maryland
health services
cost review commission

593rd Meeting of the Health Services Cost Review Commission
March 9, 2022

(The Commission will begin in 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 February 9, 2022

2. Docket Status – Cases Closed
   2580R – Brook Lane Hospital
   2581A – John Hopkins Health System

3. Docket Status – Cases Open
   2582R – John Hopkins Hospital
   2583A – John Hopkins Health System
   2584N – Brook Lane Hospital
   2585A – John Hopkins Health System
   2586A – John Hopkins Health System

4. Presentation by Tri-County Behavioral Health Engagement (TRIBE) on Regional Partnership Catalyst Program

5. RY 2023 Quality Programs: COVID Update

6. Policy Update and Discussion

   a. Model Monitoring
   b. Legislative Update
   c. Workgroup Update

7. Hearing and Meeting Schedule

maryland
health services
cost review commission

MINUTES OF THE 592nd MEETING OF THE HEALTH SERVICES COST REVIEW COMMISSION February 9, 2022

Chairman Adam Kane called the public meeting to order at 11:02 a.m. Commissioners Joseph Antos, PhD, Victoria Bayless, Stacia Cohen, James Elliott, M.D., Maulik Joshi, DrPH, and Sam Malhotra were also in attendance. Upon motion made by Commissioner Antos and seconded by Commissioner Elliott, the meeting was moved to Closed Session. Chairman Kane reconvened the public meeting at 1:16 p.m.

REPORT OF FEBRUARY 9, 2022 CLOSED SESSION

Mr. Dennis Phelps, Deputy Director, Audit & Compliance, summarized the minutes of the February 9, 2022, Closed Session.

ITEM I
REVIEW OF THE MINUTES FROM THE JANUARY 12, 2022, CLOSED SESSION AND PUBLIC MEETING

The Commission voted unanimously to approve the minutes of the January 12, 2021, Public meeting and Closed Session.

ITEM II
CASES CLOSED

2569N- Greater Baltimore Medical Center
2578A- University of Maryland Medical Center
2579A- Johns Hopkins Health System

ITEM III
OPEN CASES

RECOMMENDATION TO GRANT AN EXTENSION OF APPROVAL OF THE ALTERNATIVE METHOD OF RATE DETERMINATION (ARM) ARRANGEMENT BETWEEN JOHNS HOPKINS HEALTH SYSTEM AND THE BLUE DISTINCTION CENTERS FOR TRANSPLANTS

Effective December 9, 2020, a one-year approval was granted for the renewal of an alternative rate arrangement (ARM) between the Johns Hopkins Health System (JHHS) and Blue Distinction Center for Transplants for the provision of solid organ and blood and bone marrow services.

In October of 2021, JHHS requested and was granted a three-month extension of the approval for the ARM arrangement with Blue Distinction Center for Transplants to provide time to complete renegotiation of the arrangement.

On January 26, 2022, JHHS requested an additional one-month extension, to March 31, 2022, to finalize negotiations on the ARM arrangement with Blue Distinction Center for Transplants.

Since the authority granted to staff to extend Commission approval on ARM arrangements is limited to three months, staff recommends that the Commission approve JHHS's request for an additional one-month extension, to March 31, 2022, of Commission approval for the ARM arrangement between the JHHS and Blue Distinction Center for Transplants.

The Commission unanimously approved the Staff's recommendation.

2580R- Brook Lane Hospital

Brook Lane Health Services - Hagerstown ("Brook Lane," or "the Hospital") is a private mental hospital inpatient facility with 57 beds located in Hagerstown, Maryland. The Hospital submitted a full rate application on December 7, 2021, requesting an increase to its permanent revenue totaling $2.1 million, an 8.7 percent increase over Brook Lane's approved revenue base that was effective for the one-year period from July 1, 2021, through June 30, 2022. The statute requires that the effective date of the newly proposed rates be no sooner than 30 days from the filing of the full rate application. However, in this instance both staff and hospital have been working on this application since July 2021. Given the special nature of this hospital, the staff requests that the Commission waive the 30-day requirement and allow for an effective date of December 1, 2021.

The rate application's requested increase (8.7 percent) is related to the efficiency of the Hospital's costs relative to Maryland peers, a methodology established during the full rate determination for Sheppard Pratt Hospital. The requested revenue increases are exclusive of HSCRC-approved adjustments, including: the update factor, productivity adjustments, market shift adjustments, demographic adjustments, quality adjustments, population health, and other routine adjustments.

Brook Lane justifies the requested $2.1 million in additional operating revenue based on its objective to achieve a viable and sustainable operating margin, which decreased from 1.5 percent in Fiscal Year 2014 to -3.7 percent in Fiscal Year 2019. Several expense increases over and above inflation provided in the annual Update Factor contribute to the need for additional revenue:

- Additional staffing related to increased patient acuity --$2.2 million
- Increased Depreciation and Interest Costs – $702 thousand
- Increased Insurance Expenditures (other than malpractice) -- $58 thousand

Additional requests included in the Brook Lane application that are inclusive of the $2.1 million in additional operating revenue are as follows:

- Brook Lane requested that the rate increase become effective December 1, 2021.
- Brook Lane requested that the rate application be effectuated in the same manner as the Sheppard Pratt rate application, which accounted for:

    a. Inflation for Fiscal Year 2020 and 2021 since the Maryland cost comparison model utilized Fiscal Year 2019 costs to remove the confounding elements of the COVID public health emergency; and
    b. A markup to rates to recognize that the effective rate increase will not be equal to the rate determination made by the Commission since Medicare does not pay HSCRC approved rates at the Hospital.

HSCRC Staff recommends that the Commission:

- Approve a general revenue increase request of $2,084,838 effective December 1, 2021, because the Hospital has demonstrated cost-efficiency and a revenue structure that is insufficient to support the underlying cost base. Since Medicare does not pay HSCRC-approved rates at Brook Lane, the expected net amount of this increase is estimated to be approximately $1,530,380.

Chairman Kane asked what percentage of cases at Brook Lane is covered by Medicaid.

Mr. Bob Gallion, Associate Director, Revenue and Regulation Compliance, noted that it is common for psychiatric facilities to have a high Medicaid payer mix; Medicaid accounts for approximately 43% of their cases.

Commissioner Cohen asked Staff to elaborate on Brook Lane's case mix.

Mr. Jeff O'Neal, Chief Executive Officer, Brook Lane Health Services, stated that 20 out of the 57 beds are for adults and seldom fully utilized. The remaining 37 beds are pediatric and are consistently at full capacity. Mr. O'Neal noted that bed walls for all units have been reinforced for safety purposes due to the pandemic, which allows pediatric cases to overflow to the adult unit.

Commissioners voted unanimously in favor of Staff's recommendation.

ITEM IV
POLICY UPDATE AND DISCUSSION

Model Monitoring

Ms. Caitlin Cooksey, Deputy Director of Hospital Rate Regulation, reported on the Medicare Fee for Service data for the 10 months ending October 2021. Maryland's Medicare Hospital spending per capita growth was trending close to the nation, with the past several months being favorable. Ms. Cooksey noted that Medicare Nonhospital spending per-capita was trending unfavorably for both Part A and Part B when compared to the nation. Ms. Cooksey noted that Medicare Total Cost of Care (TCOC) spending per-capita was unfavorable when compared to the nation. Ms. Cooksey noted that the Medicare TCOC guardrail position is .80% above the nation thru October. Ms. Cooksey noted that Maryland Medicare hospital and non-hospital growth thru October shows a run rate erosion of $79,900,000.

Legislative Update

Ms. Megan Renfrew, Associate Director of External Affairs presented the Legislative Update (see "Legislative Update" available on the HSCRC website).

Ms. Renfrew stated that due to the COVID-19 the following changes have been made to the legislative sessions:

- Virtual committee briefing and hearings;

  House: Virtual all sessions
  Senate: Virtual through February; in–person starting February 14th
  Public access to legislative buildings

- In-person floor sessions, floor sessions are lived streamed,
- Public access to legislative buildings.

Ms. Renfrew noted that the legislative priorities were redistricting (reviewed once every 10 years), distributing budget surplus, and planning for the fall elections.

HSCRC's focus is on a bill to change the methodology for calculating the Commission user fee assessment cap.

