



Payment for Professional Services in Maryland (2021 – 2023)

COMMISSION MEETING MAY 15, 2025

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Background

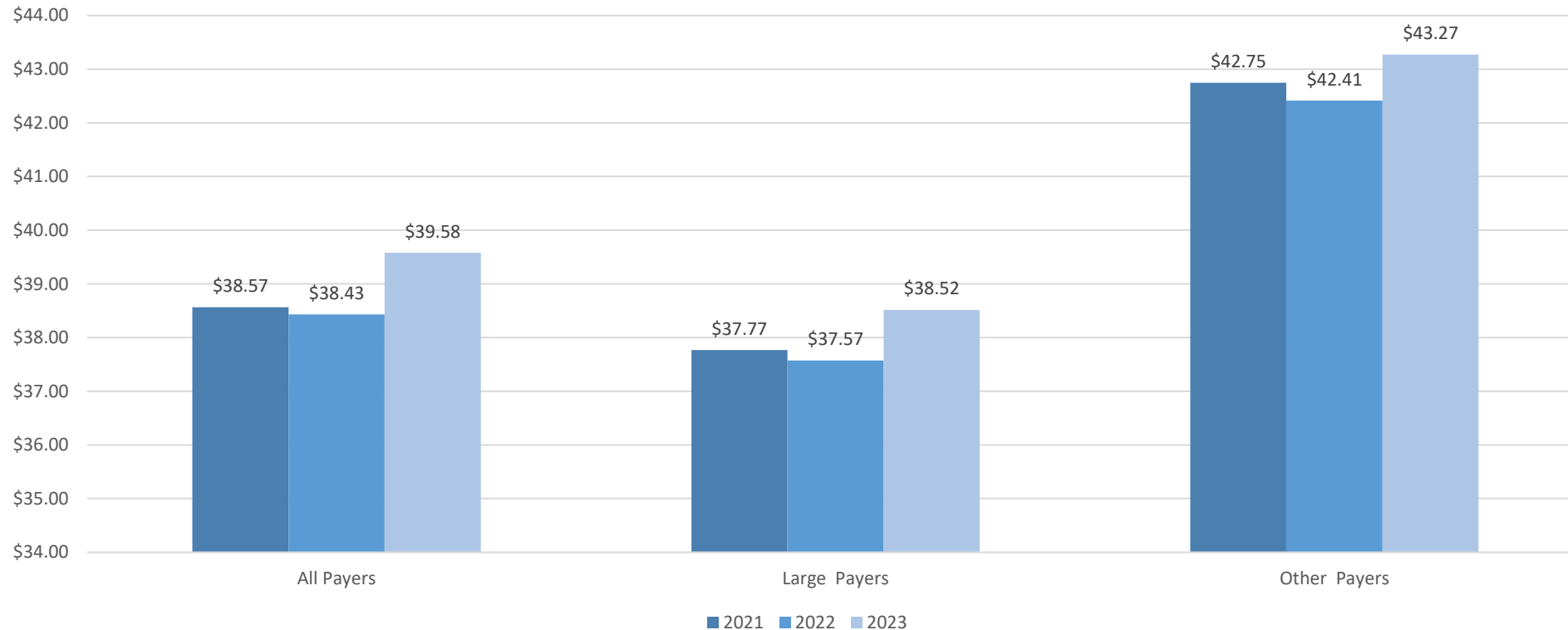
- ▶ MHCC is required to report annually on expenditures for privately insured, professional services using the Maryland Medical Care Data Base (MCDB) 2021 - 2023
- ▶ Study is limited to in-network professional services only. Study excludes Federal Employee Health Benefit (FEHB) Program data to Office 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 increased about **3.0%** in 2023 compared to 2022 (\$39.58 and \$38.43 respectively). In contrast, we observed a 0.4% decrease from 2022 through 2021.

