

# HEALTHCARE OUTCOME PAYMENT EFFORT (HOPE)

A new approach to investing in population health and paying for measurable outcomes

**THE OPPORTUNITY** HOPE is a voluntary, upside-only outcome payment model designed to create a clear, predictable way for hospitals and community partners to invest in interventions that improve population health and share in the savings those interventions generate.

## WHY HOPE?

|                            |                                                                                                                                        |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Buy measurable outcomes    | Reward interventions that demonstrate measurable improvements in health and reductions in inpatient and emergency department spending. |
| Create predictable funding | Establish an outcome payment based on validated savings rather than short-term changes in performance.                                 |
| Support population health  | Encourage prevention, chronic disease management, care transitions, and community-based interventions.                                 |
| Expand who can participate | Create opportunities for hospitals, community organizations, health plans, technology companies, and other partners to work together.  |
| Advance AHEAD goals        | Support Maryland's broader transition toward accountable, population-based health improvement.                                         |

## FROM PAYMENT ADJUSTMENT TO OUTCOME PAYMENT

**HOPE builds on lessons from prior Maryland initiatives.** Rather than relying on a payment adjustment, HOPE creates a mechanism through which Maryland can act as an outcome purchaser, investing in interventions, measuring whether they work, and rewarding partners for better outcomes and lower avoidable spending.

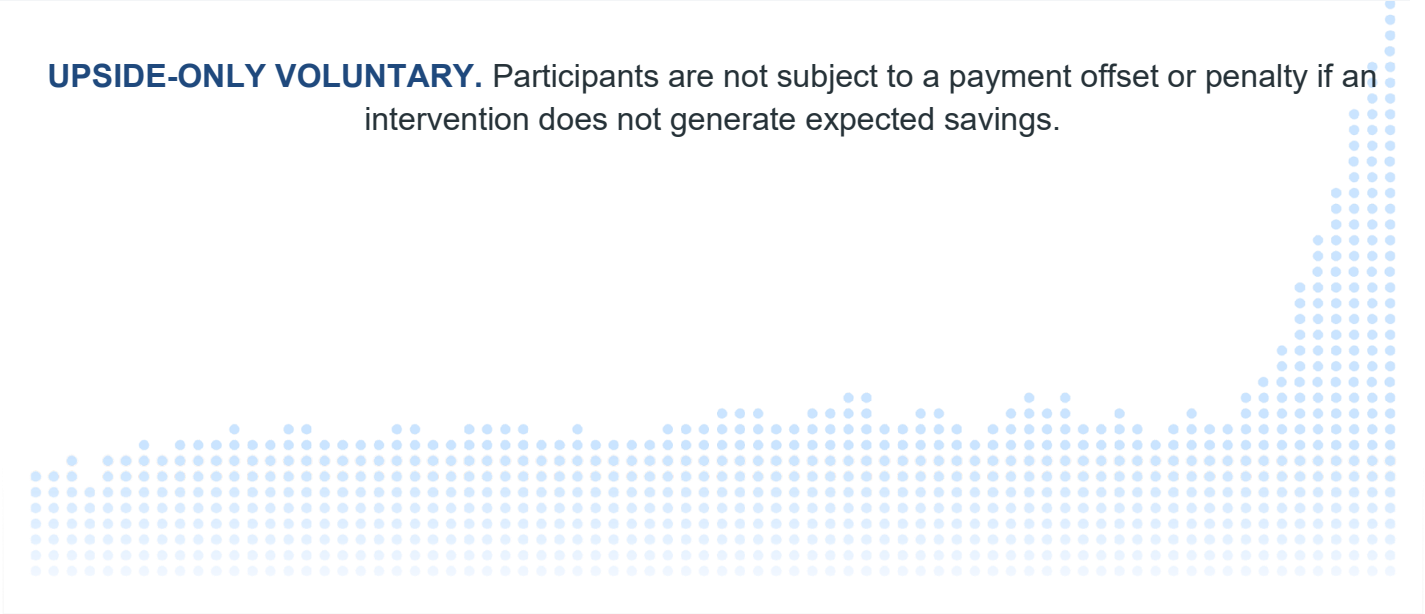
# HOW HOPE WORKS

|                                                                          |                                                                                                 |                                                                                        |                                                                                    |
|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 1                                                                        | 2                                                                                               | 3                                                                                      | 4                                                                                  |
| IDENTIFY                                                                 | MEASURE                                                                                         | VALIDATE                                                                               | PAY                                                                                |
| A meaningful intervention                                                | Define success                                                                                  | Demonstrate savings                                                                    | Share in results                                                                   |
| Propose an evidence-based intervention for a clearly defined population. | Establish a transparent, statistically defensible methodology for health and spending outcomes. | HSCRC validates performance and savings using claims data and appropriate methodology. | Approved initiatives receive an outcome payment based on validated/scored savings. |