Stakeholder priorities are as follows:

Hospitals- Bills that support the healthcare workforce
Consumers- Focus on Medical debts
All Stakeholders- Behavioral Health bills

Ms. Renfrew noted that Staff has submitted five legislative reports:

- Independent Actuarial Analysis of Maryland's Hospital Medical Liability Climate (by Milliman), required by 2020 Joint Chairman Report (JCR)
- Evaluation of MDPCP, required by the 2021 JCR
- Analysis of Hospital at Home in Maryland, required by the 2021 JCR
- Analysis of Hospital Provision of Reduced-Cost Care and Collection Procedures, required by House Bill 565 (Ch. 770, 2021 Md. Laws)
- Behavioral Health Emergency Department Wait Times and Service Improvements in Maryland, requested by HGO Committee

Ms. Renfrew reported that Staff continues work to implement House Bill 565 (Ch. 770, 2021 Md. Laws), related to medical debt and payment plans.

Ms. Renfrew stated that Staff activities during the 2022 legislative session are as follows:

HSCRC participated in briefings on:

- Total Cost of Care Model for the House Health Government Operations (HGO) Committee
- Behavioral Health Service Improvements for the HGO Public Health and Minority Health Disparities Subcommittee

A joint briefing with four committees on medical professional liability included reference to Milliman's Independent Actuarial Analysis Report, submitted by HSCRC in 2021.

Ms. Renfrew noted that Staff is monitoring the following bills:

- HB 300/ SB 290 - Budget Bill for FY 2023 (The Governor's Budget)
- HB 510/SB TBD - Health Care Facilities- Health Services Cost Review Commission- User Fee Assessment
- HB 694- Hospital- Financial Assistance – Medical Bill Reimbursement

Workgroup Update

Ms. Katie Wunderlich, Executive Director, presented a workgroup update

Standing Workgroups:

- Performance Measurement Workgroup
    a) Evaluate appropriate COVID related changes for FY 2023
    b) RY 2024 Readmission Reduction Incentive Program
    c) Expanding Potential Avoidable Utilization quality programs into the ER

- Payment Models Workgroup
    a) RY 2023 Update Factor

- Total Cost of Care Workgroup
    a) Revenue for Reform

- Consumer Standing Advisory Committee
- Care Transformation Steering Committee

Stakeholder Groups
- Secretary's Vision Group
- Stakeholder Innovation Group

Legislative Workgroups
- Hospital Payment Plan Guidelines Workgroup (per Ch. 770 of 2021)

Outcomes Based Credit Update

The purposes of the Outcome-Based Credit (OBC) are as follows:

- Provide an opportunity to offset the State's TCOC with a credit for improvements in population health and promotes public/private collaboration on statewide priorities, with up-side only benefit

- OBC not directly linked to SIHIS, but intended to create momentum toward a limited series of population health goals

The design of the OBC is as follows:

- Identify population health focus area
- Develop methodology for change over time in # of cases in Maryland vs. control group
- Measure annual # of cases prevented in MD
- Develop cost-per-case methodology
- Annual credit = cost per case x cases prevented

ITEM V
HEARING AND MEETING SCHEDULE

March 9, 2022 Times to be determined - Go to Webinar

April 13, 2022 Times to be determined - Go to Webinar

There being no further business, the meeting was adjourned at 2:45 pm.

Closed Session Minutes
of the
Health Services Cost Review Commission

February 9, 2022

Upon motion made in public session, Chairman Kane called for adjournment into closed session to discuss the following items:

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 the COVID-19 Pandemic – Authority General Provisions Article, §3-103 and §3-104

The Closed Session was called to order at 11:02 a.m. and held under authority of §3-103 and §3-104 of the General Provisions Article.

In attendance via conference call in addition to Chairman Kane were Commissioners Antos, Bayless, Cohen, Elliott, Joshi, and Malhotra.

In attendance via conference call representing Staff were Katie Wunderlich, Allan Pack, William Henderson, Jerry Schmith, Geoff Daugherty, Will Daniel, Alyson Schuster, Claudine Williams, Megan Renfrew, Amanda Vaughn, Cait Cooksey, Bob Gallion, Erin Schurmann, and Dennis Phelps.

Also attending via conference call were Eric Lindemann, Commission Consultant and Stan Lustman, Commission Counsel.

Item One

Eric Lindemann, Commission Consultant, updated the Commission and the Commission and staff discussed Maryland Medicare Fee-For-Service TCOC versus the nation.

Item Two

Katie Wunderlich, Executive Director, provided the Commission with a summary of the historical over and under-funding of inflation provided in the annual update

factor. Ms. Wunderlich stressed the importance of estimating as accurately as possible future inflation in developing appropriate update factors moving forward.

Item Three

William Henderson, Director-Medical Economics & Data Analytics, updated the Commission on the year-to-date hospital profit margins through December 2021.

Item Four

Ms. Wunderlich updated the Commission on the interaction with CMMI on the compounded savings target process.

Item Five

The Commission discussed the future of population health with respect to hospitals in Baltimore city.

The Closed Session was adjourned at 1:07 p.m.

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 March 2, 2022

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
2582R	Johns Hopkins Hospital	1/31/2022	3/2/2022	6/30/2022	CLINICS	WH
2583A	Johns Hopkins Health System	1/31/2022	N/A	N/A	ARM	DNP
2584N	Brook Lane Hospital	2/22/2022	3/24/2022	7/22/2022	TMS	WH
2585A	Johns Hopkins Health System	2/22/2022	N/A	N/A	ARM	DNP
2586A	Johns Hopkins Health System	2/28/2022	N/A	N/A	ARM	DNP

PROCEEDINGS REQUIRING COMMISSION ACTION - NOT ON OPEN DOCKET

None

File Status
OPEN
OPEN
OPEN
OPEN
OPEN

IN RE: THE PARTIAL RATE	*	**BEFORE THE HEALTH SERVICES**	
APPLICATION OF THE	*	**COST REVIEW COMMISSION**	
JOHNS HOPKINS	*	**DOCKET:**	**2022**
HOSPITAL	*	**FOLIO:**	**2392**
BALTIMORE, MARYLAND	*	**PROCEEDING:**	**2582R**

Staff Recommendation
March 9, 2022

Introduction

On January 31, 2022, Johns Hopkins Hospital ("the Hospital") submitted a partial rate application to the Commission requesting its Oncology Clinic (OCL) rate center be combined with the Clinic (CL) rate center effective April 1, 2022.

Staff Evaluation

This request is revenue neutral and will not result in any additional revenue for the Hospital. The consolidation of these clinics will bring the Hospital in line with all other Hospitals. Combining these rate centers will facilitate the upcoming Clinic relative value unit conversion. The Hospital's currently approved rates and the new proposed rate are as follows:

	Budgeted Volumes	**Approved Revenue**	**Approved Unit Rate**
Oncology (OCL)	1,151,433	$37,935,156	$32.9460
Clinic (CL)	1,623,811	$89,045,408	$54.8373
Combined Rate	2,775,344	$126,980,564	$45.7547

Recommendation

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

1. That the Hospital be allowed to collapse its OCL rate center into its CL rate center;

2. That a CL rate of $45.7547 per RVU be approved effective April 1, 2022; and

3. That no change be made to the Hospital's Global Budget Revenue for CL services.

IN RE: THE APPLICATION FOR	*	**BEFORE THE MARYLAND HEALTH**	
ALTERNATIVE METHOD OF RATE	*	**SERVICES COST REVIEW**	
DETERMINATION	*	**COMMISSION**	
JOHNS HOPKINS HEALTH	*	**DOCKET:**	**2022**
SYSTEM	*	**FOLIO:**	**2393**
BALTIMORE, MARYLAND	*	**PROCEEDING:**	**2583A**

Staff Recommendation

March 9, 2022

I. INTRODUCTION

Johns Hopkins Health System ("System") filed an application with the HSCRC on January 31, 2022 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) to add additional Cardiac Surgery and Musculoskeletal surgical procedures to the global rate arrangement with Accarent approved at the Health Services Cost Review Commission's ("HSCRC or the Commission" October 13, 2021 public meeting. The effective date of the approval for the additional procedures is March 1, 2022.

