



maryland
health services
cost review commission

Total Cost of Care Workgroup Meeting

HTAC/AHEAD

September 25, 2024

Agenda

- AHEAD Update
- Savings Overview for EQIP
- Benchmarking Presentation
- Next Steps



AHEAD Update



EQIP Savings Overview

PY2 Enrollment Summary

EQIP entities enrolled:	64
Total Care Partners:	2,787
Specialties represented:	43
Participation in all 45 available EQIP Episodes	
Smallest Entity:	1 CP
Largest Entity:	994 CPs
Entities participating in more than 2 episodes:	36

Clinical Episode Categories	Number of EQIP Entities	Number of Care Partners
Allergy*	14	1461
Cardiology	24	1570
Dermatology*	5	1201
Emergency Care*	11	1703
Gastroenterology	21	1545
Ophthalmology*	7	1171
Orthopedics	33	2097
Urology*	6	238

* New in PY2

PY1 vs PY2 Participation

- Of the 64 entities participating in PY2, 18 (28%) were participating for the first time.
- 46 of the 50 entities that participated in PY1 continued to participate in PY2.
- 25 New Episodes and five new specialties were added in PY2.
- Episode volume grew 108% from PY1.
 - In PY2 there were ~79k episodes, more than doubling volume in 2022.
 - 46k of total episodes are from entities participating in PY1, 27% higher than their combined volume during PY1.
 - 32k of episode volume growth is from new entities.

EQIP Year 2 Results

- EQIP saved ~\$38 million in total cost of care in PY2, 2023. Overall, EQIP episodes accounted for ~\$500 million in costs so the savings rate was approximately 7%.
 - Savings were only counted if the entity exceeded a 3% minimum savings rate, which was created to ensure that savings and payouts from EQIP would be statistically significant.
- 31 EQIP entities earned savings out of a total of 64. However, most of the smallest 25% of practices by volume saw no savings.
- Based on the savings, we expect to pay out \$19 million in incentive payments to physicians (i.e., 50% of the total earned savings).
 - A lower shared savings percentage was a result of PY1 dissavings offset

Analysis by Episode Type

Clinical Category	% Baseline Spend	% Savings
Allergic Rhinitis/Chronic Sinusitis	0.03%	-7.30%
Asthma	0.08%	-15.37%
Allergy Total	0.11%	-13.07%
Acute Myocardial Infarction	2.83%	-0.90%
CABG &/or Valve Procedures	6.26%	-2.29%
Coronary Angioplasty	6.24%	0.72%
Pacemaker / Defibrillator	7.34%	10.65%
Cardiology Total	22.67%	2.90%
Cellulitis Skin Infection (SRF)	0.31%	-12.06%
Dermatology Total	0.31%	-12.06%
ED - Abdominal Pain & Gastrointestinal Symptoms	1.95%	-3.92%
ED - Asthma/COPD	1.79%	-25.26%
ED - Atrial Fibrillation	3.06%	-2.64%
ED - Chest Pain	1.97%	0.34%
ED - Deep Vein Thrombosis	0.32%	-12.24%
ED - Dehydration & Electrolyte Derangements	1.52%	-5.57%
ED - Diverticulitis	0.45%	1.05%
ED - Fever, Fatigue or Weakness	0.11%	-21.04%
ED - Hypertension	0.07%	-38.70%
ED - Nephrolithiasis	0.20%	-6.93%
ED - Pneumonia	1.09%	-12.70%
ED - Shortness of Breath	0.68%	-1.94%
ED - Skin & Soft Tissue Infection	0.67%	-23.03%
ED - Syncope	0.87%	-5.15%
ED - Urinary Tract Infection	2.41%	-8.78%
Emergency Care Total	17.15%	-7.86%

Clinical Category	% Baseline Spend	% Savings
Colonoscopy	3.72%	5.29%
Colorectal Resection	1.96%	-2.95%
Gall Bladder Surgery	1.43%	5.48%
Upper GI Endoscopy	2.71%	9.15%
Gastroenterology Total	9.82%	4.73%
Cataract Surgery	1.36%	20.21%
Glaucoma	0.06%	11.54%
Ophthalmology Total	1.42%	19.86%
Hip Replacement & Hip Revision	9.50%	11.14%
Hip/Pelvic Fracture	5.66%	-5.27%
Knee Arthroscopy	0.50%	8.11%
Knee Replacement & Knee Revision	17.68%	10.26%
Low Back Pain	0.33%	-2.76%
Lumbar Laminectomy	1.39%	0.55%
Lumbar Spine Fusion	8.19%	6.80%
Osteoarthritis	1.14%	43.40%
Shoulder Replacement	3.28%	-1.23%
Orthopaedics Total	47.68%	7.60%
Prostatectomy	0.54%	-20.25%
Transurethral resection prostate	0.29%	20.09%
Urology Total	0.83%	-6.24%

