Health Reform in Maryland: An Overview

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Sinai Hospital

Pediatric Grand Rounds

September 13, 2011

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Department of Health & Mental Hygiene

@DrJoshS

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Outline

- Background: Maryland Insurance Coverage and Markets
- The Affordable Care Act
- Delivery System Reform

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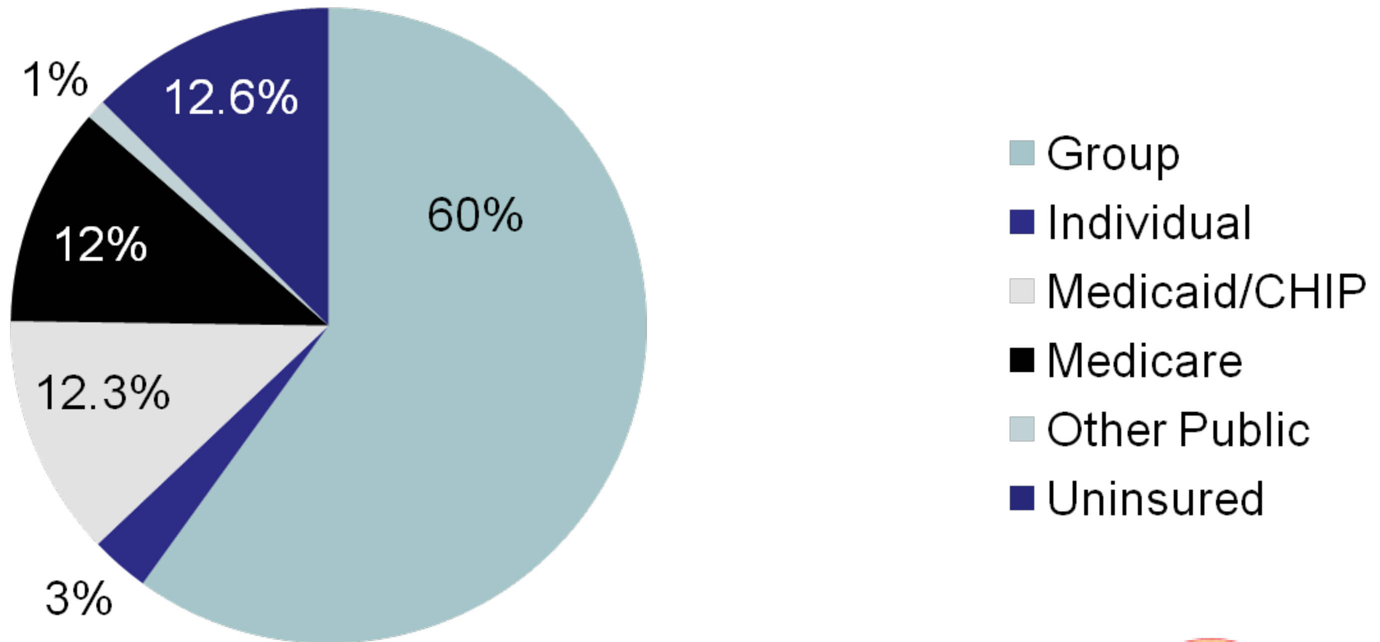
Most Marylanders Have Group Insurance Coverage



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Large Groups (51+)

Insured Groups

- Carrier bears risk if claims exceed premiums
- Subject to insurance laws and mandated benefits
- 950,000 individuals

Self-Insured Groups

- Group bears the risk if claims exceed premiums
- Not subject to state insurance laws/oversight
- Nearly 2 million individuals

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Markets Under Insurance Regulation

<u>Individual Market</u>

- Buy directly from carrier (vs. Association)
- Subject to state insurance laws and mandated benefits
- Medical underwritten
- 160,000 covered lives

<u>Small Group Market*</u>

- 2-50 employees
- Guaranteed issue
- Modified Community Rating
- Standard plan w/ riders
- 47,000 businesses (410,000 covered lives)

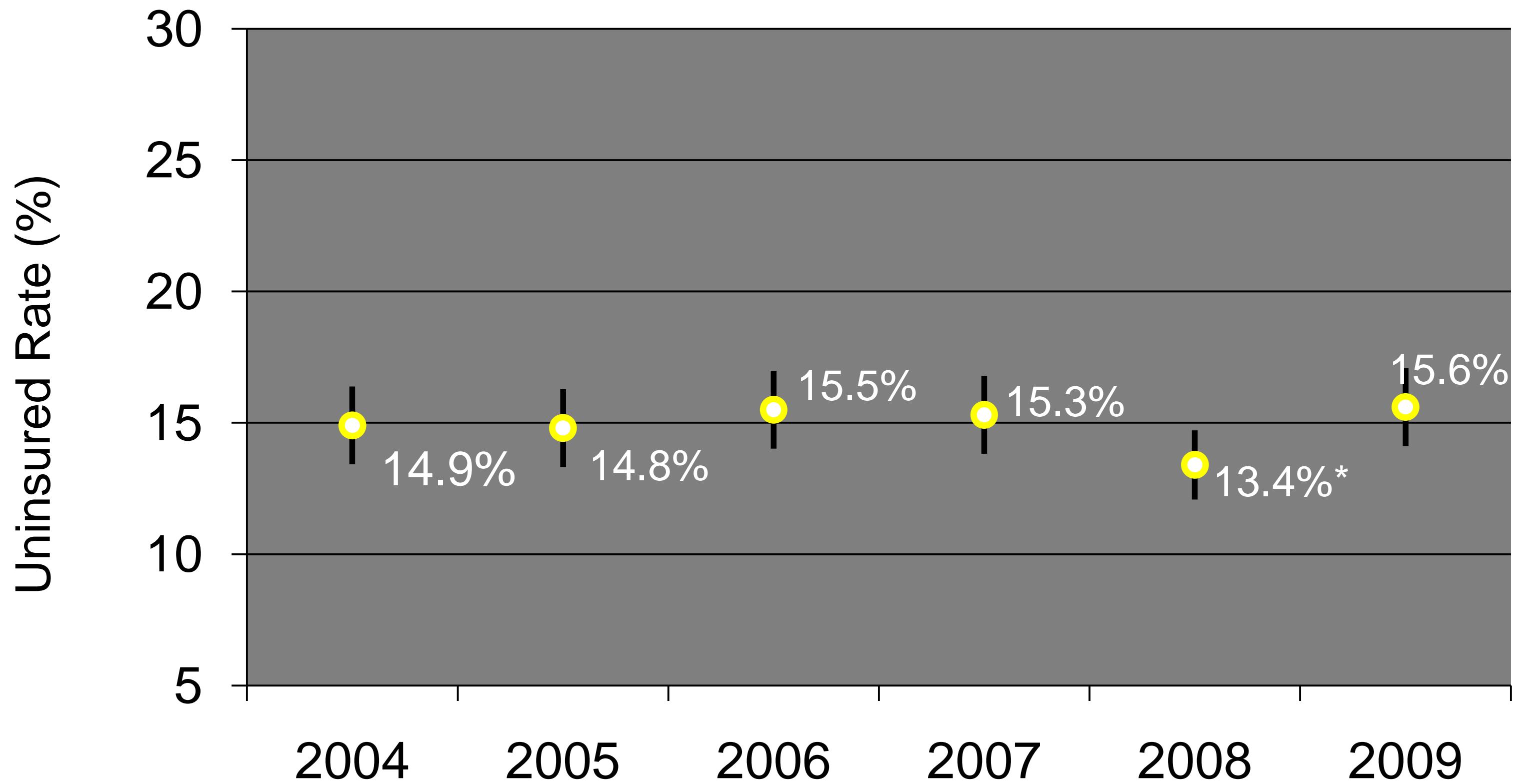
*Oversight by Maryland Insurance Administration and Maryland Health Care Commission

High Risk Pool

- Established 2002, administered by CareFirst, self-insured by the state
- Covers 20,000 people unable to obtain insurance in individual market
- *MHIP* + subsidizes coverage for low income residents
- MHIP Federal opened Sept. 2010

How are we doing?

