



**Comments on Guiding Principles:
Implementation of Population Based and Patient Centered System
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The Maryland Women's Coalition for Health Care Reform (Coalition), an alliance of thousands of individuals and 99 organizations, applauds the state of Maryland in developing an all payer hospital reimbursement model. Our Coalition hopes that this model coupled with other initiatives will foster care that enhances positive health outcomes and reduces costs.

We are pleased to offer the comments below on the January 31, 2014 *Guiding Principles for Implementation of Population Based and Patient Centered Payment System* as submitted by the Health Services Cost Review Commission Advisory Council (Council). Many, but not all of these, were also submitted in comments we made on the *HSCRC Staff Recommendations For Transitional Rate Setting Policies To Govern Implementation of the Approved All-Payer Model*.

1. **Need For Consumer Representation:** If the Advisory Council continues to play an active role in developing and tracking the implementation of the Waiver, we strongly recommend that its membership includes consumer advocates or others that represent the broad needs and interests of Marylanders, as well as those who provide long term care.
2. **Need For Testing Global Budgets:** We are concerned about the speed of implementation of global budgets without first pilot testing in suburban and urban areas. (1.1 page 2). The movement to global budgets is an extension to suburban and urban settings of the Total Patient Revenue (TPR) program currently operating in rural areas. While the TPR results may be encouraging, this program needs to recognize the imperfect ability to assign accountability for patients. In a suburban or urban setting the problem of patient accountability will be magnified and will require solutions that need to be pilot tested. We urge you to consider broad consumer involvement in the design and testing process of new payment policies.
3. **Investments Must Help To Protect Vulnerable Patients:** We are concerned as to how hospitals that serve the most challenging patient

populations will fare under the proposed rate setting policies. Hospitals that serve complex patients will face additional challenges and expenses associated with managing the care for the vulnerable patients they serve. Although Maryland has been progressive in spreading the cost of low income and uninsured populations across all hospitals, now hospitals will need to better manage the care for these patients, and the burdens of managing care will not be so easily spread. Investments in infrastructure (2.1, pg 4-5) should take into account the higher costs incurred by patients who experience barriers to care due to socio-economic status, language and other factors.

4. **Avoiding Conflicts Of Interest:** To avoid conflicts of interest in how HSCRC will play the role of regulator, catalyst and advocate (3.1, pg 6) the Coalition suggests that additional DHMH agencies be involved in the implementation of the waiver.
5. **Patient Choice and Accessibility:** We are pleased that the principles highlight guarding against under-use of services. (4.2-pg. 6). To that end we recommend that as part of implementation the state should establish an ombudsman to investigate and respond to patient concerns. For example, in California, the Office of the Patient Advocate is an independent state office established to create and distribute educational materials for consumers, public outreach, and evaluation and ranking of health care service plans, collaboration with patient assistance programs, and policy development.
6. **Patient Centered Care:** We are pleased that the principles state that the HSCRC should actively engage consumers. (4.1, pg 6). For the process to be more patient centered the Coalition offers specific recommendations for a stronger role for consumer engagement in the implementation of the waiver. In order for individuals to make the best healthcare decisions for themselves and their families, a true working partnership must be developed between the individual and their provider(s). Consumers also have difficulty understanding medical information provided to them due to language and literacy barriers, limited tools to support decision-making, and a lack of quality and cost information.

To increase consumer knowledge and engagement, the Coalition recommends the following:

- Implement mechanisms for consumer input and advocacy.
- Provide consumer information and tools to increase health and illness self-management: In order to partner effectively with their providers, consumers will need more and better health information in a timely manner. This is particularly true for the newly insured who have little experience with accessing health care outside of

Emergency Departments. At the same time, they will need the appropriate tools to enable them to act on this information. To help facilitate the implementation of the waiver and improve consumer engagement there is a need for: consumer portals, the promotion of decision-support tools, the leveraging of HIT to disseminate quality and cost data, and the development of consumer information curricula. There is a clear need in all areas for a coordinated effort to create “health literate consumers.”

7. **Promotion of Public and Community Health:** We are pleased that the charge to the HSCRC workgroups includes the development of specific recommendations on strategies to align incentives among hospitals and other providers (5.2 pg 7). These recommendations must be coupled with a renewed commitment to funding public and community health and correctly sizing hospital capacity. If the payment policies are successful it is likely to accelerate the trend to outpatient care and to move care out of the hospital and into less acute community settings. We believe it would be helpful to do an analysis of hospital capacity in service area designations compared to the population needs.
8. **Cost Sharing With Consumers:** Shared savings should include consumers (5.3, pg 7). The payment policies should provide explicit methods to assure that savings created by payment reform get passed on to the consumer and other payers. We are concerned that any system-wide savings are actually reflected in lower premiums for consumers. The Insurance Administration has the authority to review trend assumptions when reviewing rates for the insured population. Consumers would be better served if rate setting language were explicit that savings will lower premiums. Such a policy would also support greater consumer support for this transformative process, which will be a key to the success of the overall initiative.
9. **Protect Consumers With Improved Quality of Care:** We hope that these new payment principles will help to prevent needless deaths and injuries. Wrongdoers should be held accountable through the medical malpractice system. Restricting patients' fundamental legal rights may only further burden the health care system. (pg. 8).

The Coalition very much appreciates the thoughtful approach that the Advisory Council and HSCRC staff took in developing these Implementation Principles. We would note that several members specifically cited the lack of consumer and patient representation on the Council. As stated above, we hope that this void will be filled in the future if the HSCRC continues to call upon the Council. While the workgroup membership does include these perspectives, it will be important for them to be a part of the higher level discussions.