Evaluate the Evidence

Be Informed

Health Care Costs

Health Care Costs are Rising

We agree with the NNU that the rising cost of healthcare is detrimental to our society and our patients and families. The NNU would have you believe that joining a union is the solution. According to the Institute for Health and Socio-Economic Policy, Maryland ranks 53rd in average charge to cost ratio (140.18%) for all US States and territories. Only the Virgin Islands and Guam are lower. By contrast, California – where there is a large nursing union presence – ranks 3rd (450.89%)[1]. Maryland hospitals have shown they are more financially responsible then other states with health care dollars.

Maryland's All-Payer Model

The hospitals in the State of Maryland are already working to address the costs of rising health care. They are the only state in the union that has an all-payer hospital rate regulation system[2]. Under the terms of the Maryland All-Payer Model:

- Maryland has agreed to permanently shift away from Medicare payment based on each inpatient admission, in exchange for Medicare per capita total hospital cost growth. In other words, we get paid the same for 5,000 admissions as we do 10,000 admissions.

- This model requires Maryland to generate $330 million in Medicare savings over a five-year performance period.

- Hospital quality and population health measures regarding the quality of care received by Maryland residents—including Medicare, Medicaid, and CHIP beneficiaries—will improve. This includes measures related to readmissions, hospital acquired conditions, and population health.

The Economics

If a business of any sort needs more money to function, they only have two choices: cut costs or raise charges of services provided. If you can't get a bigger pie, someone can only get more by taking from somewhere else.

[1] https://www.nationalnursesunited.org/sites/default/files/nnu/files/pdf/research/2014/us-hospital-avg-charge-to-cost-ratio.pdf

[2] https://innovation.cms.gov/initiatives/Maryland-All-Payer-Model/

Information provided by: http://StandWithHopkins.org