HSCRC Draft Request for Proposals for Transformation Implementation Program

August 6, 2015

Goal for Today

- Share with all hospitals and other stakeholders a draft of the request for proposals to improve care coordination and population health in support of the All-Payer Model
- Answer questions at this stage
- Obtain feedback and comments verbally today and/or in writing over the next week on the draft before it is posted

Care Coordination and Population Health Improvement

- HSCRC Care Coordination Work Group Report:
  - Consensus that improved care coordination and alignment among providers (particularly for high needs patients) is key to meeting the goals of the All-payer model and improving population health
  - Partnerships at the regional and local levels are critical to effective care coordination
  - Statewide infrastructure is needed to support these efforts

All Payer Model Implementation

Year 1 Focus

Global budgets

Meeting test metrics

Monitoring infrastructure

Potentially avoidable utilization concepts & data

Stakeholder input

Year 2 Focus (Now)

<u>Clinical improvement</u>

-Better chronic care

-More coordinated care

-Better episodes

<u>Payment alignment</u>

-Medicare chronic care fees

-Medicare willing to innovate

-Gain sharing and P4P

-Dual eligible & integrated networks

Year 3 Focus

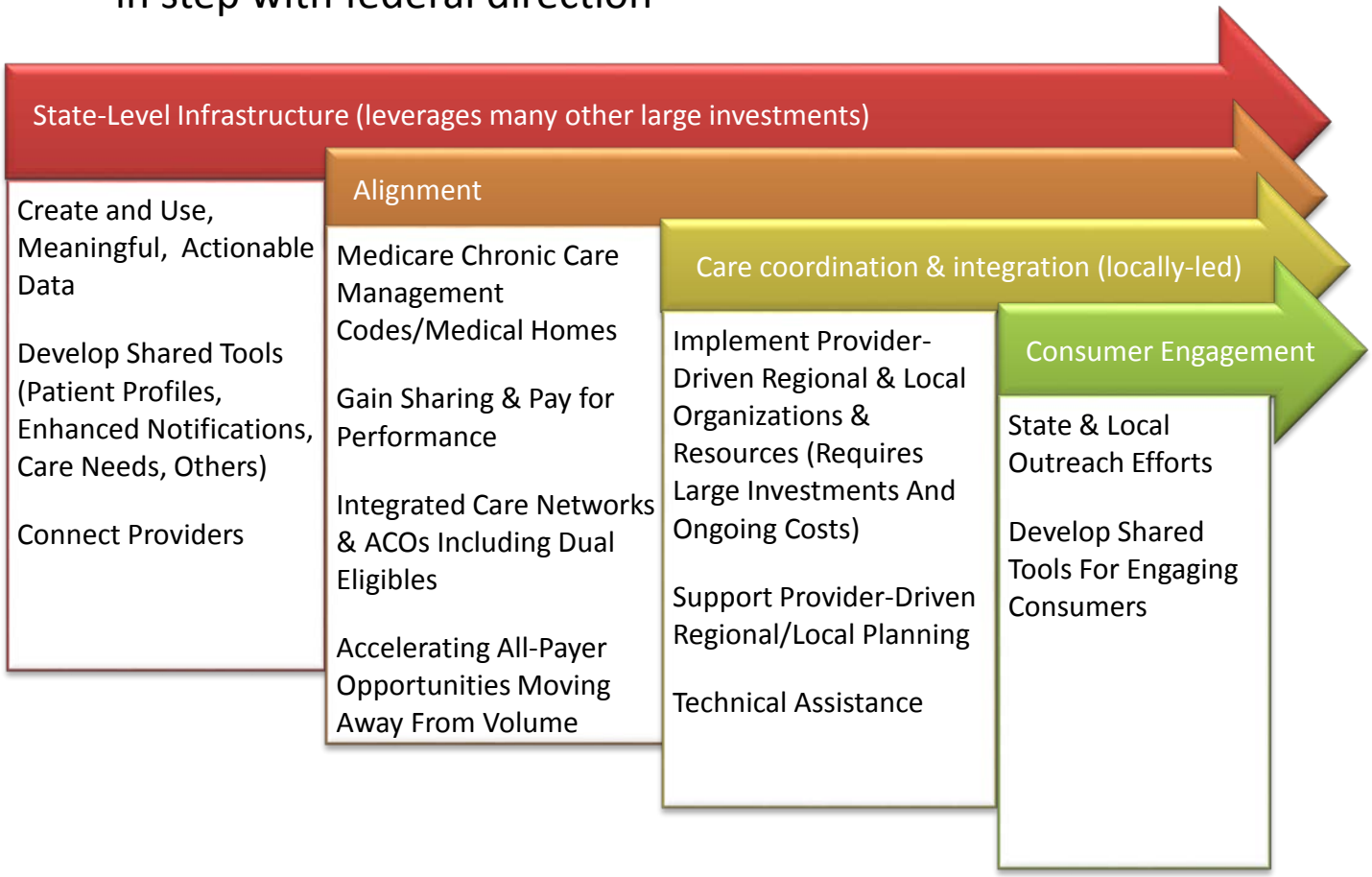
Implementation of infrastructure, work flows, and models to improve care coordination and chronic illness

