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To: Hospital CFOs and Population Health Representatives

From: HSCRC

Date: November 13, 2015 (includes only relevant date changes in Appendix C)

Re: Requirement for Strategic Hospital Transformation Plan

During its June 2015 public meeting, the Commission approved a recommendation that requires all acute care hospitals in the State to submit a plan to the Commission by December 7, 2015 summarizing their short-term and long-term strategies and incremental investment plans for improving care coordination and chronic care, reducing potentially avoidable utilization, and aligning with non-hospital providers. The required “plan” is now referred to as the “Strategic Hospital Transformation Plan” or “STP” and is intended to be the broad strategic plan of the hospital toward these goals. The purpose of this memo is to provide background information on this new requirement and guidance to hospital leaders in completing the STP.

Background:

In 2014, the State of Maryland and the Center for Medicare & Medicaid Innovation (CMMI) reached an agreement to modernize Maryland’s all-payer rate-setting system for hospital services. This initiative allowed Maryland’s Department of Health and Mental Hygiene (“DHMH”) and the HSCRC to focus more specifically on improving care coordination, chronic care, provider alignment, and supporting infrastructure.

The All-Payer Model operates in conjunction with a number of other endeavors currently underway in Maryland, including efforts to strengthen primary care and coordinate hospital care with community care; map and track preventable disease and health costs; develop public-private coalitions for improved health outcomes; and establish Regional Partnerships.

The collective goal of these activities is to help support improved care delivery and population health with a focus on:

1. Chronic disease supports
2. Long term and post-acute care integration and coordination

3. Physical and behavioral health integration and coordination
4. Primary care supports
5. Case management and other supports for high needs and complex patients
6. Episode improvements, including quality and efficiency improvements
7. Clinical consolidation and modernization to improve quality and efficiency
8. Integration of community resources relative to social determinants of health and activities of daily living

Plan Guidance

To achieve these goals, it is essential that the State transform the health system as it currently exists. The STP will describe your hospital's strategy to support Maryland's goals; the specific interventions you plan to invest in; and how your hospital's strategy fits into the broader population health strategy and goals. In your plan (see Appendices), please include activities where interventions and partnerships focus on working with Medicare populations, skilled nursing homes, behavioral health, and physicians toward the goal of better physician alignment. While the GBR Report is a retrospective view of the past 12 months of spending, the STP should focus on *investments being made over the next twelve (12) months* in order to reduce utilization and improve chronic care.

Your plan should draw from other required reports (GBR Infrastructure Report, Community Benefit Report, Community Health Needs Assessment, and Regional Transformation Report from Regional Partnerships, if applicable) and demonstrate how strategies are aligned (See **Appendix A** for the Strategic Transformation Plan template). **Appendix C** shows the timeline of the various reports that are required by the Commission. Each hospital is required to submit its own transformation plan; however, in areas where hospitals are working with one another through a Regional Partnership or other collaboration, they should reference their shared Regional Partnership Transformation Plan or refer to other shared organizational transformation plans. While the Regional Transformation Plan will be reporting on specific models or activities of the Regional Partnership, the Hospital's broader Strategic Transformation Plan should describe how different initiatives fit together in a larger cohesive plan. Hospitals should also articulate their own specific goals, strategies, and measurement approach in their transformation plans.

A recommended set of aggregate core measures has emerged from these sessions, which is highly aligned with the broader goals of the State's All Payer Model Agreement. These recommended measures (**Appendix B**) are included as a potential resource for hospitals. The hospital's measurement approach for each initiative should be outlined in **Appendix A**.

There have been a series of DHMH and HSCRC sponsored, and expert led, webinars and learning sessions for both the Regional Planning Grantees and other interested hospital collaborations. These session(s) may be a useful resource to hospital leaders in developing their own transformation plans.

Plan Submission Requirements:

- Hospitals are required to submit their STP no later than 11:59 pm on December 7, 2015.
- Plans should be electronically submitted utilizing the attached format to hsrc.stp@Maryland.gov
- The plan should include a 1-2 page Executive Summary and the complete plan may total no more than twelve (12) pages, including the Executive Summary.
- Hospitals are encouraged to attach other documents that aid in describing the connectivity and/or description of the major strategies. There is no page limit for the additional attachments.

Contact Information

Questions should be directed to:

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Appendix A

Required Executive Summary and Hospital Strategic Transformation Plan Format

Due: December 7, 2015

The *Executive Summary* (1-2 pages) should be a high level description of your hospital's strategic transformation plan to support Maryland's goals (as described on page 1) and can be submitted as an attachment in Word format.