Private In-network payments by market share, 2021 - 2023

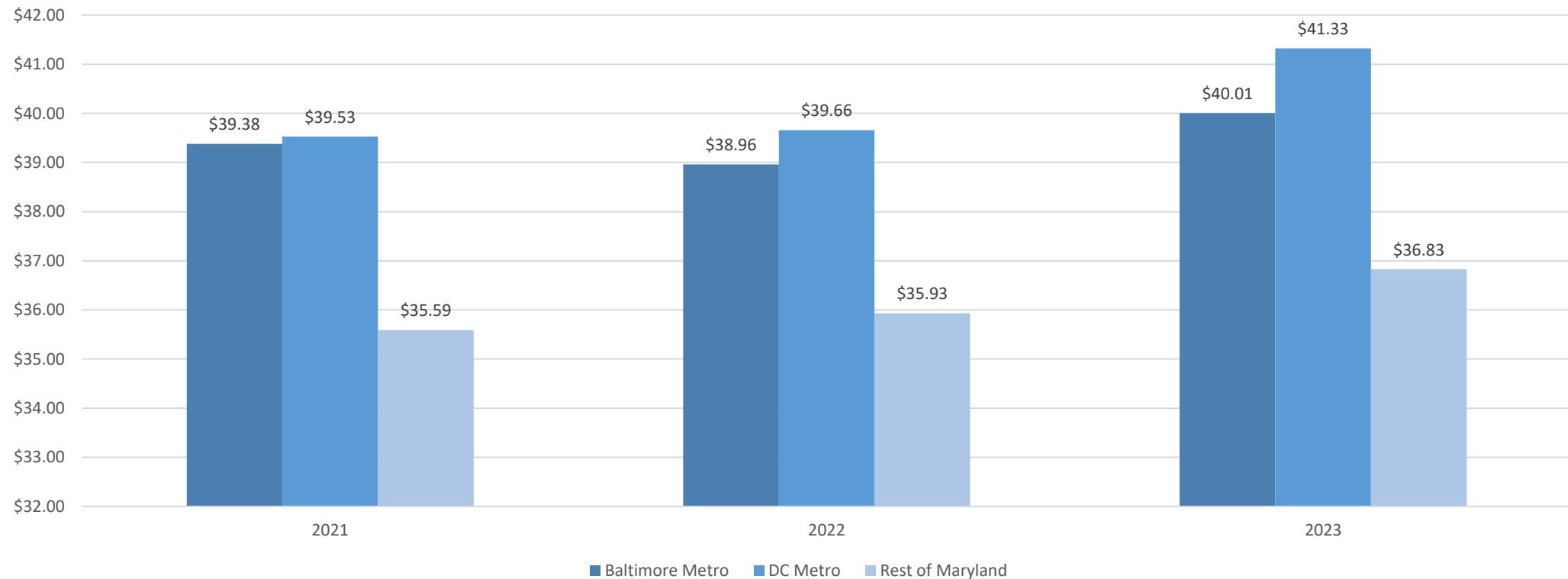


Impact of Maryland Regions on Payment Rates



Private payment rates in 2023 varied by geographic region in Maryland, with the highest rates in DC Metro (\$41.33 compared to \$40.01 in the Baltimore Metro area and \$36.83 in the rest of Maryland).