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 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 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 the experience under this arrangement has been favorable and believes that the Hospitals can continue to achieve a favorable experience under this revised arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospital's' application for an alternative method of rate determination to add additional Cardiac Surgery and Musculoskeletal surgical procedures to the currently approved arrangement with an effective date for the additional services March 1, 2022. 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 PARTIAL RATE	*	**BEFORE THE HEALTH SERVICES**	
APPLICATION OF	*	**COST REVIEW COMMISSION**	
BROOK LANE	*	**DOCKET:**	**2022**
HEALTH SERVICES	*	**FOLIO:**	**2394**
HAGERSTOWN, MARYLAND	*	**PROCEEDING:**	**2584N**

Staff Recommendation
March 9, 2022

Introduction

On February 22, 2022, Brook Lane Health Services ("the Hospital") submitted a partial rate application to establish a new Transcranial Magnetic Stimulation (TMS) service. The Hospital is a nonprofit provider of mental health services. TMS is a noninvasive treatment that uses magnetic resonance pulsed fields to induce an electric current in the brain for the treatment of major depressive disorder in patients. The Hospital requests a rate for TMS to be approved effective April 1, 2022.

Staff Evaluation

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. The Hospital provided projected costs associated with the TMS expansion and requested a rate of $343.49 per treatment, while the statewide median rate for TMS is $341.3937 per treatment.

Service	Service Unit	Unit Rate	Projected Volumes	Approved Revenue
Transcranial Magnetic Stimulation (TMS)	Treatments	$341.3937	720	$245,803.46

Recommendation

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

1. That the TMS rate of $341.3937 per treatment be approved effective April 1, 2022;

2. That the TMS rate center not be rate realigned until a full year of cost data has been reported to the Commission; and

3. That the TMS service be subject to the application of the Approved Revenue and Unit Rate Policies.

IN RE: THE APPLICATION FOR	*	**BEFORE THE MARYLAND HEALTH**	
ALTERNATIVE METHOD OF RATE	*	**SERVICES COST REVIEW**	
DETERMINATION	*	**COMMISSION**	
JOHNS HOPKINS HEALTH	*	**DOCKET:**	**2022**
SYSTEM	*	**FOLIO:**	**2395**
BALTIMORE, MARYLAND	*	**PROCEEDING:**	**2585A**

Staff Recommendation

March 9, 2022

I. INTRODUCTION

Johns Hopkins Health System ("System") filed an application with the HSCRC on January 22, 2022 on behalf of Johns Hopkins Hospital and Johns Hopkins Bayview Medical Center ("the Hospitals") for approval to continue to participate in a global rate arrangement for solid organ and bone marrow transplant services with Blue Cross Blue Shield Blue Distinction Centers. The System requests that the approval the for one year beginning April 1, 2022.

II. STAFF EVALUATION

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

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for solid organ and bone marrow transplant services for one year beginning April 1, 2022. 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	*	**BEFORE THE MARYLAND HEALTH**	
ALTERNATIVE METHOD OF RATE	*	**SERVICES COST REVIEW**	
DETERMINATION	*	**COMMISSION**	
JOHNS HOPKINS HEALTH	*	**DOCKET:**	**2022**
SYSTEM	*	**FOLIO:**	**2396**
BALTIMORE, MARYLAND	*	**PROCEEDING:**	**2586A**

Staff Recommendation

March 9, 2022

I. INTRODUCTION

On February 28, 2022, Johns Hopkins Health System ("System") filed an application on behalf of its member hospitals, Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital (the "Hospitals") requesting approval to continue to participate in a global price arrangement with One Team Health, an international TPA, for cardiovascular services and for the new service of Spine Surgery. The Hospitals request that the Commission approve the arrangement for one year beginning April 1, 2022.

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 System hospitals and to bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

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

IV. IDENTIFICATION AND ASSESSMENT RISK

The Hospitals will continue to submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payers, 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 that 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 found that the experience for the prior year under this arrangement was favorable. Staff believes that the Hospitals can continue to achieve a favorable performance under the arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for cardiovascular services for the period beginning April 1, 2022. The Hospitals must file a renewal application annually 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.

maryland
health services
cost review commission

The Partial Rate Applications Staff Recommendations

Proceeding 2582R & Proceeding 2584N

Proceeding 2582R Johns Hopkins Hospital

On January 31, 2022, Johns Hopkins Hospital ("the Hospital") submitted a partial rate application to the Commission requesting its Oncology Clinic (OCL) rate center be combined with the Clinic (CL) rate center effective April 1, 2022. This request is revenue neutral and will not result in any additional revenue for the Hospital. The consolidation of these clinics will bring the Hospital in line with all other Hospitals.

Recommendation

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

1. That the Hospital be allowed to collapse its OCL rate center into its CL rate center;

2. That a CL rate of $45.7547 per RVU be approved effective April 1, 2022; and

3. That no change be made to the Hospital's Global Budget Revenue for CL services.

Proceeding 2584N Brook Lane Health Services

On February 22, 2022, Brook Lane Health Services ("the Hospital") submitted a partial rate application to establish a new Transcranial Magnetic Stimulation (TMS) service effective April 1, 2022. TMS is a noninvasive treatment that uses magnetic resonance pulsed fields to induce an electric current in the brain for the treatment of major depressive disorder in patients. The Hospital provided projected costs associated with the TMS expansion and requested a rate of $343.49 per treatment, while the statewide median rate for TMS is $341.3937 per treatment.

Recommendation

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

1. That the TMS rate of $341.3937 per treatment be approved effective April 1, 2022;

2. That the TMS rate center not be rate realigned until a full year of cost data has been reported to the Commission; and

3. That the TMS service be subject to the application of the Approved Revenue and Unit Rate Policies.

TRIBE

Tri-County Behavioral Health Engagement

HSCRC Regional Partnership Catalyst Grant Program

Katherine Smith, MSW, LCSW-C

Executive Director Behavioral Health Services

TidalHealth

Tina Simmons, MBA, BSN, RN, LSSBBH

Director of Population Health

Atlantic General Hospital

Tri-County Behavioral Health Engagement (TRIBE)

