



maryland
health services
cost review commission

Total Cost of Care Workgroup Meeting

October 23, 2024

Agenda

- AHEAD Update
- Update on CTI Hospital Outpatient Department (HOPD) Services Thematic Area
- 2025 Potential MPA Changes
- Benchmarking Update
- Advancing Innovation in Maryland (AIM)
- Next Steps



AHEAD Update

Update on HOPD Services Thematic Area

- New for current performance year
- Risk Adjustment - Will use HCC risk adjustment only
- Episodes will be combined with other episodic CTIs to determine minimum saving rates
 - HSCRC will likely revisit minimum savings thresholds and grouping for the next performance year

MPA Potential Changes for 2025

Recap of current traditional MPA

1. Attribute Medicare FFS beneficiaries to hospitals on a geographic basis
 1. AMCs have extra layer focused on high-acuity individuals
2. MPA penalizes or rewards hospitals based on a subtracting:
 1. The cumulative growth since 2019 in their attributed per capita TCOC from
 2. Cumulative national growth in per capita TCOC less a hospital specific growth rate adjustment
3. Each hospital's growth rate adjustment is set based on their position versus target in 2019.

Hospital Performance vs. Benchmark	TCOC Growth Rate Adjustment
1 st Quintile (-15% to + 1% Relative to Benchmark)	0.00%
2 nd Quintile (+1% to +10% Relative to Benchmark)	-0.25%
3 rd Quintile (+10% to +15% Relative to Benchmark)	-0.50%
4 th Quintile (+15% to +21% Relative to Benchmark)	-0.75%
5 th Quintile (+21% to +28% Relative to Benchmark)	-1.00%