Private In-network payments by Maryland Regions, 2021-2023

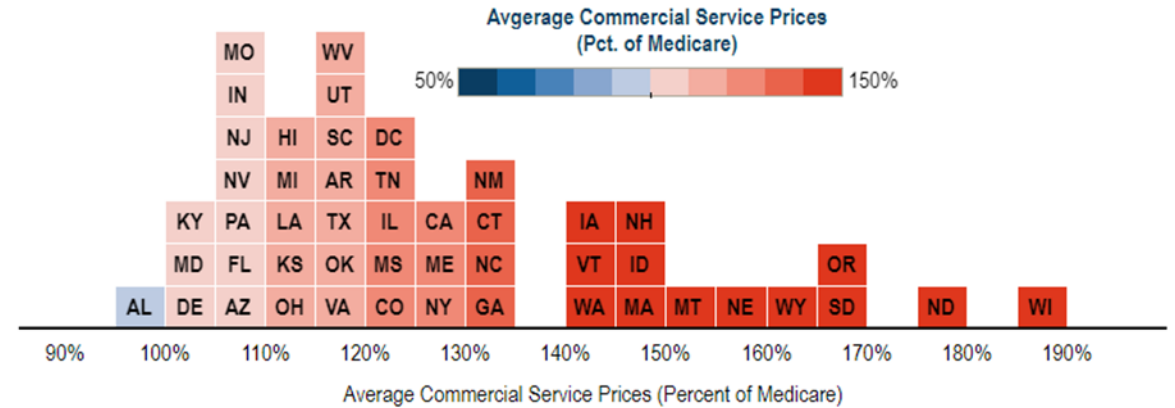
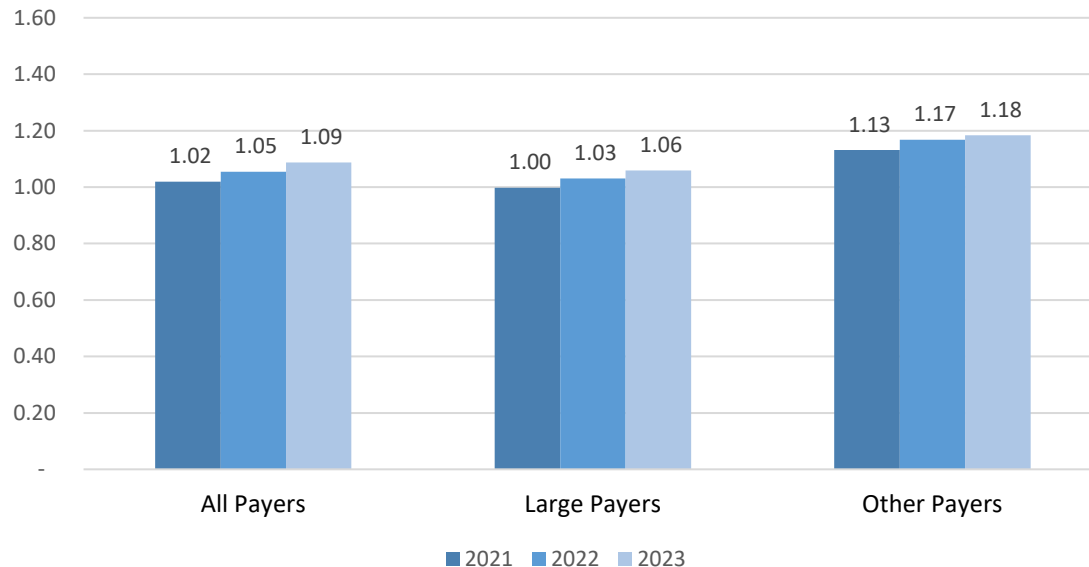


