MEMORANDUM

To: Chief Financial Officers and Other Stakeholders

From: Katie Wunderlich, Executive Director

Date: March 1, 2023

Re: Adjustment to the Public Payer Differential

To mitigate the excess Medicare TCOC growth in Maryland, the Health Services Cost Review Commission, at its December 14, 2022 public meeting, voted and CMMI subsequently approved increasing the public-payer (Medicare, Medicare Advantage Plans, Medicaid fee-for-service and Medicaid MCOs) differential by 1 percentage point, from 7.7 percent to 8.7 percent, effective April 1, 2023. The increase will be effective for the remainder of FY 2023 and the duration of FY 2024. The adjustment will be made through a hospital mark-up adjustment and will be revenue neutral to hospitals. The payer differential shall apply to claims with discharge dates and outpatient services dates on and after April 1, 2023.

Global Budget compliance will be applied on a blended basis for FY 2023.

If you have any questions, you may contact Dennis N. Phelps, Deputy Director, Audit & Compliance at dennis.phelps@maryland.gov or Chris Konsowski, chris.konsowski@maryland.gov.