4. The result is then multiplied by 0.33 and capped at 2% of Medicare revenue then adjusted for quality to derive the final value.

Comment Letters Recap (MPA only, CTI will be discussed next week)

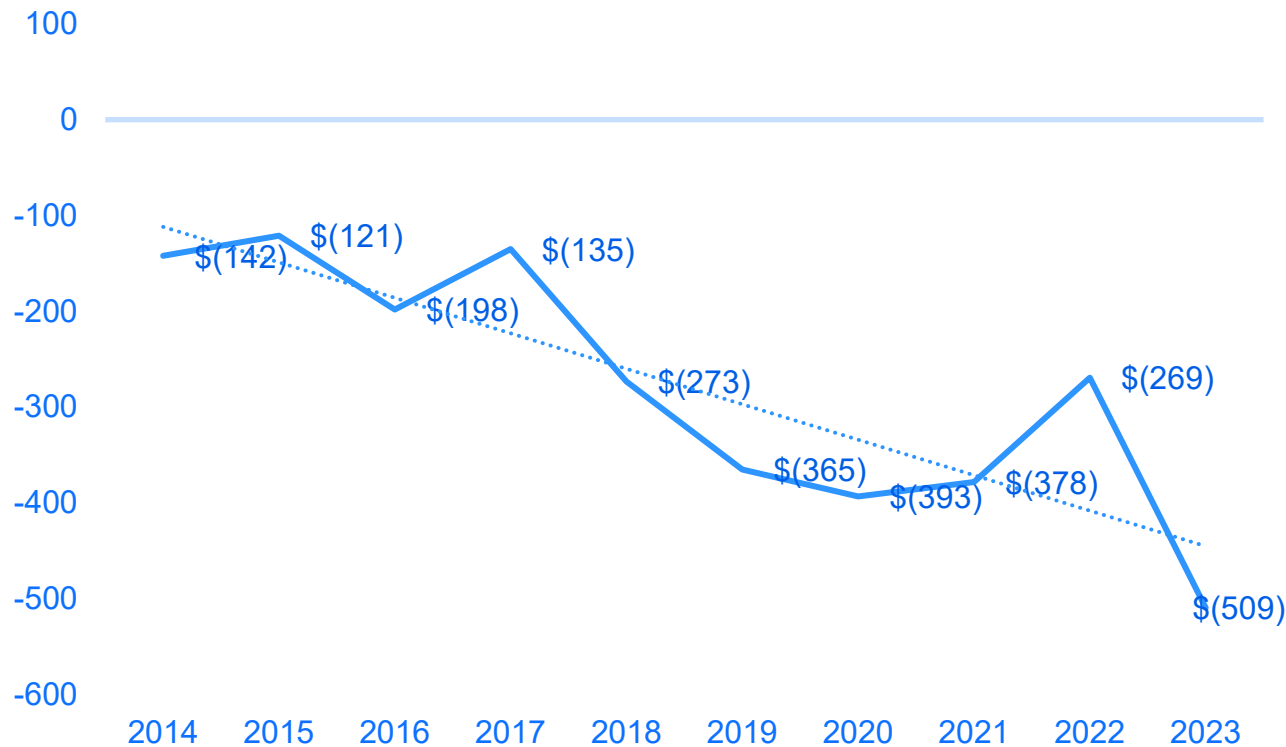
- **Adventist**
 - Suggests aligning MPA results with the Model TCOC savings test – One calculation for TCOC saving to ensure alignment and clarity.
 - Supports incorporating NCBP into MPA savings calculations
- **MHA**
 - Suggest aligning MPA results with TCOC Savings Calculation
 - Suggests eliminating required savings in MPA
 - Suggests revising attribution methodology – stated the transition to geographic-only attribution diminished the closer clinical link of the previous methodology.
 - Supports adding NCBP to MPA scoring.
- **UMMS**
 - Suggests misalignment of MPA and TCOC results remains a challenge – undermines engagement and removes behavioral incentive
 - Suggest revising MPA policy theory of change to be a reward share to hospitals when TCOC results are met and penalty when savings to CMS are not achieved.
 - Suggests revision of MPA attribution to acknowledge hospital relationship – Concerned about stability, timing, and impact to health equity and access to care. Suggests holding to align with AHEAD timing.
 - Suggests refinement of MPA methodology to align more with TCOC savings of Maryland versus the nation.
 - Supports inclusion of NCBP to MPA scoring in the measurement of CY24 performance and requests HSCRC continue to evaluate intended behavioral impact.