The following format is to be used to complete your *Hospital Strategic Transformation Plan* (no more than 12 pages including the Executive Summary):

Hospital Strategic Transformation Plan
1. Describe your overall goals:
2. List the overall major strategies (3-10) that will be pursued by your hospital individually or in collaboration with partners (and answer questions 3-6 below for each of the major strategies listed here):
3. Describe the specific target population for each major strategy :

4. Describe the specific metrics that will be used to measure progress including patient satisfaction, quality, outcomes, process and cost metrics **for each major strategy**:

5. List other participants and describe how other partners are working with you on **each specific major strategy**:

6. Describe the overall financial sustainability plan **for each major strategy**:

Appendix B

Core Outcome Measures

Measure	Definition	Source	Population(s) expected
Total hospital cost per capita	Hospital charges per person	HSCRC Casemix Data	All population for covered zips, high utilization set, target population if different, each by race/ethnicity
Total hospital admits per capita	Admits per thousand	HSCRC Casemix Data	All population for covered zips, high utilization set, target population if different, each by race/ethnicity
Total health care cost per person	Aggregate payments/person	HSCRC Total Cost Report	All population for covered zips, high utilization set, target population if different, , each by race/ethnicity
ED visits per capita	Encounters per thousand	HSCRC Casemix Data	All population for covered zips, high utilization set, target population if different, , each by race/ethnicity
Readmissions	All Cause 30-day Readmits (see HSCRC specs)	CRISP	High utilization set, target population if different, each by race/ethnicity
Potentially avoidable utilization	(see HSCRC specifications)	PAU Patient Level Reports	High utilization set, target population if different, each by race/ethnicity
Patient experience	% rating 9 or 10	HCAPHS	High utilization set, target population if different, each by race/ethnicity
Composite quality measure	TBD		High utilization set, target population if different, each by race/ethnicity

Core Process Measures

Measure	Definition	Source	Population(s) expected
Use of Encounter Notification Alerts	% of inpatient discharges that result in an Encounter Notification System alert going to a physician	CRISP	All population for covered zips, high utilization set, target population if different
Completion of health risk assessments	% High utilizers with <u>completed</u> Health Risk Assessments	Hospital, Partnership, Collaboration	High utilization set, target population if different
Established longitudinal care plan	% of High Utilizers Patients with completed care	Hospital, Partnership, Collaboration	High utilization set, target population if different
Shared Care Profile	% of patients with care plans with data shared through HIE in Care Profile	CRISP	High utilization set, target population if different
Portion of target pop. with contact from assigned care manager	% of High Utilizers Patients with contact with an assigned care manger	Hospital, Partnership, Collaboration	High utilization set, target population if different
Variable savings to expense (ROI) on intervention	See next slide	Multiple sources needed	Intervention population

Appendix C

Summary of Support for Care Coordination Investment

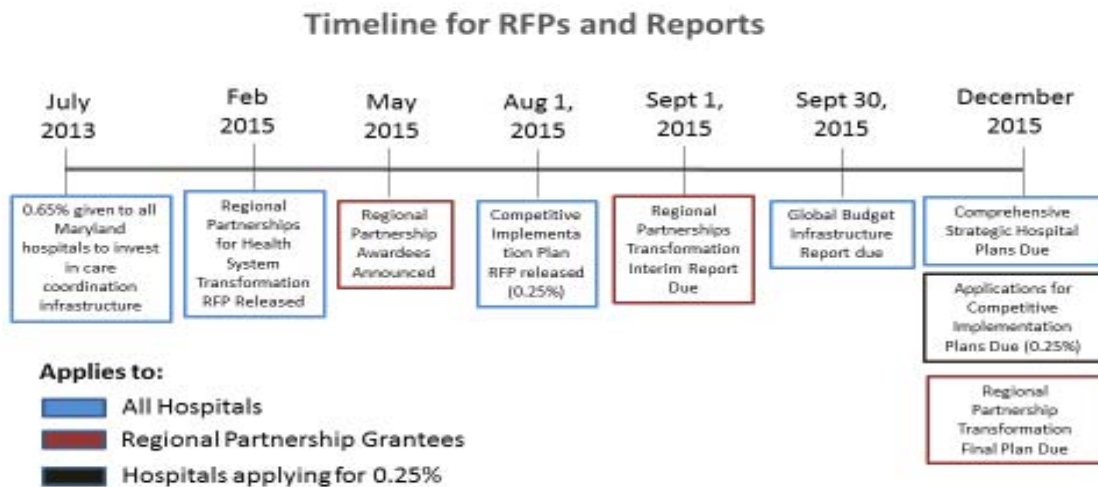
In Fiscal Years 2014 and 2015, the Commission, recognizing the need for seed funding to invest in best practices to improve care coordination activities, increased most GBR hospital's rates by a total of 0.65%, with the intent of it being used to invest in infrastructure that promotes the improvement of care delivery and reductions of potentially avoidable utilization. This funding was approved by the Commission to support the transformation with the expectation that the real return on investment will occur if projects are focused and well executed. TPR hospitals have been provided even higher levels of funding on a proportional basis. On September 30, 2015, all hospitals are required to submit a GBR Investment Report to HSCRC on the amounts and types of investments they have made and will make to improve population health, and how effective these investments are in reducing potentially avoidable utilization and improving population health.