Trend in Uninsured Rate in Maryland, 2004 through 2009



* Differs significantly from the 2007 & 2009 estimates using a 90% C.I.

MHCC Analysis of Current Population Survey, Jan. 2011

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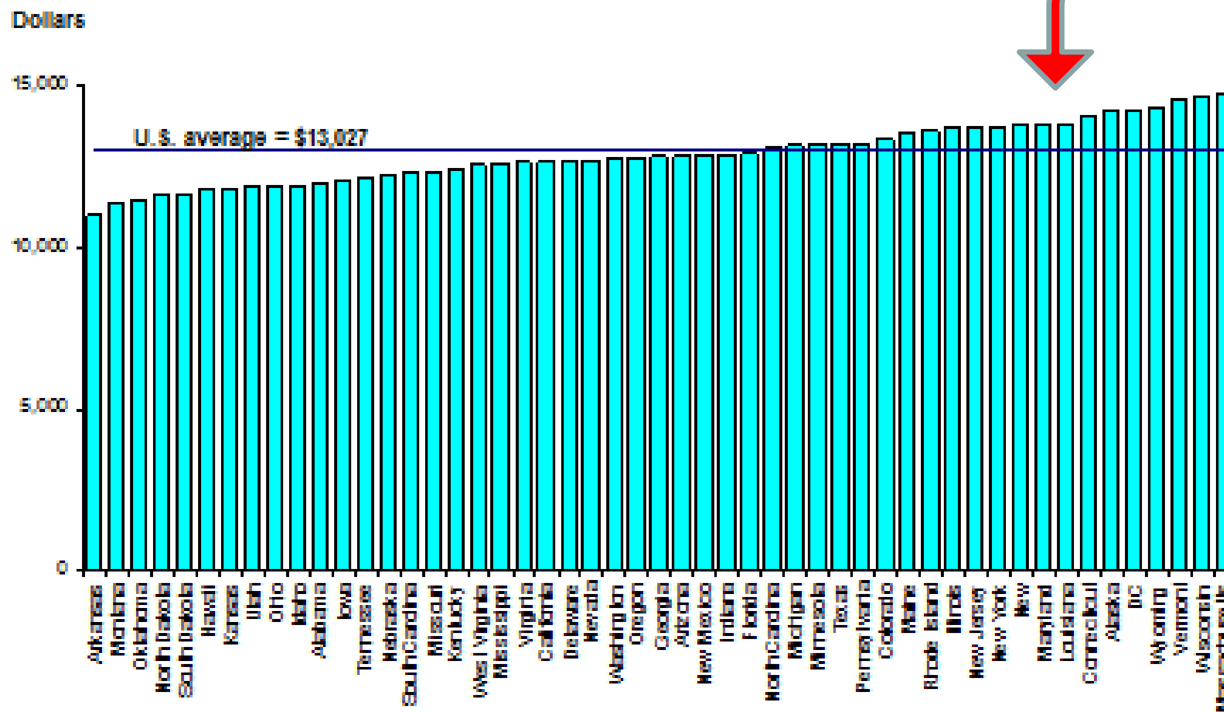
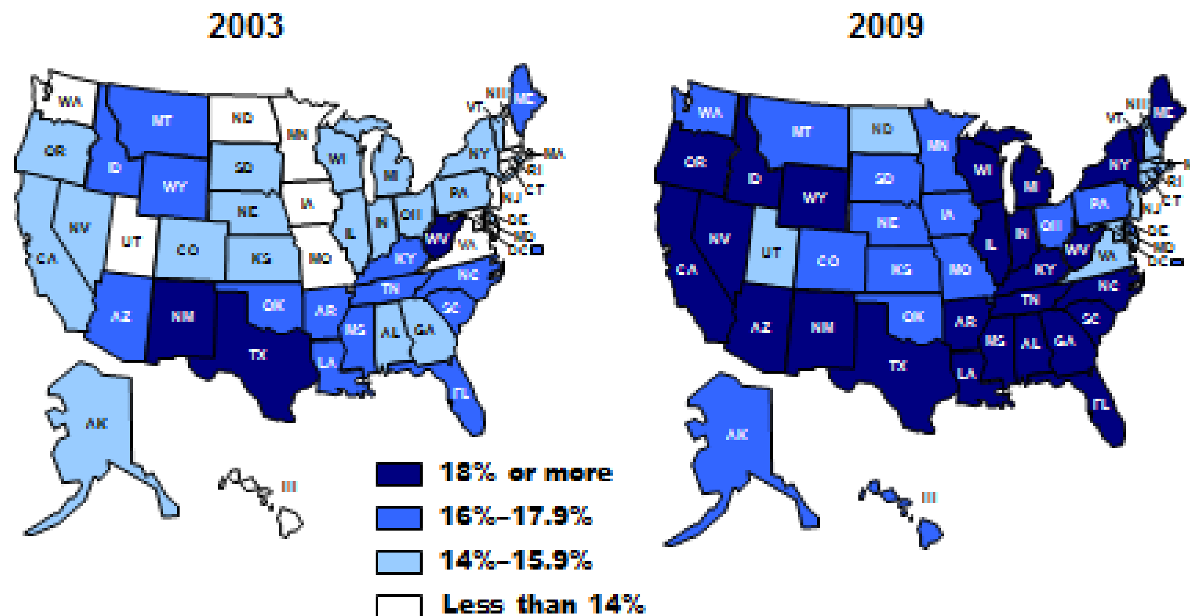
Figure 1. Premiums for Family Coverage, by State, 2009



Data source: 2009 Medical Expenditure Panel Survey–Insurance Component.

Slide from: C. Schoen, K. Stremikis, S. K. H. How, and S. R. Collins, State Trends in Premiums and Deductibles, 2003–2009: How Building on the Affordable Care Act Will Help Stem the Tide of Rising Costs and Eroding Benefits, The Commonwealth Fund, December 2010.



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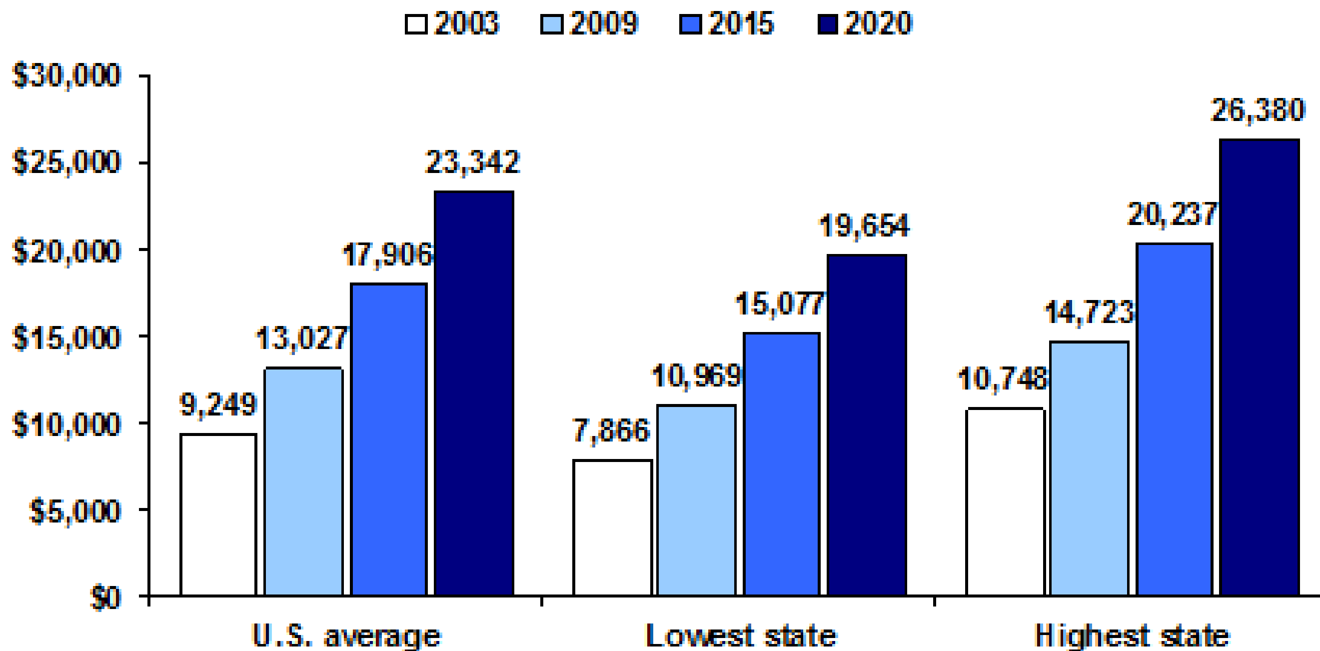

