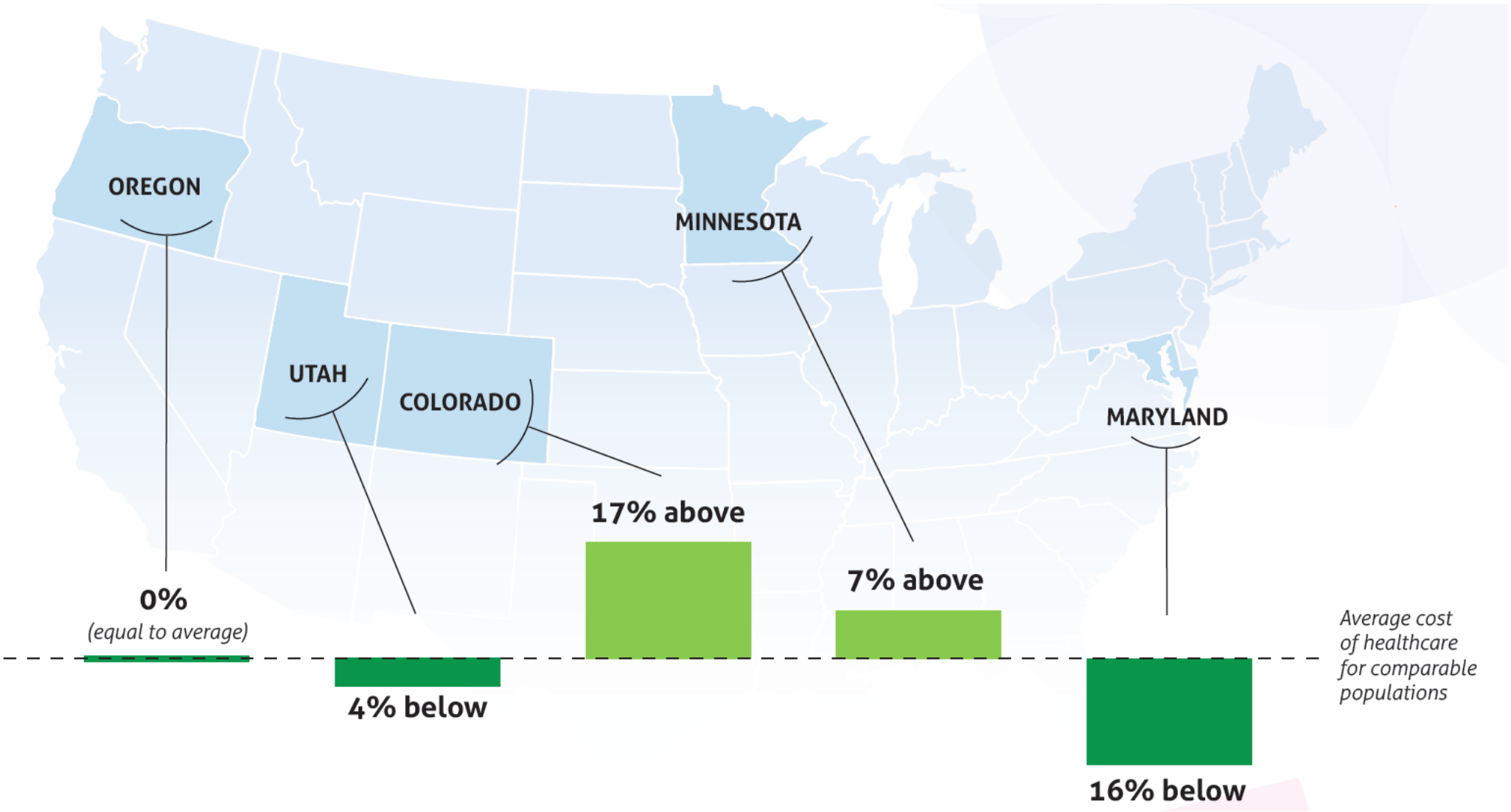


Findings from the NRHI Report
“Healthcare Affordability: Untangling
Cost Drivers”

High Level Results: the Maryland Story

The Big Picture



How does Maryland differ?

Risk Adjusted Total Cost and Resource Use Compared to Average:

Commercial Population 2015

Combined Attributed and Unattributed

Measure	Colorado	Maryland	Minnesota	Oregon	Utah
Risk Score	-8%	20%	2%	1%	-10%
Total Cost	17%	-16%	7%	0%	-4%
Resource Use	11%	-3%	5%	-8%	-3%
Price	6%	-13%	1%	9%	-1%

Note: This is the midpoint of the ranges created from the sensitivity analysis and represents the percent above or below the risk adjusted average across all regions.

Maryland Performance Is Mainly Due to Prices

Service Category	Total Cost Index		Resource Use Index		Price Index	
	Compared to Average	Rank	Compared to Average	Rank	Compared to Average	Rank
Overall	-16%	1	-3%	3	-13%	1
Inpatient	-18%	1	-7%	2	-12%	2
Outpatient	-30%	1	-19%	1	-13%	1
Professional	-18%	1	+2%	3	-20%	1
Pharmacy	+7%	4	+6%	4	+1%	4

FAQs

- **How do we explain Maryland's lower hospital & professional prices?**
 - Hospital all-payer rate-setting
 - Limits the need for hospitals to shift unreimbursed costs from Medicare & Medicaid to private payers
 - Professional rates reflect a historic trend of private professional rates (overall) being at about Medicare rates
 - Ample physician supply + a dominant payer, and shadow pricing by other payers
- **Does this mean Maryland prices are too low?**
 - Not compared to prices in the rest of the world
- **How will MHCC respond to this information?**
 - Regarding Utilization
 - MHCC will identify & publish opportunities for reducing utilization by evaluating the use of low value care (Choosing Wisely) in Maryland's commercial population.
 - Regarding Prices
 - Center for Analysis will continue to add episode cost information to the Wear the Cost website
 - Center for Quality will be breaking out cost information by payer on the Quality Reports website