Areas of Discussion

- Revise MPA attribution threshold and data sharing rules
 - Optimistic about gaining additional flexibility under AHEAD
- Add Non-Claims Based Payments to MPA scoring
- Revise attribution methodology to better align attribution with effort

Measurement Considerations - MPA Savings vs Model Saving Test

Cumulative Run Rate Savings by Year



Not considered under MPA

Hospitals have raised concerns about misalignment of total saving and MPA measurement.

- Model Savings Test and MPA Savings measurement are designed differently - MPA was never intended to capture back to 2013. Statewide text explicitly uses 2013 baseline.
- 2023 Savings were not “out of line” when considered in context of pre-pandemic savings. “High” 2023 savings is only true in the context of 2022 savings.
- HSCRC staff changed MPA to use a cumulative scoring method to avoid penalizing success (resetting the base each year removes credit for savings achieved in that year) this works against hospitals in the current circumstance.

Impact of Non-claims Based Payments

Maryland

Category	Major Programs	CY22 \$M (% of Total Spend)	CY23 \$M (% of Total Spend)	% Scored in Q1 of 2024 based on 2023 Values
Primary Care Related	MDPCP, PCF	\$184.0 (1.7%)	\$198.8 (1.8%)	100.0%
Other NCBP	DC/Reach, SSP	\$17.0 (0.2%)	\$31.8 (0.3%)	2.4%

National

Category	Major Programs	CY22 \$M (% of Total Spend)	CY23 \$M (% of Total Spend)	% Scored in Q1 of 2024 based on 2023 Values
Primary Care Related	MDPCP, PCF	\$890.6 (0.2%)	\$730.7 (0.2%)	100.0%
Other NCBP	VT APM, DC/Reach, SSP, OCM, CJR	\$3,686.6 (1.0%)	\$4,338.8 (1.2%)	28.5%

- Primary care programs have always been included in MPA scoring
 - Data is available monthly.
 - Maryland data can be attributed at the beneficiary level.
- Other programs have not been included in the MPA.
 - Exclusion penalizes Maryland results.
 - Data mostly not available until year end, CMS recently added quarterly reporting, but it only represents ~25% of total.
 - No ability to attribute MD spending at the beneficiary level.