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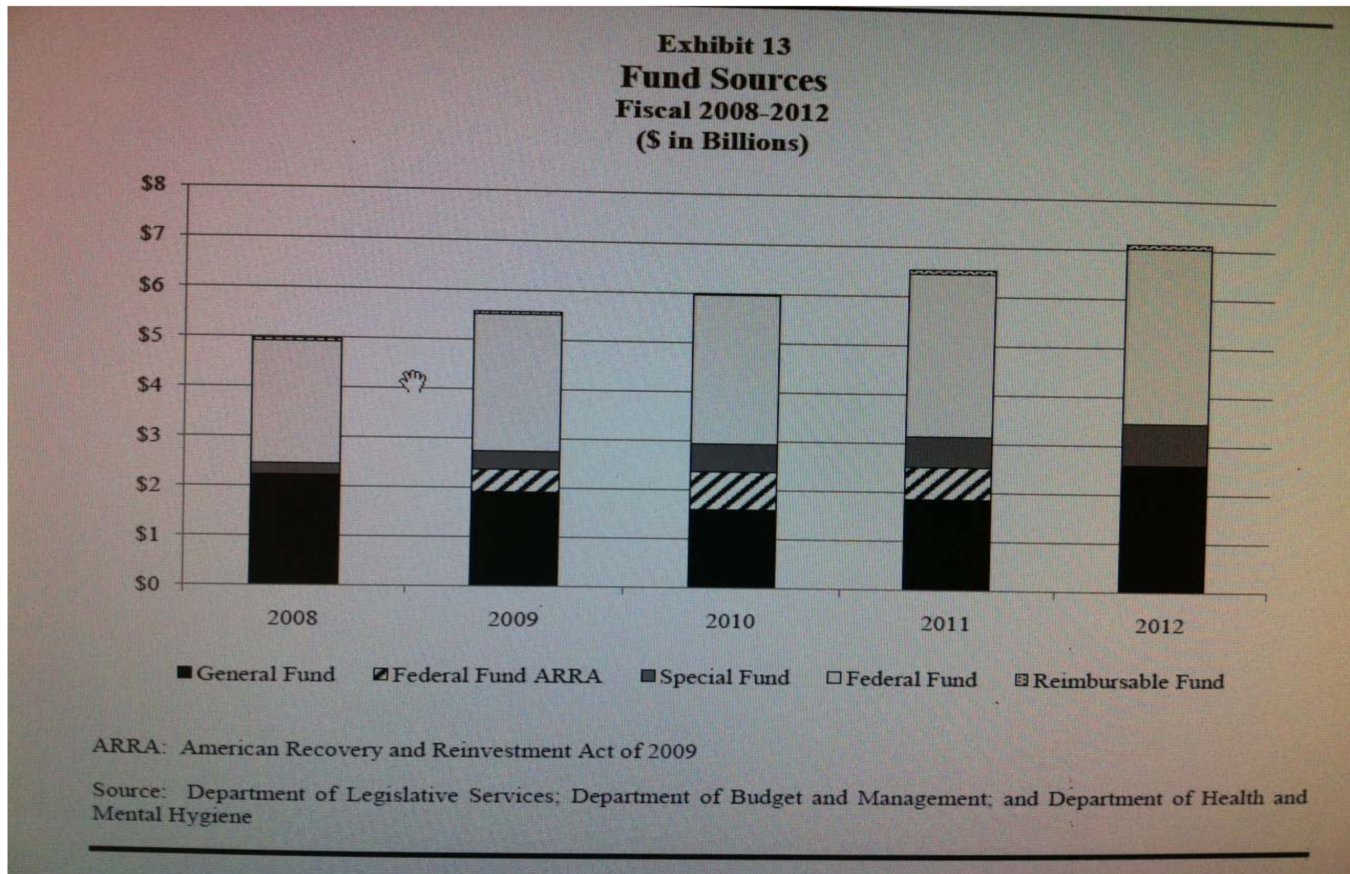
Medicaid



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FY 2012 Maryland Budget

Public Safety

Health

Elementary and Secondary Education

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REPORT CARD

GRADING PERIOD	1	2	3	4
READING	A			
WRITTEN COMMUNICATION	A			
MATHEMATICS	C			
SCIENCE/HEALTH	B			
SOCIAL STUDIES	B			
ART	A			
MUSIC	A			
PHYSICAL EDUCATION	C			
Grade Average	B			
Attendance: Present	40			
Absent	0			
Tardy	1			

A = Excellent • B = Good • C = Satisfactory • N = Needs Improvement
U = Unsatisfactory • I = Insufficient / Incomplete

Student: ______________________ Grade: ______ Year: ______

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Barriers to Performance

- Weak primary care infrastructure, poorly connected to tertiary care
- Health care system generally pays for volume, not value
- Few incentives for high quality care

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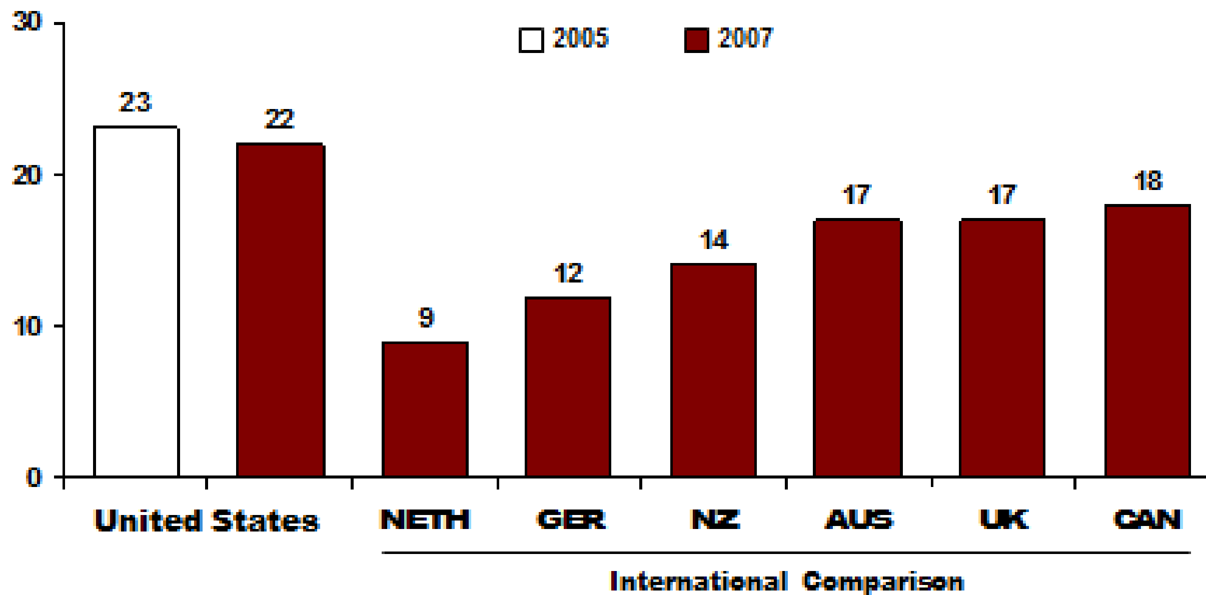

