



maryland
health services
cost review commission

Strengthening and Expanding the TCOC Model

Maryland Medicaid Advisory Committee

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HSCRC - Who We Are

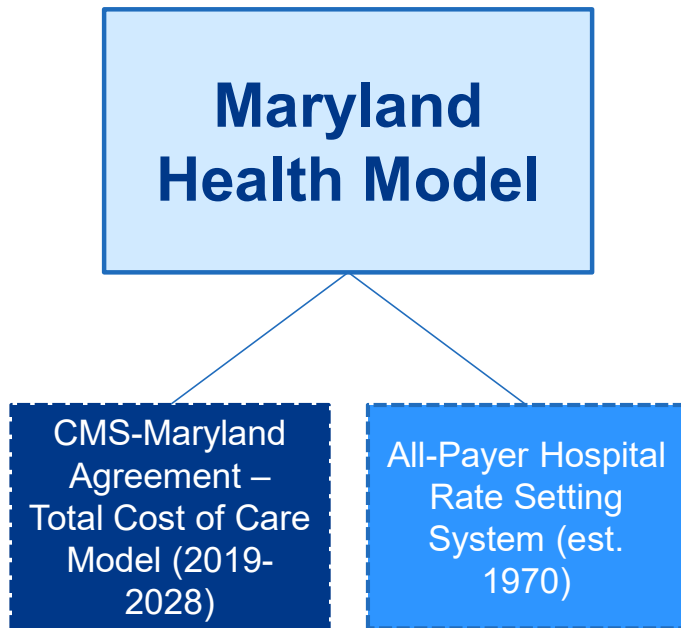


The Maryland Health Services Cost Review Commission (HSCRC) is an independent state agency responsible for regulating the quality and cost of hospital services to ensure all Marylanders have access to high value healthcare.

HSCRC's vision is to enhance the quality of health care and patient experience, improve population health and health outcomes, and reduce the total cost of care for Marylanders.

The HSCRC establishes rates for all hospital services and helps develop the State's innovative efforts to transform the delivery system and achieve goals under the Maryland Health Model.

Maryland's Unique Healthcare Payment System



Strengths of the Maryland Health Model:

- Enables **cost containment** for the public
- Increases **transparency** for consumers
- Ensures **hospital charges correlate with costs**
- Guarantees **equitable funding of Uncompensated Care**
- Creates a **stable** system for hospitals
- Funds **investments in population health**
- Establishes Maryland as a **leader in linking quality and payment**
- Provides **support for state healthcare infrastructure** and subject matter expertise
- Incentivizes **care transformation** across all settings of care
- Invests in **primary care**

The Maryland Health Model is important to our State

- The Maryland Health Model allows the State and hospitals to partner on **investments in population health**, which benefits the quality of life of people in Maryland.
- The Maryland Health Model:
 - Controls **hospital cost growth** while **enhancing quality** (care is provided in the **right setting at the right time**).
 - **Equalizes hospital charges for all payers** (including the uninsured), benefiting consumers, and employers
 - **Supports health equity** initiatives
 - **Stabilizes hospitals** in order to ensure **access to care** in all parts of the state (ex. COVID-19)
 - Guarantees **equitable funding of uncompensated care**

TCOC Model Components

Total Cost of Care Model (2019-2028)

Hospital Population-Based Revenue

Expands hospital quality requirements, incentives, and responsibility to control total costs through limited revenue-at-risk

Care Redesign Programs

Fosters care transformation across the health system

- Expands incentives for hospitals to work with others
- Opportunity to develop value-based programs for non-hospital providers
- MACRA eligibility with participation

Maryland Primary Care Program

Enhances chronic care and health management for Medicare enrollees

Population Health Investments

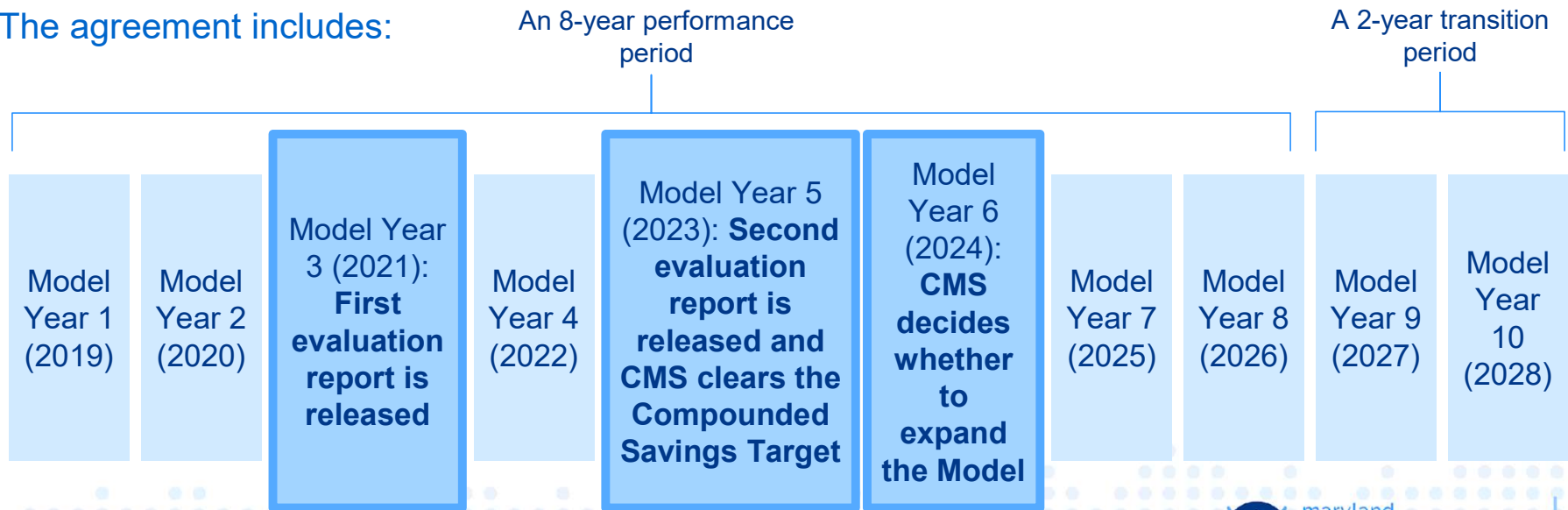
Encourages programs and provides financial credit for improvement in statewide diabetes, opioid addiction, and maternal and child health