Proposed Approach to Include NCBP Using 2023 Results

	National PBPM Spending Used in the MPA	National NCBP Not Previously Included	Maryland NCBP Not Previously Included in Total	Total
	A	B	C	D = A + B - C
2019	\$956.28	\$0.00	\$0.00	\$956.28
2023	\$1,090.78	\$12.72	\$0.09	\$1,103.41
Cumulative Trend	14.1%			15.4%

2019 NCBP were all related to primary care programs.

- Using higher trend in 2023 translates into \$9.6 M additional payments under the MPA for that period. Actual impact by year would depend on whether hospitals are at minimum or maximum savings.
- HSCRC will propose to fix for CY25 but also plans to recommend retrospective adjustment to 2022 through 2024.
- Maryland payments are offset against national; this does not mirror TCOC savings test calculation but avoids adjusting Maryland results at the hospital level and is materially the same.

Other Potential Revisions

- HSCRC has discussed changing the MPA attribution methodology to more closely align with hospital population health strategies. Staff is inclined to defer this until 2026 because:
 - AHEAD agreement is likely to add additional flexibility to MPA attribution and HSCRC would rather not change the methodology twice.
 - There are numerous other changes ongoing in HSCRC policies and keeping the stability of the geographic attribution is simple.
 - There are considerable risks and uncertainties to changing to a CTI-based methodology and the modeling will be complex. Staff would prefer to take a longer time to study the potential impact.
- Stakeholders suggested changing MPA risk to align more closely with performance on the saving test
 - Staff inclined to defer other changes until 2026 and focus on aligning with revisions under AHEAD.

HSCRC would be open to smaller geographic-based changes to MPA attribution to better align calculated service areas to practice patterns (e.g. Academics changed to focus on Baltimore City)



Benchmarking

Benchmarking Topics

- Review of timelines and workplan
- Review of additional variables to test
- Initial results from updating current model with new data period

Medicare Models

- Original: Median household income, % deep poverty, regional price parities, average HCC score
- Refreshed: Same as Original, updated to 2022 data
- Scenario 1: Original + % percent diabetes
- Scenario 2: Original + % Black or African American
- Scenario 3: Original + % Hispanic
- Scenario 4: Original + BLS health wage index
- Scenario 5: Original + BLS health wage index - median household income
- Scenario 6: Original + CDC/ATSDR SVI
- Scenario 7: Original + CDC/ATSDR SVI - median household income - % deep poverty
- Scenario 8: Original + CDC/ATSDR SVI four sub-domains - median household income - % deep poverty
- Scenario 9: Original + Adult Smoking from County Health Ranking
- Scenario 10: Original + Adult Obesity from County Health Ranking
- Scenario 11: Original + Food Environment Index from County Health Ranking