Slide from: The Commonwealth Fund Commission on a High Performance Health System, Why Not the Best? Results from the National Scorecard on U.S. Health System Performance, 2008, The Commonwealth Fund, July 2008

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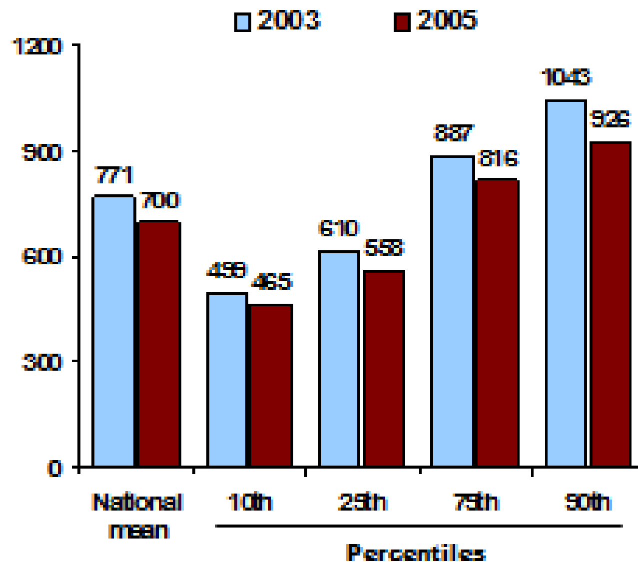
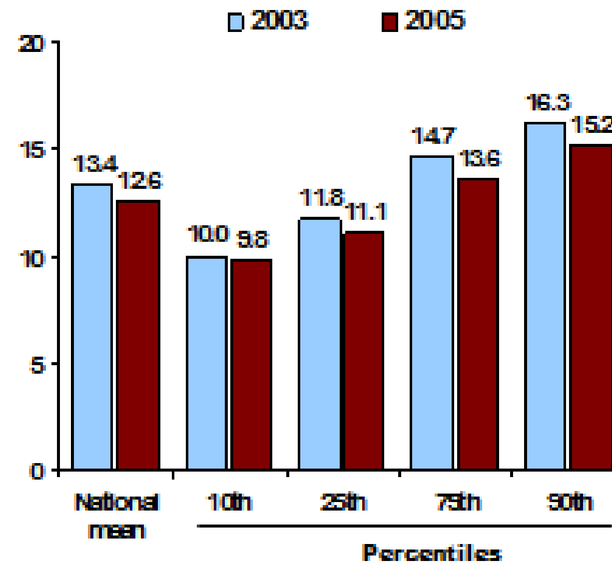
EFFICIENCY

Medicare Admissions for Ambulatory Care–Sensitive Conditions, Rates and Associated Costs, by Hospital Referral Regions





See report Appendix B for complete list of ambulatory care-sensitive conditions used in the analysis.
Data: G. Anderson and R. Herbert, Johns Hopkins University analysis of Medicare Standard Analytical Files (SAF) 5% Inpatient Data.

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2008 67

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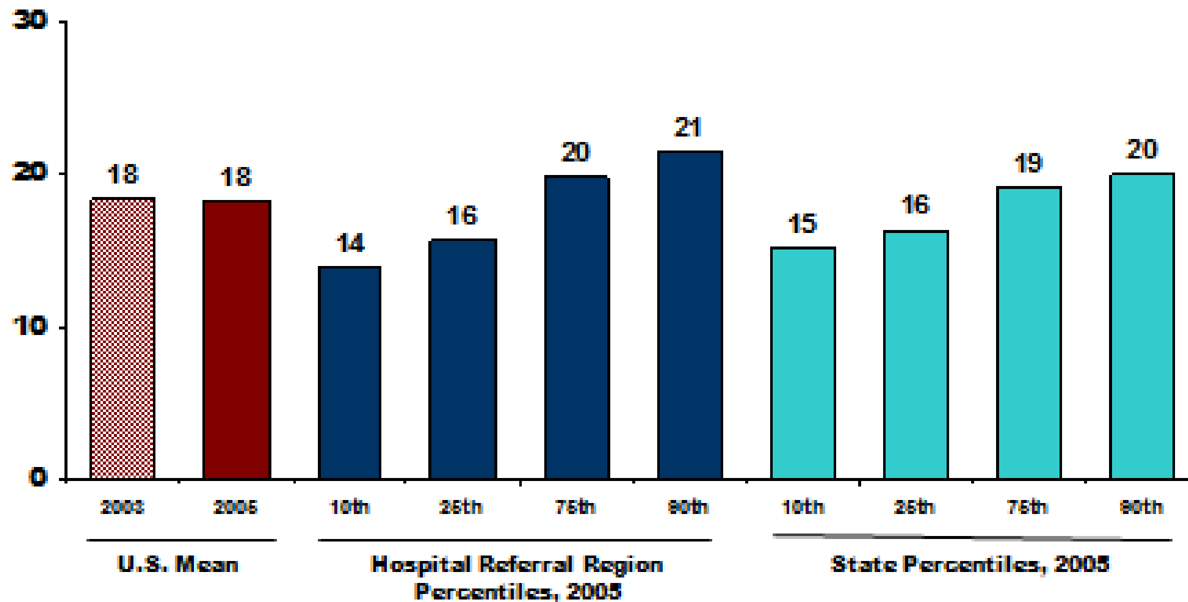
EFFICIENCY

Medicare Hospital 30-Day Readmission Rates

Percent of Medicare beneficiaries admitted for one of 31 select conditions who are readmitted within 30 days following discharge*



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March 23, 2010: The Affordable Care Act

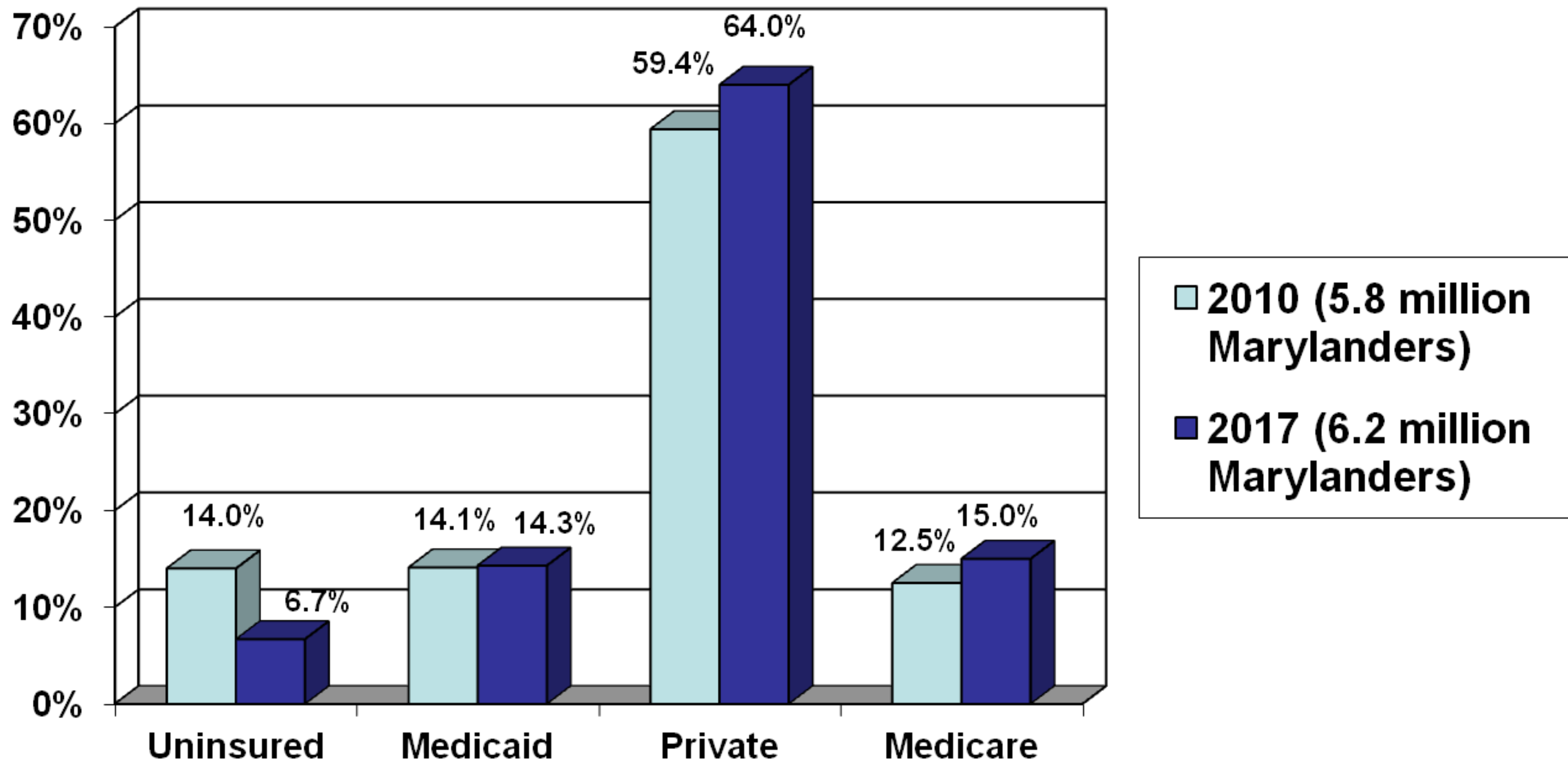
Health Reform has many implications in Maryland and nationally.

