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Health Services Cost Review Commission (HSCRC)

COVID-19 Frequently Asked Questions

As of April 2, 2020

1. To address near term, current fiscal year revenue adjustments, will the HSCRC modify or delay implementation of global budget adjustments and methodologies due to COVID-19?

The directions expressed in this answer represent current HSCRC thinking and may change due to the fluidity of the COVID-19 response and ongoing engagement with stakeholders.

Additional public comment on these decisions may be rendered during the RY 2021 Update Factor policy-making process.

Global Budgets

The Commission has taken unprecedented steps to stabilize the market while hospitals are preparing for a potential increase in hospitalizations related to COVID-19 cases. Specifically, in the lead up to the COVID-19 outbreak, the liquidity of hospitals has been negatively affected due to significant volume declines and corollary revenue decreases that are occurring as a result of the cancellation of elective procedures as Marylanders take precautionary measures to avert the need for hospitalization at this time. To provide liquidity and financial stability to hospitals in the near term, the Commission has taken the following steps:

- Expanded charging capacity for hospitals until June 30th (the greater of 10% or 5% from current charging variance as of March 1, 2020);
- Directed staff to evaluate corridors each week to determine if further charging variance is required. Corridor expansions above 10% or 5% from current variance will be allowed on a case by case basis;
- Waived penalties related to RY 2020 global budget undercharges; and

- Allowed hospitals to accrue revenues not charged in the final quarter of RY 2020 to be recouped in RY 2021.

In taking these actions, the Commission is using the flexibility and strength of our Model and rate setting authority to respond in real time to public health emergencies and evolving health care needs.

Efficiency

In addition to modifying the HSCRC's foundational global budget methodologies to respond to volume fluctuations precipitated by COVID-19, under the authority granted to the Commission in Health-General Article, Section 19-207, the Commission has also elected to:

- Suspend the acceptance of new rate applications
- Suspend the withholding of portions of the RY 2021 update factor related to the Integrated Efficiency policy.

Volume and Quality

All other methodologies previously approved by the Commission that are based on performance evaluations predating the COVID-19 pandemic and were scheduled to be executed July 1st will be implemented as planned, including:

- RY 2021/CY 2019 Market Shift Adjustment
- RY 2021 Demographic Adjustment
- RY 2021 Maryland Hospital Acquired Condition (MHAC) Program
- RY 2021 Readmission Reduction Incentive (RRIP) Program
- RY 2021 Quality Based Reimbursement (QBR) Program (implement January 2021)
- RY 2021 Potentially Avoidable Utilization (PAU) Program
- RY 2021 Medicare Performance Adjustment (MPA)
- RY 2021 Uncompensated Care (UCC) Policy
- RY 2021 Complexity and Innovation (CAI) Policy

Special Adjustments

Additional RY 2021 budget adjustments that will occur in RY 2021 without substantial further modification are as follows:

- Previously identified Deregulation Adjustments from CY 2019, which all have been mutually agreed to, will proceed without delay.

- Revisions to clinic relative value units (RVUs), which effectively reduce charging capacity for clinic services while redistributing revenue to other rate centers, will be implemented July 1st.

2. For policies that affect future fiscal years over the long term, will the HSCRC modify or delay implementation of global budget adjustments and methodologies due to COVID-19?

The directions expressed in this answer represent current HSCRC thinking and may change due to the fluidity of the COVID-19 response and ongoing engagement with stakeholders.

Additional public comment on these decisions may be rendered during the RY 2021 Update Factor policy-making process.

Efficiency

The Commission will place a hold on review of any new rate applications until the COVID-19 pandemic abates sufficiently. Once caseloads associated with COVID-19 normalize, the hold on rate applications will be lifted and staff will consider prorating the scaling of the RY 2021 Update Factor related to the Integrated Efficiency Policy.