In accordance with the provisions of the State Budget Reconciliation and Financing Act of 2014 (BRFA), earlier this year, the Commission increased rates (in FY 2015) effective May 1, 2015 to provide up to \$15 million for the purpose of funding the planning of regional partnerships throughout the State; and statewide infrastructure to support care management, coordination, and planning. In preparation for this funding, in February 2015, DHMH and HSCRC released an RFP to all hospitals offering funding to support the planning and development of *Regional Partnerships for Health System Transformation*. A portion of the BRFA funding (\$2.5 million) was awarded to hospitals who applied for the funding to support regional planning and development initiatives with key community partners. A multi-stakeholder review committee selected 8 of 11 proposals; funding ranged from \$200,000 to \$400,000. Those grantees are required to submit a final Regional Transformation Plan to DHMH and HSCRC on December 7, 2015.

During its June 2015 public meeting, the Commission approved additional increases to the global budgets of GBR hospitals for FY 2016 to continue successful investments in infrastructure. All global budgets of GBR hospitals will receive an increase of 0.4% for infrastructure investments. Separately, an additional 0.25% in competitive transformation implementation awards will be available to hospitals, working in collaboration with other hospitals, physicians, post-acute providers and other community based providers. Hospitals interested in applying will be required to submit proposals describing how they will use these additional funds for implementation of developed strategies to improve care coordination and population health. The Commission is releasing a Request for Proposals (RFP) and proposals will be due on December 21, 2015.

The Commission also approved a recommendation that will require all hospitals to submit multi-year strategic plans for improving care coordination, chronic care, and provider alignment. These plans will be due on December 7, 2015. The strategic plan should draw from the other required reports and demonstrate how strategies are aligned. All hospitals will be required to submit their own strategic plan; however, in areas where hospitals are working with one another through a Regional Partnership or other collaborations, they

should reference their Regional Partnership Transformation Plan.



Summary of HSCRC Required Reports:

Submission	Associated Funding	Report Due Date	Requirements/ Scope	Who
Interim Regional Transformation Report from Regional Partnerships	\$2.5 million (BRFA funding)	September 1, 2015	Interim Regional Transformation Plan Template (draft shared with grantees)	Regional Partnership Grantees
Global Budget Infrastructure Report	0.65% given to most GBR hospitals in July 2013/2014 *TPR hospitals were provided additional funding 0.4% increases approved for FY2016 for all GBR hospitals	September 30, 2015	GBR Infrastructure Report Template available on HSCRC website	All Hospitals

Final Regional Transformation Report from Regional Partnerships	\$2.5 million (BRFA funding)	December 7, 2015	Regional Transformation Plan Template (draft shared with grantees)	Regional Partnership Grantees *Partnering hospitals will collaborate on one final report
Strategic Hospital Transformation Plan for Improving Care	N/A	December 7, 2015	Similar template as Regional Transformation Plan only broader and more comprehensive in scope *Template forthcoming	All Hospitals *Plans should refer to and align with GBR Infrastructure Report, Regional Partnership Plan (if applicable), Community Benefit Report and Community Health Needs Assessments
Applications/ Proposals for Competitive Transformation Implementation Awards	0.25% (approx. \$40 million)	December 21, 2015	RFP will be posted in August 2015. *Applications should draw from multi-year strategic hospital plan; must demonstrate how investments build on one another	All Hospitals are Eligible to Apply *Collaboration among hospitals in a single application is encouraged and collaboration with physicians and other providers is required. RFP will provide more details when released.

Other Required Reports:

Submission	Associated Funding	Report Due Date	Requirements/Scope	Who
Community Benefit Report	N/A	December 15, 2015	Template available on the HSCRC website	All Hospitals
Community Health Needs Assessment	N/A	Hospitals on 1-3 year cycle	Hospitals should follow federal CHNA requirements	All Hospitals

Technical Assistance Available to All Hospitals

In an effort to support the Regional Partnership Grantees through the process of establishing their plans for regional partnerships, the State, in collaboration with the Chesapeake Regional Information System for our Patients (CRISP), has assembled technical resources and consultants with broad experience and expertise in similar initiatives around the country. A portion of the statewide infrastructure funding is being used to provide this technical assistance support to the planning grantees and all hospitals and their partners throughout the State as they work their way through essential delivery system transformation. While planning grantees may avail themselves of one-on-one consultation (up to 60 hours) all hospitals and their partners will be invited to participate in a series of bi-monthly, topic-specific webinars and an interactive Learning Collaborative on specific topics of interest that will be designed to assist hospitals and their partners as they endeavor to improve their care coordination with the goal of real delivery system reform. Specific webinar topics will be sent closer to the meeting date; your input into the content of these events is encouraged. Please refer to the DHMH website for an updated list of webinar topics and resource material:

<http://pophealth.dhmh.maryland.gov/transformation/SitePages/Home.aspx>

A schedule of these events and opportunities are as follows:

- Webinar: Consumer Education and Outreach: September 10, 9-10am EST
- Webinar: Behavioral Health Integration Models: September 24, 9-10am EST
- Webinar: Global Budget Revenue: October 8, 9-10am EST
- Webinar: CRISP Update: October 22, 9-10am EST