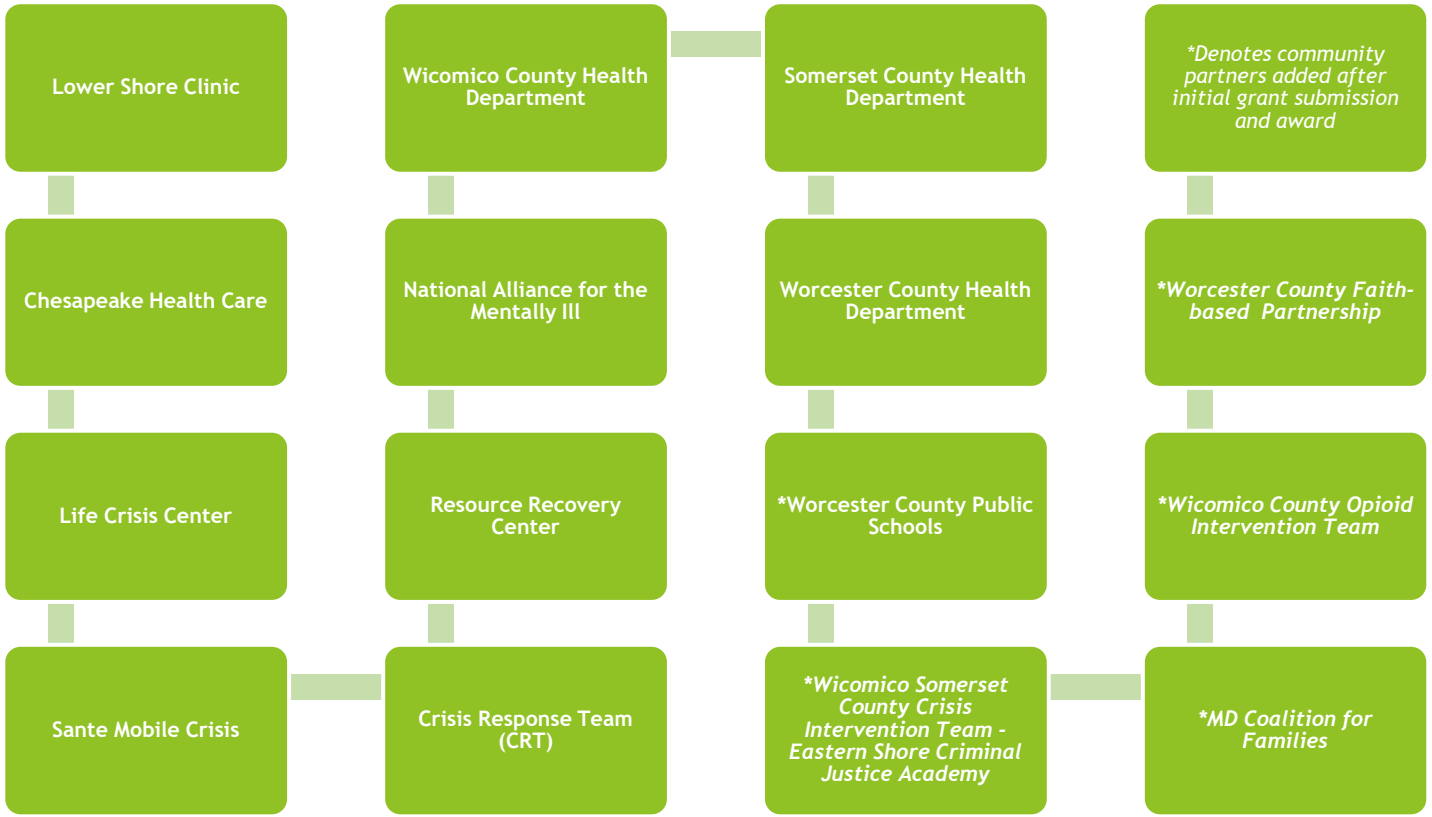
TidalHealth Peninsula Regional

Atlantic General Hospital

Primary Service Area – Worcester, Wicomico & Somerset Counties

Funding Amount – Total $11,316,322

Regional Partnership between TidalHealth Peninsula Regional, Atlantic General Hospital & Community Partners



Primary Site

Establishment of a primary 23-hour crisis stabilization center located near TidalHealth Peninsula Regional.

Target opening in May 2022. Will initially open for 12 hours/day (8a-8p)

Safe, home-like environment designed to relieve immediate crisis symptoms by providing the following:

- Triage
- Observation
- Assessments
- Level of care intervention to deflect from unnecessary higher levels of care
- Linkage with peer support
- Brief crisis counseling
- Medication stabilization & management
- Care navigation & coordination of social determinant of health needs
- Linkage with follow-up care & services with community providers the same or next day
- Individuals followed for 5 days or until the follow-up appointment/warm-handoff to community provider is completed.

TidalHealth Crisis Center – Features a crisis stabilization room with 5 crisis chairs, a fully stocked nurse station, an observation room, a community partners workroom, an intake and shower room, multiple counseling offices, waiting room, security station and a large community meeting space, etc…

Crisis Stabilization Room

Child treatment space

Secondary Site

Satellite site located at Atlantic Health Center on campus of Atlantic General Hospital

Center opened January 31, 2022. Hours are initially be Mon-Fri 8a-4:30p.

- will expand to 8a-6p Mon-Sat as volume dictates the need. Long term plan is for secondary center to redirect to the primary site after hours.

Services will include:

- Triage
- Observation
- Assessments
- Level of care intervention to deflect from unnecessary higher levels of care
- Linkage with peer support
- Brief crisis counseling
- Medication stabilization & management
- Care navigation & coordination of social determinant of health needs
- Linkage with follow-up care & services with community providers
- Individuals followed for 5 days or until the follow-up appointment/warm-handoff to community provider is completed.

Atlantic General Crisis Center – Features an adult observation room with 6 chairs and a pediatric observation room with 3 chairs for patients waiting for further evaluation or connection to community resources; a triage cove, a nurses station, three adult consult rooms(1 set up as an observation room for higher risk patients) and three pediatric consult rooms; a community partners workroom, waiting room, security station, and a large conference room to host group counseling or classes in the future

Paintings by Ann Scanlon adorn the walls of patiant rooms in the Atlantic General Hospital Walk-In Behavioral Health Crisis Center Wednesday, Jan. 26, 2022, in Berlin, Maryland.

LAUREN ROBERTS/SALISBURY DAILY TIMES

Paintings by Ann Scanlon adorn the walls of patiant rooms in the Atlantic General Hospital Walk-In Behavioral Health Crisis Center Wednesday, Jan. 26, 2022, in Berlin, Maryland.

LAUREN ROBERTS/SALISBURY DAILY TIMES

Governance Structure

The overarching governance is the Local Behavioral Health Authorities (LBHA) in the tri-county area with linkage to the Local Health Improvement Coalition (LHIC).

Community partners play a key role in one of the four established sub-committees:

- Policy, Data & Trends
- Patient Advocacy, Peer Support & Post-Crisis Follow-Up
- Crisis Services Integration
- Marketing & Community education

Quarterly meetings and special meetings called as needed.

Implementation – 5 Year Plan

- **Year 1** – Build infrastructure, renovate designated buildings, recruit, hire & train staff, develop policies and procedures, secure necessary equipment and create and deploy marketing strategy & community education campaign.
- **Year 2** – Open both the primary and secondary crisis centers. Primary site to be open 7 days a week 12 hours a day. Secondary site will be open initially 5 days a week 8 hours a day with a plan to expand to 6 days based on patient volume.
- **Year 3** – Primary site to extend hours based on data obtained in Year 2. Secondary site to extend hours based on data obtained in Year 2. Continued targeted marketing and community education.
- **Year 4** – Focus on increasing community collaboration and service line expansion.
- **Year 5** – Continued focus on increasing community collaboration, service line expansion, and sustainability of the program.

Successes & Challenges

Successes

- Both Spaces Renovated
- Community Partner Engagement
- Secondary site open & operational
- Participation in multiple local & state forums focused on redesigning delivery of BH crisis care

Challenges

- COVID 19
- Recruiting & Hiring Challenges
- Supply Chain Issues
- Learning Curve

Scalability & Sustainability

A sustainable program in year 6 without continued grant funding will require the ability to bill the S Crisis Codes (S9894, S9485 – Crisis Services Mental Health Services per hour and per diem)

These codes provide reimbursement for the actual services rendered; however, they are not currently “recognized” by Maryland payors

Collaborative teams are being formed to address these coding/billing challenges. Partners in this initiative include:

- Behavioral Health Authority (facilitating a committee to include all Maryland Behavioral health crisis centers and Behavioral Health urgent care centers)
- Maryland Medicaid
- Behavioral Health Administration

