

What Happens when Hospitals No Longer Have a Volume Incentive? Examining the Maryland Global Budget Revenue Program

Author

[James, Hailey J.](#)

Abstract

Background: A concern of the Maryland Global Budget Revenue (GBR) program is that its cost-containment financial incentive introduces a risk of hospitals seeking to avoid costly patient encounters.

Objective: The goal of this research was to assess the impact of the Maryland GBR program for evidence of unintended consequences.

Methods: This work includes three studies, two of which use econometric models to estimate the association of the Maryland GBR program with two outcomes conceptualized as potential spillover effects: probability of elective admission and emergency medical services (EMS) transport times. Difference-in-differences analyses were used to compare Maryland hospitals (Aim 1) and Maryland hospital service areas (Aim 3) to inverse probability of treatment weighted out-of-state comparators before and after policy implementation. Maryland simultaneously implemented its GBR program and expanded Medicaid, so comparator states were selected that expanded Medicaid the same day as Maryland. The third study (Aim 2) is a descriptive analysis of annual changes in interhospital transfers comparing rural to urban hospitals before and after policy implementation.

Results: I found that the Maryland GBR program was associated a 5.2% ($P = .004$) increase in elective admissions among Medicaid and a 7.9% ($P = .032$) decrease among self-pay groups. Analysis of EMS transport times found an association between the Maryland GBR program and an increase in EMS transport times for cardiac arrest patients, but sensitivity analysis results suggest these effects could be confounded by changes in EMS agency reporting patterns. Finally, descriptive analyses of interhospital transfers showed that rural and urban hospitals experienced opposite trends in transfers in from other hospitals with the state's two AMCs experiencing substantial decreases in transfers in following policy implementation.

Conclusions: These three studies provide some evidence that there are unintended effects of the Maryland GBR program not previously considered. This work demonstrates a potential dual Medicaid-expansion/GBR program effect with changes in probability of elective admission limited to the two payer groups most affected by Medicaid expansion. Regarding transfers in, rural hospitals were differentially affected compared to urban hospitals, and the two AMCs experienced an unintended reduction despite the state intervening to incentivize the opposite result.

Number of pages

102

Publication year
2021

Degree date
2021

School code
0153

Source
DAI-B 82/12(E), Dissertation Abstracts International

Place of publication
Ann Arbor

Country of publication
United States

ISBN
9798515282066

Advisor
[Mansfield Damon, Alyssa](#); [Pink, George H.](#)

Committee member
Van Houtven, Courtney H.; Trogdon, Justin G.; Lewis, Valerie A.

University/institution
The University of North Carolina at Chapel Hill

Department
Health Policy and Management

University location
United States -- North Carolina

Degree
Ph.D.

Source type
Dissertation or Thesis

Language
English

Document type
Dissertation/Thesis

Dissertation/thesis number
28410074

ProQuest document ID
2544484844