



December 5, 2019

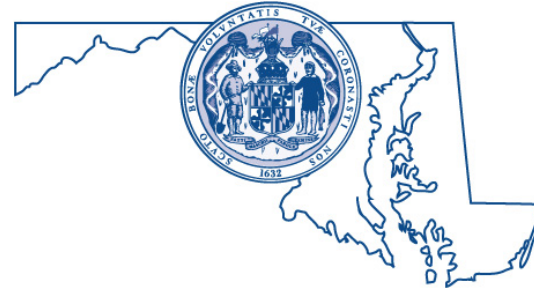
Maryland Total Cost of Care Model: *Statewide Alignment and Success*

Tequila Terry
Deputy Director

Health Services Cost Review Commission



HSCRC - Who We Are




The State of Maryland Health Services Cost Review Commission (HSCRC) is the State agency responsible for regulating the quality and cost of hospital services in order to ensure all Marylanders have access to high quality healthcare services.


We help lead the State's efforts to transform the delivery system and achieve population health improvement goals under the Total Cost of Care Model.

Under this Model and through our previous All-Payer Model, we aim to improve health outcomes, enhance the quality of care, and ultimately reduce the total cost of care for Marylanders.



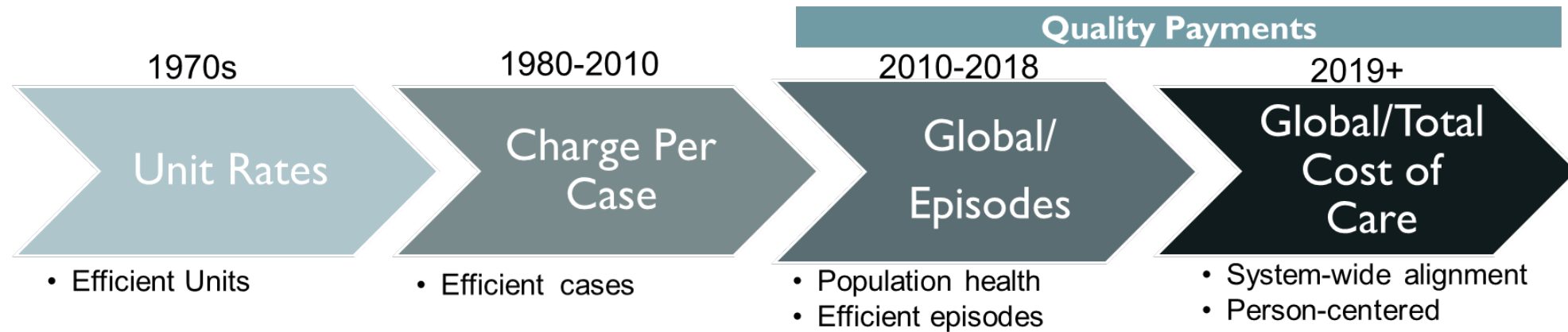


Maryland All-Payer Model
(2014-2018)



All-Payer Hospital Rate Setting and Maryland's All-Payer Model

Since 1977, Maryland has operated an all-payer, hospital rate setting system



- ▶ In 2014, Maryland updated its rate setting approach through the All-Payer Model:
 - ▶ Patient-centered approach that focuses on improving care and outcomes
 - ▶ Per capita, value-based payment framework for hospitals
 - ▶ Stable and predictable revenues for hospitals, especially those providing rural healthcare
 - ▶ Provider-led efforts to reduce avoidable use and improve quality and coordination
 - ▶ Contractual agreement between Maryland and federal government

All-Payer Model Results, CY 2014-2018

Performance Measures	Targets	2018 Results	Met
All-Payer Hospital Revenue Growth	≤ 3.58% per capita annually	1.92% average annual growth per capita since 2013	✓
Medicare Savings in Hospital Expenditures	≥ \$330M cumulative over 5 years (Lower than national average growth rate from 2013 base year)	\$1.4B cumulative (8.74% below national average growth since 2013)	✓
Medicare Savings in Total Cost of Care	Lower than the national average growth rate for total cost of care from 2013 base year	\$869M cumulative* (2.74% below national average growth since 2013)	✓
All-Payer Reductions in Hospital-Acquired Conditions	30% reduction over 5 years	53% Reduction since 2013	✓
Readmissions Reductions for Medicare	≤ National average over 5 years	Below national average at the end of the fourth year	✓
Hospital Revenue to Global or Population-Based	≥ 80% by year 5	All Maryland hospitals, with 98% of revenue under GBR	✓



