



**577th Meeting of the Health Services Cost Review Commission
October 14, 2020**

(The Commission will begin public session at 11:30 am for the purpose of, upon motion and approval, adjourning into closed session. The open session will resume at 1:00pm)

**EXECUTIVE SESSION
11:30 am**

1. Discussion on Planning for Model Progression – Authority General Provisions Article, §3-103 and §3-104
2. Update on Administration of Model - Authority General Provisions Article, §3-103 and §3-104
3. Update on Commission Response to COVID-19 Pandemic - Authority General Provisions Article, §3-103 and §3-104

**PUBLIC MEETING
1:00 pm**

1. Review of Minutes from the Public and Closed Meetings on September 9, 2020
2. Docket Status – Cases Closed
2523N – McNew Family Health Center 2528A – Johns Hopkins Health System
2529A – Johns Hopkins Health System
3. Docket Status – Cases Open
2530N – McNew Family Health Center 2531A – Johns Hopkins Health System
2532A – Johns Hopkins Health System 2533A – Johns Hopkins Health System
2534A – Johns Hopkins Health System 2535A – University of Maryland Medical Center
4. Confidential Data Request for New York University Marron Institute of Urban Management (NYU)
5. Draft Recommendation on Regional Partnership Catalyst Grant Program Awards
6. Draft Recommendation on Maryland Hospital Acquired Conditions (MHAC) Program for RY 2023
7. Draft Recommendation on Integrated Efficiency Component
8. Draft Recommendation on Medicare Performance Adjustment for RY 2022
9. Policy Update and Discussion

- a. Model Monitoring
- b. TCOC Model Update and Big Picture Discussion

10. Hearing and Meeting Schedule ****Next Meeting is Thursday, November 12, 2020****

Cases Closed

The closed cases from last month are listed in the agenda

H.S.C.R.C's CURRENT LEGAL DOCKET STATUS (OPEN)

AS OF OCTOBER 2, 2020

A: PENDING LEGAL ACTION : NONE
 B: AWAITING FURTHER COMMISSION ACTION: NONE
 C: CURRENT CASES:

Docket Number	Hospital Name	Date Docketed	Decision Required by:	Rate Order Must be Issued by:	Purpose	Analyst's Initials	File Status
2530N	McNew Family Health Center	8/26/2020	9/25/2020	1/23/2021	AMB & ANCILARIES	WH	OPEN
2531A	Johns Hopkins Health System	8/19/2020	N/A	N/A	ARM	DNP	OPEN
2532A	Johns Hopkins Health System	7/22/2020	N/A	N/A	ARM	DNP	OPEN
2533A	Johns Hopkins Health System	7/22/2020	N/A	N/A	ARM	DNP	OPEN
2534A	Johns Hopkins Health System	9/29/2020	N/A	N/A	ARM	DNP	OPEN
2535A	University of Maryland Medical System	10/1/2020	N/A	N/A	ARM	DNP	OPEN

PROCEEDINGS REQUIRING COMMISSION ACTION - NOT ON OPEN DOCKET

None

IN RE: THE PARTIAL RATE	*	BEFORE THE HEALTH SERVICES
APPLICATION OF THE	*	COST REVIEW COMMISSION
J. KENT McNEW	*	DOCKET: 2020
FAMILY MEDICAL CENTER	*	FOLIO: 2340
ANNAPOLIS, MARYLAND	*	PROCEEDING: 2530N

Staff Recommendation
October 14, 2020

Introduction

On August 13, 2020, J. Kent McNew Family Medical Center (“the Hospital”) submitted a partial rate application to the Commission requesting a rebundled rate for Emergency Services (EMG), Operating Room (OR), Operating Room Clinic Services (ORC), Same Day Surgery (SDS), CT Scanner (CAT), Interventional Radiology/Cardiovascular (IRC), Pulmonary (PUL), Magnetic Resonance Imaging (MRI), and Observation (OBV). The Hospital has a growing population that is in need of these services that are not provided at the Hospital. In order to appropriately care for these patients, the Hospital transports these patients from McNew to Anne Arundel Medical Center to receive necessary acute care services. The Hospital is requesting Anne Arundel Medical Center rates for these services. The rebundled rates enable the Hospital to bill for services provided to its patients. The effective date for these services is September 1, 2020.