Volume

Given the expected fluctuation in volumes that are not indicative of permanent hospital caseloads:

- The HSCRC will suspend RY 2021/CY 2020 Market Shift Adjustments that overlap with the response to COVID-19, effective March 1, 2020. Staff may consider suspending all CY 2020 Market Shift Adjustments based on analyses to determine the reliability of the market shift dataset.
- Similarly, staff may consider not utilizing CY 2020 market shares to determine allotment of the RY 2022 Demographic Adjustment. The Commission will provide funding associated with population growth through the RY 2022 Demographic Adjustment but may need to assess other attribution methodologies if the CY 2020 dataset is unreliable.
- Staff will suspend evaluations of Complexity and Innovation during the COVID-19 response. Prospective funding for historical average growth will not be prorated, as staff anticipates that delays in service delivery during the COVID-19 response may result in higher-than-normal demand later in the fiscal year.
- Staff may also consider using a modified/abridged version of RY 2020 data to determine the level of Uncompensated Care built into rates for RY 2022.

Quality

In light of CMS' recent decision,¹ the Commission will not use data from January 1, 2020 to June 30, 2020 to determine global budget adjustments for the following Quality programs:

- RY 2022 Maryland Hospital Acquired Condition (MHAC) Program
- RY 2022 Readmission Reduction Incentive (RRIP) Program – inclusive of new disparity metric
- RY 2022 Quality Based Reimbursement (QBR) Program
- RY 2022 Potentially Avoidable Utilization (PAU) Program

Staff will consider other options such as implementing RY 2022 revenue adjustments for these programs based on data from the latter half of CY 2020 or extending the performance period into next calendar year. Nonetheless, staff will continue to follow CMS' lead on assessing quality performance and may consider suspending RY 2022 quality pay-for-performance adjustments entirely if retrospective analyses indicate concerns about data reliability. HSCRC will evaluate several factors in this consideration, including, but not limited to:

- Lower case counts that, when assessed as a rate (MHAC complication rate, RRIP readmission rate, QBR mortality rate), may be more prone to volatility not indicative of clinical performance
- Random distribution of COVID-19 cases in diagnosis-related groupings, which affects various case mix adjustments

Special Adjustments

Additional RY 2022 budget adjustments that will be suspended during the crisis are:

- Deregulation Adjustments based on CY 2020 analyses. Staff may consider implementing adjustments in future years if the observed deregulation continues after the COVID-19 pandemic abates

At the current moment, the Commission is not considering prospectively modifying adjustments associated with the following programs:

¹ “In addition, no data reflecting services provided January 1, 2020 through June 30, 2020 will be used in CMS's calculations for the Medicare quality reporting and value-based purchasing programs. This is being done to reduce the data collection and reporting burden on providers responding to the COVID-19 pandemic.

CMS recognizes that quality measure data collection and reporting for services furnished during this time period may not be reflective of their true level of performance on measures such as cost, readmissions and patient experience during this time of emergency and seeks to hold organizations harmless for not submitting data during this period.”

[CMS Announces Relief for Clinicians, Providers, Hospitals and Facilities Participating in Quality Reporting Programs in Response to COVID-19](#)

- Episode Quality Improvement Program (EQIP) (although CMS has delayed start date from January 1, 2021 to July 1, 2021).
- Care Redesign Programs. The HSCRC will not make changes to ECIP or HCIP or develop additional Care Redesign Programs during 2020. Staff does not believe any adjustments are necessary to the existing programs but will consider the impact of COVID-19 beyond what the program mechanics automatically capture.
- RY 2022 Medicare Performance Adjustment. Staff will continue to operationalize the MPA as scheduled but will retrospectively consider the impact of COVID-19 on the State and the national performance and consider modifying or suspending the revenue adjustment.
- RY 2022 Care Transformation Initiatives. Staff will extend the deadline for Intake templates for the Primary Care and Community-Based Care CTI by one month, with a new deadline of May 8, 2020. Staff will also delay the start date of the CTI until January 1, 2021. The first performance period (that adjusts payments for RY 2022) will be a 6 month period.

