



# HSCRC Update on Maryland's Health Care Transformation



March 2017

**HSCRC**  
Health Services Cost  
Review Commission

---

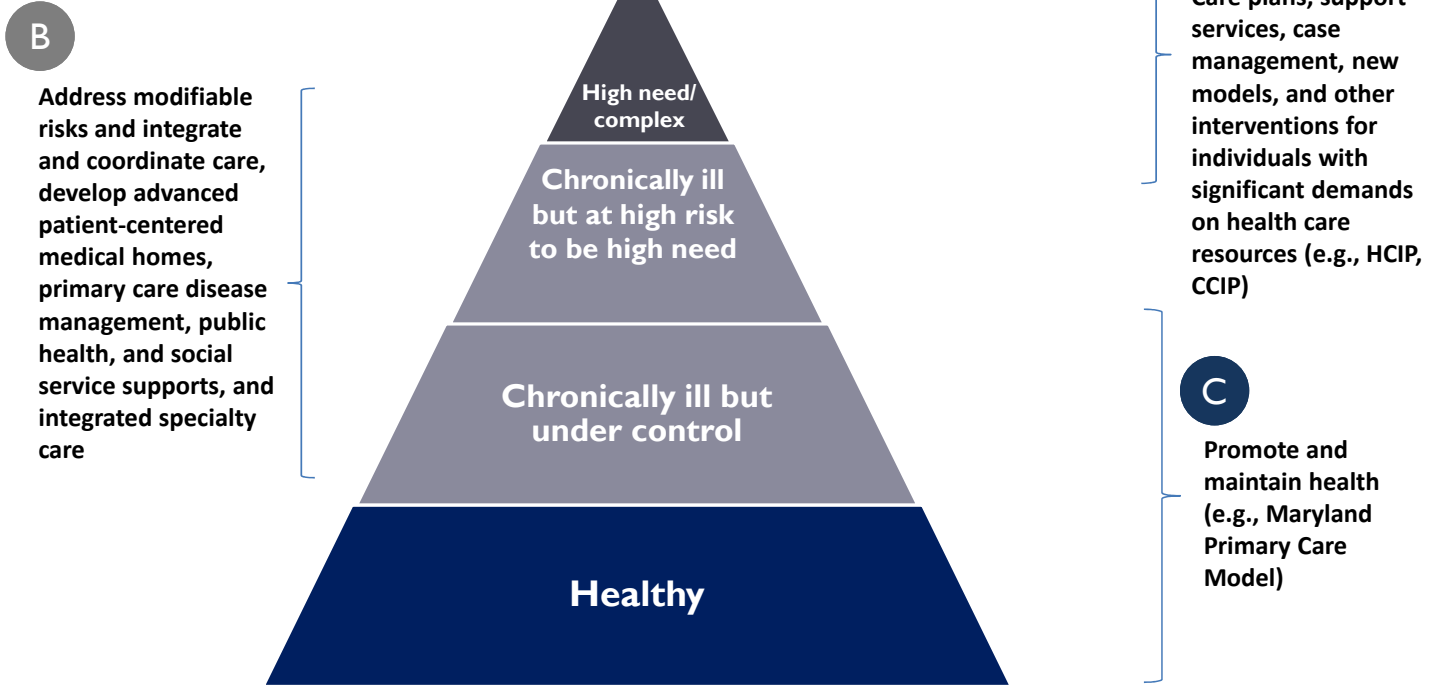
## Background: Maryland's All-Payer Model

---

- ▶ 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.*



# 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%

## 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)

- 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

## Complex and Chronic Care Improvement Program (CCIP)

- Designed for hospitals and **community** providers and practitioners
- Focus on complex and chronic patients
- **Goal:** Enhance care management and care coordination

## 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.

EXAMPLES?



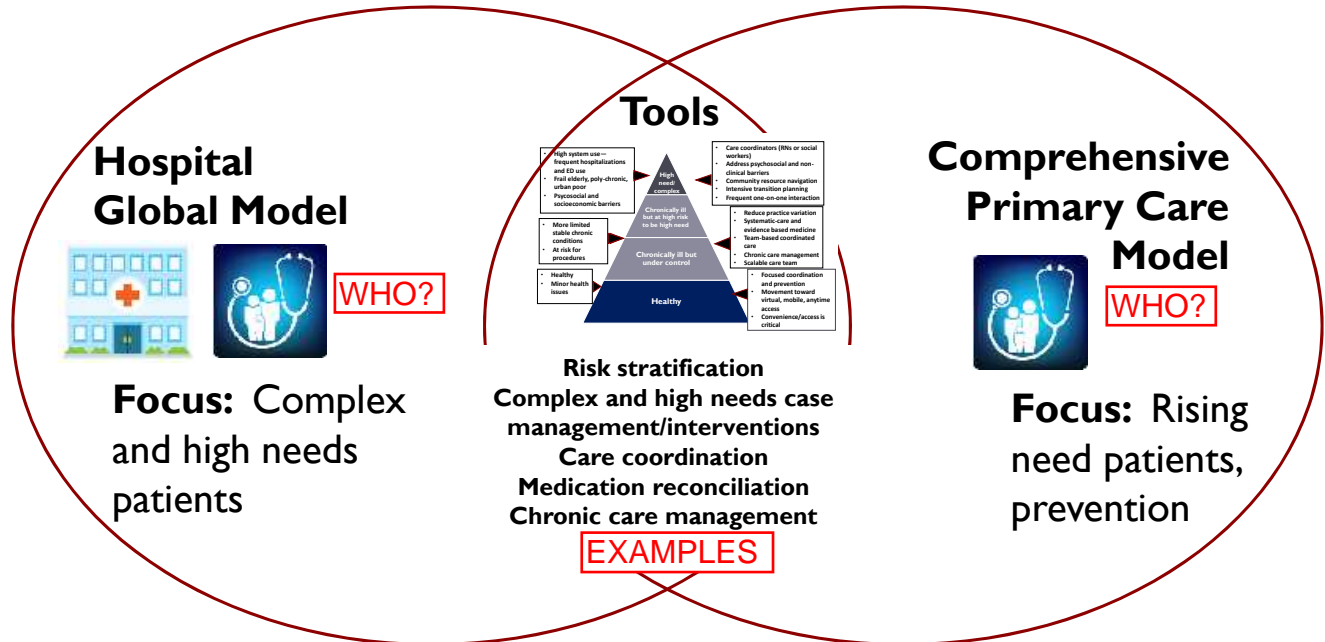
## “Progression Plan” Highlights

---

- ▶ 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



**Goal: Improve Outcomes, Reduce Avoidable Utilization**

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

Questions?