Maryland Total Cost of Care Model
(2019-2028)



CENTERS FOR MEDICARE & MEDICAID SERVICES

Date: 7/15/18

By: *[Signature]*

Adam Boehler, Director, Center for Medicare and Medicaid Innovation

GOVERNOR OF MARYLAND

Date: 7/9/18

By: *[Signature]*

Lawrence Joseph Hogan, Jr., Governor

MARYLAND DEPARTMENT OF HEALTH

Date: 7/9/2018

By: *[Signature]*

Robert R. Neall, Secretary of Health

HEALTH SERVICES COST REVIEW COMMISSION

Date: 7/9/2018

By: *[Signature]*

Nelson Sabatini, Chairman



TCOC Model Agreement

Signed on July 9, 2018!



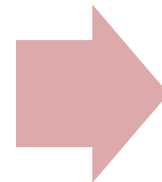
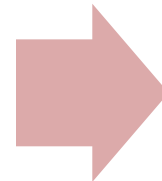
Changes from All-Payer Model to Total Cost of Care Model

All-Payer Model 2014 - 2018

Hospital Focus

Hospital Savings

Hospital Quality



Total Cost of Care Model 2019 - 2028

System Wide
Focus

Total Cost of
Care Savings

Hospital Quality &
Population Health

Total Cost of Care Model Overview

A 10-year agreement (2019-2028) between Maryland and CMS

- Five years (2019-2023) to build up to cost savings
- Five years (2024-2028) to maintain Medicare cost savings and quality improvements
- Opportunity to “expand” the model (that is, to make it permanent) based on how we perform over the next 3-5 years

Limits growth in total cost of care per capita and improves quality and population health by:

- Continuous quality improvement in setting hospital global budgets
- Engaging non-hospital providers in care transformation and TCOC responsibility
- Targeting specific population health goals and interventions

Total Cost of Care Targets

Reduce Medicare Costs

- Achieve \$300 million in Medicare savings annually by 2023 (from 2013 base year)

Limit Hospital Revenue

- Continue to limit growth in all-payer hospital revenue per capita at 3.58% annually