*Numbers are considered preliminary

Analysis by Episode Type

- Savings do not reflect exclusion of episodes below MSR, as that is applied at an entity level, so % savings is lower.
- Orthopedics and Cardiology episodes represent the largest share by baseline spend, and both had positive savings
- Most specialties included both high performing and low performing episodes.
- Only one of the new specialties, Ophthalmology, showed a positive % saving. Allergy, Dermatology, Emergency Care and Urology had negative savings across all entities.

Overall Assessment & Next Steps

- Complete additional analysis and present at November subgroup meeting
- Finalization of Payment amount:
 - Reconciliation numbers in EEP are preliminary
 - HSCRC is conducting a post-episode monitoring analysis
 - CMS to verify incentive payment cap
- CRISP/MedChi to host two learning collaboratives:
 - EQIP FAQ Sessions: 10/25 (invite to go out following this meeting)
 - Please submit all questions to equip@crisphealth.org by 10/4
 - EQIP Entity Portal (EEP) – Report Review: date TBD



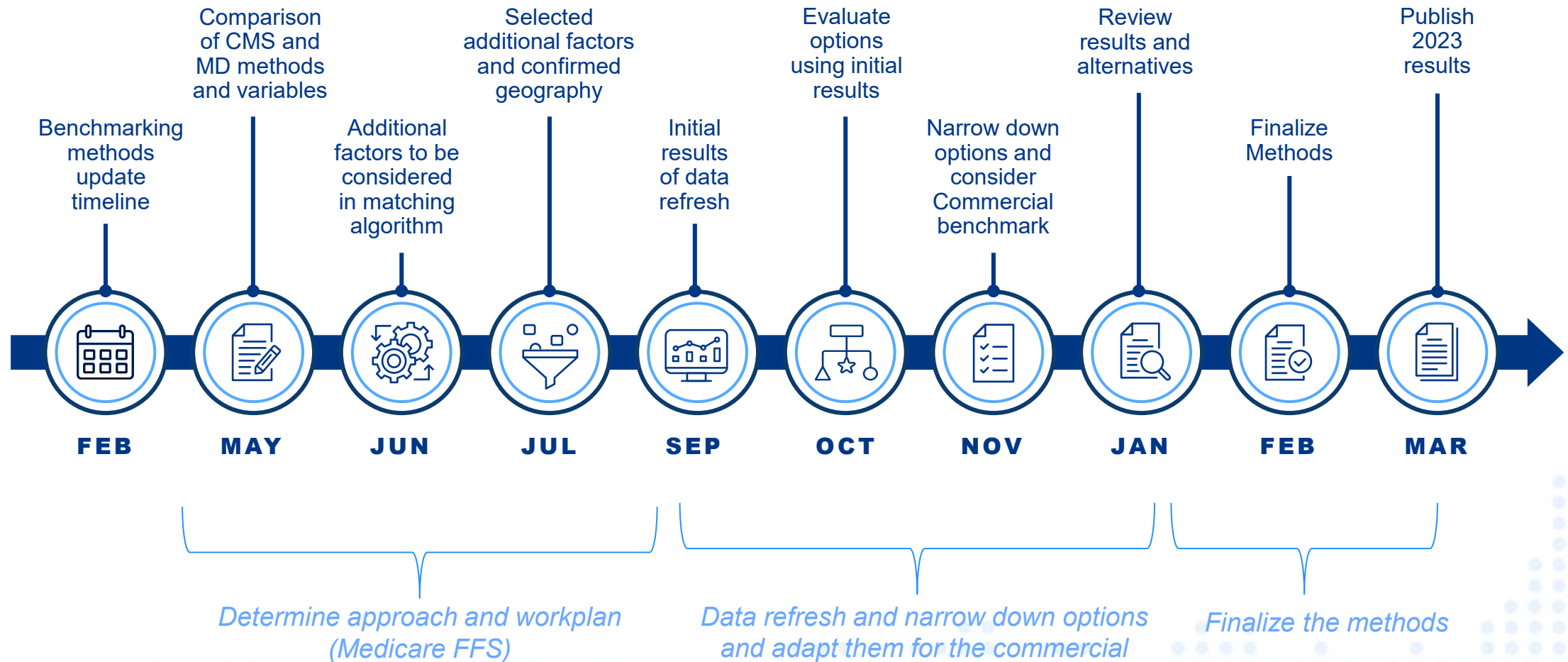
Benchmarking

Updated data and Additional model options

Benchmarking Topics

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

Benchmark Methods Workplan and Timelines



Recap of the previous decisions

- Geography
 - Keep county level analysis
 - Potentially merge some counties on the Eastern Shore after the benchmark peers are selected
- Additional factors for benchmark peer selection
 - Not to consider:
 - Health outcomes
 - MA penetration
 - Part-A only
