Minutes
Initiation Work Group, HSCRC
Friday, March 14, 2008
9:00 – 10:00 AM
Room 100, 4160 Patterson Avenue
Baltimore, MD 21215

IWG Members Present: Dr. Trudy Hall, Chair; Ms. Pamela Barclay, MHCC; Ms. Barbara Epke, LifeBridge Health; Ms. Joan Gelrud, St. Mary's Hospital; Ms. Mary Beth Farquhar, AHRQ; Ms. Renee Webster, DHMH; Dr. Grant Ritter, Brandeis University; Ms. Mariana Lesher and Mr. Craig Weller, Delmarva Foundation (Maryland QIO); Dr. Nikolas Matthes, Dr. Vahe Kazandjian, and Mr. Frank Pipesh, Center for Performance Sciences; Mr. Robert Murray, and Mr. Steve Ports, HSCRC.

IWG Members on conference call: Ms. Kathy Talbot, MedStar Health; Dr. Donald Steinwachs, John Hopkins Bloomberg School of Public Health; and Kathryn Montgomery, University of Maryland School of Nursing.

Interested Parties Present: Mr. Hal Cohen, HCI; Mr. Deme Umo, Ms. Deborah Rajca, Theressa Lee, and Ms. Carol Christmyer, MHCC; Mr. John Adair, Johns Hopkins Health System; Ms. Kristen Geissler, Navigant; Dr. Luis Mispireta, Union Memorial Hospital; Ms. Ing-Jye Cheng, MHA; Ms. Anu Gupta, Johns Hopkins Bayview.

Interested Parties on Conference Call: Mr. Gerry Macks, MedStar Health; Mary Whittaker, GBMC; Ms. Karol Wicker, Center for Perfomance Sciences; Ms. Deneen Richmond, Holy Cross Hospital; Mr. Don Hillier, former HSCRC Commissioner.

I. Welcome and Introductions: Dr. Trudy Hall called the Initiation Work Group to order and asked telephone participants to announce themselves. Dr. Hall then solicited comments on the minutes from the previous meeting of the IWG. Ms. Pamela Barclay moved that the minutes be approved, and Ms. Joan Gelrud seconded the motion. The minutes were approved unanimously.

II. Summary of the February 27, 2008 Meeting of the IWG Subcommittee: Mr. Steve Ports summarized the February 27, 2008 meeting of the subcommittee. Mr. Ports stated that Dr. Grant Ritter presented on how the use of topped-off measures provides an advantage to some hospitals and discussed some methods to correct for this advantage. Dr. Ritter identified three distinct methods: 1) giving the average score on a measure to hospitals that cannot report on ten cases for that measure, 2) dropping the ten case limit for the topped-off measures, and 3) permitting a longer sampling time to obtain ten cases on the topped-off measures. Dr. Greg Vasas inquired as to why there were so many exclusions, and Dr. Ritter explained that the three primary causes of exclusions were 1) transfers, 2) measures that don't apply to certain patients, and 3) medically-inappropriate procedures. Mr. Robert Murray inquired as to whether Maryland had a higher rate of exclusions than elsewhere in the nation. Dr. Ritter replied that nationally fewer hospitals are reporting less than ten cases. Dr. Marty Bosso and Dr. Charlie Reuland disagreed with awarding the average score to hospitals that cannot report on ten cases for a topped-off measure. Mr. Don Hillier suggested using a sampling time sufficient only to obtain ten cases for the hospital. Dr. Vahe Kazandjian replied that using data from different years would be problematic. Dr. Ritter reiterated the benefits of using topped-off

measures for the subcommittee. Dr. Cohen suggested moving to an appropriateness of care model in the future to mitigate the negative effects of topped-off measures. Dr. Kazandjian noted that the appropriateness of care model will soon become the norm, making the current debate of short-term concern only. Mr. Murray presented preliminary draft recommendations regarding financing issues. Dr. Cohen commented that models with low thresholds for reward seemed appropriate. Dr. Ritter explained that under the current CMS plan 5% of hospitals would receive a higher amount of money than was being withheld, 15-20% would receive the amount of money that was withheld, and 80% would receive more than half of what was withheld. Dr. Ritter also noted that CMS was considering "flattening out the reward on the top end." Mr. Hillier suggested that three curves be shown: one for attainment, one for improvement, and one for the combined score, to see a contemporary picture. Mr. Hillier also inquired as to how the scaled amounts would affect the Commission's reasonableness of charges and the interhospital comparison methodologies. Commission staff indicated that this would be adjusted for. Finally, Mr. Hillier suggested issuing a check to compensate the hospitals instead of embedding rewards in the reimbursement rates.

III. Preliminary Draft Recommendations Relating to P4P: Mr. Murray outlined the preliminary draft recommendations for the IWG, highlighting the issues that remain to be resolved. Mr. Murray added that Evaluation Work Group will have to establish a system of audits to guarantee the efficacy of the data over time and examine potential adjustments to the ROC and ICC position of hospitals. Mr. Ports, responding to Mr. Hillier's comments, noted that adding another fund for the P4P model would create additional complexity.

IV. Discussion of Charts Showing Concave Curve for Exchange rate Based on Attainment, Performance, and Combined: Mr. Murray presented three charts comparing the incentive payment earned to the attainment, performance, and combined points earned by each hospital. He noted that the concave shape of the curve encourages hospitals to improve but recognizes the difficulty in moving from 90% compliance to 100% compliance. Ms. Barbara Epke inquired as to whether the IWG had adequately addressed the issue of the number of measures that a hospital reports. Dr. Ritter replied that nationally scores were reliable with as few as three measures, but validity was still an issue. Dr. Kazandjian added that validity is fundamental and that it is important to have a mix of measures. Ms. Epke commented that as long as data is publicly reported, there seems to be little danger of hospitals "gaming" the system with concave improvement.

Ms. Pamela Barclay noted her approval of Funding Parameter #9, which states that additional funding should be made available to the P4P model provided that Maryland hospitals can achieve certain benchmarks vs. U.S. hospitals generally. Mr. Murray noted that a corollary to Funding Parameter #9 is that when Maryland performs poorly with respect to national hospitals, money might be removed from the system.

Mr. John Adair inquired as to how it was determined that a measure was topped-off. Dr. Ritter noted that the statistical criteria is whether the 75th percentile is within two standard errors of the 90^{th} percentile. If this is the case, then the measure is topped-off. Dr. Ritter added, however, that this criteria is not final and could be defined otherwise. Mr. Adair inquired as to whether the topped-off

measures will be revisited. Dr. Kazandjian replied that this is an ongoing, dynamic process and new measures will be added and old measures will be revisited. Dr. Cohen noted that there was not much danger of hospitals losing money under the opportunity model and wondered if there was a way to motivate hospitals scoring in the middle of the pack. Dr. Cohen also inquired as to what measures might be used to compare Maryland hospitals with U.S. hospitals.

V. **Outstanding Issues:** There were no outstanding issues.

VI. **Other Business:** Ms. Epke inquired as to how likely it was that the HSCRC could get data directly from hospitals. Ms. Barclay noted that the HSCRC has previously been able to collect data directly from hospitals and fully expects to be able to do it again.

VII. **Confirm next meeting date:** The next meeting date was set by email for April 17, 2008 at 9:00 AM.

VIII. **Adjournment:** The meeting was adjourned at 10:00 AM.