**50% OF VALIDATED / SCORED SAVINGS** Approved initiatives receive an outcome payment based on validated savings, with approved payments established for three years.

|                          |                 |                    |
|--------------------------|-----------------|--------------------|
| EXAMPLE                  | OUTCOME PAYMENT | 3-YEAR VALUE       |
| \$5M                     | \$2.5M          | \$7.5M             |
| validated annual savings | annual payment  | illustrative total |

**UPSIDE-ONLY VOLUNTARY.** Participants are not subject to a payment offset or penalty if an intervention does not generate expected savings.



# TWO PATHWAYS TO PARTICIPATE

HOPE offers two pathways designed for different types of leaders and interventions.

|                    | CARE TRANSFORMATION FRAMEWORK (CTF)                                                                 | REGIONAL & STATEWIDE INITIATIVES (RSI)                                                                                         |
|--------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Who leads?         | A hospital or group of hospitals.                                                                   | A regional or statewide organization working in partnership with at least one hospital.                                        |
| Focus              | Hospital-defined interventions serving clearly identified target populations.                       | Regional or statewide interventions addressing opportunities to improve population health and reduce avoidable spending.       |
| Potential partners | Hospitals may partner with community organizations and others needed to implement the intervention. | May include community-based organizations, health plans, technology/digital health companies, and other capable organizations. |
| Payment            | 50% of validated annual savings, with the approved annual payment fixed for up to three years.      | 50% of validated annual savings, with the approved annual payment fixed for up to three years.                                 |

## WHAT MAKES AN INITIATIVE A STRONG FIT FOR HOPE?

|                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>EVIDENCE</b><br><br>Supported by research, prior evaluations, pilots, or established practice standards.                                                                                                                                                                        | <b>POPULATION HEALTH ALIGNMENT</b><br><br>Addresses a recognized Maryland health priority.                                                                                                   |
| <b>DEFINED POPULATION</b><br><br>Clearly identifies who will be served and relevant clinical, utilization, geographic, or demographic characteristics.                                                                                                                             | <b>MEASURABLE IMPACT</b><br><br>Has a credible methodology for demonstrating improved health outcomes and reduced avoidable spending.                                                        |
| <b>CROSS-SECTOR COLLABORATION</b><br><br>Brings together organizations needed to address underlying drivers of health and utilization.                                                                                                                                             | <b>OPERATIONAL &amp; DATA READINESS</b><br><br>Has leadership, infrastructure, data exchange, referral capabilities, and outcome tracking needed to implement and evaluate the intervention. |
| <b>NO ADVERSE EFFECTS</b><br><br>Includes safeguards to monitor and mitigate unintended effects on patient experience or total cost of care.                                                                                                                                       |                                                                                                                                                                                              |
| <b>INVESTING IN TRANSFORMATION</b><br><br>Successful interventions may require upfront investment before savings can be realized. HSCRC has made up to \$25 million in seed funding available across CTF and RSI applicants to support interventions requiring initial investment. |                                                                                                                                                                                              |

INVEST → IMPLEMENT → MEASURE → DEMONSTRATE OUTCOMES → EARN PAYMENT → REINVEST

# HOPE AT A GLANCE

|                 |                                                                                            |
|-----------------|--------------------------------------------------------------------------------------------|
| Model           | Voluntary, upside-only outcome payment model                                               |
| Primary goals   | Improve population health and reduce inpatient and emergency department spending           |
| Participants    | Hospitals, community organizations, health plans, technology companies, and other partners |
| Pathways        | CTF and RSI                                                                                |
| Payment         | 50% of validated/scored savings                                                            |
| Payment period  | Three years for approved initiatives                                                       |
| Downside risk   | None                                                                                       |
| Measurement     | Rigorous, transparent, data-driven measurement using claims data                           |
| Seed funding    | Up to \$25 million across CTF and RSI                                                      |
| AHEAD alignment | Designed to advance Maryland's population health and cost goals under AHEAD                |

**THE BOTTOM LINE** HOPE creates a predictable mechanism for buying measurable outcomes enabling Maryland to invest in interventions, measure whether they work, and reward partners for achieving better outcomes and lower avoidable spending.

