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Revenue for Reform Policy

Hospital Application

April 2022

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Introduction

Under Global Budget Revenue ("GBR") rate-setting methodologies, hospitals have retained significant revenue as volume declines, which results in higher charges for consumers. However, retained revenues are necessary to allow hospitals to invest in population health and other delivery system transformation. The Integrated Efficiency Policy addresses excessively high charges by withholding inflation from hospitals with excess costs relative to their peers. But currently, only traditional hospital costs are included in the ICC. This potentially penalizes hospitals that have reinvested their retained revenues in population health management. The Revenue for Reform policy is intended to safe harbor population health investments from the Integrated Efficiency Policy. The Revenue for Reform policy will separate hospital expenditures into 'core hospital expenditures' and 'population health expenditures.' Expenditures must be net of any revenue received.

Revenue for Reform is intended to integrate community health spending directly into the hospital's global budgets. Currently, HSCRC policies (e.g., CTI, GBR, etc.) work for interventions that hospitals physically deploy within their hospitals/health systems. Revenue for Reform is thus targeted at interventions physically deployed outside of the hospital.

Revenue for Reform Safe Harbors

Hospitals may choose to include spending from one of three safe harbors: Community Health, Physician Spending, and Catch-All.

Community Health Safe Harbor

The Hospital may include spending directed towards an unmet community health need identified in the hospital's Community Health Needs Assessment (CHNA); or is spent on implementing one of the CDC's 2030 Healthy People Interventions, which are rated evidence-based resources selected by subject matter experts at the U.S. Department of Health and Human Services CDC Healthy People Interventions can be located with the following link: https://health.gov/healthypeople/objectives-and-data/browse-objectives.

Required Criteria

- □ Narrative Description of Intervention
- □ Service Area Where Intervention is Deployed
- □ Number of Anticipated Program Beneficiaries
- □ Budget and Cost Model
- □ CHNA
    - □ Spending Category: 1) unmet community health need or 2) implementation of CDC's Healthy People Interventions
- □ Implementation Plan

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Physician Spending Safe Harbor

The hospital may include spending on primary care, mental health providers, and dental providers in a Health Professional Shortage Area or a Medically Underserved Area.

Required Criteria

- □ Narrative Description of Intervention
- □ Service Area where Intervention is Deployed
- □ Number of Anticipated Program Beneficiaries
- □ Budget and Cost Model
  - □ Spending Category: 1) primary care 2) mental health providers or 3) dental providers in a Health Professional Shortage Area or Medically Underserved Area
- □ Implementation Plan

Regional Entity Safe Harbor

This safe harbor allows the hospital to include spending on developing a non-profit entity or funding an existing entity to manage population health programs in the hospital's geographic service area.

Required Criteria

- □ Narrative Description of Intervention
- □ Service Area where Intervention is Deployed
- □ Number of Anticipated Program Beneficiaries
- □ Budget and Cost Model
- □ Implementation Plan
- □ Most recent CHNA
- □ Explanation of Intervention Necessity
- □ Regional Entity Membership
- □ Governance Structure
- □ Staffing

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Revenue for Reform Report Template

Please complete the following sections that are applicable to the safe harbor selected. Sections 1- 8 are required for all safe harbors. Sections 9-12 are only applicable to the Catch-All Safe Harbor.

Section One: Safe Harbor Selection

Select which safe harbor spending will be associated:

☐Community Health Safe Harbor

☐Physician Spending Safe Harbor

☐Regional Entity Safe Harbor

Section Two: Narrative Description of Intervention

Applicable Safe Harbors: Community Health, Physician Spending, and Regional Entity

The narrative description should summarize the intervention and how it relates to the chosen safe harbor. An intervention is an action to be taken that will improve the health of a community and demonstrate a positive health impact over time. Interventions can be clinical/patient-oriented but are not limited to that category. The intervention must be a community health initiative and not a hospital initiative. A community health initiative focuses on addressing social, behavioral, environmental, economic, and medical social determinants of health outside of the hospital.

The intervention should be a line item(s) in a budget within a hospital. An established budget is allocated to support the intervention and a component of a department or hospital annual plan/strategy. Table 1 in the Appendix section provides examples of qualifying and disqualifying interventions in each safe harbor.