Staff Evaluation

Under COMAR 10.37.03.09, an approved rebundled rate must be equal to or less than the statewide median. HSCRC policy is to set the rates for new services at the lower of the statewide median or at a rate based on a hospital’s projections. Hence, staff compared the statewide median with the Anne Arundel Medical Center rate for EMG, OR, ORC, SDS, CT, IRC, PUL, MRI and OBV.

Revenue Center	Service Unite	FY21 Statewide Median Rate	FY21 Anne Arundel Medical Center Rate
Emergency Services	RVU	\$112.48	\$125.05
Operating Room	Minutes	\$40.63	\$42.55
Operating Room Clinic Services	Minutes	\$17.71	17.71
Same Day Surgery	Per Patient	\$884.88	\$1,073.97
CT Scanner	RVU	\$4.44	\$2.77
Interventional Radiology-Therapeutic	RVU	\$69.91	\$68.52
Pulmonary	RVU	\$8.34	\$4.90
MRI Scanner	RVU	\$11.01	\$5.77
Observation	Hour	\$79.02	\$85.91

Recommendation

After reviewing the Hospital's application, the staff recommends:

1. That the Commission waive its requirement (COMAR 10.37.10.07) that a hospital file a rate application at least 60 days before the operational opening of a new hospital, a revenue center, or a new service;
2. That an EMG rate of \$112.48 per RVU, the statewide median, be approved effective September 1, 2020;
3. That an OR rate of \$40.63 per minute, the statewide median, be approved effective September 1, 2020;
4. That an ORC rate of \$17.71 per minute, the Anne Arundel Medical Center rate, be approved effective September 1, 2020;
5. That a SDS rate of \$884.88 per patient, the statewide median, be approved effective September 1, 2020;
6. That a CT Scanner rate of \$2.77 per RVU, the Anne Arundel Medical Center rate, be approved effective September 1, 2020;
7. That an IRC rate of \$68.52 per RVU, the Anne Arundel Medical Center rate, be approved effective September 1, 2020;
8. That a PUL rate of \$4.90 per RVU, the Anne Arundel Medical Center rate, be approved effective September 1, 2020;
9. That a MRI rate of \$5.77 per RVU, the Anne Arundel Medical Center rate, be approved effective September 1, 2020;
10. That an OBV rate of \$79.02 per hour, the statewide median, be approved effective September 1, 2020; and
11. That EMG, OR, ORC, SDS, CT, IRC, PUL, MRI and OBV as rebundled services not be rate realigned.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION
JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2020
* FOLIO: 2341
* PROCEEDING: 2531A**

**Staff Recommendation
October 14, 2020**

I. INTRODUCTION

Johns Hopkins Health System (the “System”) filed an application with the HSCRC on August 19 cardiovascular services, spine procedures, and kidney services with Global Medical Management, Inc., 2020 on behalf of Johns Hopkins Hospital and Johns Hopkins Bayview Medical Center (the “Hospitals”) and on behalf of Johns Hopkins HealthCare, LLC (JHHC) for an alternative method of rate determination, pursuant to COMAR 10.37.10.06. The System requests approval from the HSCRC to participate in a global rate arrangement for cardiovascular services, spine procedures, and kidney services with Global Medical Management, Inc. (GMMI), for a period of one year beginning October 1, 2020.

II. OVERVIEW OF APPLICATION

The contract will be held and administered by JHHC, which is a subsidiary of the System. JHHC will manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the updated global rates was developed by calculating mean historical charges for patients receiving similar procedures at the Hospitals. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians continues to hold the Hospitals harmless from any shortfalls in payment from the global price contract. JHHC maintains it has been active in similar types of fixed fee contracts for several years, and that JHHC is adequately capitalized to bear the risk of potential losses.