 - Dual status
 - % Hispanic
 - Continue to evaluate:
 - Health factors- health behaviors
 - Non-Hispanic Black
 - Social and economic factors (index vs. individual measure)
- Benchmark comparability
 - Analyze the comparability statistics of selected benchmark peers using preventable mortality rates (health outcomes)

Factors used in benchmark county selection (i.e., matching)

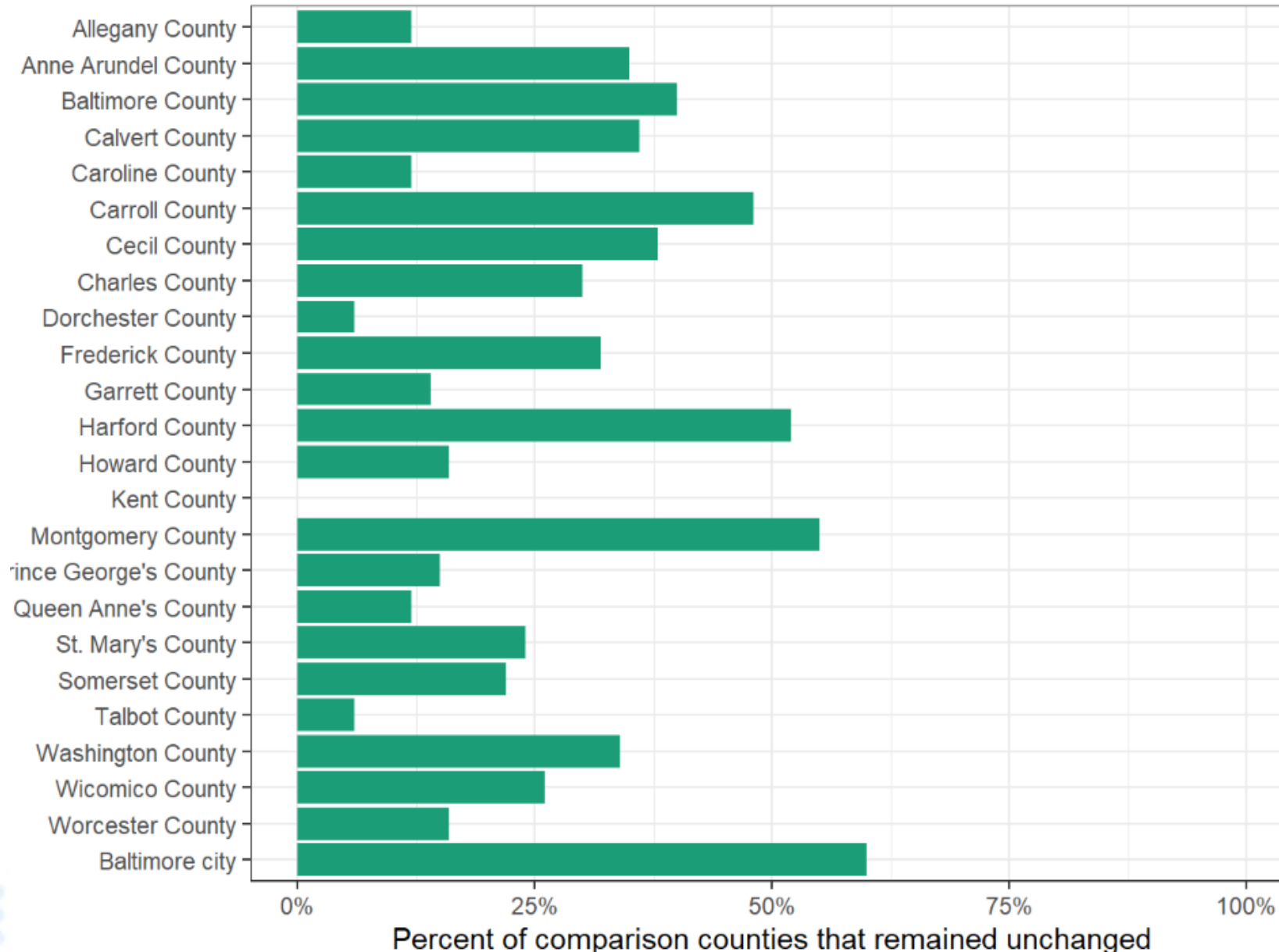
Baseline model variables	Variables to test for inclusion in model
<ol style="list-style-type: none">1. Population density - population per square mile2. Rural/urban continuum code3. Total population estimate4. Median household income5. Percentage of population in deep poverty6. Regional purchasing parities7. Average Hierarchical Condition Category (HCC) Score for Medicare beneficiaries	<p data-bbox="1161 311 1447 349">Health Factors</p> <ol style="list-style-type: none">1. Percentage of adults aged 20 and above with diagnosed diabetes (age-adjusted).2. Percentage of adults who are current smokers (age-adjusted).3. Percentage of the adult population (age 18 and older) that reports a body mass index (BMI) greater than or equal to 30 kg/m² (age-adjusted).4. Food Environment Index <p data-bbox="1161 786 1610 825">Socioeconomic Factors</p> <ol style="list-style-type: none">1. Percentage of population identifying as non-Hispanic Black or African American.2. Percentage of population identifying as Hispanic3. Bureau of Labor Statistics wage for ambulatory healthcare service, private ownership type4. CDC/ATSDR Social Vulnerability Index, overall ranking variable

