

Date: June 19, 2026

To: Hospital Chief Financial Officers and Case Mix Liaisons

From: Claudine Williams, Principal Deputy Director, HDMI

Subject: **FY 2026 Q4 Data Forum Follow-up**

Joshua Sharfstein, MD
Chairman

James N. Elliott, MD
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Ricardo R. Johnson

David N. Maine, MD

Nicki McCann, JD

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Thank you to all who participated in the **FY 2026 Q4** Data Forum held on **June 12, 2026**. Below is a summary of what was discussed and next steps.

Jonathan Kromm, PhD
Executive Director

William Henderson
Director
Medical Economics & Data Analytics

Gerard J. Schmith
Director
Revenue & Regulation Compliance

Claudine Williams
Director
Healthcare Data Management & Integrity

Reminders

Staff began with general reminders and shared updated HSCRC points of contact for case mix, financial, and supplemental data inquiries.

Case Mix Weights & Grouper

HSCRC reviewed the Solventum APR/EAPG grouper versions used for RY 2028 case mix weights. Inpatient weights are developed using version 43, and outpatient weights use version 4.0. Data sources include CY 2024 for inpatient and CY 2024 plus Q1 2025 for outpatient. Weights will be released in Q2 CY 2026 and apply to CY 2026 six-month Market Shift policies.

Data Forum Survey

Staff encouraged participants to complete the post-meeting Data Forum Survey. A SurveyMonkey link was emailed following the session.

Quality Update

Staff provided a progress report on the AHEAD Model implementation and its synchronization with federal quality initiatives.

Key points included:

- Formal entry into the AHEAD Model commenced January 1, 2026.
- CMS will assume Medicare FFS budget-setting authority in 2028, with the State maintaining all-payer oversight for 2026–2027.

- The State may utilize budget reallocation strategies during PY3–PY5 to facilitate the transition.
- Total Medicare FFS savings requirements are set at \$460M for the PY1–PY7 period (2026–2032).

Quality Alignment and Program Timelines

Staff detailed the AHEAD-related quality incentives and their integration with CMS programs, such as HVBP, HAC, and readmission reduction efforts.

RY 2028 Quality Reporting

An overview of RY 2028 quality program schedules was provided, including the transition to Solventum APR/PPC Version 43 and data requirements for base years and performance periods.

ED LOS UPDATE

Staff reviewed performance data for CY 2025, noting final CY 2025 data will be available in April 2026.

Key points included:

- Improvement goals for RYs 2027 and 2028 will remain consistent with prior years.
- Risk-adjustment methodology will **not** be implemented for RY 2027–2028.
- Evaluation of potential transition to ECAT digital measures for future cycles is ongoing.
- Development of an ED LOS dashboard is underway.

Audit & Integrity Update

The Audit & Integrity unit provided an overview of pending modifications to the Accounting & Budget Manual. These refinements encompass the chart of accounts, reporting mandates, instructional guidelines, and standardized units of measurement. A draft of these proposed changes is slated for presentation during the **July 22, 2026** Public Commission Meeting.

Staff confirmed that Special Audit Procedures will be circulated in June.

Key timelines include:

- **FY-end hospitals:** Submission due **November 17, 2026**.
- **CY-end hospitals:** Submission due **May 20, 2027**.
- Audit-ready case mix data will be accessible beginning **July 1, 2026**.

Supplemental Data Update

Staff detailed two additional supplemental data reporting initiatives slated for FY 2026:

1. **Temporary Staffing Contracts** – Hospitals are mandated to provide:
 - Aggregate count of staffing agreements
 - Cumulative financial outlays
 - Primary occupational categoriesCollaboration is ongoing between HSCRC, MHA, and the MD Department of Labor to finalize reporting templates.
2. **Primary Care Investment Reporting** – Health systems must report on:
 - Share of total reimbursements allocated to primary care services
 - Inventory of active primary care locations
 - Capital and operational funding for service expansion
 - Level of engagement in advanced payment frameworksComprehensive guidelines and data templates will be distributed during the latter half of 2026.

