

Executive Director's Report

July 9, 2014

Monitoring Maryland Performance

Since September, the HSCRC staff has been working on the collection of data in new formats for monitoring under the new All-Payer Model. Much of the data is the same as the previous monitoring reports, but we are now also focused on breaking out in-state and out-of-state residents as well as Medicare from All-Payer.

In the new All-Payer Model, we track fiscal year results (July 1 through June 30) as well as calendar year results in multiple focus areas, including:

- The growth in revenue per capita, to ensure that the growth in revenues is at or below the 3.58% per capita requirement.
- A second area of focus is the Medicare savings requirement of \$330 million over 5 years, based on the payments made to all hospitals on behalf of Maryland beneficiaries, regardless of regulatory status or hospital location. We will use data from Medicare claims and reports prepared by the Center for Medicare & Medicaid Innovation (CMMI) for this calculation, which we have not yet received.
- Performance on quality indicators, with a particular focus on readmissions and potentially preventable complications.

Caveat: We expect to see revisions in the data. For financial data, if the residency is unknown, we have asked hospitals to report this as a Maryland resident. As corrected data becomes available, there may be reclassifications of revenues and cases from Maryland to out-of-state. Many hospitals are converting revenue systems along with implementation of Electronic Health Records. This may cause some instability in the accuracy of reported data. For quality data, there may be significant revisions between preliminary and final data.

Financial Data (See separate power point presentation.)

Medicare Data (See separate power point presentation.)

Quality Data

For quality reporting, we are using preliminary monthly case mix data, which may change as hospitals correct preliminary coding. Potentially Preventable Complications (PPCs) are measured as part of the Maryland Hospital Acquired Conditions policies of HSCRC using 3M™ Potentially Preventable

Complications (PPC) Grouping Software. We report 30 day, all cause readmissions, with limited exclusions.

Potentially Preventable Complications

We are not including an official update to the Commission on the PPC data for May 2014 as staff found significant differences in the April 2014 Monthly PPC rate from what was first reported for April last month. You may recall, last month, we reported that for all-payer's the PPC ratio in April 2014 was 1% higher compared to April 2013; when we re-calculated the rates using the latest data, the rate was 11.85% lower in April 2014. The staff is currently looking into causes for the change, e.g., whether there are specific hospitals and/or specific PPCs that had large changes. We plan to communicate our findings to the hospitals and emphasize to them that the preliminary monthly data submissions need to be as complete and accurate as possible for monitoring purposes and to ensure Medicare is receiving accurate POA on submitted claims. We recognize that this is a new process for both the hospitals and the staff, and we appreciate the hard work hospitals are performing to complete accelerated and more frequent reporting of data.

Readmissions

Last month, we reported readmissions through March. April data is not yet available.

Implementation Steps for All-Payer Model

Hospital data submission for monitoring: An onsite audit at hospitals of the base period data for the All-Payer test is nearly complete.

Implementation Planning: The Commission and staff are in the process of extending the implementation planning timeline and strategy beyond the initial 6 month timeline, including consideration of input from the Advisory Council and work groups.

Implementation Priorities for June and July:

- Continuing implementation of global budgets and planning for July 1 update
- Focus on global budget monitoring
- Continuing the development of monitoring for both the All-Payer and Medicare requirements.
- Preparing data analysis to calculate possible adjustments to global budgets for changes in transfers to Johns Hopkins Hospital and University of Maryland Medical Center
- Preparing data analysis to develop approaches for market share adjustments
- Developing additional implementation planning
- Meeting regularly with CMMI staff to provide and obtain data needed for monitoring.