V. STAFF EVALUATION

Staff believes that the hospitals can achieve favorable experience under this arrangement because they have had been successful with similar arrangements in the past.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for cardiovascular services, spine procedures, and kidney services with Global Medical Management, Inc. for a one year period commencing October 1, 2020. The Hospitals will need to file a renewal application for review to be considered for continued participation. Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document would formalize the understanding between the Commission and the Hospitals, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION
JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2020
* FOLIO: 2342
* PROCEEDING: 2532A**

Staff Recommendation

October 14, 2020

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed an application with the HSCRC on July 22, 2020 on behalf of its member hospitals (the “Hospitals”) for an alternative method of rate determination, pursuant to COMAR 10.37.10.06. The System requests approval from the HSCRC to continue to participate in a global arrangement to provide solid organ and bone marrow transplants services with Cigna Health Corporation. The System requests approval of the arrangement for a period of one year beginning October 1, 2020.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by Johns Hopkins HealthCare, LLC (“JHHC”), which is a subsidiary of the System. JHHC will continue to manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the new global rates for solid organ transplants was developed by calculating mean historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will continue to submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians holds the Hospitals harmless from any shortfalls in payment from the global price contract. JHHC maintains it has been active in similar types of fixed fee contracts for several years, and that JHHC is adequately capitalized to bear risk of potential losses.

V. STAFF EVALUATION

Staff found that the experience under the arrangement for the last year has been favorable.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' request for participation in an alternative method of rate determination for bone marrow and solid organ transplant services, for a one year period commencing October 1, 2020, and that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU"). The Hospitals will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document would formalize the understanding between the Commission and the Hospitals, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION
JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2020
* FOLIO: 2343
* PROCEEDING: 2533A**

Staff Recommendation

October 14, 2020

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed an application with the HSCRC on July 22, 2020 on behalf of its member hospitals, Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital (the “Hospitals”) and on behalf of Johns Hopkins HealthCare, LLC (JHHC) for an alternative method of rate determination, pursuant to COMAR 10.37.10.06. The System and JHHC request approval from the HSCRC to continue to participate in a global rate arrangement for bariatric surgery, bladder cancer surgery, anal and rectal cancer surgery, cardiovascular services, joint replacement surgery, pancreatic cancer surgery, spine surgery, and thyroid and parathyroid surgery with BridgeHealth Medical, Inc. for a period of one year beginning October 14, 2020.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by Johns Hopkins HealthCare, LLC (“JHHC”), which is a subsidiary of the System. JHHC will manage all financial transactions related to the global price contract including payments to the System hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating mean historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will continue to submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians holds the Hospitals harmless from any shortfalls in payment from the global price contract. JHHC

maintains it has been active in similar types of fixed fee contracts for several years, and that JHHC is adequately capitalized to bear risk of potential losses.

V. STAFF EVALUATION

The experience under this arrangement for the last year has been favorable.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for bariatric surgery, bladder cancer surgery, anal and rectal cancer surgery, cardiovascular services, joint replacement surgery, pancreatic cancer surgery, spine surgery, and thyroid and parathyroid surgery for a one year period commencing October 1, 2020. The Hospitals will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document would formalize the understanding between the Commission and the Hospitals, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION
JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2020
* FOLIO: 2344
* PROCEEDING: 2534A**

**Staff Recommendation
October 14, 2020**

I. INTRODUCTION

Johns Hopkins Health System (the “System”) filed an application with the HSCRC on September 28, 2020 on behalf of its member Hospitals (the “Hospitals”) for an alternative method of rate determination, pursuant to COMAR 10.37.10.06. The System requests approval from the HSCRC to continue to participate in a global rate arrangement for cardiovascular, joint replacement services and oncology evaluation services with Health Design Plus, Inc. The Hospitals request approval for a period of one year beginning October 1, 2020.

II. OVERVIEW OF APPLICATION

The contract will be held and administered by Johns Hopkins HealthCare, LLC (“JHHC”), which is a subsidiary of the System. JHHC will manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the updated global rates was developed by calculating mean historical charges for patients receiving similar joint replacement at the Hospitals. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians holds the Hospitals harmless from any shortfalls in payment from the global price contract. JHHC maintains it has been active in similar types of fixed fee contracts for several years, and that JHHC is adequately capitalized to bear the risk of potential losses.