Financial Data Update

Staff provided an overview of upcoming revisions to financial reporting protocols:

Key adjustments include:

- Reporting for Kaiser Permanente, including monthly data and quarterly settlements, has been **suspended**.
- To support AHEAD initiative planning, rate center volume and revenue metrics are now required for **Medicaid primary payer** cases.
- Medicaid-specific charges must be isolated within the Reconciliation Reports.

A comprehensive inventory of Medicaid variable definitions was shared to ensure compliance with FY 2026 reporting mandates.

Annual Filing Schedule

Updates regarding FY 2026 submissions:

- The eF2 system will facilitate all annual filings; reporting templates are expected by mid-July.

- Schedule CCS submissions will be handled via Excel in September, with a final deadline in mid-December.

Case Mix Data Update

Staff detailed several modifications to the FY 2027 submission protocols:

Key points included:

- **Reserve Flag:** Use of the transplant reserve flag is restricted to two designated AMC facilities; unauthorized reporting will result in submission errors.
- **ED LOS rules:** Edit errors for LOS have been eliminated for non-ED hospitals; validations are triggered only when ED charges are present without corresponding LOS data.
- **SOGI:** Omitted SOGI values for adult patients have been downgraded from error to warning status.
- **MEDCHI Numbers:** HSCRC is requesting industry input regarding the potential removal or retention of MEDCHI identifier placeholders.

Additionally, staff provided a review of the implementation schedule for the FY 2027 DSR.

ED Triage Data Collection

Staff provided a review of the ongoing triage reporting initiative:

Key points included:

- Mandates for gathering ED triage metrics (EDTRIAGE and EDTRIAGE2) have been in effect since 2021.
- While numerous facilities remain compliant, substantial reporting deficiencies persist.
- Comprehensive triage information is vital for refining ED efficiency metrics and supporting future analytics.
- Industry input is requested regarding challenges in broadening validation and incorporating these data fields into IP DSR filings for patients admitted via the ED.

Data Processing Update

The hMetrix/Burton Policy team shared general data processing revisions and refreshed hospital support contact information. Discussed items included:

- Distinction between test and production submission protocols.
- Deployment of automated notifications for rejected files.
- Analysis of prevalent rejection drivers (e.g., nomenclature errors, improper routing, integrity issues, or metadata discrepancies).
- Planned shift toward task-based reconciliation frameworks for FY 2027.
- Adjustments to Rate Center Trend Monitoring, EHR survey prompts, and DAVE administrative workflows.
- Provisions for hospitals to alternate between SFTP and DAVE interface methods.

Case Mix Audit Update

HSCRC provided an overview of critical requirements regarding the data elements introduced on **July 1, 2024**, while identifying prevalent discrepancies observed during recent audit cycles:

- Requirements for precise ED arrival and discharge timestamps.
- Consistent omission of observation-related time data must be addressed.
- Validation logic necessitates that inpatient arrival times occur **sequentially after** the ED discharge event.
- Review findings indicate 50% of records were missing unit entry times, and 39% exhibited inpatient arrival markers that were inconsistent with ED departure data.

Upcoming Workgroups

Staff presented the forthcoming meeting itineraries and digital access portals for the following groups:

- Payment Models Workgroup
- Performance Measurement Workgroup and associated subgroups
- Total Cost of Care Workgroup

Comprehensive information regarding administrative calendars and avenues for stakeholder engagement was distributed.

Next Meeting

The next Quarterly Data Forum is scheduled for **September 11, 2026**. Meeting materials and slides will be posted to the HSCRC website. If you have any agenda items, please send them to Nancy, Curtis, or myself by **August 10, 2026**. If you have any questions or concerns about the topics discussed above, please contact Claudine Williams (Claudine.Williams@maryland.gov), Nancy Chiles Shaffer (nancy.shaffer@maryland.gov), or Curtis Wills (Curtis.Wills@maryland.gov).