

# Congress of the United States

Washington, DC 20515

November 3, 2022

The Honorable Lawrence J. Hogan Jr.  
Governor  
State of Maryland  
100 State Circle  
Annapolis, Maryland 21401

Dear Governor Hogan:

We write to express our concern that the state is projected to fail three of the six targets of the Maryland Total Cost of Care (TCOC) Model in calendar year (CY) 2022. As you know, the model has been a crucial part of our state's health care system, especially through the COVID-19 pandemic, providing much needed financial stability to health care providers while incentivizing addressing population health to drive better health outcomes for Marylanders. Though the Centers for Medicare & Medicaid Services (CMS) will not make an official determination the state has failed to meet the model requirements until summer 2023, we urge you to work closely with the Health Services Cost Review Commission (HSCRC), Maryland health care stakeholders, and the federal delegation to take decisive action to ensure the long-term sustainability of the Maryland TCOC Model.

Since the early 1970s, Maryland has operated a unique health care delivery system, promoting access to care, equity, financial stability, and hospital accountability. In 2014, the State replaced the 36-year-old Medicare waiver with the Maryland All-Payer Model, entering into a contract with CMS. In 2018, Maryland and CMS entered into a new agreement to test the Maryland TCOC Model, which builds upon the Maryland All-Payer Model, and is the first CMS model to hold a state fully at risk for the total cost of care for Medicare beneficiaries. Now, the Maryland TCOC Model is in its fourth year of what has been a successful eight-year agreement.

In its contract with CMS, Maryland agreed to meet six TCOC Model targets. Though the causes are still being determined, for CY 2022, Maryland is projected to fail to meet three targets: (1) the annual Medicare TCOC savings; (2) the TCOC guardrail test; and (3) reducing Medicare readmission rates. Failure to meet these targets may result in the loss of Maryland's ability to continue operating our unique health care delivery system, particularly as the state is preparing to enter negotiations for the next phase for the state once the TCOC Model contract ends in 2026.

Our state and nation have faced tremendous challenges as a result of the COVID-19 pandemic, and our health care system continues to deal with the impacts of this public health crisis. In the midst of these challenges, the entire state has benefited from the Maryland TCOC Model, which allows hospitals and providers to maintain high-quality health care services while hospitals around the nation cut back. Despite the critical role played by the TCOC Model, the state is at

risk of failing to meet its contractual obligations to CMS required under the TCOC Model. We urge you to collaborate with stakeholders across the state to ensure that Marylanders can continue to access high-quality, affordable, and equitable health care throughout the state.

Sincerely,



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Benjamin L. Cardin  
United States Senator



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Chris Van Hollen  
United States Senator



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Steny H. Hoyer  
Majority Leader



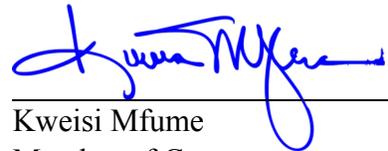
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C. A. Dutch Ruppertsberger  
Member of Congress



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John P. Sarbanes  
Member of Congress



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Kweisi Mfume  
Member of Congress



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Andy Harris, M.D.  
Member of Congress



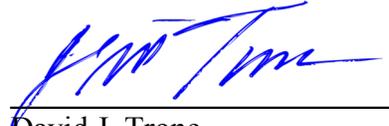
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Anthony G. Brown  
Member of Congress



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Jamie Raskin  
Member of Congress



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David J. Trone  
Member of Congress

CC: Katie Wunderlich, Executive Director, Health Services Cost Review Commission