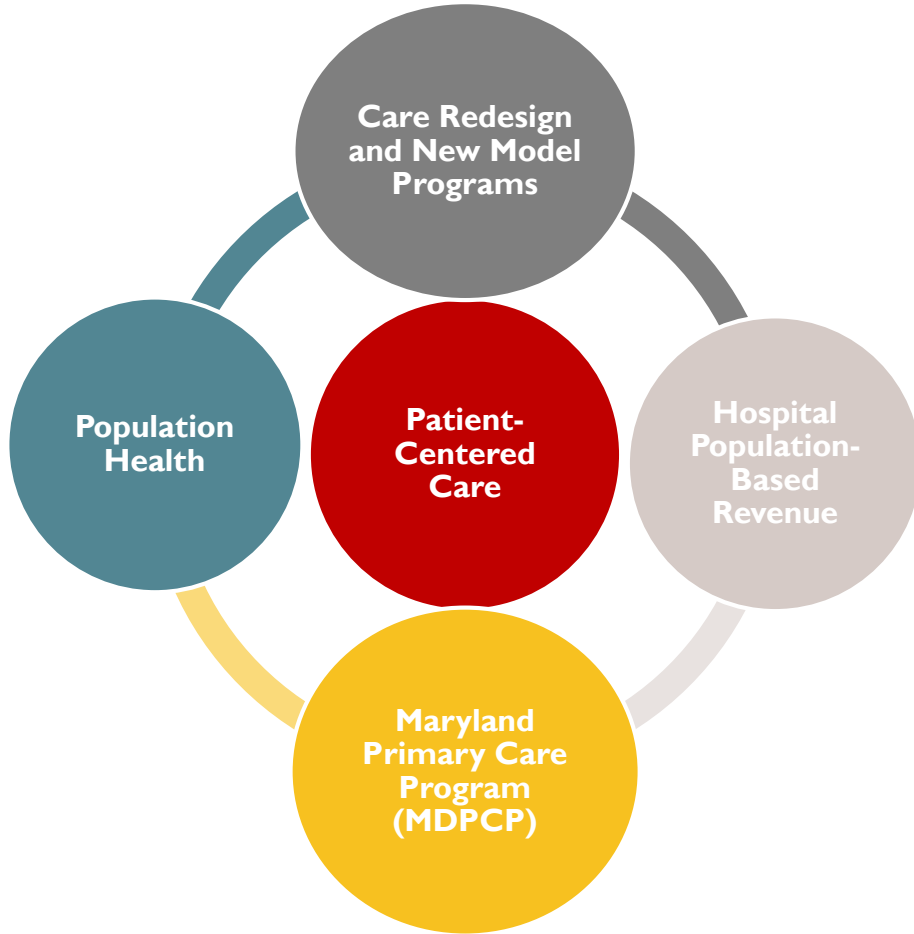
Transform Care

- Coordinate care for patients across both hospital and non-hospital settings to reduce disparities, improve health outcomes, and constrain the growth of costs

Improve Population Health

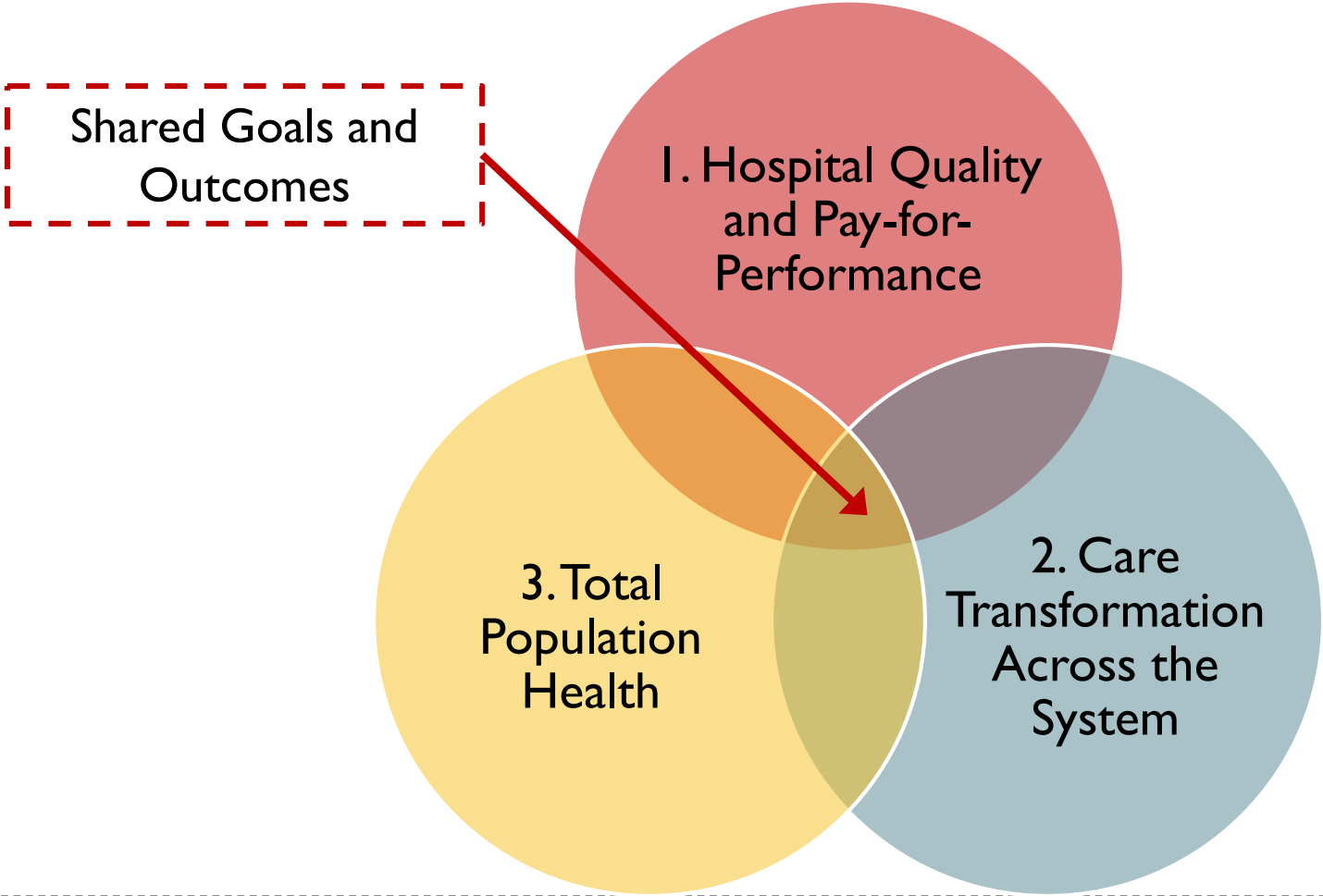
- Address Maryland's highly prevalent chronic conditions