Provide a narrative description of your intervention below:

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Section Three: Service Area

Applicable Safe Harbors: Community Health, Physician Spending, and Regional Entity

The hospital must indicate where the intervention(s) will be deployed, and the geographic population being targeted. The service area selected should reflect the hospital's primary service area. The hospital will indicate the service area by providing the address of the intervention, which is where the majority of the employees/contractors will deploy the intervention. The hospital must also list the zip codes from which it expects to draw most of its served population.

Please provide the address(es) of the intervention and list the zip codes from which the hospital expects to draw the majority of its served population. If the hospital will partner with an organization, please indicate the organization and the address of the organization.

Address:

Zip Codes:

Section Four: Number of Anticipated Program Beneficiaries

Applicable Safe Harbors: Community Health, Physician Spending, and Regional Entity

The hospital must indicate how many anticipated beneficiaries will receive the intervention.

Number of beneficiaries:

Section Five: Budget and Cost Model

Applicable Safe Harbors: Community Health, Physician Spending, and Regional Entity

The hospital must include an aggregate amount that they are proposing to be included in the safe harbor. The hospital must also include a cost model that explains how the aggregate amount was derived. A cost model estimates the costs associated with the initiative's implementation and/or operation for one year. The hospital will submit a cost model for direct costs and a ratio of indirect costs at 25% of direct costs. A cost model template will be provided.

Direct cost items that may be considered in the cost model include, but are not limited to, the number of FTEs by provider type that will be employed in the intervention, FTE salaries, medical and non-medical equipment, and drugs and medical and non-medical supplies.

Complete the attached Budget and Cost Model workbook. Instructions are provided within the workbook.

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Section Six: Implementation Plan

Applicable Safe Harbors: Community Health, Physician Spending, and Regional Entity

The implementation plan provides a brief overview of how the intervention is/will be integrated into the hospital's strategic plan and how to direct cost items outlined in the budget and cost model will be utilized. For example, if there is a direct cost listed for FTE salaries, the hospital must describe the role of the FTEs in the intervention. The intervention must be tailored to that hospital's programs, resources, priorities, plans, and/or collaboration with governmental, non-profit, or other health care organizations. If collaborating with other organizations to implement the intervention, the organizations must be identified.

Provide a brief overview of how the intervention will be integrated into the hospital strategic plan, and if collaborating with other organizations to implement the intervention, identify the organization(s):

List all direct costs and describe how each relates to the intervention and will be utilized.

Section Seven: CHNA

Applicable Safe Harbors: Community Health, Physician Spending, and Catch-All

The hospital must provide its most recent Community Health Needs Assessment, the CHNA should be no older than three years. **Please attach the hospital's most recent CHNA.**

Section Eight: Spending Category

Applicable Safe Harbors: Community Health, Physician Spending

If the hospital chooses to propose interventions under the two prescribed safe harbors (Community Health and Physician Spending), the hospital must select a category in which spending will be directed.

Select the safe harbor spending category below:

Community Health

☐ Unmet Community Health Need: Describes current persistent community health problems that have not been adequately addressed, reflected in the CHNA.

☐ Implementation of CDC's Healthy People Interventions: Describes evidence-based resources hospitals can use to improve objectives outlined in the CDC's Healthy People 2030 plan.

Physician Spending

Qualifying physicians: primary care, mental health providers or dental providers in a Health Professional Shortage Area or Medically Underserved Area

a. Health Professional Shortage Area (HPSA) designations identify areas and population groups. experiencing a shortage of health professionals, including primary care, mental health, and dental professionals.

b. Medically Underserved Areas/Populations are areas or populations designated as having too few primary care providers.

☐ Primary Care Providers

☐ Mental Health Providers

☐ Dental Providers

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Section Nine: Regional Entity Membership

Applicable Safe Harbors: Regional Entity

The regional entity will be comprised of multiple hospitals and one or more community partners. The community partner must:

- Be an organization that has an established presence in the region
- Has the capacity to implement population health interventions or to scale existing interventions.
- Be in the primary service area of the regional entity
- Demonstrate a commitment to improving population health in the region
- Attest to strong performance in improving health outcomes for the targeted populations

Provide a brief overview of how the community partner(s) selected meets the above criteria:

Explanation:

Section Ten: Governance Structure

Applicable Safe Harbors: Regional Entity

Hospitals must demonstrate that community partners have a credible governance structure and commitment to community health objectives.

