

Payment & Delivery System Reform: The Maryland Model

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- 2006 - Founded as the Maryland Women's Coalition for Health Care Reform
- 2016 - Transformed with new name & same mission:
 - Work collaboratively to advance health equity through access to ensure all Marylanders have the health care they need & deserve
- Key Strategies:
 - Put consumers first on legislation, regulation & policy
 - Education, outreach, engagement, advocacy & action

Today's Agenda

- Maryland's All-Payer Model
 - Policy Background
 - Design & Goals
 - Consumer-related Issues
 - Achievements
- The Next Phase: System Alignment
- Advocate Engagement
- What Does the Future Hold

All-Payer Model: Fundamentals/Policy Levers

- 1971 = HSCRC/hospital rate regulator
- 1977 = Medicare “demonstration”
Waiver to set hospital rates & contain costs
- 1998 = Maryland Claims Data Base
- 2008 - 2011 = 8 Rural Hospitals on Total Patient Revenue Program (TPR)

Maryland Medicare Waiver: Goal & Benefits

Test: Contain growth in Medicare spending per inpatient hospital below national level

Benefits:

- Stable & predictable payment system across all hospitals
- Eliminated cost-shifting between payers
- Equitable funding of uncompensated care - no charity hospitals in Maryland

All-Payer Model: Impetus for Transformation

- Bumping up against waiver test
 - in-patient services dominated & primary measure = cost per discharge & length of stay
- ACA reset the table
 - Per case costs out of step w/ ACA population health & care coordination goals
 - CMS Innovation Center = opportunity to rewrite waiver
 - 5-year contract signed 1 January 2014

All-Payer Model: Core Elements

- **Total hospital per capita revenue growth ceiling tied to long term state economic growth (GSP) per capita**
 - 3.58% annual growth rate
- **Medicare payment savings for Maryland beneficiaries compared to dynamic national trend**
 - Minimum of \$330 million in savings over 5 years
- **Patient and population centered-measures and targets to promote population health improvement**
 - Medicare readmission reductions to national average
 - 30% reduction in preventable conditions under Maryland's Hospital Acquired Condition program (MHAC) over a 5 year period
 - Quality revenue at risk to equal or exceed national Medicare programs

All-Payer Model: Global Budgets = Value over Volume

- All Maryland hospitals, 95% of revenues
- Benefits
 - Hospitals incentivized to reduce potentially avoidable utilization
 - Prevent readmissions
 - Predictable overall hospital costs & control of growth in hospital charges
- Better care transitions, care coordination, community-based care

All-Payer Model: Progress to Date

		Maryland Performance	Cumulative Target	
ALL-PAYER HOSPITAL SPENDING GROWTH PER CAPITA <small>(compared to base year Maryland - CY 2013)</small>		3.62% spending growth	11.13% spending growth or below	PERIOD Jan '14 - Oct '16 vs. 2016 ceiling DATA HSCRC monthly financial data
MEDICARE HOSPITAL SPENDING GROWTH PER BENEFICIARY <small>(compared to national)</small>		\$430 million in savings	\$132 cumulative savings at year 3	PERIOD Jan '14 - Aug '16 vs. 2016 target DATA CMS data*
MEDICARE ALL PROVIDER SPENDING GROWTH PER BENEFICIARY¹ <small>(compared to national)</small>		-1.15% spending difference <small>(MD growth rate was -0.30%)</small>	0% no more than above national growth rate <small>(national growth rate was 0.85%)</small>	PERIOD Jan '16 - Aug '16 vs. CY 2016 target DATA CMS data*
MEDICARE READMISSION RATE <small>(compared to national)</small>		-6.02% decrease	-5.20% decrease or more	PERIOD Jan '14 - Jul '16 vs. 2013 Base Year DATA CMS data, V. 5*
MARYLAND HOSPITAL ACQUIRED CONDITIONS RATE <small>(compared to base year Maryland - CY 2013)</small>		-33.04% decrease	-13.31% decrease or more	PERIOD Jan '14 - Dec '15 vs. 2013 base year DATA HSCRC data

December 2016

All-Payer Model: Opportunities & Challenges for Consumers

Opportunities:

- “Patient-Centered Model”
- Greater understanding of, & emphasis on, behavioral health issues & impact of social determinants of health

Consumer-oriented Challenges:

- Performance measures to:
 - assess direct impact
 - Hospital impact outside their walls
- Educate/engage consumers - personal & policy

Payment & Delivery System Reform: Maryland's Players

- CMS & Innovation Center
- Health Services Cost Review Commission (HSCRC)
- Department of Health & Mental Hygiene: Office of Planning; Health Care Financing (Medicaid); & Public Health Services
- Maryland Health Care Commission (Quality Reports & MPCD)
- Chesapeake Regional Information System for Patients (CRISP) = Health Information Exchange
- Community Health Resources Commission
- Insurance Carriers, Consumers, Providers, Long-term Care Facilities & More...

Role for Policy “Wonks” & Advocates

- HSCRC Advisory “Blue Ribbon” Council
- HSCRC Consumer-Standing Advisory Comm.
- HSCRC Workgroups include:
 - Alignment Models
 - Consumer Engagement
 - Data & Infrastructure
 - Payment Models
 - Total Cost of Care
 - Care Coordination
 - Community Outreach
 - Duals Care Delivery
 - Perf. Measures [inc. BH]

Consumer Engagement Task Force: A Model for a Model

Charge: Recommend strategies to engage consumers on two levels: personal & policy

Proposed All-Payer Model Mission: Foster health care system driven by culture of robust & meaningful engagement to address the Triple

Aim:

- improve the patient experience, including quality and satisfaction
- improve health of populations
- reduce per capita cost of health care

Consumer Engagement Task Force Recommendations

- Permanent Standing Advisory Committee
- Coordinated & Cohesive Statewide Communications Plan
- Avenues for regular, longitudinal & effective consumer engagement = policies, procedures, & programs by hospitals, health care providers, health care payers, & government.
- Consumer Gold Star system for hospitals
- Define community benefit to include consumer engagement - particularly for vulnerable pops



What's Ahead?

- CMS approves PA Rural Health Model (1/17)
- Alignment of Other Sectors of the Delivery System & Address Total Cost of Care
 - All-Payer Model Progression Plan
 - Comprehensive Primary Care Model
 - Duals Care Delivery Concept Paper
 - Population Health Improvement Model

Resources

Consumer Health First

www.consumerhealthfirst.org

Health Services Cost Review Commission

www.hscrc.maryland.gov

- All-Payer Model

Department of Health & Mental Hygiene

www.dhmh.maryland.gov

- Comprehensive Primary Care Model
- Dual Eligibles
- Population Health

Questions



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