Engage patients, families, and communities

Focus on additional alignment opportunities

Maryland's Strategic Transformation Roadmap

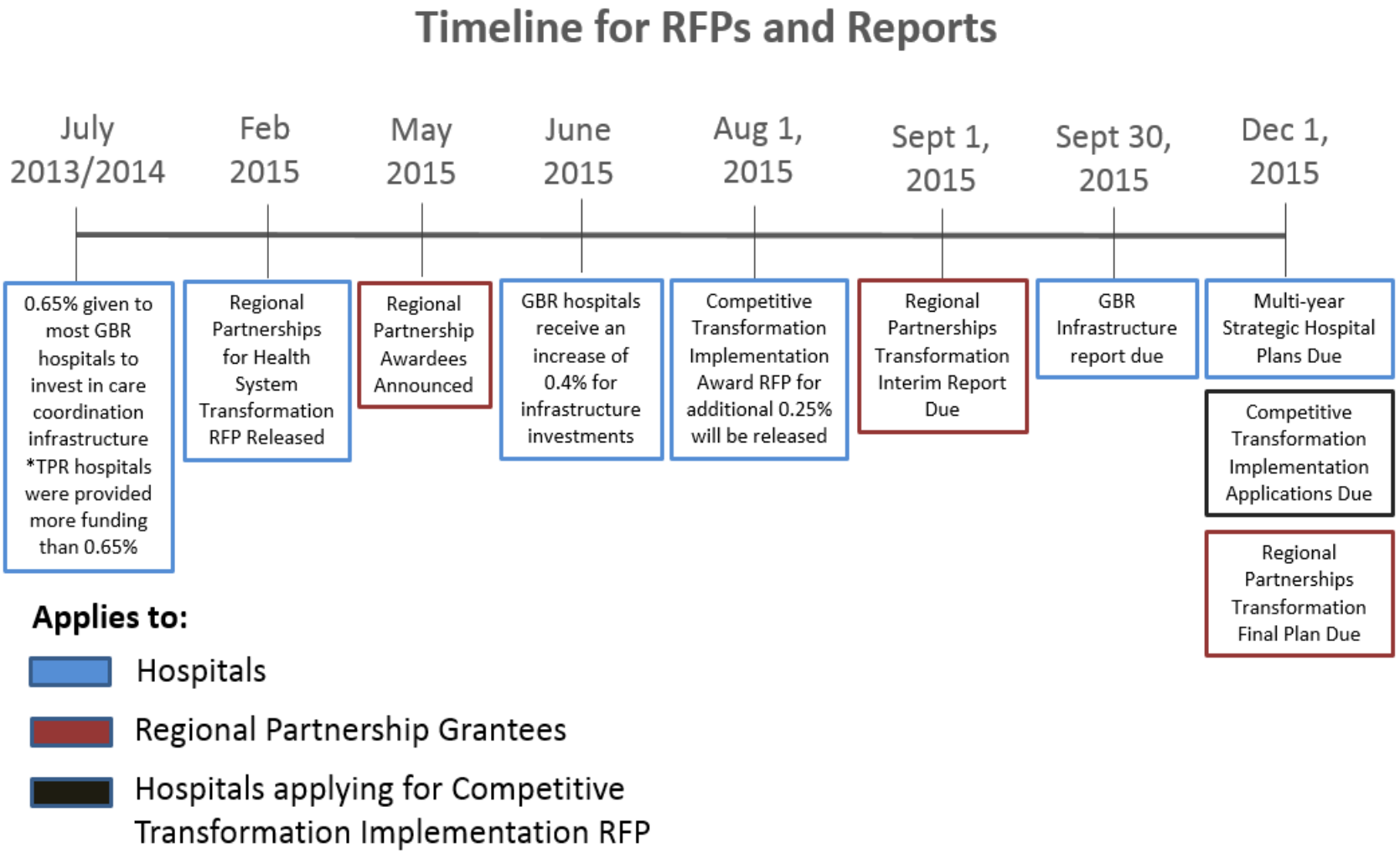
The transformation strategy is consistent with the progression in Maryland and is in step with federal direction