A majority of the board must be unaffiliated with the hospital entity and a majority of the board. members must have demonstrated public health knowledge and experience.

The board of directors must also include two community members who are one of the following:

1) A member of the local Health Improvement Coalition or Health Department.
2) A long-term resident of the community.
3) A member of the target population.
4) Members approved by the HSCRC.

Please list Board of Director names, titles, and affiliation:

Name	Title	Affiliation
Example) Dr. Charles Callahan	Vice President of Population Health	University of Maryland Medical Center
Example) John Doe	Case Manager	ABC Community Center
Example) Jane Doe	Resident	Midtown Edmonson Resident (within service area)

Section Eleven: Staffing

Applicable Safe Harbors: Regional Entity

The hospitals must propose an executive director who is not otherwise an employee of a hospital in the state of Maryland; and is a demonstrated expert in public, population, or community health.

Hospitals that commit to spending on the regional entity will be allowed to safe harbor 25% of the costs donated to the regional entity.

Please list executive director and briefly explain their qualifications:

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Appendix

Table 1. Examples of interventions that would qualify under each safe harbor and interventions. that would not be eligible with an explanation.

Qualifying Intervention	Disqualifying Intervention	Explanation
Catch-All Safe Harbor: A hospital chooses a community health intervention to address obesity. They aim to increase the proportion of adults who are a healthy weight in their community, the hospital provides the following to the community: ● Community-wide education ● Sponsored Food Markets ● Bike/Walking Lane Investments ● Store tours ● Cooking classes ● Community screenings (Blood pressure, BMI/Weight, and Cholesterol) ● Exercise demonstrations	Catch-All Safe Harbor: A hospital chooses a community health intervention focused on promoting healthier lifestyles, the hospital provides the following to the community: ● Discharge pamphlets on how to reduce BMI/Weight and Cholesterol ● Follow-up phone calls to ensure patient have contacted a primary care provider, ● Community-wide education ● Store tours ● Cooking classes ● Community screenings (Blood pressure, BMI/Weight, and Cholesterol) ● Exercise demonstrations	The first community health intervention is deployed outside of the hospital and includes a stated outcome measure: "% of Adults who are Healthy Weight". The second proposal has not committed to an outcome. measure.

Qualifying Intervention	Disqualifying Intervention	Explanation
Catch-All Safe Harbor: A hospital chooses a community health intervention to reduce cancer mortality rate through early detection of breast cancer. The hospital uses a mobile unit to travel throughout the community to perform screenings.	Catch-All Safe Harbor: As a part of their robust women's health program, a hospital uses a web-based intervention tool to facilitate reminders to schedule an appointment for breast cancer screening to women ages 50 to 74 with average risk.	The intervention in the first column would qualify because the breast cancer screening program is designed and implemented as a community intervention. However, the intervention in the second column is already functioning as a component of a hospital program. As a result, the intervention would not qualify.
Physician Spending Safe Harbor: A hospital utilizes spending on mental health providers to deliver crisis services/SUD treatment services to address opioid use disorder in a medically underserved area.	Physician Spending Safe Harbor: A hospital uses mental health. provider spending to increase the number of mental health providers providing crisis services in a service area with no shortage designation.	The physician spending safe harbor requires spending on primary care and mental health. providers, and dental providers in a Health Professional Shortage Area or a Medically Underserved Area. Spending in the first column would qualify, but spending in the second column would not qualify because the area in which the providers deliver services is not a HPSA or medically underserved area.
Community Health Safe Harbor: A hospital chooses to include. spending on financial sponsorship of an organization that provides falls prevention classes to older adults in its primary service area. The falls prevention class implements the CDC's Health People Intervention called, "Falls Prevention in Community-Dwelling Older Adults".	Community Health Safe Harbor: A hospital chooses to include spending on a financial sponsorship of an organization that provides falls prevention classes to older adults outside of its primary service area	Community Safe Harbor spending must be directed toward an unmet community health need identified in the CHNA or on implementing one of the CDC's Healthy People interventions in the hospital's primary service area. Hospitals can include spending that is used to partner with organizations to implement one of the CDC's Healthy People interventions. The intervention in the first column would qualify. However, spending in the second column would not qualify because the intervention is deployed outside of the primary service area.