HSCRC Update on Maryland's Health Care Transformation

March 2017

HSCRC
Health Services Cost Review Commission

Background: Maryland's All-Payer Model

- Since 1977, Maryland has had an all-payer hospital rate-setting system
- In 2014, Maryland updated its approach through the All-Payer Model
  - 5-year state innovation between Maryland & federal government (2014 through 2018) focused on hospital payment transformation
  - Each hospital receives fixed Global Budget Revenue (GBR)
    - Shifts from volume to value-based payments
    - Greater focus on patients and working with providers across the care continuum

Core Approach— Person-Centered Care Tailored Based on Needs

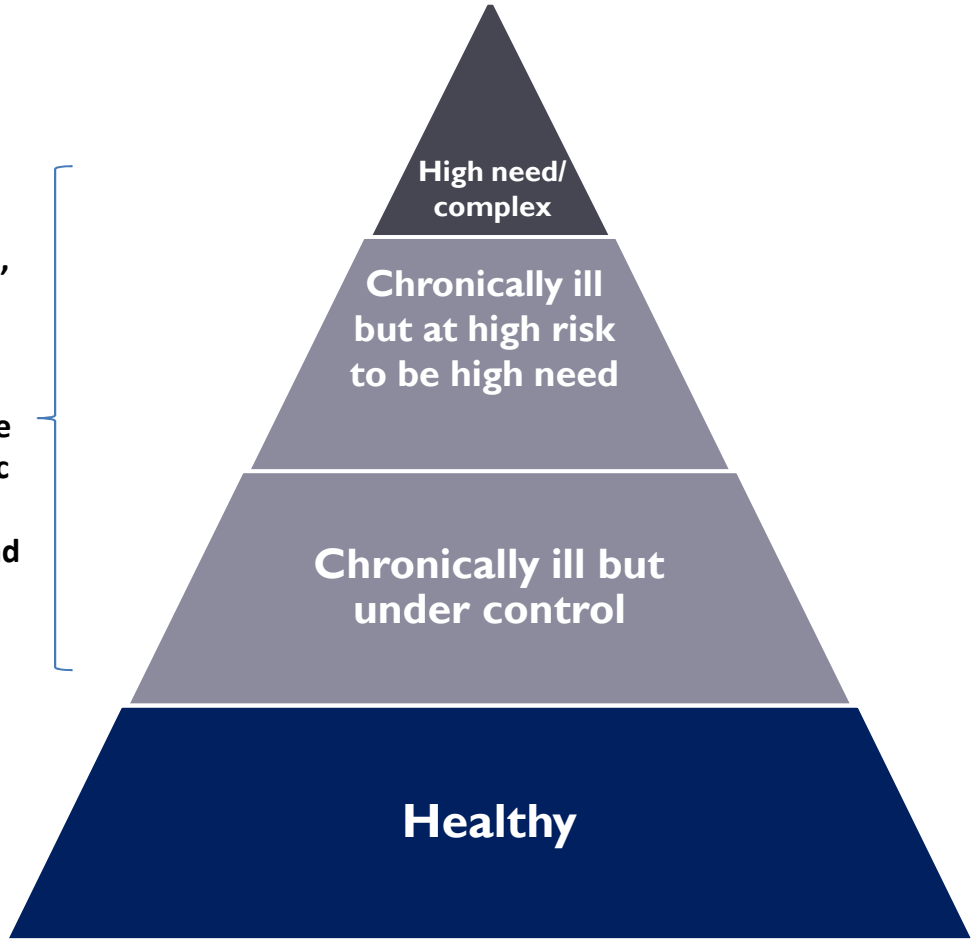
Utilizing EHRs, analytics, health information exchange, and care coordination resources to improve care and health.