Goal of Care Collaboration and Partnerships

- The collective goal of these activities is to help support delivery system change with a focus on:
  - Chronic disease supports
  - Long term and post-acute care integration and coordination
  - Physical and behavioral health integration and coordination
  - Primary care supports
  - Case management and other supports for high needs and complex patients
  - Episode improvements, including quality and efficiency improvements
  - Clinical consolidation and modernization to improve quality and efficiency
  - Integration of community resources relative to social determinants of health and activities of daily living

HSCRC Supporting Infrastructure and Monitoring



FY 2016 Update Factor Recommendations

Base Update

- 2.4% for revenues under global budgets
- 1.6% for revenues subject to waiver but excluded from global budgets
- 1.9% for psychiatric hospitals and Mt. Washington Pediatric Hospital Infrastructure
- 0.40% adjustment to GBR budgets
- 0.30% adjustment for specialty hospitals to reduce potentially avoidable utilization
- Up to an additional State-aggregate amount of 0.25% available through competitive awards to hospitals implementing or expanding innovative care coordination, physician alignment, and population health strategies.

Draft Application - Eligibility

- Applications for a competitive transformation implementation award can be submitted by:
  - An individual hospital
  - Multiple hospitals as lead applicants
  - A hospital participant from a regional partnership as a lead applicant applying on behalf of a regional partnership
- All applications must include collaborating partners
- Applications with broad and meaningful network will receive additional points
- Hospitals may participate in multiple applications but demonstrate how they complement each other and are distinct from each other

Funding limits

- A maximum of .25% of aggregate rates could be awarded (approximately $40M)
- Total dollars awarded to a hospital acting as a single entity are capped at 0.5% of the hospital's FY 2015 net patient revenue plus markup
- Total combined awards to a hospital through single entity applications, regional partnership applications, and multiple hospital applications are capped at 0.75% of the individual hospital's FY 2015 net patient revenue plus markup.
- Awarded funds will be collected by the hospital through permanent rate increases beginning Rate Year 2016.

Narrative Requirements

1. Target Population: Define geographic scope and health needs being addressed
2. Proposed Program/Model/Intervention: Specific Description of model, services provided, infrastructure, workforce, and how it fits within or augments the Strategic Transformation Plan (STP) or current initiatives
3. Measurement and Outcome: Progress on the model must be measureable and measured. Tables 1 and 2 are examples of the types of metrics the Commission has been considering. This represents a guide for high level measures but more program-specific measures should be identified and implemented

Narrative Requirements (cont'd)

4. Return Investment
   - Hospital Return on Investment FYs 17-19
   - Expectation for ROI to Payers – Explain how that would achieved and how much
   - Show expected Total Cost of Care (TCOC) savings
5. Scalability and Sustainability: How will it be sustained and expanded with no additional rate increases
6. Participating Partners and Governance: List partners, roles, and Governance structure

Sections 1-6 should be no longer than 20 pages.

Narrative Requirements (Cont'd)

7. Implementation Work Plan: show a timeline and work plan on how the project will progress from planning through implementation and, if applicable, expansion.
8. Line Item Budget: Using the provided template, provide a line-item budget including a description and amount for all Workforce/staff, IT/Technologies, Other Implementation Activities, and other indirect costs for the proposed model
9. Budget and Expenditure Narrative (3 pages or less): Justify expenses for each intervention in the proposed model. Funds are designed to start well-planned new initiatives and could build on existing investments that have been made for initiatives that are deemed to assist the State toward meeting the goals of the All-Payer Model agreement, but should not supplant existing funding.
10. Summary of Proposal: For review purposes we have provided a table to summarize each of the sections above.

Selection Criteria

1. Appropriateness of target population to meet goals
2. Whether the model is well-conceived, evidence-based and appropriately uses infrastructure to affect change
3. Consistent with the All-Payer Goals and Metrics (see Appendix A)
4. Consistency with Strategic Plans, and GBR infrastructure, and other appropriate investments
5. Efficacy of investments to date.
6. Do investments compliment state and regional resources and policies

Selection Criteria (cont'd)

7. Patient Centeredness: Demonstration of how care coordination efforts flow among providers for high risk patients using different hospitals and the extend to which it address patient and family preferences
8. Feasibility of ROI and sustainability over time, the apportionment of ROI to payers, the potential to reduce TCOC
9. Feasibility and detail of Implementation Work Plan
10. Budget: Reasonableness of budget and how funds are dispersed among partners.

Timeline of RFP

- Mid to late August – RFP to be released
- Mid-September – Webinar for Questions to be posted to the Website
- December 1 – Applications/Proposals Due
- January 2016 – Awardees Announced