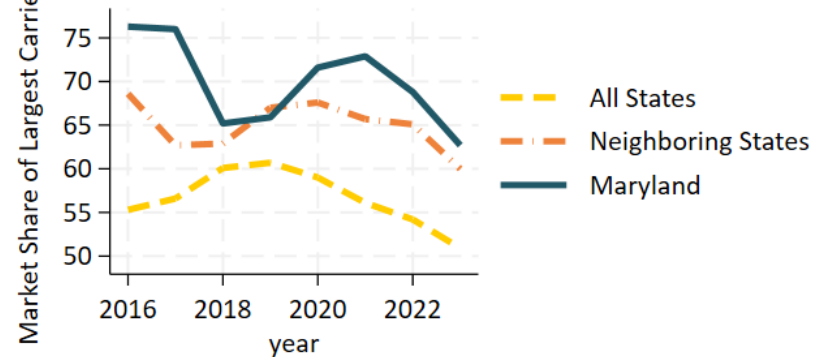
1.47 million in 2023 in MD

Ind + Small Group + Large Group



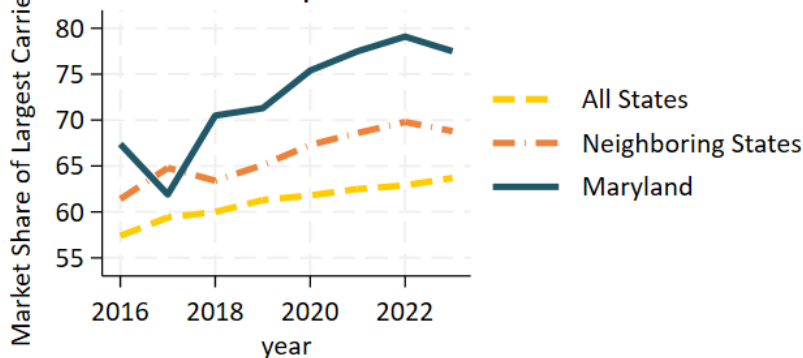
253,000 in 2023 in MD

Ind Market



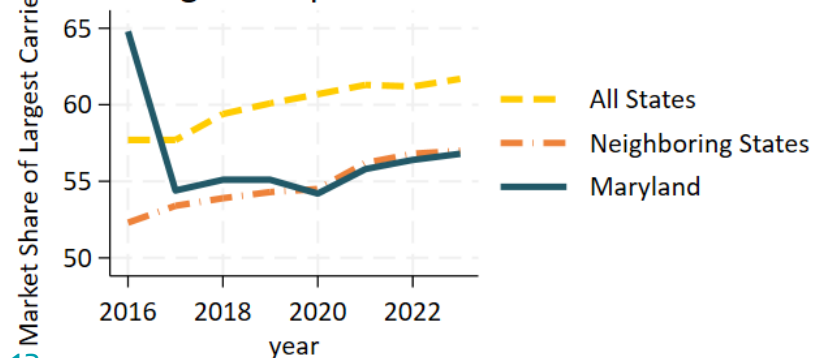
235,000 in 2023 in MD

Small Group Market

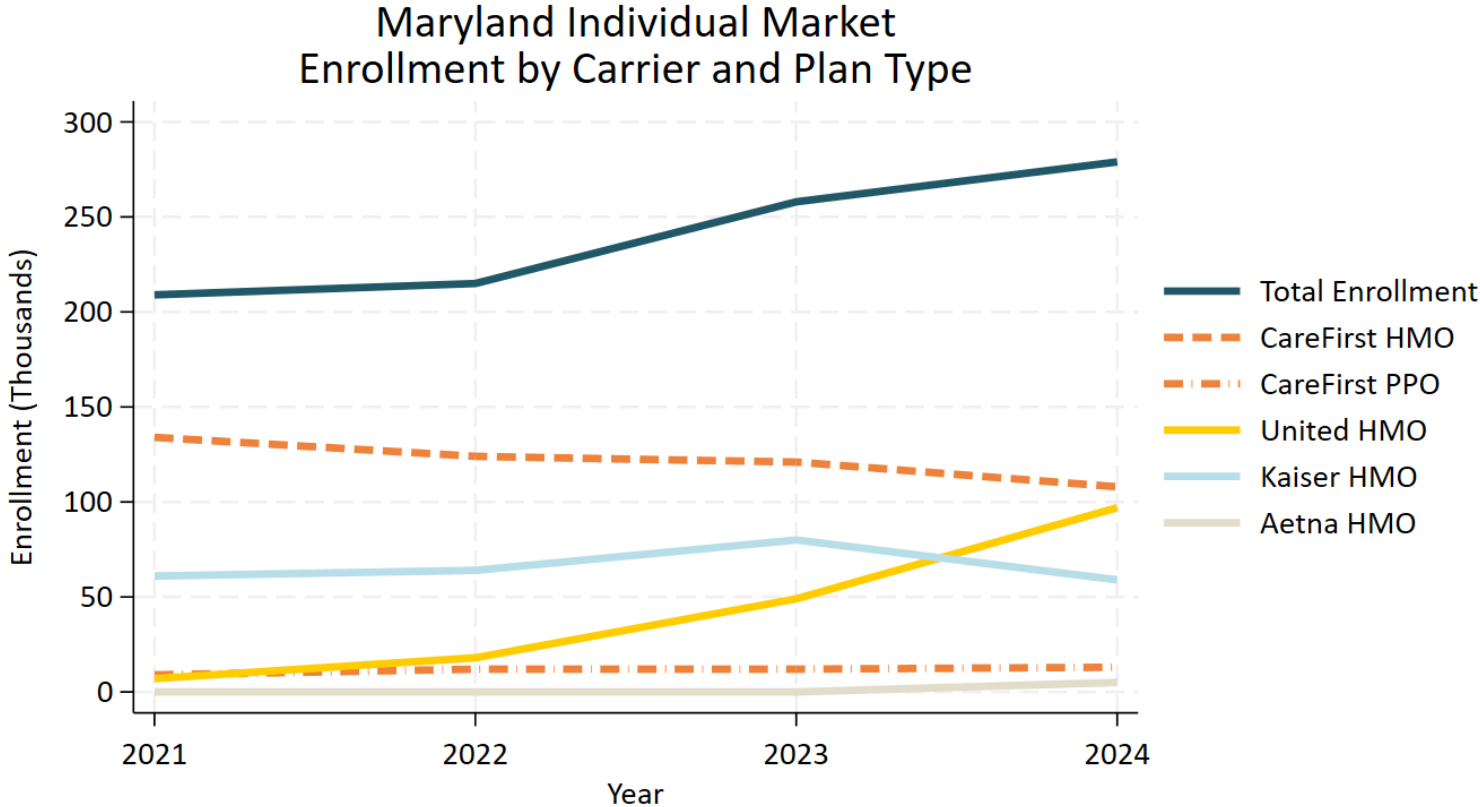


981,000 in 2023 in MD

Large Group Market



Growing presence of United HMO in the Individual Market in Maryland



Data downloaded from MHBE Analytics webpage on November 26, 2024.
2024 data includes data through October 2024.

Next Steps



Next Steps

- Carrier network survey
 - Five largest carriers in Maryland
 - Largest PPO and HMO network each
 - How many in-network providers by specialty, by region, in 2023 and 2024?
- Finalize access to IQVIA data
- Continue data analysis and literature reviews

Questions?

- Please contact Morgan Henderson (mhenderson@hilltop.umbc.edu) or Morgane Mouslim (mmouslim@hilltop.umbc.edu) with any questions