Comparability Across Multiple Domains

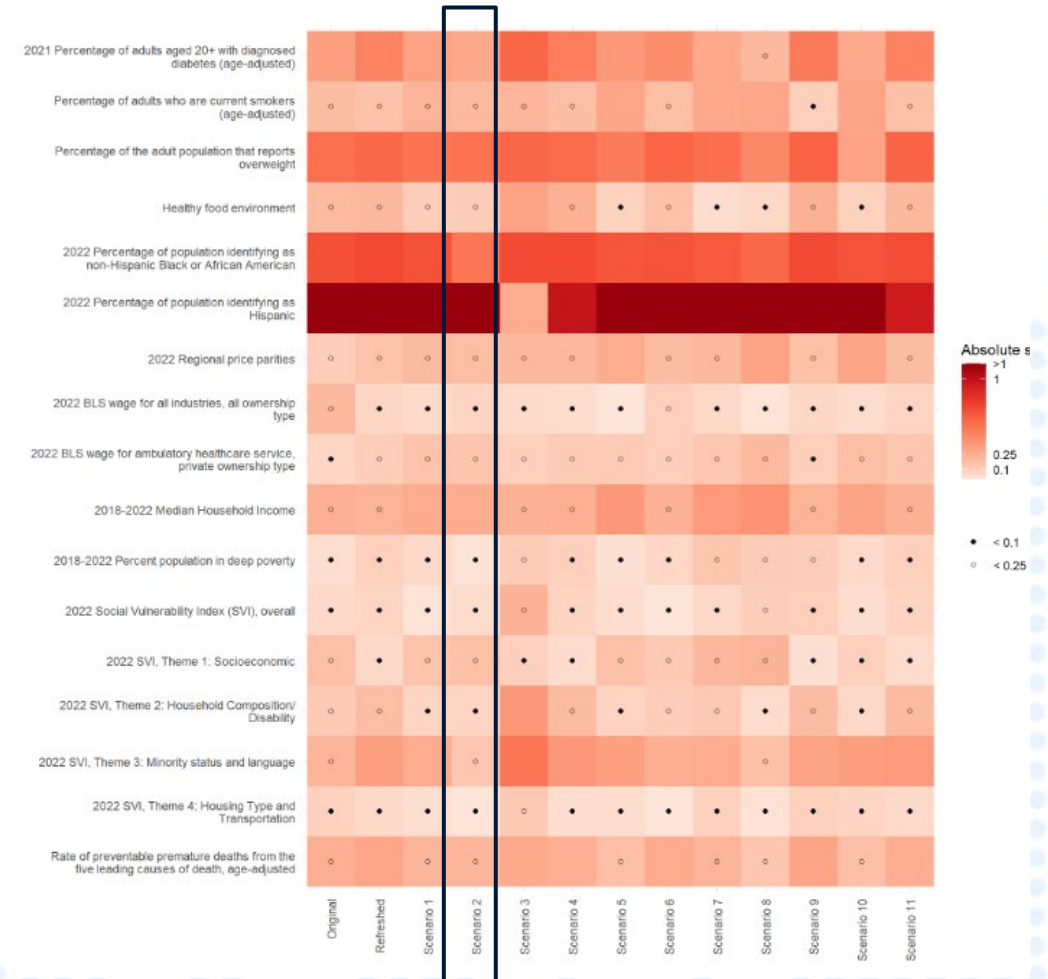
Balance statistics- Average Standardized Difference

Domains	Measures
Health Factors	Percentage of adults aged 20+ with diagnosed diabetes (age-adjusted)
	Percentage of adults who are current smokers (age-adjusted)
	Percentage of the adult population that reports overweight
	Healthy food environment
Race and Ethnicity	2022 Percentage of population identifying as non-Hispanic Black or African American
	2022 Percentage of population identifying as Hispanic
Price	2022 Regional price parities
	2022 BLS wage for all industries, all ownership type
	2022 BLS wage for ambulatory healthcare service, private ownership type
Socio-economic	2018-2022 Median Household Income
	2018-2022 Percent population in deep poverty
	2022 Social Vulnerability Index (SVI), overall
Outcomes	Age-adjusted Preventable Death Rate (Rate of death due to malignant neoplasms, heart, cerebrovascular, chronic lower respiratory diseases, and accidents)

In statistics matching, balance refers to the degree to which the distribution of covariates is similar across treatment levels. The absolute standardized mean difference (ASMD) is a metric used to compare the difference in means between treatment groups, and is calculated by dividing the absolute value of the difference in means by the standard deviation in the treated group.

Scenario ranking based on balance

Scenarios	Average of Adjusted Absolute Difference	Number of Factors <=.10	Number of Factors <=.25	Total Number of Factors in the Model
Sc2: Org + % Black	0.28	3	8	13
Sc10: Org + Adult Obesity	0.29	4	6	13
Sc3: Org+ % Hisp	0.30	1	7	13
Sc5: Org + BLS WageIn-Income	0.30	4	6	13
Sc1: Org + % diabetes	0.30	3	8	13
Sc8: Org + SVI Domains- Income-DP	0.30	2	7	13
Sc7: Org + SVI - income - % DP	0.32	3	7	13
Sc6: Org + SVI	0.32	2	8	13
Sc11: Org + Food Environment Index	0.32	3	8	13
Sc4: Or+ BLS WageIn	0.32	3	8	13
Refreshed: Org+2022Update	0.33	3	8	13
Sc9: Org+ Adult Smoking	0.33	4	8	13
Original: Income, % DP, RPP,HCC	0.34	3	9	13