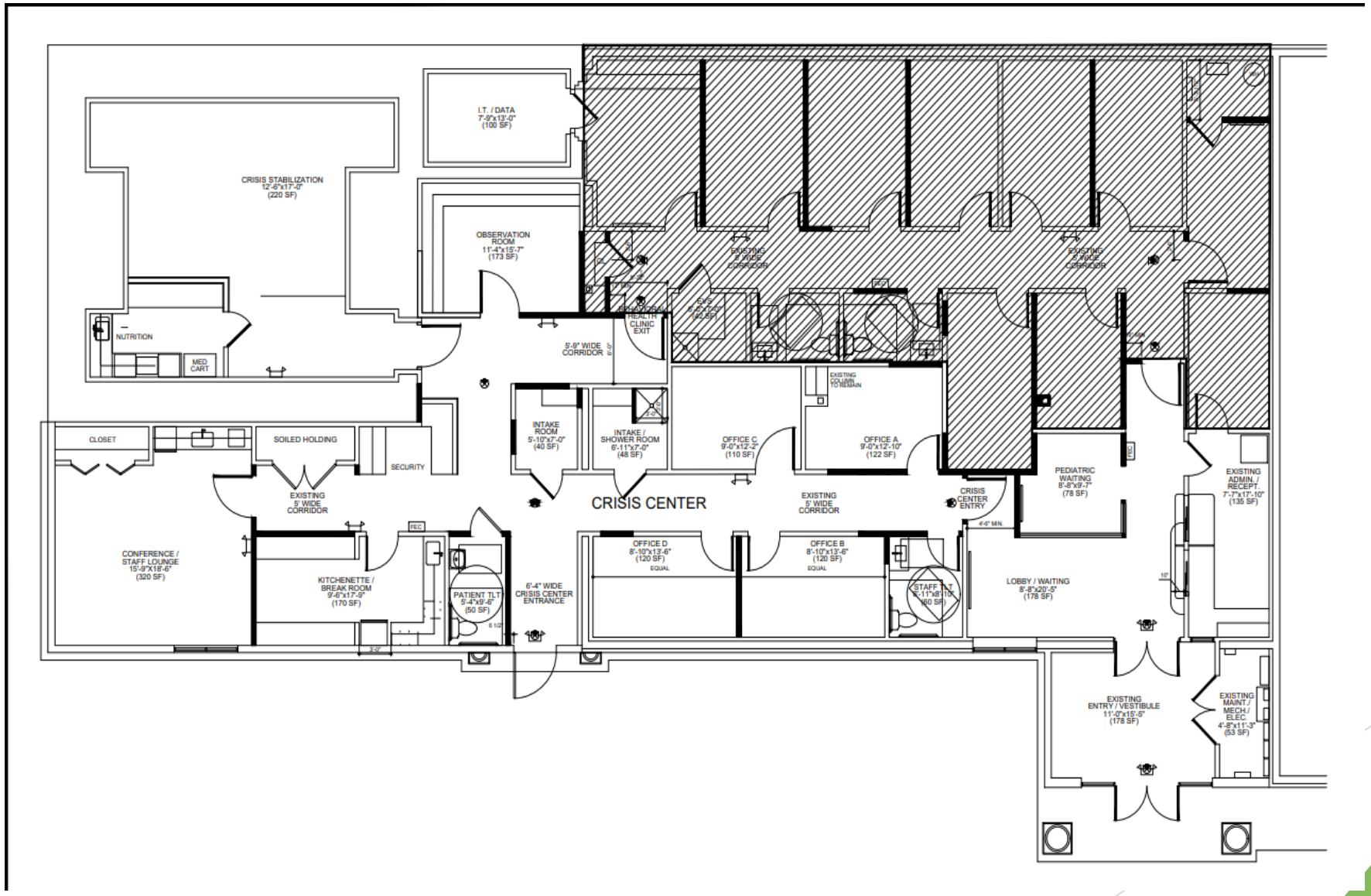
Appendix

- #1 Contact & Information
- #2 TidalHealth Crisis Center Floor Plan

Contacts & Links

- **TidalHealth Peninsula Regional Lead**
  - Katherine Smith, MSW, LCSW-C
  - Executive Director Behavioral Health Services
  - 410-912-6773
  - Email - Katherine.smith@peninsula.org
- **Atlantic General Hospital Lead**
  - Tina Simmons, MBA, BSN, RN, LSSBBH
  - AGH Director of Population Health
  - 410-629-6407
  - Email - tsimmons@atlanticgeneral.org
- National Guidelines for Behavioral Health Crisis Care - Best Practice Toolkit
  - https://www.samhsa.gov/sites/default/files/national-guidelines-for-behavioral-health-crisis-care-02242020.pdf
- Improving Access to Care using The National Guidelines for Crisis Care –A Best Practice Toolkit
  - https://www.nasmhpd.org/sites/default/files/The%20National%20Guidelines%20for%20Crisis%20Care_A%20Best%20Practice%20Toolkit.pdf
- HSCRC Regional Partnership Grant Program Page
  - https://hscrc.maryland.gov/Pages/regional-partnerships.aspx

TidalHealth Crisis Center - Floor Plan



maryland
health services
cost review commission

Quality COVID Analytics Report

March 9, 2022

HSCRC Quality Team

Overview of COVID Analysis and Adjustment Updates

Guiding Principles for COVID PHE Quality Measurement

- Must have Quality Adjustments in RY 2023
- Measures should be as inclusive as possible
- Scores and revenue adjustments should have face validity
- Adjustments to policies should be uniformly applied, when possible
- Because we don't have a reasonable counterfactual (without COVID in the base period),
  - Risk adjustment must be updated to account for COVID influence, e.g., concurrent norms
  - Relative ranking approaches, such as those used by CMS, may be advantageous under these conditions
- Quality adjustments must be reasonable to gain approval from CMMI and the Commissioners

HSCRC Case-Mix Measures: COVID Analytics

- Main analyses have focused on use of **concurrent norms** for:
  - MHAC program PPCs
  - Readmissions measure
  - QBR Inpatient mortality (10 percent of total score)

- Analyses use FY 2021 as performance period for testing; final revenue adjustments for RY 2023 will be based on CY 2021.

- Concurrent norms:
  - Use of the performance period data to generate the statewide norms that are used to calculate hospital expected rates
  - Use performance period data for establishing performance standards
  - Should account for changes in outcomes that occurred during CY2021 due to COVID
  - Test applying CY2021 concurrent norms to base period to calculate improvement

Example: Readmit Concurrent Norms (1 of 2)

Model 1: CY 2018			
APR-DRG_SOI	Eligible Discharges	Readmissions	Norms
720_1	1153	55	4.77%
720_2	7251	735	10.14%
720_3	9732	1664	17.10%
720_4	6253	1225	19.59%

Model 2: FY 2021			
APR-DRG_SOI	Eligible Discharges	Readmissions	Norms
720_1	852	39	4.58%
720_2	5839	580	9.93%
720_3	9709	1602	16.50%
720_4	9713	1540	15.86%

Statewide readmission data for sepsis

- CY 2018 has slightly higher readmission rate/norms than FY 2021
- FY 2021 has higher number of discharges in severity of illness (SOI) level 4 but overall readmission rate is lower
  - May reflect lower readmission rate seen for COVID patients or other clinical/behavioral changes during PHE

Example: Readmit Concurrent Norms (2 of 2)

Hospital A: FY 2021 Data			
APR-DRG_SOI	Eligible Discharges	Readmissions	Unadjusted Readmission Rate
720_1	128	5	3.91%
720_2	725	71	9.79%
720_3	1022	160	15.66%
720_4	1079	201	18.63%
Total	2954	437	14.79%

APR-DRG_SOI	Model 1				Model 2			
	Norms	Expected	O/E Ratio	Case-Mix Adjusted Readmission Rate	Norms	Expected	O/E Ratio	Case-Mix Adjusted Readmission Rate
720_1	4.77%	6.11	0.82	12.11%	4.58%	5.86	0.85	12.62%
720_2	10.14%	73.49	0.97	14.29%	9.93%	72.02	0.99	14.58%
720_3	17.10%	174.74	0.92	13.55%	16.50%	168.63	0.95	14.04%
720_4	19.59%	211.38	0.95	14.07%	15.86%	171.08	1.17	17.38%
Total		465.72	0.94	13.88%		417.58	1.05	15.48%

Models Under Evaluation for Comparison for Quality Programs

Model	Model 1 *original baseline period*	Model 2 *concurrent norms with COVID-19 cases*	Model 3 *concurrent norms without COVID-19 cases*
Description	Original base period norms	Concurrent norms including COVID-19 cases	Concurrent norms excluding COVID-19 cases from normative values and performance period calculations

Staff generally prefers including COVID cases to align with guiding principle of inclusivity - **most assessments suggest little difference in performance with and without COVID**

Specific quality programs/measures had additional models run (e.g., adding COVID variable to mortality regression model, testing relative ranking for MHAC revenue adjustments similar to CMS quality programs).

Overview of MHAC and RRIP Scores

Descriptive Statistics of MHAC Scores

	Model 1 (Base period norms)	**Model 2** (Concurrent norms w/ COVID pts)	**Model 3** (Concurrent norms w/o COVID pts)
Average	67%	62%	62%
Median	64%	61%	61%
Minimum	30%	26%	26%
Maximum	100%	100%	100%
25th Percentile	55%	51%	51%
75th Percentile	80%	77%	77%

Staff believes that concurrent norms are necessary because clinical care and patient behavior were significantly altered during the PHE, which will be accounted for with concurrent norms

Staff believes that including COVID patients aligns with inclusivity principle and does not note any degradation in performance due to including COVID patients

Descriptive Statistics of MHAC Revenue Adjustments

	Model 1		
	Current Scale Cut Point 60-70%	Median Score 64% Cut Point 59-69%	CMS Relative Ranking Cut Point 55-80%
Average	$447,273	$223,535	$0
Median	$0	$0	$0
Minimum	-$1,800,000	-$2,013,559	-$3,600,000
Maximum	$3,600,000	$3,600,000	$3,600,000
25th Percentile	-$300,000	-$472,882	-$3,600,000
75th Percentile	$1,200,000	$929,032	$3,600,000
	Model 2		
	Current Scale Cut Point 60-70%	Median Score 61% Cut Point 56-66%	CMS Relative Ranking Cut Point 51-77%
Average	$169,091	$369,127	$0
Median	$0	$0	$0
Minimum	-$2,040,000	-$1,928,571	-$3,600,000
Maximum	$3,600,000	$3,600,000	$3,600,000
25th Percentile	-$525,000	-$305,358	-$3,600,000
75th Percentile	$840,000	$1,164,706	$3,600,000