Baseline Model – Data refresh (updated year and data sources)

Baseline model variable	Current data source
2023 Rural/Urban Continuum Code <i>Allegany, Calvert, and Worcester counties changed Rural code strata in 2023 data. These counties were allowed to draw from two strata when matching benchmark counties.</i>	2023 USDA ERS
2022 Population density - population per square mile**	2022/23 Area Health Resource File
2018-2022 Median Household Income in the Past 12 Months	ACS 5-year 2018-2022
2018-2022 Percent population in deep poverty, defined as the ratio of income to poverty level in the past 12 months is under 0.50	ACS 5-year 2018-2022
2020 and 2023 annual estimates of total resident population	Census Annual Estimates of the Resident Population for Counties in the United States:
2022 Medicare beneficiaries average HCC score	2022 Medicare FFS claims
2022 County price parities	Regional Price Parities by State and Metro Area U.S. Bureau of Economic Analysis (BEA) Working paper: Estimating county-level regional price parities from public data U.S. Department of Commerce

**Estimated using the 2020 population density and 2022 to 2020 population growth.

Data Refresh Initial results – concordance in benchmark counties



Data Refresh Initial results – Prince George’s County

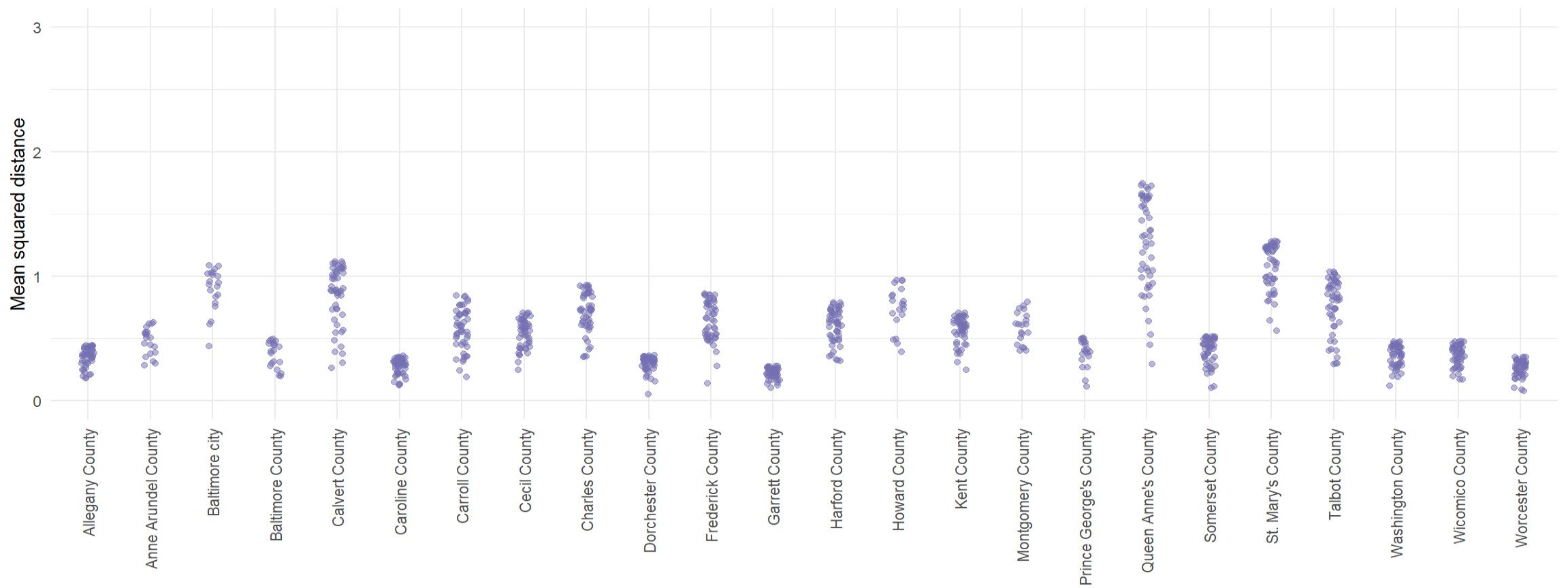
- Only 15% of Prince George’s county original benchmark counties remain as benchmark counties after the data refresh.
- Prince George’s county had some notable changes in variables between the original model period and the data refresh period as shown in the table below.

	Prince George's County	Original benchmark peers	Updated benchmark peers
Original Median Income	\$78,680.00	\$80,205.40	
Updated Median Income	\$97,935.00	\$105,696.50	\$96,848.95
Original Deep Poverty Percentage	4.50%	5.50%	
Updated Deep Poverty Percentage	4.70%	5.00%	4.00%
Original Regional Price Parity	119.1	119.4	
Updated Regional Price Parity	106	113.4	105.1
Original average HCC score	1.08	1.07	
Updated average HCC score	1.18	1.23	1.17