- Changes to Medicaid
- Changes to private insurance
- Establishment of new Insurance Exchanges
- New State information technology needs
- Affects other parts of the public health and health care delivery systems
  - Long-term services and supports
  - Health care workforce
  - Preventive services and public health

On March 24, 2010, by Executive Order, Governor O'Malley created the Health Care Reform Coordinating Council.

- The HCRCC is a cross-agency and cross-branch entity
- Analysis conducted for the HCRCC projects that health insurance coverage will be expanded to an additional 350,000+ Marylanders by 2020
- Maryland's uninsured rate will be cut in half, from 14.0% in 2010 to 6.7% in 2017
- The state is expected to realize more than $850 million in savings over 10 years as current state-funded safety net programs move into federally-subsidized coverage

Affordable Care Act Anticipated to Reduce Maryland Uninsured by Half



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Four Key Elements of ACA

1. Strengthens insurance coverage
2. Expands access to health care
3. Makes coverage more affordable
4. Promotes cost control, quality, and prevention

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Smart Consumer Protections

- Young adults can stay on their parents coverage until age 26.

In effect now

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Protects Families from Bankruptcy

- No exclusions for children with pre-existing conditions.

In effect now

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Support in Case of Illness

- No pre-existing condition exclusions for chronically ill adults.

2014

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Private insurance reforms influence both the individual and group insurance markets.

- Adopt adjusted community rating rules
- Adopt consumer protection reforms, e.g.:
  - No annual or lifetime caps
  - No pre-existing condition exclusions
  - Minimum Loss Ratios
- Phase-in of small business tax credits
- Establishment of new federally-funded high-risk pool
- Temporary reinsurance programs for early retirees
- Range of new options/considerations for states

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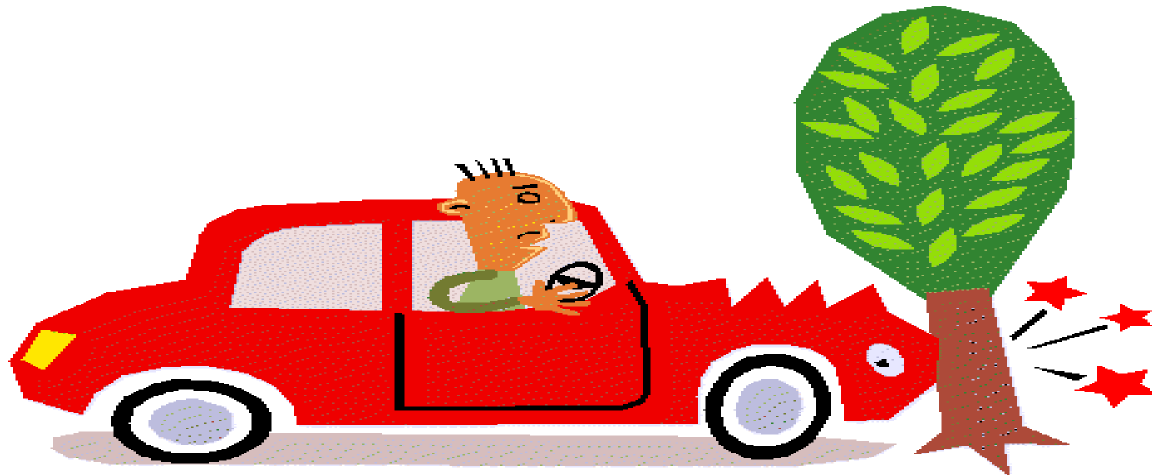
Expands Access to Health Care

- ✓ Establishes incentives and requirements to have coverage in order to avoid adverse selection and spread risk



Expands Access to Health Care

- Creates transparent, competitive exchanges where individuals and small businesses can go to purchase private insurance coverage.

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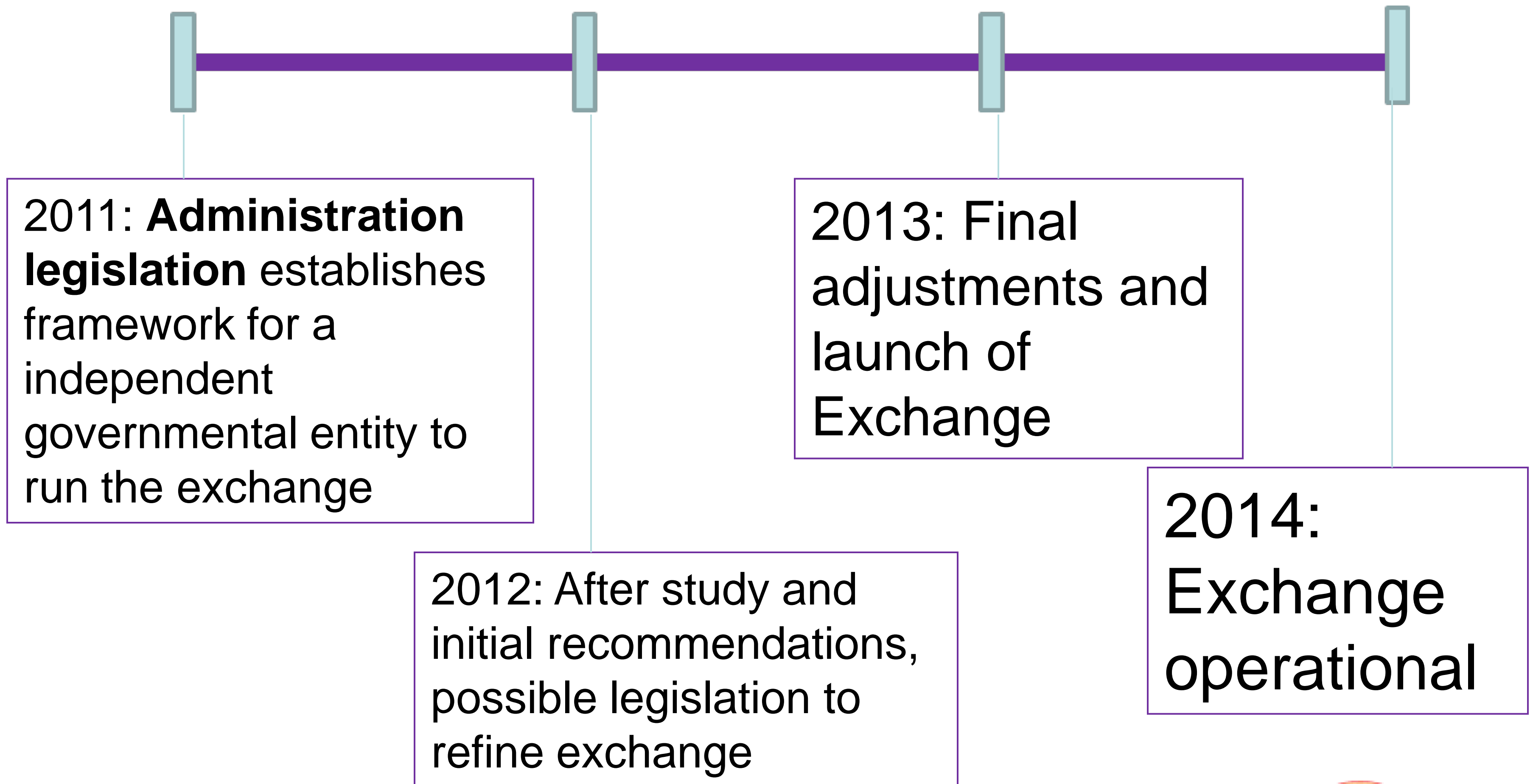
Timeline for Health Insurance Exchanges