Private Payment Rates Vs Medicare Payment Rates



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, 2021 - 2023

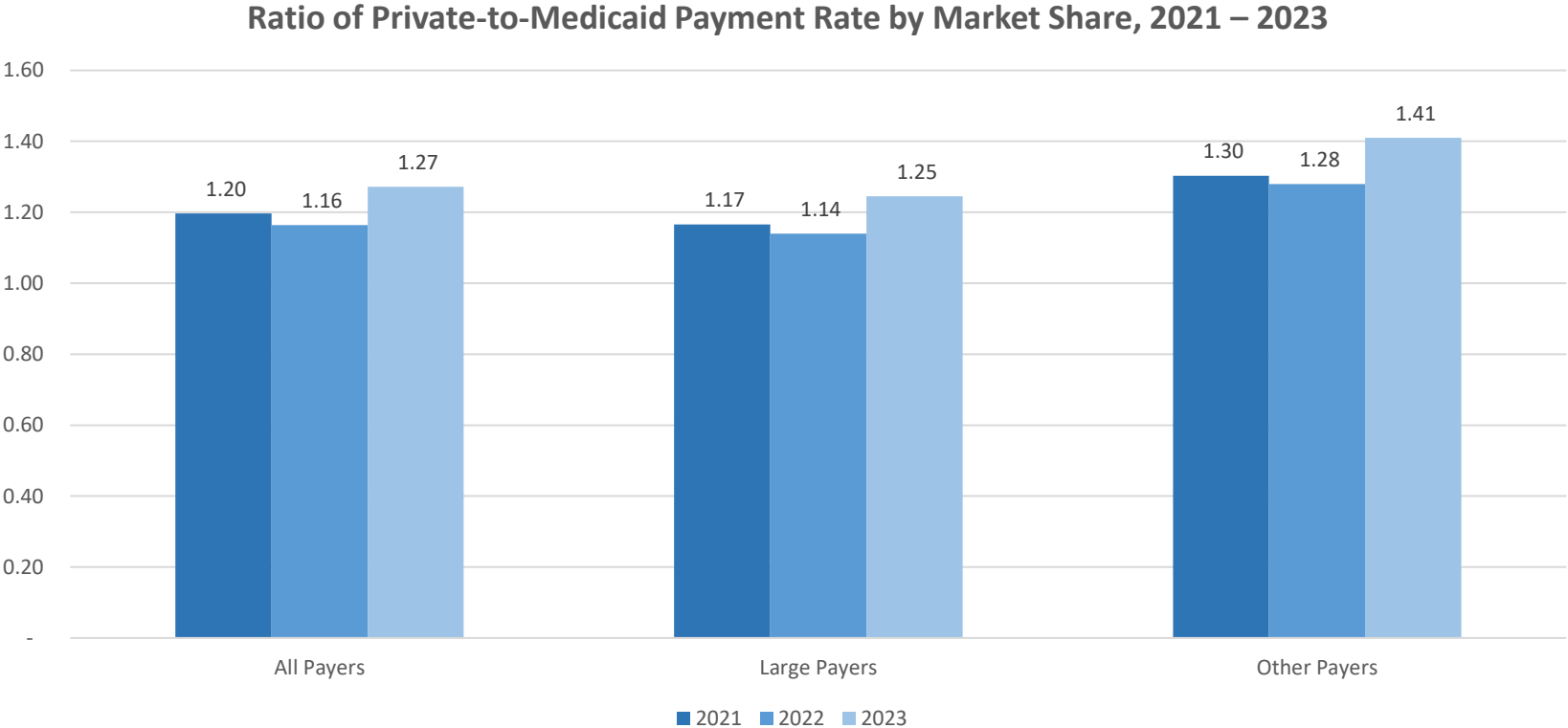


<https://healthcostinstitute.org/hcci-research/comparing-commercial-and-medicare-professional-service-prices>



Private Payment Rates Vs Medicaid Payment Rates

Payment rate for services reimbursed by all private payers was 27% higher in 2023 compared to Medicaid fee schedule for similar services. This is comparable with previous years observations.