Scores applied to average IP revenue base of $180M to remove large hospital influence

Descriptive Statistics of Case-Mix Adjusted Readmission Rates

	Model 1: CY18 Norms			Model 2: FY21 Norms w/ COVID		
	CY 2018	FY 2021 Model 1	% Change (CY18-FY21)	CY18	Model 2	% Change (CY18-FY21)
Average	11.37%	10.37%	-8.51%	11.82%	11.15%	-5.15%
Median	11.34%	10.52%	-9.12%	11.83%	11.27%	-6.07%
Minimum	7.04%	4.63%	-34.23%	7.25%	5.10%	-29.66%
Maximum	15.66%	13.16%	28.75%	16.66%	14.14%	33.49%
25th Percentile	10.51%	9.46%	-14.17%	10.95%	10.35%	-10.56%
75th Percentile	12.09%	11.42%	-4.62%	12.55%	12.18%	-1.23%

CY2021 improvement appears driven by lower utilization

Staff believes that including COVID patients aligns with inclusivity principle

Descriptive Statistics of Readmission Revenue Adjustments

	Revenue Adjustments: Better of Improvement and Attainment	
	Model 1 CY 2018 Norms	Model 2 FY 2021 Norms
Average	$926,362	$416,864
Median	$792,000	$261,000
Minimum	-$1,422,000	-$3,474,000
Maximum	$3,600,000	$3,600,000
25th Percentile	$220,500	-$297,000
75th Percentile	$1,660,500	$1,260,000

Scores applied to average IP revenue base of $180M to remove large hospital influence

Next Steps

- Collect and respond to stakeholder comment letters on proposed modifications to RY 2023 Quality revenue adjustments
- Produce similar assessments for Readmissions Disparity Incentive and QBR at March 16th PMWG meeting
  - Likely no impact on disparity incentive due to improvement assessment that does not consider expected norms
  - QBR policy will mainly focus on cut-off point for penalties and rewards, as vast majority of performance measurements are not case level data AND national performance has declined in these areas during COVID PHE
- Provide final report for RY 2023 Quality revenue adjustments to Commission at April meeting

maryland
health services
cost review commission

Update on Medicare FFS Data & Analysis

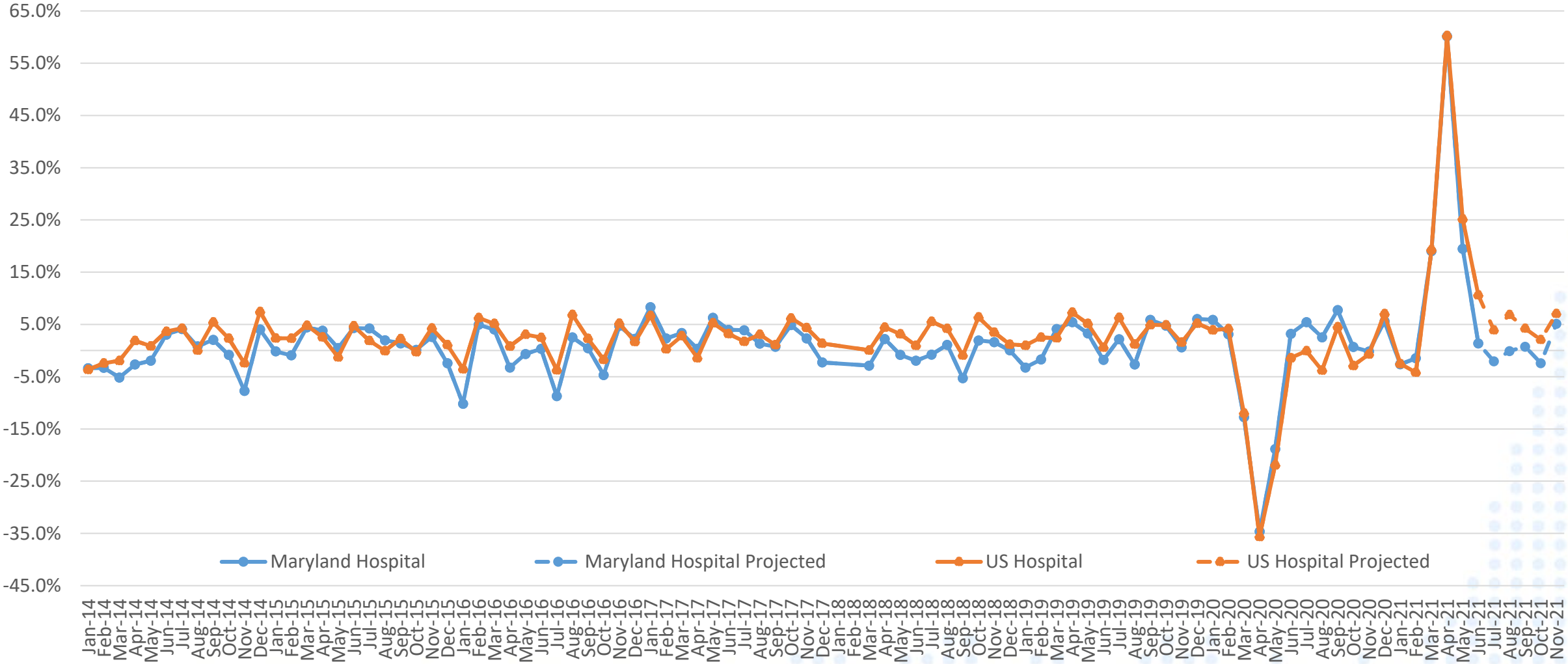
March 2022 Update

Data through November 2021, Claims paid through January 22

Data contained in this presentation represent analyses prepared by HSCRC staff based on data summaries provided by the Federal Government. The intent is to provide early indications of the spending trends in Maryland for Medicare FFS patients, relative to national trends. HSCRC staff has added some projections to the summaries. This data has not yet been audited or verified. Claims lag times may change, making the comparisons inaccurate. ICD-10 implementation and EMR conversion could have an impact on claims lags. These analyses should be used with caution and do not represent official guidance on performance or spending trends. These analyses may not be quoted until public release.

Medicare Hospital Spending per Capita

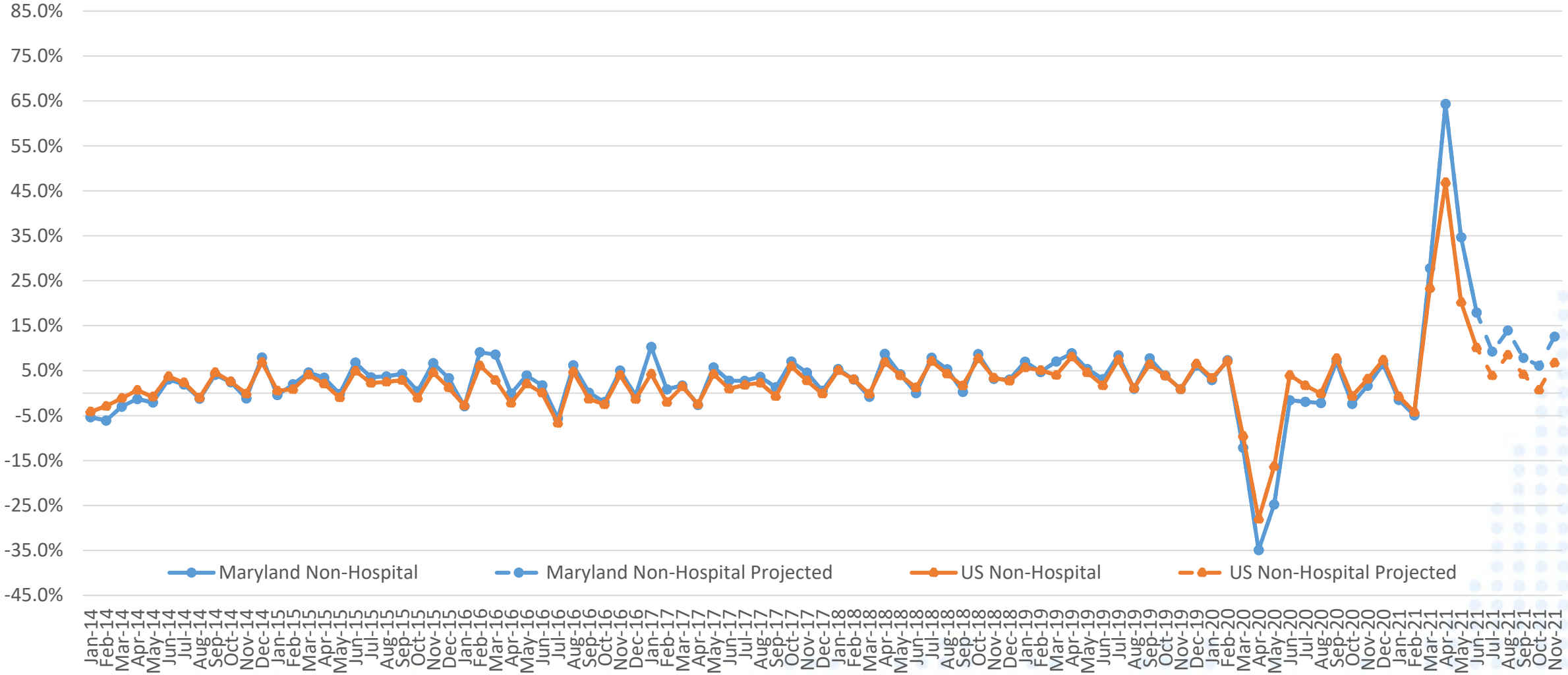
Actual Growth Trend (CY month vs. Prior CY month)



