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House Bill 463 – Maryland Health Equity Resource Act

Position: Support

Thank you for the opportunity to provide written comments in support of House Bill 463. This bill establishes Health Equity Resource Communities (HERCs) to target resources to specific areas of the state to reduce health disparities, improve health outcomes, improve access to primary care, and reduce health care costs and hospital admissions and readmissions. A community-based organization, nonprofit hospital, institution of higher education, or a local government agency may apply to the Secretary on behalf of an area to receive the HERC designation. The bill also establishes an Advisory Committee to evaluate, assess, assist, and implement the HERC program.

CareFirst is committed to driving the transformation of the healthcare experience with and for all our members and communities, with a focus on quality, equity, affordability, and access to care. We support establishing HERC designated areas in communities with significant health disparities and health outcomes. We have seen deep health disparities that have been exacerbated by the COVID-19 pandemic and the disproportionate burden racial and ethnic minority populations bear as a result of longstanding structural racism. As these inequities continue to profoundly impact our members and communities, CareFirst believes that House Bill 463 can meaningfully advance health equity by providing much needed resources and support to improve access to care and health outcomes, while reducing costs of care for traditionally underserved communities.

The concept of HERCs is modeled after the Health Enterprise Zones (HEZ) initiative that Maryland implemented between 2013-2016, which [successfully improved](#) access to care, changed health behaviors such as exercising and diet monitoring, reduced 18,562 inpatient stays, and resulted in significant net cost savings of \$93.4 million for Maryland's healthcare system. Through collaborations between local health departments, hospitals, and community-based organizations, we believe that HERCs can build on the HEZ initiative's experience and best practices to transform health care for the better for Marylanders in need.

We respectfully request the addition of three additional members to the HERC Advisory Committee, to be appointed by either the Speaker of the House or the Senate President: one representative of a nonprofit group model health maintenance organization; one representative of a nonprofit health service plan; and one representative of a managed care organization. Including payer perspectives in discussions of health equity solutions will provide meaningful and substantive insight to the critical work of the HERC Advisory Committee.

CareFirst strongly supports the policy goals advanced by House Bill 463. We look forward to partnering with legislators, health departments, public health groups, and other stakeholders to advance health equity, as we deploy targeted strategies through our own organization to ensure the health and wellbeing of our members, provider partners, employees, and communities.

We urge a favorable report.

About CareFirst BlueCross BlueShield

In its 83rd year of service, CareFirst, an independent licensee of the Blue Cross and Blue Shield Association, is a not-for-profit healthcare company which, through its affiliates and subsidiaries, offers a comprehensive portfolio of health insurance products and administrative services to 3.4 million individuals and employers in Maryland, the District of Columbia and Northern Virginia. In 2019, CareFirst invested \$43 million to improve overall health, and increase the accessibility, affordability, safety and quality of healthcare throughout its market areas. To learn more about CareFirst BlueCross BlueShield, visit our website at www.carefirst.com and our transforming healthcare page at www.carefirst.com/transformation, or follow us on [Facebook](#), [Twitter](#), [LinkedIn](#) or [Instagram](#).