



All Payer Hospital System Modernization Advisory Council Status Report; 12/30/13

Introduction

This document serves as the second status report from the All Payer Hospital System Modernization Advisory Council (Advisory Council) to the Health Services Cost Review Commission (HSCRC).

Advisory Council Activity

Meeting of the Advisory Council on December 12, 2013

The second meeting of the Advisory Council was held on December 12, 2013. During the session, the Council reviewed emerging areas of consensus from the discussion at previous meetings and began crafting specific recommendations to be included in the Advisory Council's final report. Through the discussion the Advisory Council identified the following general principles that will apply to the specific recommendations it will make to the HSCRC:

- **Achieving the Performance Targets of the Model:** The HSCRC, other state agencies, and the payer and provider sector leaders need to collaborate to develop policy tools and reforms to ensure that performance targets in the All-Payer Model are met within the prescribed timeframes.. This includes an emphasis on approaches that support meeting both the All-Payer Limit and the Medicare-specific savings Targets.
- **Continued Focus on Care Delivery Improvement and Protecting Consumers:** The HSCRC should continue and strengthen its focus on care delivery improvements and access while enhancing a focus on protecting consumers by preserving access to care and needed services. While tight budget caps are important, we should also recognize the need for vulnerable populations to obtain the full complement of services and supports they need to achieve the best possible state of health and functional status. We can achieve better quality, more efficiency, and enhanced affordability simultaneously. Preventable service utilization and preventable conditions are important goals.
- **Success Depends on Alignment of Payment Reforms and Delivery System Innovations:** Success in meeting targets will require major improvements in both health care delivery and payment systems. The former will involve a focus on high needs patients, care coordination and integration, evidence-based medical practices, an emphasis on primary care and prevention, and the effective sharing of electronic information across providers and with patients. This will require moving toward payment models that reward better patient outcomes, quality of care improvements, and overall cost containment.
- **The HSCRC Requires Support from Other State Agencies and Stakeholders to Ensure Success:** The Role of HSCRC should be that of both a regulator and a catalyst for needed reforms. In its regulatory role, within the boundaries of its mandate, the HSCRC plays a key role in payment

reforms. To foster delivery system innovations, and increased data exchange, the HSCRC should act as a catalyst for change by advocating with CMS and collaborating with other State stakeholders to advance delivery system reform and promote data sharing and transparency initiatives.

Specific recommendations on Implementation Guiding Principles, Implementation Phasing Priorities, and Identified Issues for Workgroup Consideration are currently being drafted based on the deliberations of the Advisory Council. Those specific recommendations, as well as additional recommendations on issues that have not been fully discussed by the Advisory Council, will be reviewed at the Council's next meeting on January 9, 2014.

Issues that are still the subject of discussions by the Advisory Council include:

- Building the infrastructure to support the success of the Model Permitting and encouraging market share shifts that result from volume moving toward the best performing providers
- Aligning the All-Payer Target and the Medicare Targets with other statewide initiatives in the public and private sectors (e.g. PCMH, ACOs, HEZ, SIM)
- Encouraging innovation and modernization of care delivery, facilities and health care services while still meeting the Model Design performance targets

Public Comment and Feedback

The Advisory Council is reserving time at the end of each of its meetings for the public in attendance to make brief comments or ask questions. Additionally, the public is being encouraged to submit comments on the Council's work via email to hscrc.stakeholders@maryland.gov. Comments received have been posted on the Advisory Council's webpage on the HSCRC website and can be found at the following link: <http://www.hscrc.maryland.gov/hscrc-advisory-council.cfm>.

Since our last status report, the Advisory Council has received comments on the Model Design Application from the Maryland Citizen's Health Initiative. These comments were originally sent to Secretary Joshua Sharfstein and a copy has been forwarded to the Advisory Council and posted to the Advisory Council's website.

Advisory Council Status

The Advisory Council is currently on track to complete its final report to the HSCRC by the end of January. The Council has begun to reach consensus on several items and has plans to address outstanding issues.

As the Advisory Council process continues, the HSCRC will be notified of any major issues, questions, and/or identified barriers which could impact the Council's completion of its charge.