Comparison of Refreshed and Scenario 2- Original + % Black

Balance Factors	Maryland vs US Total Difference	Benchmark Difference- Scenario 2	Benchmark Difference- Refreshed	Scenario 2 is better balanced
2022 Regional price parities	1.25	0.18	0.16	(0.02)
Percentage of adults who are current smokers (age-adjusted)	1.25	0.20	0.16	(0.04)
2018-2022 Median Household Income	1.05	0.26	0.23	(0.04)
Healthy food environment	1.04	0.11	0.20	0.09
2022 BLS wage for ambulatory healthcare service, private ownership type	0.92	0.15	0.11	(0.04)
2018-2022 Percent population in deep poverty	0.80	0.01	0.10	0.09
2022 BLS wage for all industries, all ownership type	0.77	0.08	0.07	(0.00)
2022 Percentage of population identifying as non-Hispanic Black or African American	0.72	0.52	0.72	0.20
2022 Percentage of population identifying as Hispanic	0.66	1.01	1.08	0.08
Rate of preventable premature deaths from the five leading causes of death, age-adjusted	0.47	0.22	0.29	0.07
2021 Percentage of adults aged 20+ with diagnosed diabetes (age-adjusted)	0.43	0.28	0.45	0.17
2022 Social Vulnerability Index (SVI), overall	0.30	0.04	0.07	0.03
Percentage of the adult population that reports overweight	0.16	0.54	0.58	0.04

Balance Statistics by County

	Difference from refreshed balance											
	Refreshed: Org+2022Up date	Sc1: Org + % diabetes	Sc2: Org + % Black	Sc3: Org+ % Hisp	Sc4: Or+ BLS WageIn	Sc5: Org + BLS WageIn-Income	Sc6: Org + SVI	Sc7: Org + SVI - income - % DP	Sc8: Org + SVI Domains- Income-DP	Sc9: Org+ Adult Smoking	Sc10: Org + Adult Obesity	Sc11: Org + Food Environment Index
Frederick County	0.24	0.01	0.00	0.01	-0.02	0.02	0.01	0.04	0.02	-0.01	0.01	0.01
Montgomery County	0.37	0.03	0.02	0.00	0.03	0.05	-0.02	0.02	0.00	0.02	0.01	0.03
Garrett County	0.41	0.00	0.00	-0.02	-0.01	0.03	0.00	-0.05	-0.11	0.05	0.04	-0.03
Carroll County	0.41	-0.04	-0.02	-0.05	0.03	0.04	-0.07	-0.06	-0.12	0.00	0.02	-0.03
Harford County	0.42	0.00	0.00	-0.04	-0.02	-0.01	-0.04	-0.04	-0.05	0.01	0.02	-0.02
Worcester County	0.45	-0.10	-0.06	0.01	-0.05	-0.05	-0.08	-0.07	-0.11	0.01	-0.03	-0.12
Kent County	0.46	-0.02	-0.01	-0.04	-0.03	-0.05	-0.02	-0.01	-0.06	0.02	-0.01	0.01
Cecil County	0.48	-0.04	-0.07	-0.08	0.01	-0.01	-0.08	-0.08	-0.08	-0.01	-0.05	0.02
Washington County	0.48	-0.12	-0.03	0.02	-0.07	-0.09	-0.10	-0.07	-0.16	-0.03	-0.08	-0.05
Baltimore County	0.51	-0.06	-0.11	0.01	0.01	0.00	0.03	0.05	-0.09	0.03	-0.06	0.03
Anne Arundel County	0.51	0.01	0.00	-0.09	0.01	0.01	-0.09	-0.08	-0.10	0.01	-0.02	-0.01
Wicomico County	0.51	-0.09	-0.22	0.01	-0.04	-0.11	-0.10	-0.10	-0.18	-0.04	-0.04	-0.06
Calvert County	0.52	0.02	0.01	-0.04	-0.04	0.09	-0.04	-0.01	-0.07	0.01	-0.05	0.02
Dorchester County	0.52	0.00	-0.08	0.08	0.01	0.00	-0.04	0.07	0.04	0.00	0.01	0.04
Queen Anne's County	0.52	-0.02	0.01	-0.04	0.11	0.17	-0.05	-0.02	-0.04	0.03	0.02	0.03
Maryland Average	0.54	-0.04	-0.05	-0.02	-0.01	-0.01	-0.05	-0.02	-0.07	0.00	-0.02	0.00
Caroline County	0.55	-0.02	-0.06	0.12	0.02	-0.01	-0.10	0.10	-0.02	0.05	-0.03	0.06
St. Mary's County	0.56	-0.04	-0.03	-0.01	0.00	0.00	-0.02	-0.01	-0.08	0.00	-0.01	-0.02
Allegany County	0.58	-0.13	-0.06	-0.20	-0.06	-0.06	-0.13	-0.12	-0.22	-0.03	-0.03	0.01
Talbot County	0.61	-0.08	-0.01	-0.04	-0.06	-0.06	-0.08	-0.07	0.04	-0.07	0.00	-0.05
Howard County	0.63	0.00	-0.03	-0.03	-0.07	0.00	-0.04	-0.08	0.05	-0.01	-0.03	0.04
Charles County	0.69	0.01	-0.05	-0.02	0.01	0.02	-0.01	-0.02	-0.01	-0.02	-0.02	-0.02
Baltimore city	0.71	0.04	-0.06	-0.03	0.02	0.01	0.01	0.31	0.22	0.04	0.00	0.04
Prince George's County	0.86	-0.19	-0.16	-0.03	0.04	-0.04	-0.11	-0.12	-0.18	0.03	-0.06	0.06
Somerset County	0.91	-0.11	-0.31	-0.06	-0.13	-0.11	-0.10	-0.09	-0.25	-0.09	-0.07	-0.02