3. Can hospitals in Maryland take advantage of the Medicare Accelerated and Advanced Payments Program?

In light of the liquidity issues healthcare providers are faced with because of the COVID-19 response, CMS recently (Saturday, March 28) announced the expansion of Accelerated/Advanced Payments Program for Medicare, which includes the following:

- “Inpatient acute care hospitals ... are able to request up to 100% of the Medicare payment amount for a six-month period.”
- “CMS has extended the repayment of these accelerated/advance payments to begin 120 days after the date of issuance of the payment.”
- “Inpatient acute care hospitals ... have up to one year from the date the accelerated payment was made to repay the balance.”²

Hospitals (including those in Maryland) can take advantage of this program if they meet the following criteria outlined by CMS:

1. Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider’s/supplier’s request form,
2. Are not in bankruptcy,
3. Are not under active medical review or program integrity investigation, and

² <https://www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf>

4. Do not have any outstanding delinquent Medicare overpayments.³

4. What impact will COVID-19 have on required HSCRC reporting?

The table below shows changes to required reporting and submission timelines, as well as updates on scheduled report modifications, made through the date of this document. Further modifications may be made at a later date by staff.

Policy/Function	Performance Period	Recommendation	Additional Notes
Casemix Reporting	Preliminary Monthly Ongoing	Continue with current rules	Current rules allow hospitals to skip preliminary monthly submissions or submit with errors. Please contact Claudine Williams (claudine.williams@maryland.gov) or Oscar Ibarra (Oscar.Ibarra@maryland.gov) for questions regarding case mix submissions.
Casemix Reporting	Final Quarterly Ongoing	Continue with current rules	Hospital can request an extension. All requests should be submitted via DAVE and a reason for the request must be included, as well as the date of expected submission for extension requests. Please contact Claudine Williams (claudine.williams@maryland.gov) or Oscar Ibarra (Oscar.Ibarra@maryland.gov) for questions regarding case mix submissions.
Monthly Financial Reporting	Monthly Ongoing	Continue with current rules	Hospitals may request an extension by contacting Amanda Vaughan, but the HSCRC believes an extensions to financial reporting are not necessary or desirable at this time.
Monthly Casemix to Financial Reconciliation	Quarterly Ongoing	HSCRC will continue to send reconciliation spreadsheets but routine hospital explanations will	Staff may reach out to hospitals for further explanation if an outlier value is identified

³ <https://www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf>

		not be required.	
Annual Filing	FY 2021	Continue with current rules, due dates are in Fall of 2020	Could consider extensions at later date
Community Benefit Report	FY 2020	Continue with current rules, due dates are in Fall of 2020	Could consider extensions at later date
Community Benefit Report	FY 2021	Will release FY 2021 template on schedule but delay changes to reporting requirements	HSCRC evaluating whether reporting requirements should be adjusted later in FY 2021 or delayed to FY 2022.
Denials	Quarterly Ongoing	Hospitals have the option to forgo reporting for Q3 and Q4 of FY 2020; those that do so will be required to catch up at a later time	Require written notification for hospitals who wish to defer reporting
Uncompensated Care	Quarterly Ongoing	Hospitals have the option to forgo reporting for Q3 and Q4 of FY 2020; those that do so will be required to catch up at a later time	Require written notification for hospitals who wish to defer reporting
Casemix Audits	FY 2021	Continue as is, revisit if hospitals raise concern about resource constraints	
Annual Filing Revisions for Population Health	FY 2020	Release proposed revisions on schedule but consider delayed implementation based on responses	FY20 Implementation was already assumed to be preliminary
Annual Filing Revisions for Related Entities	FY 2020	Release proposed revisions on schedule but consider delayed implementation based on responses	FY20 Implementation was already assumed to be preliminary
NSP Annual Reporting	FY 2021	Continue with current rules, due dates are in Fall of 2020	Could consider extensions at a later date (see further information on the grant funding below)
CMS Quality Data Reporting	FY 2020/FY2021	Follow CMS Directives	CMS provided initial guidance on 3/22/2020 regarding data

			submissions and reporting for pay-for-performance programs. ⁴ This CMS guidance extends data submission deadlines, and makes the submission of October 2019 to June 2020 data optional.
CRP Hospital Quarterly Reports	FY 2020	April 15 reporting delayed to July 15	