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CONNECT 2coverage

How do you fit in...

Individuals and Families

Navigators and Community Assistors

Small Business

Insurance Companies or Health Plans

Example

CONNECT 2coverage

English | Español

Log Out

Change Font Size A A A A

Get Started | About Your Family | Additional Information | Your Options | Next Steps

Looking for health coverage?

You have options.

Connect2Coverage works with insurers and public programs to offer the health coverage that you need. Select the best description of your needs below.

- [ ] **Apply for no or low cost public health coverage**
- [ ] **Purchase health insurance and pay your own premiums**
- [x] **Explore all available options**

The information you provide will be used to determine the lowest cost health coverage and other public benefits for which you may be eligible. You will be provided the option to select other health coverage options if you choose to.

Download | Delete | Find Assistance | Learn More

How may we help you today?

Helpdesk Phone # 1-866-429-1979

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Example

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CONNECT 2 coverage

English | Español

Log Out

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Get Started | About Your Family | Additional Information | Your Options | Next Steps

Back to Your Options

Find by Deductible Range	Find by Plan Type	Find by Price Range	Find by Company Name
No Deductible (9)	PPO Plans (77)	Below $100 (13)	Aetna (21)
$100 - $500 (6)	HSA Plans (25)	$101 - $250 (80)	Anthem BC Life and Health In… (1)
$501 - $1,000 (12)	HMO Plans (15)	$251 - $500 (32)	Anthem Blue Cross of Califor… (21)
$1,001 - $2,500 (35)	IND Plans (11)	$501 - $750 (3)	Blue Shield of California (26)
$2,501 - $5,000 (51)		$751 or more (0)	CIGNA (8)
$5,001 or more (15)			Celtic (30)

View in Rows | View as a Grid | Show: All 128 Plans | Sort By: Carrier Name | Plan Type | Deductible | Price

TOP PICK Most Popular Plans

1. CFB Budget PPO NG 7500 — View Similar Plans — check to compare

Health Net — TOP PICK

Type	Deductible	Dr. Copay	Inpatient Hospital	Rx Card	Maternity	
PPO	$7,500	$50	[0%] In-Network	⦸	⦸	$66.00 Monthly Premium

View Plan Details — View Doctors & Hospitals — Apply Now

2. CFB Sensible HSA NG 5200 — View Similar Plans — check to compare

Health Net — TOP PICK

Type	Deductible	Dr. Copay	Inpatient Hospital	Rx Card	Maternity	
HSA	$5,200	[0%]	[0%] In-Network	✓	⦸	$68.00 Monthly Premium

View Plan Details — View Doctors & Hospitals — Apply Now

Download — Delete — Find a Navigator — Learn More — Next ►

How may we help you today?

Helpdesk Phone # 1-866-429-1979

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Example

On April 12, 2011, Governor O'Malley signed the Maryland Health Benefit Exchange Act into law.

- Established Maryland's Exchange, effective June 1
- Framework and governance
  - Independent public entity to blend advantages of nonprofit (nimble operations, competitive salaries, etc.) with advantages of traditional executive branch agency (public transparency, accountability, etc.)
  - Exchange Board: nine members: Secretary of DHMH, head of MIA, head of MHCC, three members appointed by Governor with technical expertise, three members appointed by Governor to reflect individual, small employer, and public health
  - The Board has met five times, and among things approved bylaws, a procurement policy, an initial staffing plan, a job description for the Executive Director, and the recruitment and selection of the Executive Director who will start on September 12

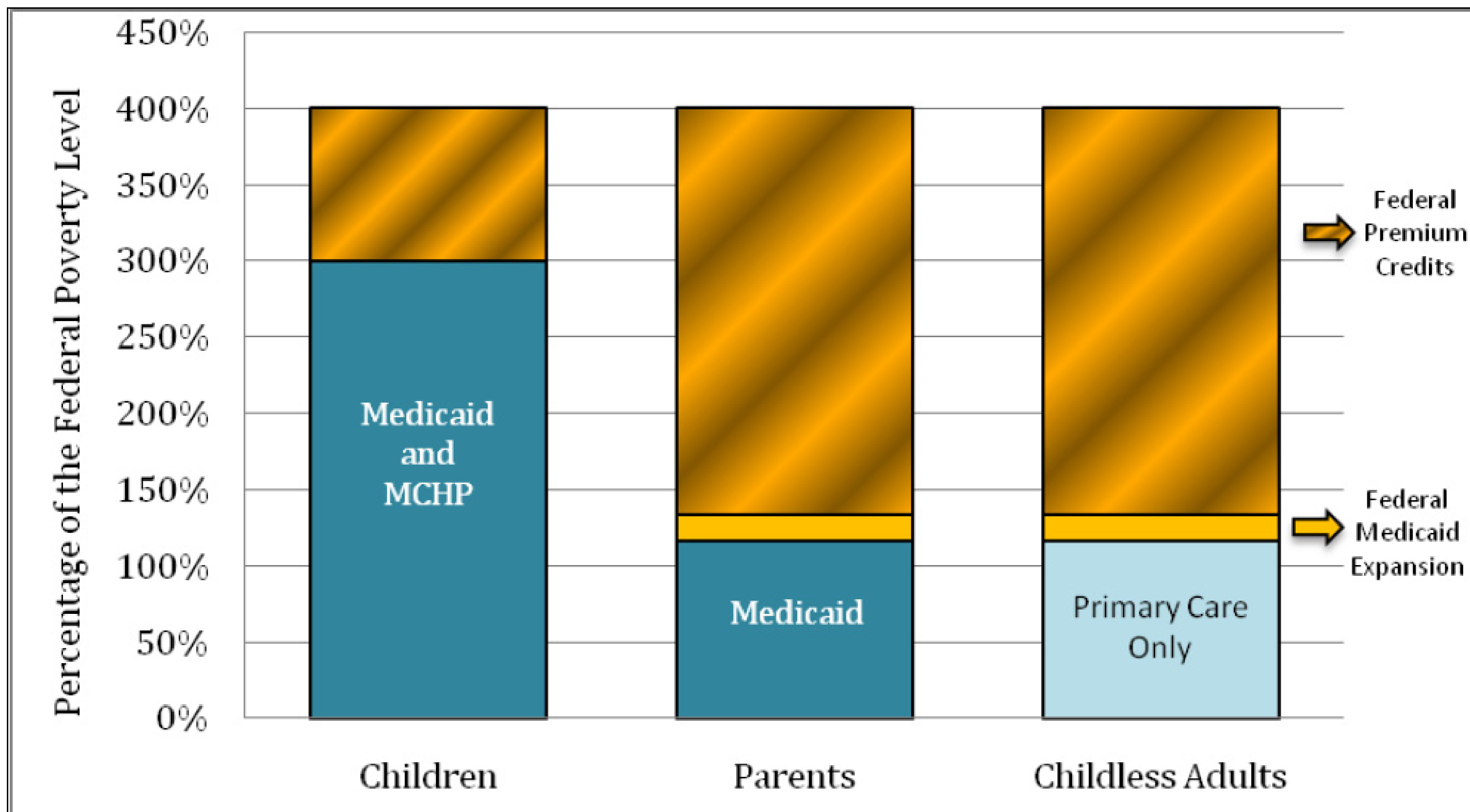
Maryland's Exchange has received over $30 million in federal grants for its planning and development start-up costs.

