

**State of Maryland  
Department of Health**



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March 13, 2020

Dear Colleagues,

We are writing to convey important information on preparedness, response, and treatment of COVID-19 patients in Maryland. The HSCRC stands in support of the State of Maryland and Maryland's hospital industry to ensure a responsible and comprehensive response to the COVID-19 pandemic in a way that puts the health and safety of Marylanders at the forefront. We wish to assure hospitals, providers, clinicians, patients, and families that we will do our part to support public health efforts to respond to this public health emergency.

**Reimbursement and Funding**

Under the Total Cost of Care Model and population-based budgets, our hospital payment structure gives Maryland hospitals a unique advantage in responding to emergencies such as COVID-19. The flexibility that is available through global budgets allows hospitals to retain both capacity and revenue when volumes are low, which can then be utilized in emergency situations to redirect space, staffing, and resources to needed areas.

While there are advantages to Maryland hospitals under global budgets, we also acknowledge the additional requirements unique to screening, treating, staffing, and supplies related to COVID-19. The HSCRC is prepared to take those additional requirements into account when reconciling FY20 expenses. We will work with Maryland's hospitals to address these requirements and ensure responsible funding. Additionally, State and federal funds may be available and should be utilized to quickly address the emergency and to limit future strain on our rate setting system.

As was mentioned at the public meeting on Wednesday, March 11, hospitals should follow Centers for Disease Control and Prevention (CDC) medical coding guidelines to track COVID-19 related volume changes, for both patients that screen positive, as well as those that are ultimately negative, for COVID-19. It is critically important that coding guidelines are followed

so that we have a uniform way to evaluate volume changes and ensure appropriate funding.

### **Screening and Triage**

Please work with the State of Maryland and Maryland Department of Health on any additional assistance related to screening or triaging patients in Maryland. It is critical that you communicate with physicians in your network to appropriately identify patients that need to be screened and for those patients to be directed to appropriate testing sites, in order to avoid an overload of patients in hospital Emergency Departments that could further exacerbate community transmission.

### **Working with State and Federal Partners**

HSCRC will work closely with the Center for Medicare and Medicaid Innovation (CMMI) to monitor the impact of volume and revenue changes under Maryland's Total Cost of Care Model. Our Medicare total cost of care savings rate compares Maryland's performance to the nation. In that way, we will closely monitor how utilization and acuity of COVID-19 cases in Maryland compares to the nation.

HSCRC is also prepared to collaborate with the Maryland Hospital Association, hospitals, the Maryland Department of Health, other State agencies and stakeholders to determine whether any regulations or policies require waivers or modifications during this unique time.

We want to thank each of you, along with the care professionals in your organization, for responding to this emergency public health crisis. We are grateful to have such committed expert resources in our State to care for patients in Maryland.

Sincerely,



Adam Kane, Chairman, HSCRC



Katie Wunderlich, Executive Director, HSCRC