5. What impact will COVID-19 have on HSCRC grant programs?

- *Regional Partnership Catalyst Grant Program* - The HSCRC recognizes that much of the planning time originally intended for the Regional Partnership Catalyst Grant Program will be needed to address the COVID-19 crisis. Given this, the HSCRC has postponed the grant proposal deadline by one month. The new deadline for proposals will be Sunday, July 19th at 11:59 PM EST.
- *Medicare Advantage Partnership Grant Program* - The HSCRC will not be extending the deadline for Round 1 grant proposals in order to ensure funding is issued to hospitals for RY 2020 and to coincide with CMS bid timeline for Medicare Advantage organizations. As indicated in the RFP, hospitals will have another opportunity to apply for Medicare Advantage Partnership Grant Program funding in November 2020.
- *NSPI Funding for RY 2021*- Hospitals are currently working on the Initial Budget for RY 2021 funding. The maximum amount of funding is based on the net patient revenue reported in the FY 2019 financial disclosure report. Hospitals are required to submit the initial budget to verify the amount of funds that will be added to their Global budgets and reported in their annual rate orders. Due to the COVID-19 situation, the hospital will be granted an extension until May 1 to complete the initial budget and program descriptions. If hospitals are unable to meet that deadline, they should reach out to HSCRC staff.
- *NSPII Funding for RY 2021*- Proposals from Nursing Programs have been received and are currently being reviewed by staff. No delays in reporting are anticipated.

6. Are there any prescribed coding requirements for documenting COVID-19 patients and/or tests for the presence of COVID-19?

COVID-19 Diagnosis Reporting

⁴ [CMS Announces Relief for Clinicians, Providers, Hospitals and Facilities Participating in Quality Reporting Programs in Response to COVID-19](#)

The World Health Organization (WHO) created an emergency ICD-10 code for COVID-19 (U07.1, 2019-nCoV acute respiratory disease). This code will be effective with the new ICD-10-CM update on April 1. For the latest information on the coding of COVID-19, see <https://www.cdc.gov/nchs/icd/icd10cm.htm>.

COVID-19 Testing

CMS developed 2 new HCPCS codes for COVID-19 testing

- U0001: Used by CDC testing laboratories to bill for testing patients for SARS-CoV-2
- U0002: Used by laboratories to bill for non-CDC laboratory tests for SARS-CoV-2/2019-nCoV (COVID-19)

Medicare claims processing systems will be able to accept these codes starting on April 1, 2020 for dates of service on or after February 4, 2020. For additional CMS information on COVID 19 testing and treatment claims coding, submission, and payment policy, please see the CMS FAQs <https://www.cms.gov/files/document/03092020-covid-19-faqs-508.pdf>.

The American Medical Association (AMA) also introduced a new CPT code (87635) for COVID-19 testing. The code was effective March 13, 2020 for use as the industry-standard for reporting of novel coronavirus tests across the nation's health care system. Code 87635 is a "child" code of CPT code 87471. For more information on coding CPTs for COVID-19, please see the AMA website <https://www.ama-assn.org/practice-management/cpt/cpt-releases-new-coronavirus-covid-19-code-description-testing>.

7. How will the 3M grouper handle COVID-19 patients?

3M plans to re-release the APR DRG and PPC version 36 and 37 (CGS version 2020.1.1) on April 14, 2020. 3M made available the updated EAPG software (CGS version 2020.1.0) March 27 and hMetrix is currently testing to make sure it recognizes the new COVID-19 testing CPT codes. Once hMetrix verifies the software is grouping as expected, the updates will be applied to case mix data submitted in April (FY 2020 Q3 March Preliminary).