- $6.2 M federal Early Innovator Grant (awarded late 2010)
  - Supports prototype system for a subsection of federal Exchange IT system requirements
- $27 M federal Exchange Establishment Grant (awarded August 2011)
  - Supports implementation of ACA-compliant front-end and back-end eligibility and enrollment systems

Four Key Elements of ACA

1. Strengthens insurance coverage
2. Expands access to health care
3. Makes coverage more affordable
4. Promotes cost control, quality, and prevention

With premium tax credits and Medicaid Expansion, by 2014, all individuals under 400% FPL will be eligible for financial assistance.



Medicaid Expansion under ACA greatly affects Medicaid eligibility and payment structure.

- Expansion of Medicaid eligibility
  - Full federal financing for the new expansion eligibility category from 2014-2016, decreasing annually until the federal government contributes 90% funding for 2020 and beyond
- Sweeping changes in how Medicaid eligibility is determined
  - New IRS-based income eligibility known as the "Modified Adjusted Gross Income", or MAGI
  - MAGI eligibility is expected to affect 200,000+ Medicaid eligibles
  - MAGI will require real-time eligibility determinations, including web-based, with a real-time connection to federal data (IRS, HHS, SSA, Homeland Security)

Support for Maryland Businesses

- ✓ Small business tax credits 35% (2010) – 50% (2014)
- ✓ Visit smallbusinesstaxcredits.org
- ✓ Or text HEALTH to 877877

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State Health Improvement Process

- http://dhmh.maryland.gov/SHIP

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Saves Money While Making People Healthier

- ✓ Invests in prevention
- ✓ Encourages high quality and efficient provision of care, with leadership by doctors and hospitals
- ✓ Supports ongoing efforts in health information technology

Health
Care
Delivery
Reform

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Goal is the “Triple Aim”

1. Improving individual experience of care
2. Reducing per capita health care costs
3. Improving the health of the population

ACA Opportunities (1)

- Patient-centered medical homes
  - 24/7 care management and support
  - Interdisciplinary teams
  - Coordinate care through care planning
  - Collect data on outcomes and cost

ACA Opportunities (2)

- Accountable Care Organizations
  - Vertically integrated units that share savings with payers
  - Must handle at least 5000 patients and commit for 3 years
  - If meet quality measures, get to share savings below benchmark per capita costs
  - Medicare to certify in 2012

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ACA Opportunities (3)

- Pilot programs for bundled payments, readmissions reduction, and reduction in hospital-acquired conditions.
  - Limited to Medicare

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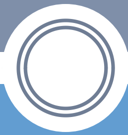
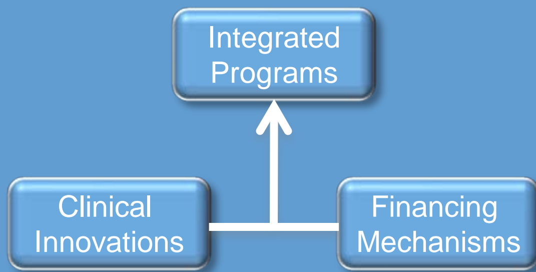
Delivery Reform Workgroup

- 25 members
- Goal of identifying innovation in Maryland
  - Financial mechanisms
  - Clinical innovation
  - Integrated programs



Health Care Innovations in Maryland



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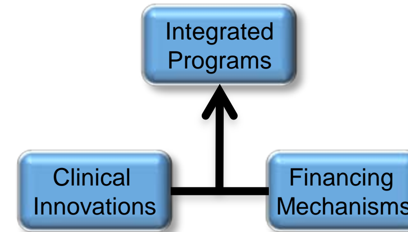
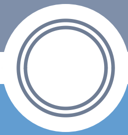
Welcome

In this time of rising health care costs and tight budgets, Maryland's consumers, hospitals, clinicians, insurance plans and community groups are working together to develop creative programs that enhance patient **care**, improve population **health** and cut **cost**s.

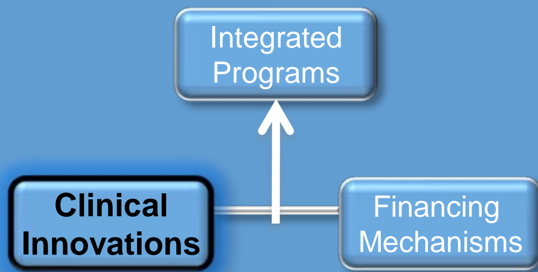
About the database:

The health care projects featured in this database are already delivering care in the state of Maryland. Search below to learn more about the future of Maryland's health care, and some of the innovative tools that will get us there.





HEALTH CARE INNOVATIONS IN MARYLAND



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Clinical Innovations

Better health for Marylanders requires innovative community strategies that prevent illness, complications, and reduce health care cost through approaches to supporting patients. Click on the approaches below for more information and to see who is seeking to achieve these goals .

Community-Based Chronic Disease Management

Electronic Medical Record Networks

Evidence-Based Clinical Practice Support

Health Information Exchanges

Home Health Support Services

Integrated Hospice Care

Integrated Primary, Mental and Behavioral health care

Intensive Case Management

Maximized Support Network for High-Risk Patients

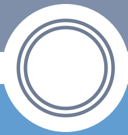
Patient Centered Medical Homes

Patient Navigation from ED to Primary Care

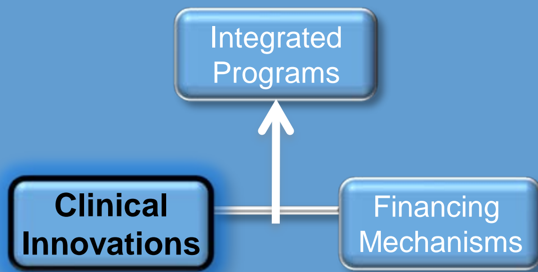
Post-Discharge Care Transitions Program

Remote Monitoring

Telemedicine



Health Care Innovations in Maryland



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Clinical Innovations

Patient-Centered Medical Home

A Patient-Centered Medical Home is a team-based model of care that provides continuous and coordinated care throughout a patient's lifetime to maximize health outcomes. The PCMH team typically consists of physicians, nurse practitioners, nurses, social workers, nutritionists, and other allied health professionals working together to provide preventive services, treatment of acute and chronic illness, and social support.

Here are some of the Maryland providers putting the PCMH model into use. Click on the links for more information:

Stand-Alone Medical Home Projects:

Maryland Medical Home Plus Project

The Memory and Alzheimer's Treatment Center

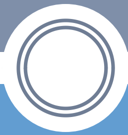
The Sickle Cell Infusion Center

Integrated Medical Home Projects with Supportive Financing:

Maryland Multi-Payer Patient-Centered Medical Home

CareFirst Primary Care Medical Homes Program

Adventist Patient-Centered Medical Home Pilot



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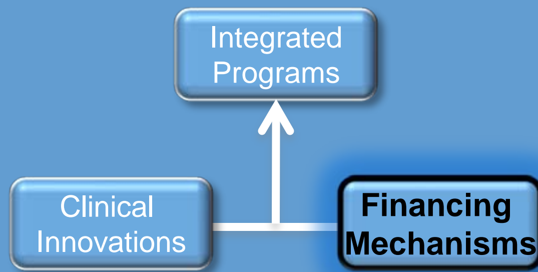

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Financing Better Health

Restructuring the way we pay for care plays an important role in promoting the kind of preventive and coordinated care that keeps patients healthy. These approaches to paying for care support better outcomes at lower cost.