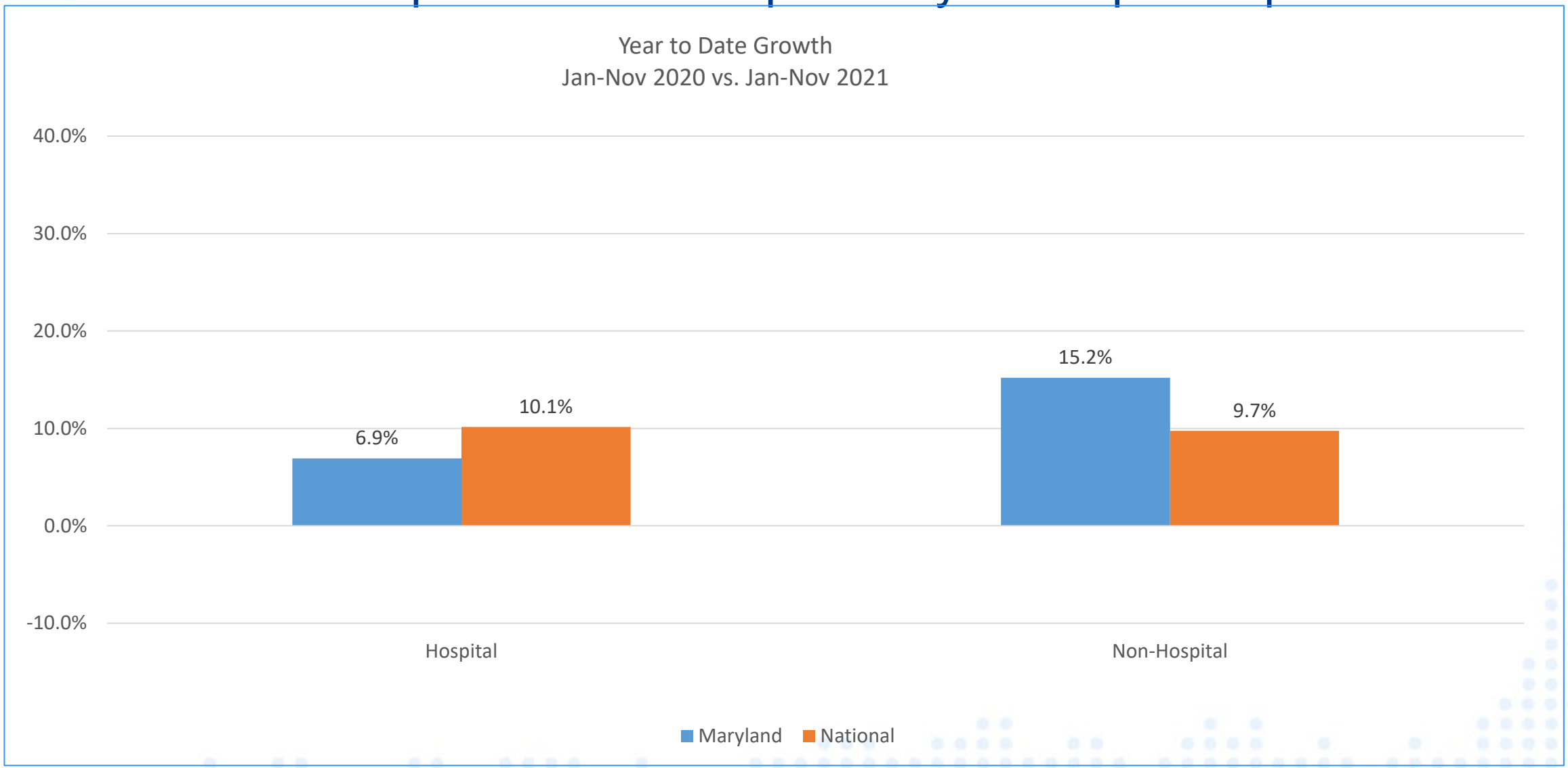
CY16 has been adjusted for the undercharge.

Medicare Non-Hospital Spending per Capita

Actual Growth Trend (CY month vs. Prior CY month)

