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Health Services Cost Review Commission

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Dear Colleagues,

The Health Service Cost Review Commission (HSCRC) remains committed to providing the support and infrastructure necessary to combat COVID-19 in Maryland. In order to facilitate this, we strive to provide timely guidance and where possible, ease regulatory burdens to enable hospitals to focus on caring for patients and partnering with community providers during these extraordinary times. The purpose of this letter is to address key policy areas that have emerged as the COVID-19 crisis has continued and to keep you updated on State activities.

Additional Support for Patients in Congregate Settings

As the COVID-19 pandemic has evolved in Maryland, a large proportion of the surge has occurred among residents and patients living in congregate settings such as skilled nursing facilities, assisted living facilities, and other long-term care settings. Hospitals act as important conveners and partners in care across the healthcare spectrum, especially under the Total Cost of Care Model. As such, hospitals should be proactive in reaching out to support local health care providers, including long-term care facilities. We have identified a number of areas where hospitals can provide support to partnering health care facilities.

- As hospitals assist patients in congregate settings, consistent with Governor Hogan's April 29, 2020 Executive Order, the Commission wants to remind hospitals that they have the flexibility to tier rates according to resource use. As explained in the policy clarification memo issued by the HSCRC dated May 6, 2020, regarding "Hospital Charging Practices," hospitals may tier room and board rates to account for patients that require less intensive resource use at the hospital without prior approval from the Commission. This flexibility can be used in the instance that there is an influx of patients from long-term care settings that need to be cared for at the hospital. This should ease hospital charging and reimbursement concerns by tiering the charges according to resource use.
- The Office of Health Care Quality (OHCQ) has advised that under the Governor's Emergency Orders, a hospital with licensed sub-acute beds can expand that licensed capacity at their regulated hospital facility through an Emergency Certificate of Need. Similar to expanded inpatient capacity, a hospital can work with OHCQ to expand sub-acute bed capacity while the

COVID-19 State of Emergency is in effect. This could help to decant volume associated with patients that cannot be placed safely in a long-term care facility after being treated for COVID-19.

- The Commission is exploring additional opportunities for Regional Partnerships to support connections between hospitals and long-term care facilities. As you know, the Commission approved a Regional Partnership Catalyst Grant Program in November 2019 to facilitate the partnership between hospitals and care partners on interventions to support statewide population health priorities. While COVID-19 response is not an identified population health priority, it is an emerging public health priority. Moreover, enhanced partnerships between hospitals and long-term care facilities is vitally important for success under the Total Cost of Care Model. Given this, a portion of the Regional Partnership Catalyst Grant Program funding will be directed to support hospital partnerships with long-term care facilities to address patients affected by COVID-19. To be eligible for this funding, hospitals are encouraged to explore opportunities to proactively partner with long-term care facilities in their service area. Additional information will be forthcoming in a Request for Applications (RFA) for FY 2021 grant funding for this work.
- As an immediate step in FY2020, and in preparation for longer-term actions through a Regional Partnership approach, the Commission will also consider additional corridor expansion for hospitals that take an active role to support long-term care partners during the COVID-19 crisis. Staff will consider, on a case-by-case basis, an increase in charging capacity necessary to support hospital partnerships with nursing homes, assisted living facilities, and other congregate care settings.

Governor's Orders on Elective Procedures:

On May 6, 2020, Governor Hogan announced the resumption of elective procedures as part of Stage One of the “Maryland Strong: Roadmap to Recovery.” During his press conference, Governor Hogan directed the Maryland Department of Health (MDH) to issue guidance that allows hospitals and licensed health care providers to resume elective and non-urgent medical procedures, and directed providers to use their independent judgement to determine what procedures are appropriate to perform, which appointments should occur, and which patients to see in light of widespread COVID-19 community transmission. As is still the case with social distancing guidelines, all healthcare workers, patients, and others must be screened for COVID-19 symptoms, and physical distancing requirements must be strictly maintained in all settings where people must wait in order to minimize direct contact between individuals.

[AMENDED DIRECTIVE AND ORDER REGARDING VARIOUS HEALTHCARE MATTERS](#) [Pursuant to Md. Code Ann., Health-Gen. §§ 2-104, 18-102, 18-](#)

The Commission and staff will work with MDH to clarify the guidance and disseminate the information to the industry as appropriate.

Ensuring Financial Stability and Identifying COVID-19 Expenses

Over the course of the last four weeks, staff has evaluated the charging position of hospitals to ensure financial liquidity needed to operate the hospital in preparation of COVID-19 patients. To recognize the challenge of recovering outpatient undercharges during the quarantine and better reflect the true cost of COVID-19 inpatient stays, the Commission will permit hospitals to increase rate corridors to 20% above approved rate order unit rates for 100% inpatient patient care rate centers only (room and board). A memo was distributed on May 8, 2020 to this effect.

Also, as stated in previous letters, it is of utmost importance that hospitals document all costs related to COVID-19 resources that would not have otherwise been expended. Even if hospitals are unsure whether a cost will qualify for reimbursement from certain federal programs or other sources of funding, hospitals should make sure to record COVID-19-related expenses in a uniform manner separate from costs incurred due to work that is unrelated to COVID-19. This will make accessing funds from all sources easier for hospitals. Hospitals needing additional guidance on how to report COVID-19 expenses should coordinate with the Maryland Hospital Association.

Psychiatric Day and Night Care (Partial Hospitalization) Telehealth Services

On May 4, 2020, the HSCRC expanded telehealth guidance to include instructions for reporting and charging for the provision of Psychiatric Day and Night Care (Partial Hospitalization) services by telehealth. In particular, the memo specifies charging guidelines for Psychiatric Day and Night Care services performed in the real time audio-visual format. The memo can be found on the HSCRC COVID-19 webpage.

<https://hscrc.maryland.gov/Documents/TELEHEATH%20MEMO%20AND%20ADDENDUM.pdf>

The HSCRC would like to once again thank hospitals and front line workers for their continued dedication to patients and families during this public health crisis. Hospitals play an instrumental role in the efforts to save lives as the State responds to COVID-19. We appreciate your continued support and care of Marylanders during these unprecedented times.

Sincerely,



Adam Kane
Chairman



Katie Wunderlich
Executive Director