



**Advisory Council Meeting**  
*November 21, 2013*

**Maryland Health Services Cost Review Commission**



# Advisory Council

---

- ▶ Provide senior-level forum for discussion and consensus building on high-level implementation activities
  - ▶ When consensus cannot be achieved, identify issues for HSCRC consideration and action
- ▶ Make recommendations to the HSCRC on high level implementation priorities
- ▶ Work Groups will focus on more detailed and technical aspects of implementation (to begin in 2014)
- ▶ Review and comment on reports of work group as needed on the on-going implementation

# Advisory Council Reports

---

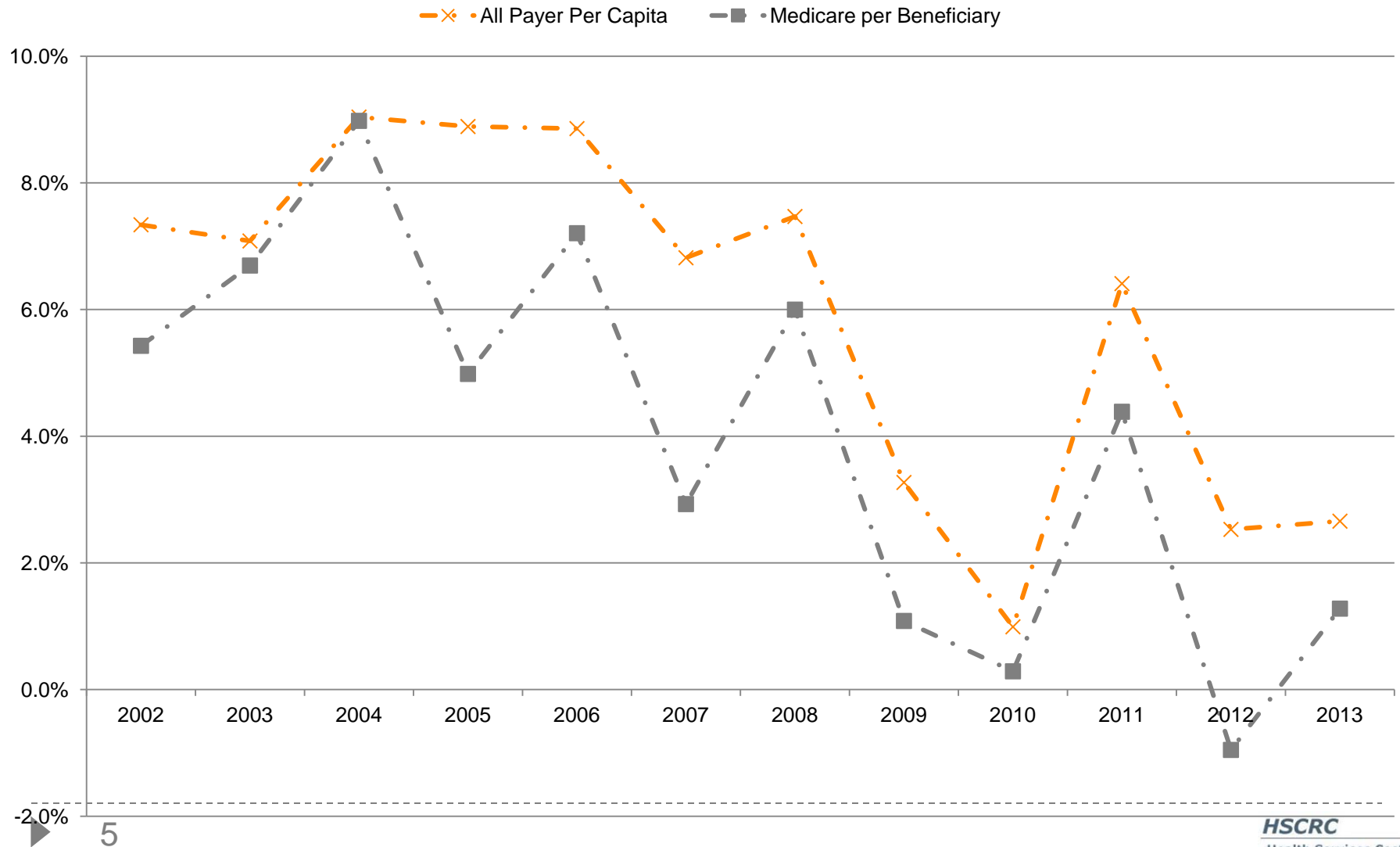
- ▶ Final report makes recommendations on:
  1. Stakeholder Priorities for Implementation Phasing
  2. Guiding Principles for Overall Implementation
  3. Issues for Work Group Consideration
- ▶ Goal is to finalize final report by the end of January 2014
- ▶ Interim reports provide updates on work plan and progress