TCOC Model Timeline

The Maryland Total Cost of Care Model State Agreement states:

“Under this Model, CMS and the State will test whether statewide healthcare delivery transformation, in conjunction with Population-Based Payments, improves population health and care outcomes for individuals, while controlling the growth of Medicare Total Cost of Care.”

The agreement includes:



Mathematica 2021 TCOC Evaluation Highlights

Positive Findings and Opportunities

Hospital Global Budgets provided **financial stability for hospitals** during COVID-19 (no closures).

Maryland is **focusing on population health** through the **Statewide Integrated Health Improvement Strategy (SIHIS)** and HSCRC's Regional Partnership Catalyst Funding program for **diabetes** and **behavioral health**.

The Model has extended incentives and supports beyond the hospital to include **post-acute providers, primary care, and community organizations**.

Care Transformation Initiatives have the potential to demonstrate **innovation across the State**.

Hospital Global Budgets create a **strong incentive to transform care**.

Maryland has generated **substantial actuarial Medicare savings** under the Model.

MDPCP practices report changes in **access and continuity, care management, comprehensiveness and coordination, patient and caregiver engagement, and planned care for health outcomes**.

Mathematica 2021 TCOC Evaluation Highlights

Opportunities for Improvement



Total Medicare spending was higher in Maryland than other states, **driven largely by higher hospital prices** (Maryland has successfully lowered hospital volume).

Maryland can **improve incentives for hospitals and care partners** to lower the Medicare total cost of care.



There is meaningful room for **improvement in SIHIS population health goals**.



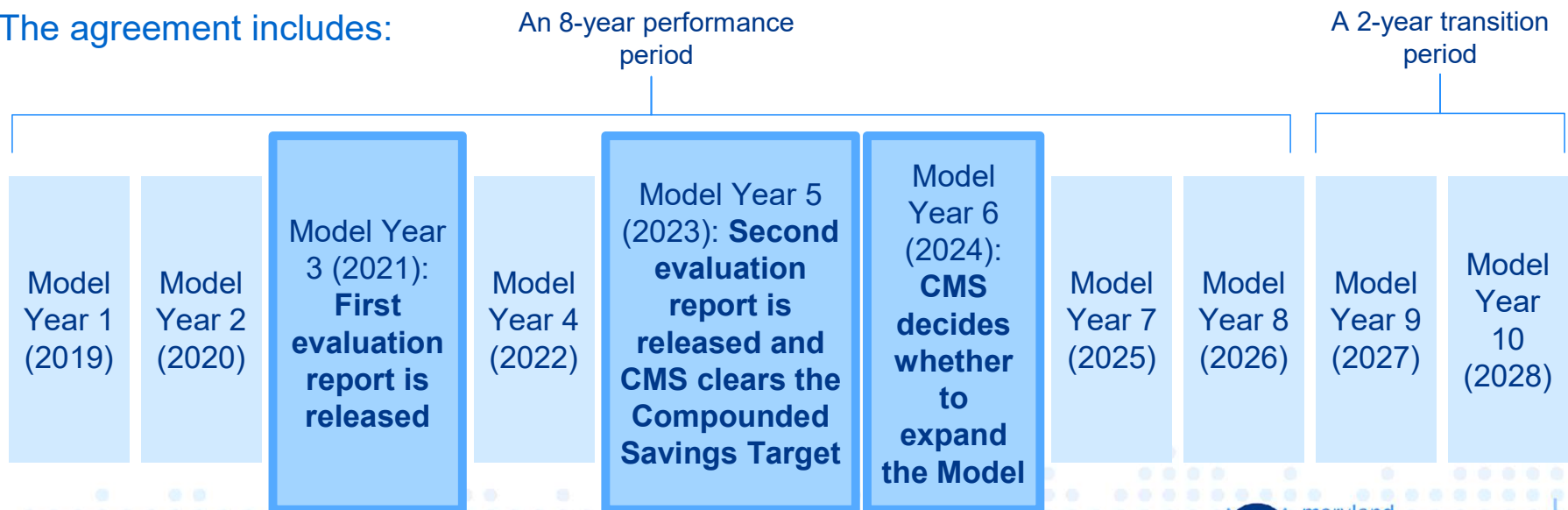
Maryland has room to **improve on quality measures**, including **readmissions and potentially preventable admissions**.