V. STAFF EVALUATION

The staff found that the actual experience under this arrangement for the last year has

been favorable.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for cardiovascular, joint replacement, and oncology evaluation services for a one year period commencing October 1, 2020. The Hospitals will need to file a renewal application for review to be considered for continued participation. Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document would formalize the understanding between the Commission and the Hospitals, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION
UNIVERSITY OF MARYLAND
MEDICAL CENTER
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 20
* FOLIO: 2345
* PROCEEDING: 2535A**

Staff Recommendation

October 14, 2020

I. INTRODUCTION

The University of Maryland Medical Center (“Hospital”) filed an application with the HSCRC on October 1, 2020 requesting approval to continue its participation in a global rate arrangement with BlueCross and BlueShield Association Blue Distinction Centers for solid organ and blood and bone marrow transplant services for a period of one year beginning November 1, 2020.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by University Physicians, Inc. (UPI), which is a subsidiary of the University of Maryland Medical System. UPI will continue to manage all financial transactions related to the global price contract including payments to the Hospital and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospital will continue to submit bills to UPI for all contracted and covered services. UPI is responsible for billing the payer, collecting payments, disbursing payments to the Hospital at its full HSCRC approved rates, and reimbursing the physicians. The Hospital contends that the arrangement between UPI and the Hospital holds the Hospital harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

The staff found that the experience under this arrangement for the prior year has been favorable.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospital’s application for an

alternative method of rate determination for blood and bone marrow transplant services, for a one year period commencing November 1, 2020. The Hospital will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospital for the approved contract. This document would formalize the understanding between the Commission and the Hospital, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.



maryland
health services
cost review commission

**Final Staff Recommendation for a Request to Access
HSCRC Confidential Patient Level Data from
The New York University (NYU), Marron Institute of Urban
Management**

Health Services Cost Review Commission

4160 Patterson Avenue, Baltimore, MD 21215

October 14, 2020

This is a final recommendation for Commission consideration at the October 14, 2020 Public Commission Meeting.

SUMMARY STATEMENT

The New York University (NYU) Marron Institute of Urban Management is requesting access to Health Services Cost Review Commission (HSCRC) Inpatient and Outpatient Hospital data containing limited confidential information (“the Data”) to investigate the impact of the Air Quality Index (AQI) on health outcomes and improve the design of the AQI.

OBJECTIVE

In the United States, the AQI provides local, daily reports on air pollution risk; however, this index has not been evaluated against health data on a national scale. This environmental epidemiology research project aims to: 1) reveal the association between AQI and respiratory morbidity, and how that varies across regions and age groups; and 2) better interpret AQI values and give insights to policy makers on how to improve the design of AQI. Investigators received approval from the NYU Institutional Review Board (IRB) on February 2, 2018 and from the Maryland Department of Health (MDH) IRB on July 15, 2020. The Data will not be used to identify individual hospitals or patients. The Data will be retained by NYU until May 25, 2025; at that time, the Data will be destroyed, and a Certification of Destruction will be submitted to the HSCRC.

REQUEST FOR ACCESS TO THE CONFIDENTIAL PATIENT LEVEL DATA

All requests for the Data are reviewed by HSCRC Confidential Data Review Committee (“the Review Committee”). The Review Committee is comprised of representatives from HSCRC and the Prince George’s County and the Montgomery County Departments of Health and Behavioral Health Administrations. The role of the Review Committee is to determine whether the study meets the minimum requirements described below and to make recommendations for approval to the HSCRC at its monthly public meeting.

1. The proposed study or research is in the public interest;
2. The study or research design is sound from a technical perspective;
3. The organization is credible;
4. The organization is in full compliance with HIPAA, the Privacy Act, Freedom Act, and all other state and federal laws and regulations, including Medicare regulations; and
5. The organization has adequate data security procedures in place to ensure protection of patient confidentiality.

The Review Committee unanimously agreed to recommend that NYU be given access to the Data. As a condition for approval, the applicant will be required to file annual progress reports to the HSCRC, detailing any changes in goals, design, or duration of the project; data handling procedures; or unanticipated events related to the confidentiality of the data. Additionally, the applicant will submit a copy of the final report to the HSCRC for review prior to public release.

STAFF RECOMMENDATION

1. HSCRC staff recommends that the request by NYU for the Data for Calendar Year 2013 through 2018 be approved.
2. This access will include limited confidential information for subjects meeting the criteria for the research.