



Maryland Health Services Cost Review Commission

Payment Models Work Group Population and Demographic Adjustment

03/31/2014



1

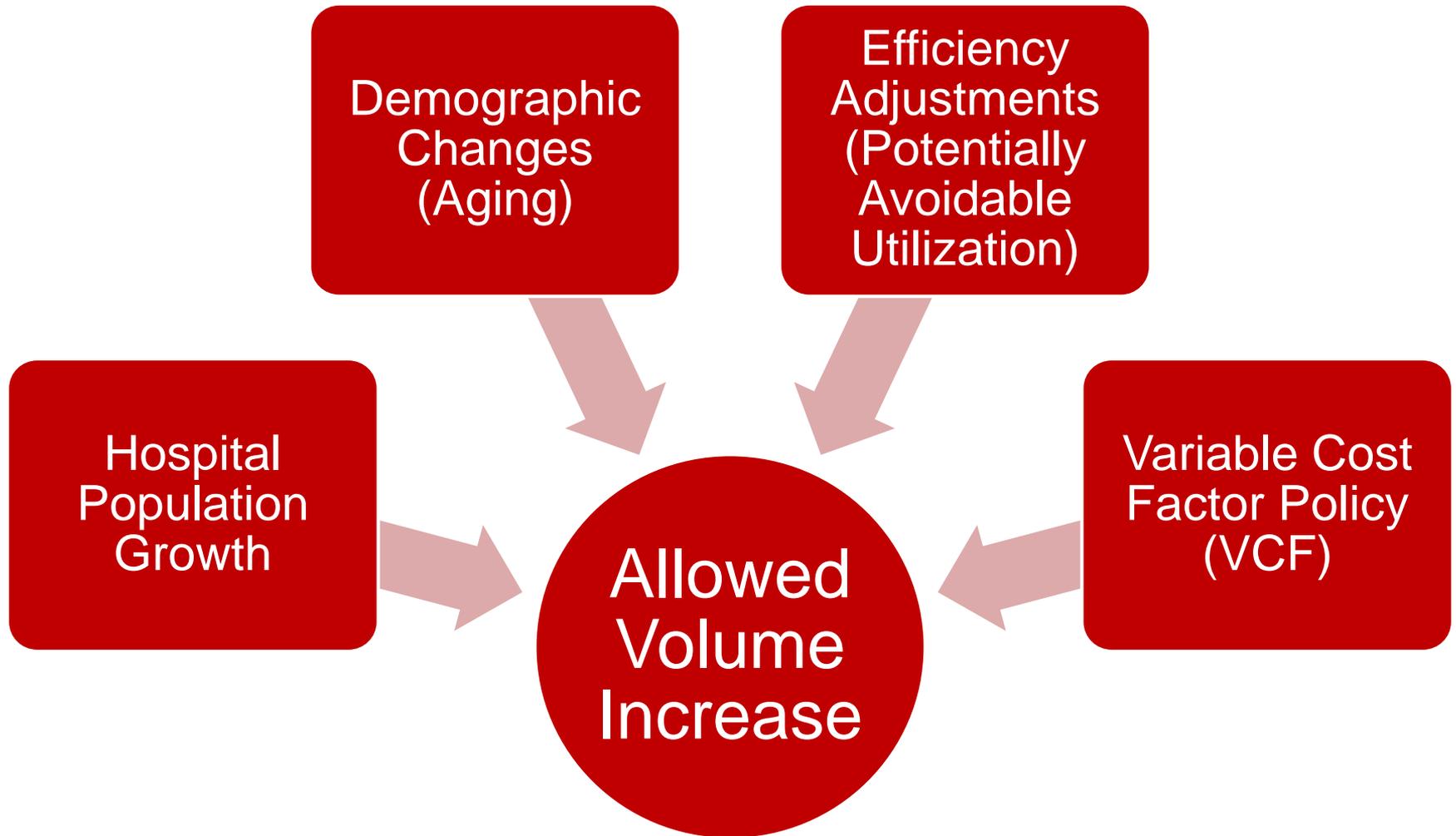
HSCRC

Health Services Cost
Review Commission

Population Growth

- ▶ State-wide all-payer per capita limit is based on unadjusted population growth (0.7%)
- ▶ Variation in hospital use by different population segments
 - ▶ Age
 - ▶ Sex
 - ▶ Others
- ▶ Hospital budget caps (GBR, TPR) needs updated to reflect changes in demographics

Allowed Volume Increase in Global Budget due to Population Growth



Considerations for the Subgroup

- ▶ Age cohorts (0-14, 15-64, 65-74, 75-84, 85+)
- ▶ Additional demographic factors (Sex)
- ▶ Application of efficiency (PAU adjustments)
- ▶ Calculation of hospital population growth
 - ▶ Virtual Patient Service Area (VPSA)
 - ▶ Equivalent Case Mix Adjusted Discharges (ECMADS)