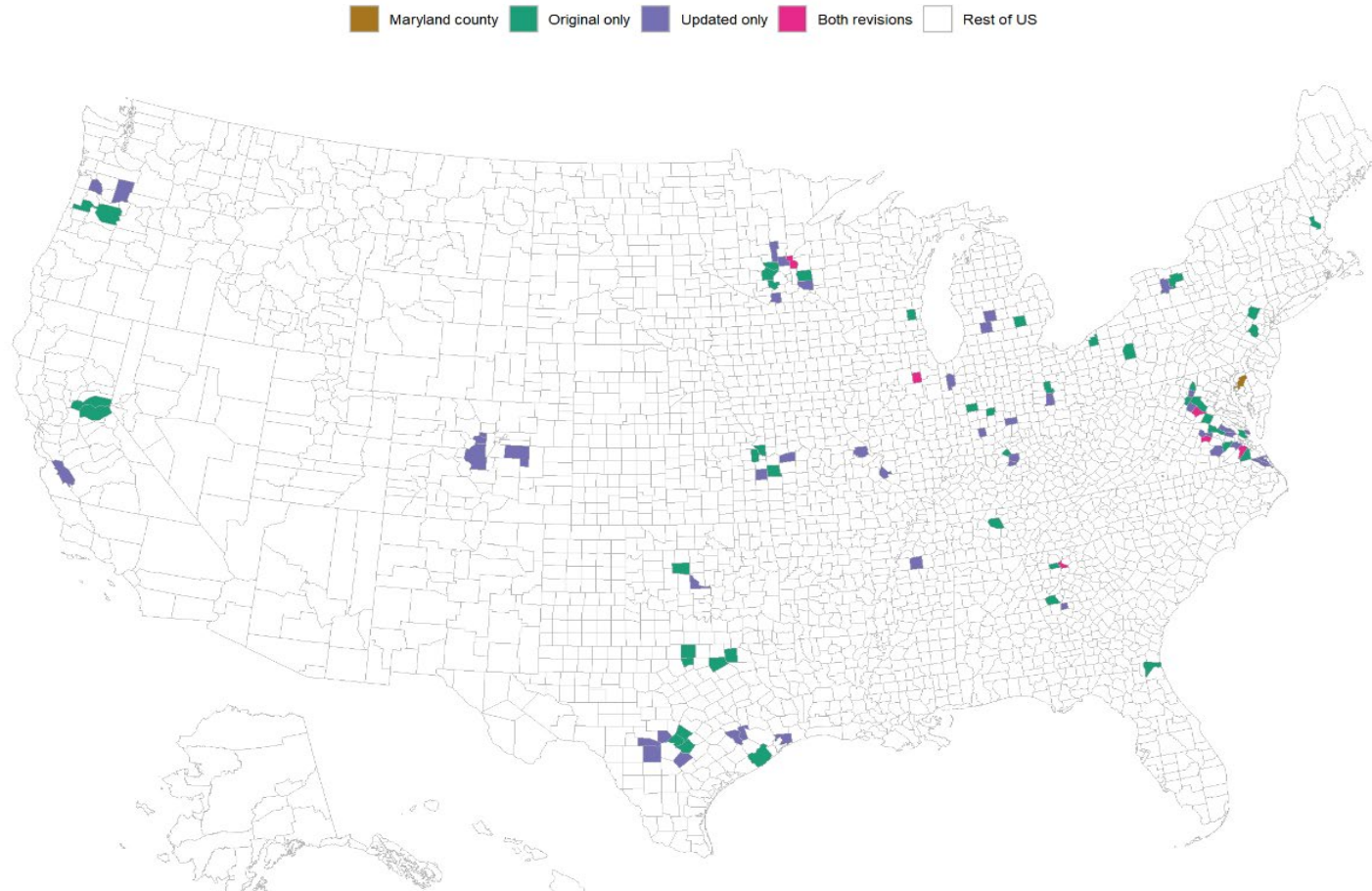
Due to changes in rural/urban continuum codes, a pool of counties to select benchmark peers for Prince George's county changed from 78 in the original set to 117 in the updated set.

Data Refresh Initial results

Mean squared distance measures show the similarity of benchmark peers (each dot is a peer county).



Queen Anne's County- Benchmark Peers



Matching variables	Queen Anne's County	Updated benchmark peers
Median Income	\$108,332.00	\$86,558.42
Deep Poverty	3.2%	4.0%
County Price Parity	104.6	95.6
Average HCC Score	1.11	1.13
Number of Available Counties in the Matching Pool	127	
Percent concordance with the original benchmark peers	12%	

Additional adjustments using regression is needed to account for differences between Maryland county and its selected peers.

Regression fit is slightly better with updated benchmark peers

2018 regression, Original benchmark peers

	Minimum model
(Intercept)	7560.166*** (384.589)
avg_age	
avg_female_pct	
avg_deep_poverty	181.714*** (31.849)
avg_median_income	0.032*** (0.003)
avg_rpp	
R-squared	0.136
AIC	11550.581
BIC	11568.489
Deviance	.15527294009.164
N	650

2022 regression, Updated benchmark peers

	Minimum model
(Intercept)	6656.964*** (519.940)
avg_age	
avg_female_pct	
avg_deep_poverty	292.621*** (45.891)
avg_median_income	0.054*** (0.005)
avg_rpp	
R-squared	0.176
AIC	12623.561
BIC	12641.702
Deviance	28474419163638.543
N	689

R-squared indicates the explanatory power of factors used in the regression. The value range from 0 to 1. R-squared values in both regressions are low since estimates are based on remaining variation after we select benchmark counties that are similar to Maryland.

Significance: *** = $p < 0.001$; ** = $p < 0.01$; * = $p < 0.05$

Next steps

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

1. Continue to test new variables
2. Continue to discuss options for new variables in October



Next Steps

TCOC Workplan for Upcoming Months

- TCOC Workgroup Priorities – Approximate timeline (will vary with AHEAD-related needs)
 - October 30th 8AM – Additional CTI Specific Meeting
 - September to October – Finalize benchmarking, discuss changes to the MPA policy
 - December – draft MPA recommendation to Commission for CY2025

Thank You
Next Meeting October 23, 8-10 am