# All-Payer Model Performance Requirements

---

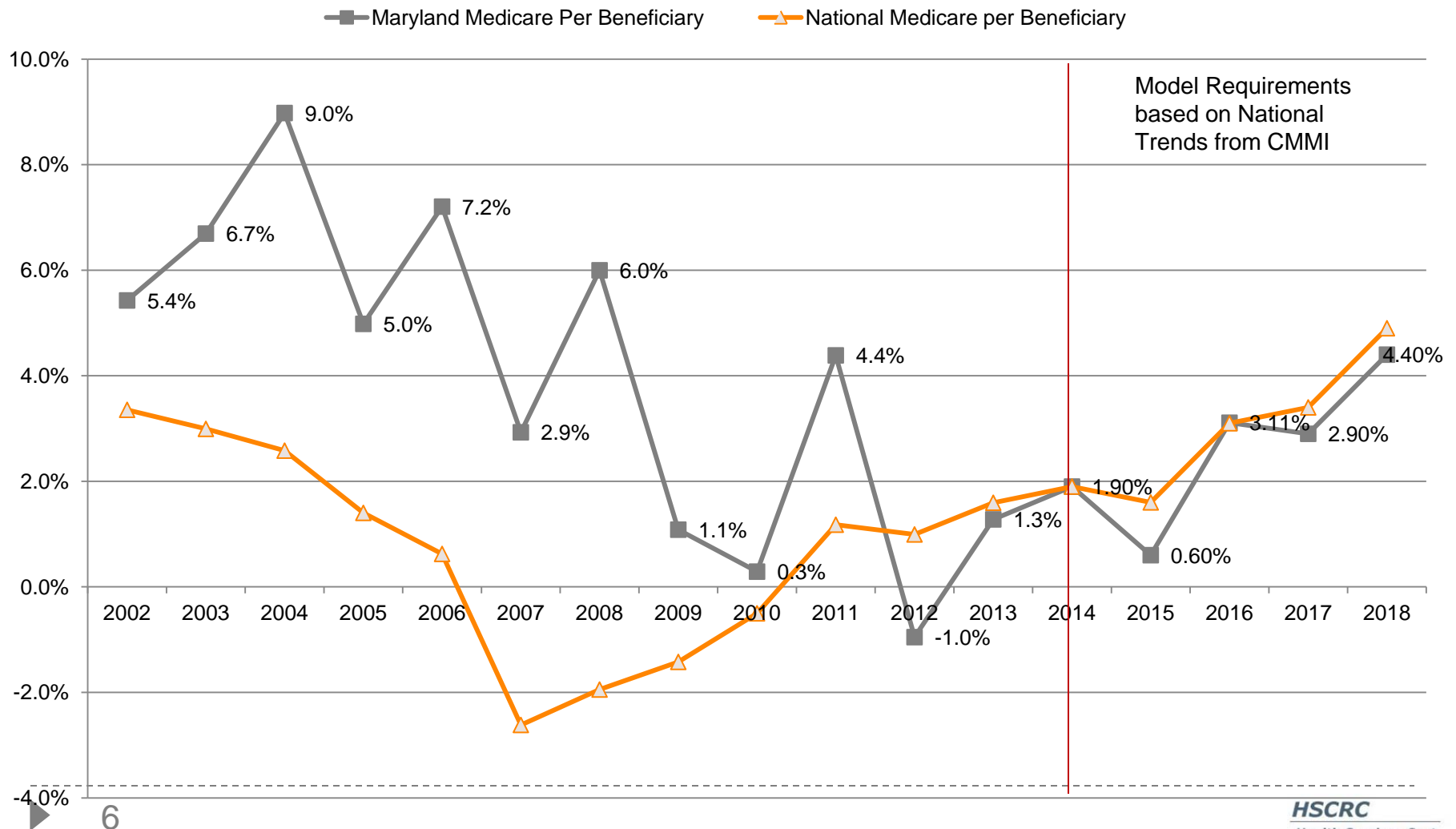
- I. ALL PAYER TEST: Maximum total hospital revenue growth < 3.58% per capita
  - II. MEDICARE SAVINGS: Relative growth in payments per beneficiary for Medicare (Maryland residents) lower than national to produce savings over 5 years of at least \$330 million
  - III. REDUCE READMISSIONS: Reduce rate of readmission for Medicare patients to national average
  - IV. REDUCE MHACS: Reduce preventable conditions and complications in hospitals by 30%
- ▶ *Meet these requirements without undue shift to other non-hospital providers*

# Maryland All Payer and Medicare FFS Payment Per Capita Growth Trends



2013 estimates are based on FY14 Update (1.65 % and previous year's volume increases and beneficiary growth rate)

# National vs. Maryland Medicare FFS Per Beneficiary Growth Trends



# HSCRC Staff All-Payer Model Proposed Implementation Priorities

## Short Term (FY 2014)

### Hospital Global Models

- ▶ Transition to Global Models, Volume Policy Changes
- ▶ Revenue Update Process for Global Models
- ▶ Monitoring & Compliance
- ▶ Quality & Avoidable Utilization
- ▶ Alignment with Physicians, Post Acute, SIM, other
- ▶ Prepare for Mid Term

## Mid-Term (FY 2015-2017)

### Population -Based

- ▶ New Efficiency and Value Approaches
- ▶ Population-Based Payment Models
- ▶ Capital Policies
- ▶ Trending & Update
- ▶ Alignment Implementation Physicians , Post Acute, Care Coordination
- ▶ Data & Infrastructure

## Long Term (2016-2019)

### Prepare for Phase 2

- ▶ Address Three-Part Aim Across the Total System
- ▶ Work With Participants Across the System to Define Phase 2 Approach

# Ranking criteria--Most important to assure success

---

- ▶ Meeting requirements
- ▶ Early Medicare performance
- ▶ Managing implementation risks
- ▶ Capability to implement
- ▶ Alignment with other reforms



# Implementation Priorities and Timeline Discussion

# Discussion of Guiding Principles Outline

---

## *DISCUSSION: RIGHT TOPICS? AND ORDER FOR COUNCIL TO ADDRESS*

### ▶ Areas of Guiding Principles

1. Models/tools to assure revenue growth test is met (global/population-based/revenue controls) & shifting incentives to value
2. Implementation focus, such as Medicare savings, avoidable utilization
3. Oversight, monitoring, management & transparency
4. Balanced update (weighting inflation, different types of volume and trends, capital and new services, efficiency)
5. Shift between regulated and unregulated, between hospitals & risk avoidance
6. Approaches to improve success, including addressing regulatory obstacles
7. Relationship to other state reforms, including care coordination