A

Care plans, support services, case management, new models, and other interventions for individuals with significant demands on health care resources (e.g., HCIP, CCIP)

B

Address modifiable risks and integrate and coordinate care, develop advanced patient-centered medical homes, primary care disease management, public health, and social service supports, and integrated specialty care



C

Promote and maintain health (e.g., Maryland Primary Care Model)

Success To Date in Maryland's All-Payer Model (2014-2018)

Performance Measures	Target	2016 YTD Results
All-payer hospital revenue growth	≤3.58% per capita annually	0.35% per capita in 2016 thru Sept
Cumulative Medicare savings in hospital spending	>$330 million by Dec 2018	$429 million cumulative
Medicare savings in total cost of care	≤ national growth rate	1.63% below national average growth
Reductions in hospital-acquired conditions	30% reduction by Dec 2018	49% reduction
Hospital readmissions for Medicare	To national average by Dec 2018	71% reduction in gap above nation
Hospital revenue to global or population-based	≥80% by Dec 2018	96%

Source: Figure 1 of "The Maryland All-Payer Model Progression Plan," Maryland Department of Health and Mental Hygiene, http://www.hscrc.maryland.gov/documents/md-maphs/pr/Maryland-All-Payer-Model-Progression-Plan.pdf.

Transformation Under the All-Payer Model

- Delivery systems, payers, and regional partnerships organizing and transforming
- In 2015, HSCRC awarded grants to support the planning and development of 8 **Regional Partnerships** for health system transformation
  - Focused on developing care coordination and population health priorities, determining what resources are needed and available, and determining how resources and strategies should be deployed
- In 2016, HSCRC awarded **Transformation Implementation** grants to 10 regional partnerships and 4 single hospitals
  - Inter-hospital partnerships focus on region-specific health challenges to promote care coordination across settings
  - Single-hospital grantees working outside hospital walls to improve care

Care Redesign Amendment

- Developed in response to stakeholders' requests for greater alignment strategies and transformation tools
- Allows hospitals to implement Maryland-designed **Care Redesign Programs** with hospital-based and community-based care partners (e.g. physicians, nursing homes, etc.)
  - Access to comprehensive Medicare data
  - Approvals for hospitals to share resources and pay incentives to their care partners
  - Support for providers under MACRA
  - Flexibility to add/modify/delete care redesign programs

Care Redesign Amendment: Two Initial Programs to Start in 2017

- Two initial care redesign programs aim to align hospitals and other providers
- Voluntary participation

Hospital Care Improvement Program (HCIP)	Complex and Chronic Care Improvement Program (CCIP)
• Designed for hospitals and providers practicing at hospitals • Focus on efficient episodes of care • **Goal**: Facilitate improvements in hospital care that result in care improvements and efficiency	• Designed for hospitals and community providers and practitioners • Focus on complex and chronic patients • **Goal**: Enhance care management and care coordination

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Second Term Proposal (2019+): "Progression Plan" Key Strategies

I. **Foster accountability** for care and health outcomes by supporting providers as they organize to take responsibility for groups of patients/a population in a geographic area.

II. **Align measures and incentives** for all providers to work together, along with payers and health care consumers, on achieving common goals,

III. **Encourage and develop payment and delivery system transformation** to drive coordinated efforts and system-wide goals.

IV. **Ensure availability of tools** to support all types of providers in achieving transformation goals.

V. **Devote resources to increasing consumer engagement** for consumer-driven and person-centered approaches.

"Progression Plan" Highlights

- Build on global hospital revenue model with value-based incentives
- Continue transformation to focus on complex and chronic care, episodes
- Begin implementing a Comprehensive Primary Care Model in 2018, increasing focus on prevention and chronic care
- Payment and delivery alignment beyond hospitals
  - MACRA bonus-eligible programs
- Increasing responsibility for system-wide costs/goals
  - Dual Eligibles ACO
  - Geographic Incentive Model

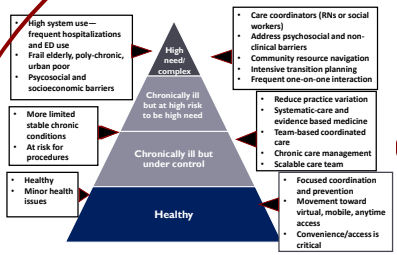
Maryland's Planned Progression-Synergistic Models

Person-Centered Care Tailored to Needs

Hospital Global Model

Focus: Complex and high needs patients

Tools



Risk stratification
Complex and high needs case management/interventions
Care coordination
Medication reconciliation
Chronic care management

Comprehensive Primary Care Model

Focus: Rising need patients, prevention

Goal: Improve Outcomes, Reduce Avoidable Utilization

Thank you for the opportunity to work together to improve care for Marylanders!

Questions?