Total Cost of Care Model Components



Component	Purpose
Hospital Population-Based Revenue	Expands hospital incentives and responsibility to control total costs through limited revenue-at-risk Incentivizes improved quality care and reduction of potentially avoidable utilization, reduced readmissions, and avoidable complications
Care Redesign and New Model Programs	Fosters care transformation <i>across the health system</i> <ul style="list-style-type: none"> Expand incentives for hospitals to work with others Opportunity for development of “New Model Programs” for non-hospital providers (EQIP) MACRA eligibility with participation
Maryland Primary Care Program	Enhance chronic care and health management for Medicare enrollees
Population Health	Encourages programs and provides financial credit for improvement in statewide diabetes, opioid addiction, and other priorities

Total Cost of Care: Statewide Integration Health Improvement Strategy



Maryland's Population Health Priorities

▶ **Diabetes prevention and management**

- ▶ Identified as a priority by Maryland State Secretary of Health
- ▶ Initiative being led by the Maryland Department of Health
- ▶ Maryland's statewide ***Diabetes Action Plan*** is now available on MDH website

▶ **Opioid screening, prevention, and treatment**

- ▶ Opioid Task Force convened under Lt. Gov. Rutherford in 2015
- ▶ State of Emergency declared by Governor Hogan in 2017
- ▶ State coordinating body, the Opioid Operational Command Center (OOCC), established in 2017

HSCRC Regional Partnership “Catalyst Grant Program”

- The Regional Partnership Catalyst Grant Program is an HSCRC grant program designed to create hospital-led partnerships in the community to support infrastructure needs, reduce costs, and improve population health.
- Funding will be issued to hospitals but meaningful community partnerships (e.g., funding, resource sharing, and/or in-kind support) will be required as a condition of grant eligibility.

Funding Stream I: Diabetes Prevention & Management Programs

- Support implementation of CDC approved diabetes prevention programs
- Support diabetes management programs

Funding Stream II: Behavioral Health Crisis Services

- Support implementation or expansion of behavioral health models that improve access to crisis services



Total Cost of Care Model
What's Next?



Total Cost of Care Model: What's Next?

Build on the All-Payer Model Success

- Sustain and improve high quality care under hospital finance model
- Achieve cost savings targets

Improve Population Health

- Finalize MOU with CMMI to identify targets and milestones for hospital quality, care transformation, and population health
- Work with partners to implement strategies/interventions

Foster Hospital & Community Partnerships

- Encourage hospital and community partnerships to address population health priorities
- Grants available January 1, 2021

Engage Non-Hospital Providers

- Develop value-based payment models for non-hospital providers
- Programs start January 1, 2021

Reduce Disparities

- Establish formal goals around reducing disparities and promoting health equity under TCOC model
- Expand disparities focus on new methods to assess and include patient-level social exposures/adversity
- Include disparity metrics in hospital monitoring or payment programs



Thank You!

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Health Services Cost Review Commission

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