



Advisory Council Meeting
December 12, 2013

Maryland Health Services Cost Review Commission



Advisory Council Report

- ▶ Final report makes recommendations on:
 1. Stakeholder Priorities for Implementation Phasing
 2. Guiding Principles for Overall Implementation
 3. Issues for Work Group Consideration
- ▶ Implementation Phasing; Guiding Principles and Issues for Work Groups may be inter-related
- ▶ At this point, focused on identifying consensus and documenting different points of view
- ▶ Goal is to finalize final report by the end of January 2014

Reviewing Emerging Areas of Consensus

- ▶ As we discuss the emerging areas of consensus that we've identified from the Council discussion so far, we want to know:
 - ▶ Is there consensus on this topic?
 - ▶ What recommendations does the Council want to make to the HSCRC on this topic?
 - ▶ What other information or considerations should be included in the report related to this topic?

Emerging Consensus: Focus on Achieving Model Performance Requirements

What We've Heard; Themes and Emerging Consensus

- *Implementation Priority?*: Prioritize implementation activities that contribute to meeting All-payer limits and Medicare savings.
- *Guiding Principle?*: Payment models should assure that All-payer limits are met.
- *Guiding Principle?*: Care improvements and interventions that can reduce avoidable utilization should be identified and encouraged.
- *Guiding Principle?*: High need/high resource patients should be prioritized for evidence based Care Coordination/ Care Management activities, with a focus on Medicare, where these resources are not now available.
- *Implementation Priority?*: The pace of change expected should recognize the infrastructure readiness.

▶ Open Questions:

- ▶ What policy tools and infrastructure are needed to more effectively address avoidable utilization?
- ▶ What role should the HSCRC play in supporting or directing the process?
- ▶ Where should standardization be promoted versus avoided?

Emerging Consensus: Alignment is Critical to Success

What We've Heard; Themes and Emerging Consensus

- *Implementation Priority?*: Physician engagement and alignment must be strong enough and occur early to support the goals of population-based and patient-centered models.
- *Issue for Workgroup?*: What role should HSCRC play in encouraging strategies for coordinating with physicians and nursing facilities to improve care and reduce potentially avoidable utilization, including understanding what can be done within current federal requirements and the structure and parameters for applications to CMS to allow gain-sharing, changes in the 3-day rule, or other payment modifications.
- *Guiding Principle?*: All-payer model implementation should align with other reform initiatives in the state.

▶ Open Questions:

- ▶ Who is best positioned to impact physician alignment?
- ▶ Where is there the best opportunity to get “bang for our buck” in terms of physician alignment activity?
- ▶ What should the HSCRC be doing to support aligned incentives?
- ▶ What are “other reforms” that we should pay closest attention to?

Emerging Consensus: A Balanced Regulatory Approach is Needed

What We've Heard; Themes and Emerging Consensus

- *Guiding Principle?*: Avoid micro-regulation related to the approaches hospitals, physicians and payers will pursue to meet model performance targets.
- *Guiding Principle?*: Strategies should build on known evidence-based approaches and standardization in some areas may be appropriate.

▶ Open Questions:

- ▶ What types of clearly defined standards should the HSCRC develop/encourage while allowing health sector flexibility to design specific strategies (what is the balance)?
- ▶ What evidence-based strategies should be promoted that support meeting performance targets?

Emerging Consensus: Ensure Checks and Balances in System

What We've Heard; Themes and Emerging Consensus

- *Guiding Principle?*: System must have patient protections, checks and balances and access and quality monitoring.
- *Work Group Issue?*: Identify data needed now and in the future and start building the infrastructure.
- *Work Group Issue?*: Systems to understand market share shifts are important, and should be a focus of attention once the overall limits of the model have been secured.

▶ Open Questions:

- ▶ How should consumer complaints be addressed?
- ▶ How should consumers be engaged to ensure transparency and meaningful input?
- ▶ What actions should be taken if access and quality standards are not maintained?

Other Topics to be Discussed

- ▶ **Models/tools to assure revenue growth target is met and shifting incentives to value**
 - ▶ How and when to evolve beyond Hospital Global Models (advice regarding promising models, direction relative to Phase 2, complexity and infrastructure)
- ▶ **How should we think about different types of volume and budget implications in the short term and long term**
 - ▶ New technology, new services, capital projects supporting existing services, population growth, population acuity, market shifts
 - ▶ Principles that should direct resource allocations

Other Topics to be Discussed

- ▶ What priorities should be developed for the regulatory and other infrastructure, given the depth and scope of change required?

Additional Topics for Consideration

- ▶ Others to be identified