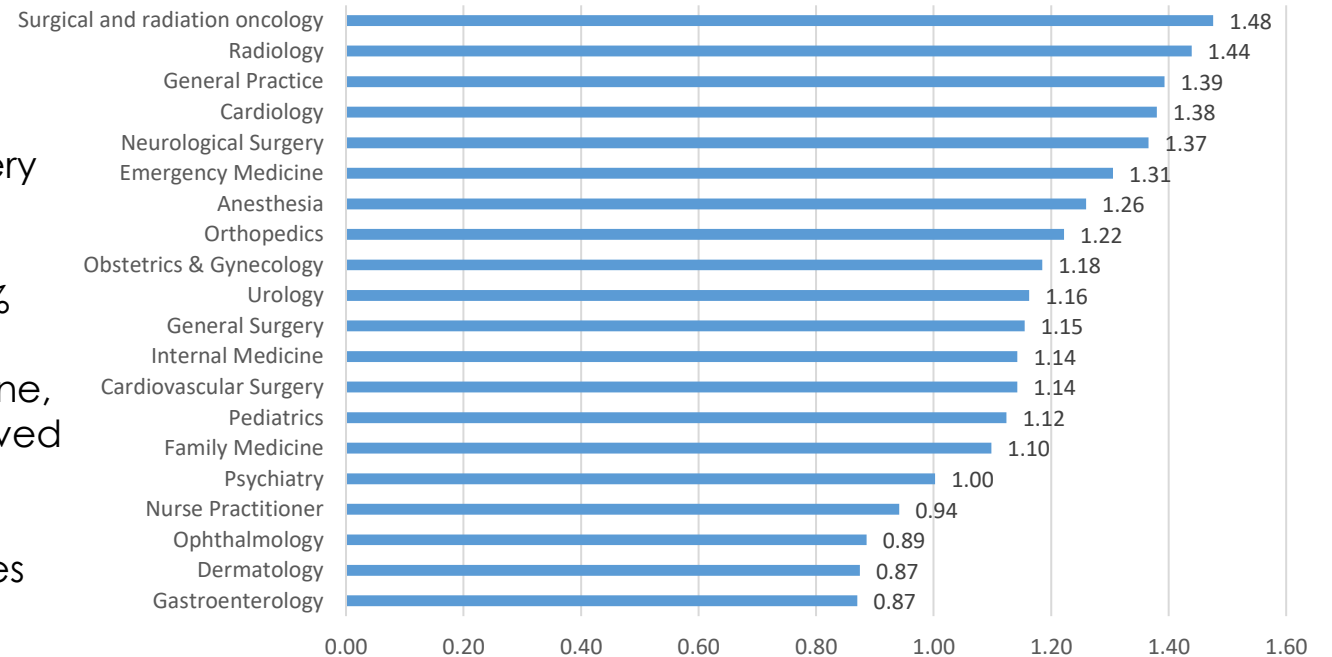
Private to Medicare Payment Ratios By Specialty, 2023



Private to Medicare Payment ratios across specialties showed variation.

- Surgical and radiation oncology, and Radiology received 148% and 144 % Medicare rates
- General Practice, Cardiology, Neurological Surgery and Emergency Medicine received 131% ~ 139%
- Anesthesia and Orthopedics received 126%, 122%
- Obgyn, Urology, General Surgery, Internal Medicine, CV surgery, Pediatrics and Family Medicine received 110% ~ 118%
- Psychiatry rates were the same as Medicare prices
- Nurse Practitioner, Ophthalmology, and Ophthalmology, Dermatology and Gastroenterology were paid less than Medicare prices.

Private to Medicare Payments Ratio By Provider Specialty, 2023



Takeaway



- Payments per RVU for all payers increased about 3.0% in 2023 compared to 2022 (\$39.58 and \$38.43, respectively). In contrast, we observed a 0.4% decrease from 2021 through 2022.
- The private payment rates in 2023 were about 109% of Medicare and about 120% of Medicaid. Compared to a year ago, private payments were about 105% and 116% of Medicare and Medicaid rates, respectively.
- Private payment rates in 2023 varied by geographic region in Maryland, with the highest rates in DC Metro (\$41.33 compared to \$40.01 in the Baltimore Metro area and \$36.83 in the rest of Maryland).
- The private to Medicare payment ratios across specialties showed variation. Surgical and radiation oncology and radiology received higher Medicare rates of 148% and 144%, respectively. General practice, cardiology, neurological surgery, and emergency medicine were paid between 131% and 139% of Medicare rates.