Distance measures variables included in the selection

County	Change in Average Distance compared to Scenario 0: Data Refresh with Original Factors											
	Average Distance	Sc0: Refreshed: Org+2022Update	Sc1: Org + % diabetes	Sc2: Org + % Black	Sc3: Org+ % Hisp	Sc4: Or+ BLS WagneIn	Sc5: Org + BLS WagneIn- Income	Sc6: Org + SVI	Sc7: Org + SVI - income - % DP	Sc8: Org + SVI Domains- Income-DP	Sc9: Org+ Adult Smoking	Sc10: Org + Adult Obesity
Garrett County	0.23	0.02	(0.02)	0.00	0.11	0.08	0.05	(0.03)	0.20	0.06	0.19	0.04
Worcester County	0.26	0.07	0.10	0.01	0.08	0.06	0.08	(0.01)	0.14	0.04	0.06	0.10
Caroline County	0.28	0.06	0.14	0.03	0.12	0.11	0.14	0.04	0.18	0.03	0.13	0.03
Dorchester County	0.30	0.04	0.22	0.00	0.08	0.06	0.08	0.02	0.15	0.02	0.03	0.03
Allegany County	0.36	0.02	0.04	0.03	0.04	0.04	0.08	(0.03)	0.15	0.03	0.07	0.04
Washington County	0.36	0.08	0.04	0.02	0.06	0.04	0.06	0.02	0.11	0.03	0.11	0.05
Wicomico County	0.36	0.03	0.17	0.00	0.06	0.02	0.06	(0.03)	0.06	0.02	0.03	0.04
Baltimore County	0.37	0.06	0.19	0.08	0.07	0.07	0.05	0.05	0.20	0.00	0.14	0.05
Prince George's County	0.39	0.34	0.93	0.06	0.03	0.02	0.20	0.15	0.29	0.03	0.39	0.03
Somerset County	0.40	0.09	0.27	(0.01)	0.31	0.30	0.06	0.04	0.27	0.04	0.27	0.05
Anne Arundel County	0.48	0.02	0.07	0.05	0.08	0.04	0.06	0.11	0.18	(0.02)	0.16	0.04
Cecil County	0.54	(0.00)	(0.01)	(0.01)	0.06	0.06	0.02	(0.09)	0.06	0.01	0.02	0.03
Maryland average	0.57	0.04	0.14	(0.00)	0.07	(0.01)	0.03	(0.06)	0.06	(0.00)	0.09	0.02
Kent County	0.57	0.02	0.06	(0.03)	0.11	0.11	0.04	0.06	0.16	(0.01)	0.07	(0.02)
Carroll County	0.58	(0.00)	(0.02)	0.01	0.02	(0.06)	(0.01)	(0.04)	0.05	(0.02)	0.03	0.05
Montgomery County	0.59	(0.01)	0.07	(0.01)	0.06	0.01	0.02	0.01	0.17	0.01	0.03	0.02
Harford County	0.60	0.03	0.03	0.00	0.00	(0.04)	(0.01)	(0.06)	0.02	(0.02)	0.01	0.04
Frederick County	0.64	(0.01)	(0.02)	(0.01)	0.01	(0.11)	(0.03)	(0.10)	(0.03)	(0.03)	0.02	0.03
Charles County	0.71	0.24	0.76	(0.03)	(0.01)	(0.13)	(0.04)	(0.10)	0.15	(0.04)	0.28	(0.00)
Howard County	0.75	(0.04)	0.05	0.02	0.06	(0.07)	0.01	(0.03)	0.06	(0.02)	0.01	(0.04)
Talbot County	0.77	(0.03)	0.00	(0.04)	0.20	0.14	(0.01)	0.01	0.25	0.01	0.07	(0.03)
Calvert County	0.85	(0.00)	(0.03)	(0.05)	(0.02)	(0.33)	(0.05)	(0.29)	(0.20)	(0.06)	0.04	(0.05)
Baltimore city	0.89	(0.01)	0.45	(0.00)	0.06	0.14	(0.07)	(0.39)	(0.31)	(0.04)	(0.03)	(0.02)
St. Mary's County	1.08	(0.04)	(0.04)	(0.09)	0.00	(0.63)	(0.07)	(0.71)	(0.55)	(0.06)	(0.03)	(0.08)
Queen Anne's County	1.26	(0.07)	(0.11)	(0.06)	(0.00)	(0.11)	(0.06)	(0.08)	(0.25)	(0.06)	(0.05)	(0.05)

Testing Adjustments to Race and Ethnicity Variables

TCOC Adjusted for Median household income, % deep poverty for this analysis.

- Original: Median household income, % deep poverty, regional price parities, average HCC score
- Scenario 2: Original + % Black or African American
- Scenario 3: Original + % Hispanic

Correlations in MD county difference from benchmarks

	Refreshed	Scenario 2	Scenario 3
Refreshed	1.00	0.98	0.96
Scenario 2		1.00	0.98
Scenario 3			1.00

Next steps

Updating the selection of benchmarks with updated data produced better comparisons for new time periods.

1. Adding more factors to matching algorithm
 1. What are the factors to measure balance?
 2. How similar benchmark counties need to be before the regression adjustments?
 3. How do we balance impact of adding new factors vs. keeping the factor list small?
2. Post-matching adjustments

Advancing Innovation in Maryland (AIM)

AIM – Call for Ideas Reminder

- Submissions are due October 25 at 5PM EST.
- Judges have been notified.
- For more details and submission requirements please visit the [AIM Webpage](#).



Next Steps

TCOC Workplan for Upcoming Months

- Additional TCOC workgroup meeting on October 30, 8-10AM – CTI Focused
 - Registration Link: <https://us06web.zoom.us/meeting/register/tZUucemsgj0rHNWxVKVbus52Pgp7jrXRqn5G>
- Future meetings topics:
 - Finalized MPA recommendation changes
 - Continue benchmarking discussion

Thank You
Next Meeting October 30, 8-10 am