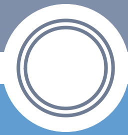
Bundled Payments

Global Budgets

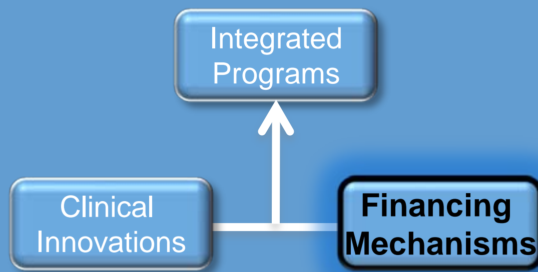
Incentives for Reducing Preventable Hospital Readmissions

Shared Savings

Self-Insurance



HEALTH CARE INNOVATIONS IN MARYLAND



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Financing Better Health

Maryland Total Patient Revenue

What They're Doing: Global Budgets that cover all inpatient and outpatient services provided by participating rural hospitals with protections against reductions in volume

Financing Mechanism: Total Patient Revenue is a three-year pilot program to test a voluntary alternative healthcare financing program for rural hospitals run by the Maryland Health Services Cost Review Commission (HSCRC). Participating hospitals receive a global budget that covers all inpatient and outpatient services provided by the hospital. The payment is calculated based on the hospital's charges from the prior fiscal year's with an annual rate update that is adjusted for performance on specific quality (both process and outcome) measures. This budget is used to determine the rate that the hospital can charge Medicare, Medicaid and private insurers for each service. If the hospital can increase efficiency, control costs or reduce avoidable ED visits, admissions and readmissions, it gets to keep 100% of the savings. If the costs increase beyond the allotted amount, then the hospital bears the financial risk. However, there is protection for hospitals to ensure that they do not lose revenue if volume decreases.

Evaluation Plan: HSCRC will review the number of hospital readmissions and how hospitals score on various quality (both outcome and process measure) before and after the program. Additionally, hospitals must submit any clinical innovations implemented in response to the program to the HSCRC.

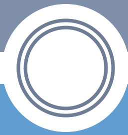
Outcomes: Not available at this time. Pilot results expected end of 2013.

Target Population: Rural Hospitals in Maryland (10 hospitals currently participating)

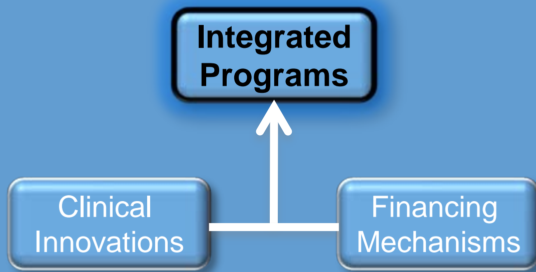
Date of Implementation: July 2010
Contact: Steve Ports at the Maryland Health Services Cost Review Commission (HSCRC) sports@hscrc.state.md.us.
Multimedia: pending
Where to learn more: pending

Learn how Maryland hospitals are implementing Clinical innovations with support from Total Patient Revenue below:

Calvert Memorial Hospital



Health Care Innovations in Maryland



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Integrated Programs

Organizations across Maryland are combining clinical innovations with supportive financing to meet the goals of the Triple Aim: enhancement of patient care, improvement of population health and reduction of cost.

Click on the examples below to learn more about how these programs mobilize cost-saving financial mechanisms to improve care:

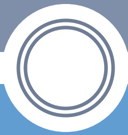
Adventist Patient-Centered Medical Home Pilot
Medical Home for High-Risk Patients supported by Self-Insuring

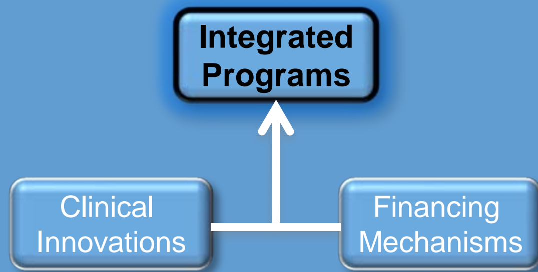
CareFirst Primary Care Medical Homes Program
Medical Home project supported by Enhanced Provider Fee Rates, Provider Incentives for Coordinated Care and Shared Savings

Johns Hopkins ElderPlus
All-Inclusive Care supported by Global Budgets

Maryland Multi-Payer Patient-Centered Medical Home
Medical Home Project supported by Shared Savings

Shore Wellness Partners
Intensive Case management supported by Total Patient Revenue





DRAFT

Integrated Programs

Maryland Multi-Payor Patient-Centered Medical Home

What They're Doing: State-wide Medical Home initiative supported by Shared Savings

Clinical Innovation: Creation of Maryland Learning Collaborative to support primary care practices in their transformation into Patient-Centered Medical Homes. These practice models emphasize integrated care coordination teams and individualized care plans, offering a uniquely flexible and responsive care centers for patients, and featuring 24/7 phone access, same-day appointments, and email communication options.

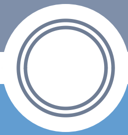
Financing Mechanism: Maryland law requires the five major insurance carriers and Medicaid to participate, and several other public employee plans have voluntarily joined in. Each practice enrolled in the program receives a transformation loan to finance costs associated with technology adaptation to moving to the medical home structure of care. A standard fee-for-service model per payer applies thereafter, with an annual reconciliation process where current year costs are compared to historical baseline and savings are shared equally between the plan and provider.

Evaluation Plan: Evaluation will be conducted by a third party and will focus on measures of quality, cost, patient/provider satisfaction surveys, and impact on health disparities.

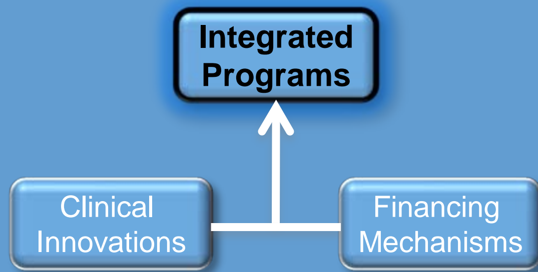
Outcomes: No results available at this time.

Target Population: Currently 53 practices participating from across the state.

Date of Implementation: Learning collaboratives launched May 2011, practices operational July 2011.
Contact: Susan Myers
Multimedia: pending
Where to learn more: http://mhcc.maryland.gov/pcmh



Health Care Innovations in Maryland



DRAFT

Integrated Programs

Johns Hopkins ElderPlus

Program of All-Inclusive Care for the Elderly

What They're Doing: All-Inclusive Care supported by Global Budgets

Clinical Innovation: All-inclusive coordination of preventive, primary, acute, and long-term care services for a nursing home-eligible population, allowing them to remain living independently while maximizing support services and reducing the need for hospitalization.

Financing Mechanism: Global payment system where Medicare and Medicaid provide risk-adjusted up-front monthly payments for each patient, incentivizing wellness promotion, prevention, and avoidance of unnecessary hospitalization.

Outcomes:

✓A rate of hospitalization equal to that of the general Medicare population, despite a sicker nursing home-eligible population at baseline.

✓96% of patients are able to remain living independently

✓95% of participants would recommend the program to a family member or friend

Target Population: High-risk nursing home-eligible elderly population living at home.

Date of Implementation: January 1996

Contact: Nicki McCann, nmccann4@jhu.edu

Multimedia: Pending

Where to learn more: www.hopkinsbayview.org/hopkinselderplus

Conclusions

- Tremendous challenges facing health system
- Health care reform is a tremendous opportunity
- To succeed, must control costs and improve outcomes.

MARYLAND
DEPARTMENT OF HEALTH & MENTAL HYGIENE

For More Information

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