TCOC Model: Moving Forward

The Maryland Total Cost of Care Model State Agreement states:

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The agreement includes:



What is Expansion?

“Expansion” means that **all or some portion of the TCOC Model could be extended long term**, without the need to renegotiate agreements with CMMI.

If the Model is not expanded, CMMI could decide to **test a new model or return Maryland to the national prospective payment system.**

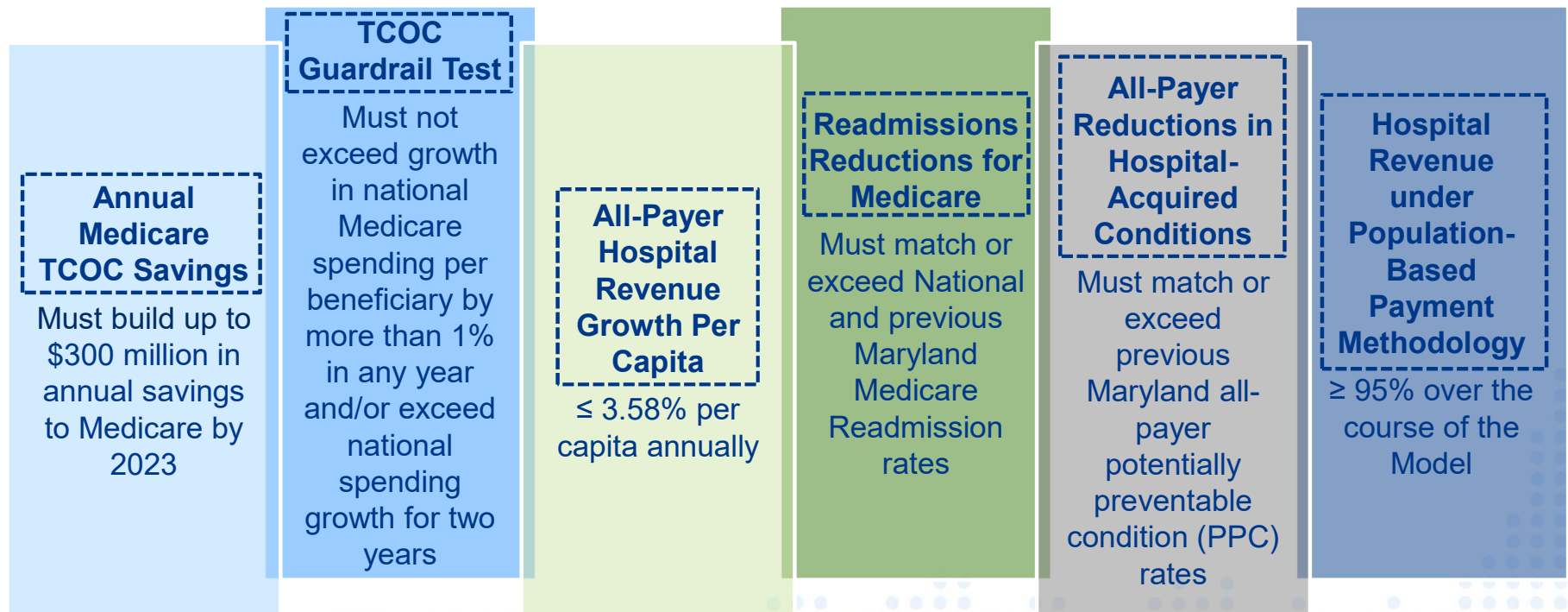
Under SSA §1115A(c), to expand the Model:

- CMMI must determine that expansion is expected to—
 - **reduce spending** without reducing the quality of care; or
 - **improve the quality of patient care** without increasing spending;
- CMS’s Chief Actuary must certify that expansion would **reduce** (or would not result in any increase in) **net Medicare spending**

A positive independent evaluation is necessary for, but does not guarantee, TCOC Model expansion.

Total Cost of Care (TCOC) Model Targets

The TCOC Model requires the State of Maryland to meet the following targets:



Strategies for TCOC Model Implementation

Maryland can succeed under the TCOC Model with the following strategies:

Foster Accountability

- Support providers as they take responsibility for the care and health outcomes of defined populations

Align Incentives

- Ensure providers, payers, and health care consumers are working together to achieve common goals

Transform Care

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

Improve Population Health

- Encourage statewide coordination to address Maryland's highly prevalent chronic conditions

Prioritize Equity

- Establish policies, collect and analyze data, and collaborate with other State agencies to achieve a more equitable healthcare system

Questions?

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