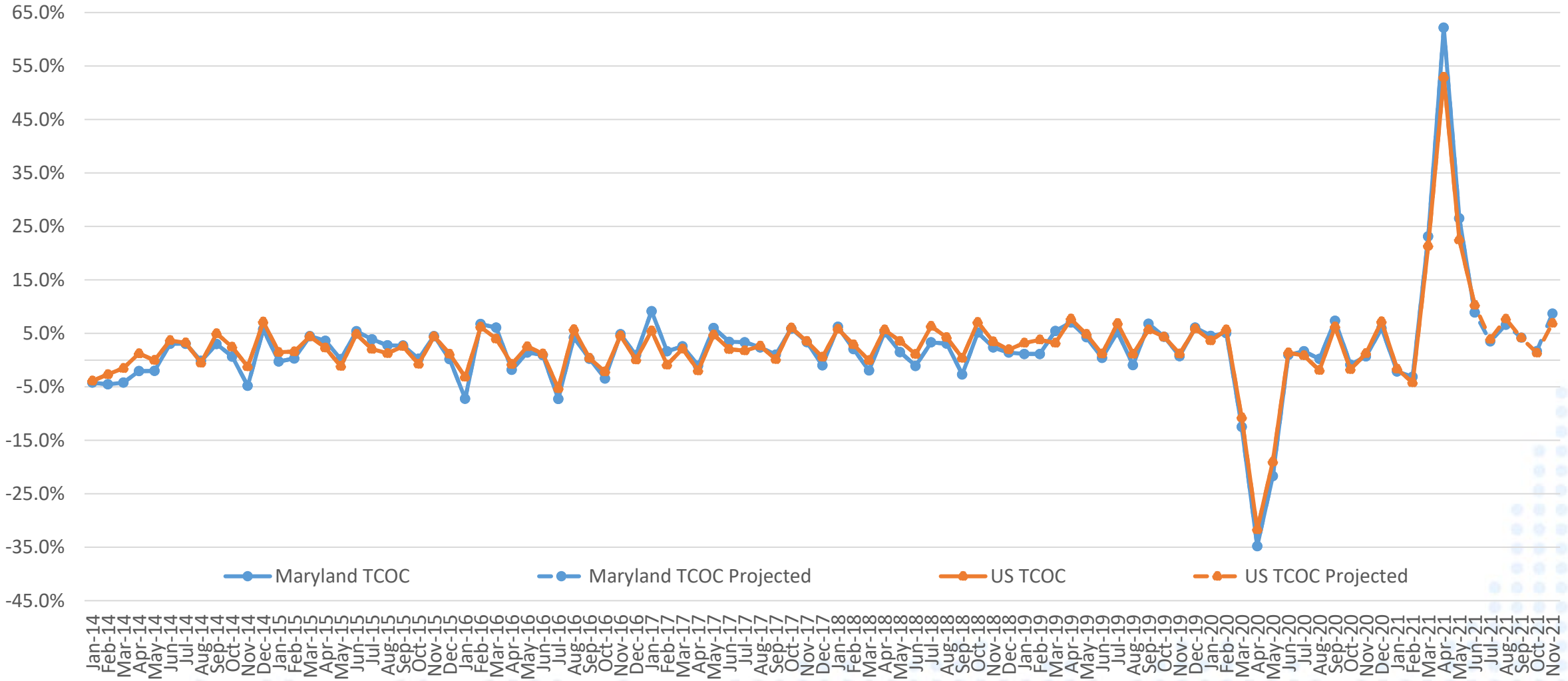


Medicare Hospital & Non-Hospital Payments per Capita



Medicare Total Cost of Care Spending per Capita

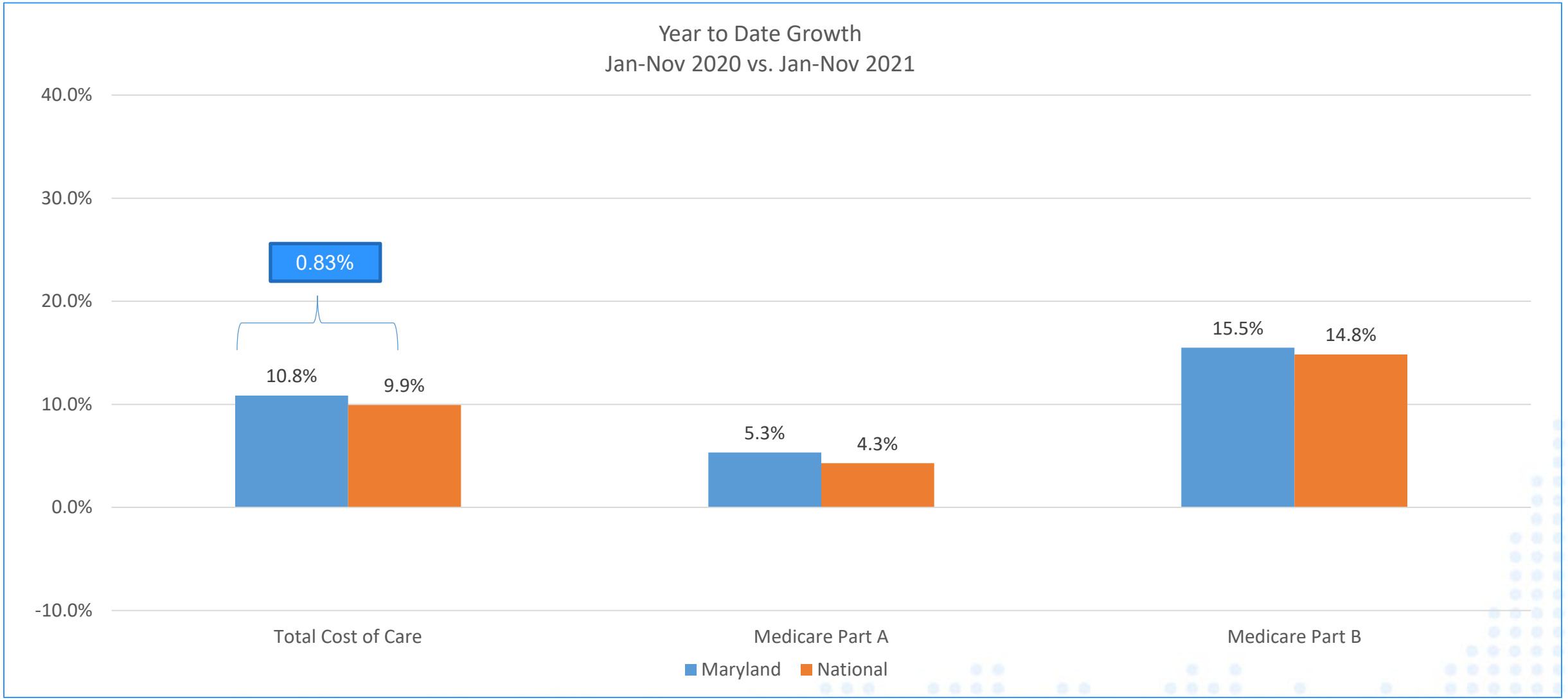
Actual Growth Trend (CY month vs. Prior CY month)



CY16 has been adjusted for the undercharge

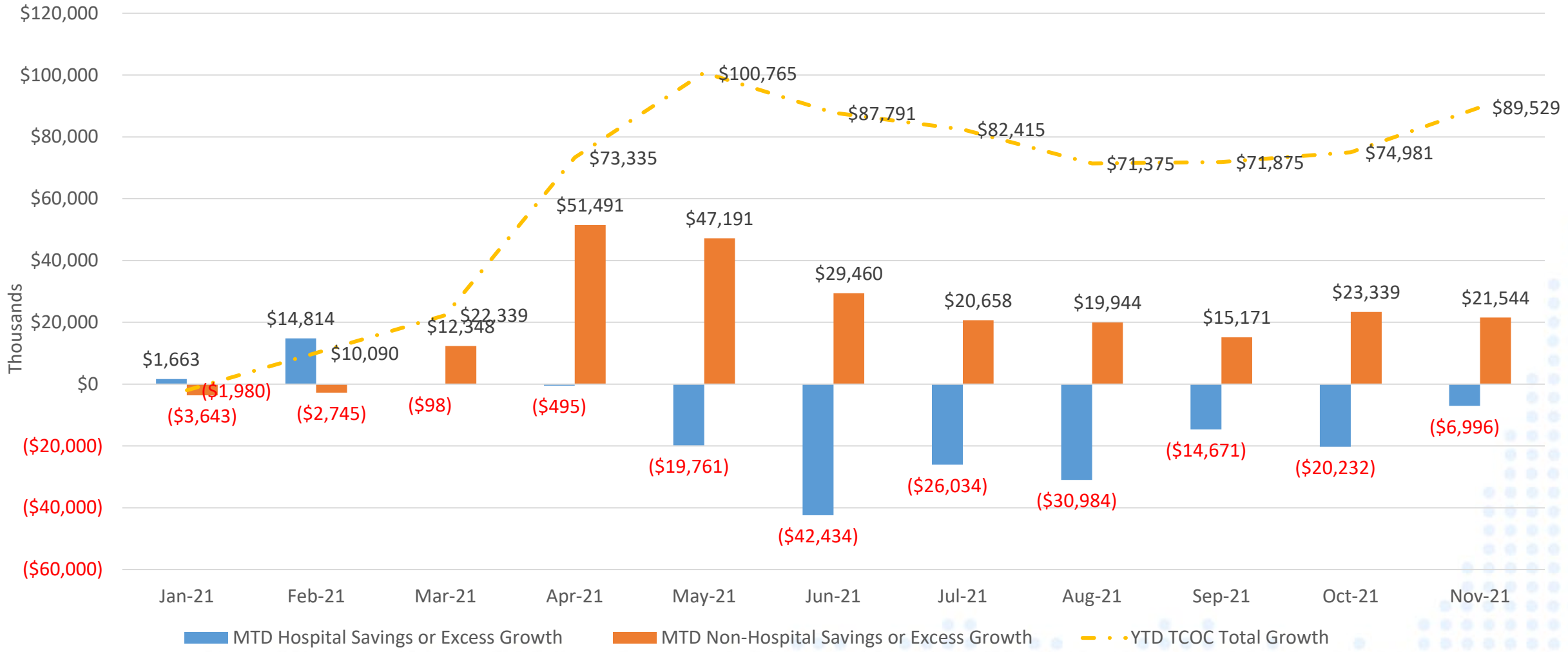
maryland health services cost review commission

Medicare Total Cost of Care Payments per Capita



Maryland Medicare Hospital & Non-Hospital Growth

CYTD through November 2021



maryland
health services
cost review commission

Legislative Update

HSCRC March 2022 Commission Meeting

March 9, 2022

Budget

Bill #	Description
HB 300 SB 290	**Budget Bill for FY 2023 (The Governor's Budget)**

- HSCRC's Budget hearings were in mid-February
- DLS analysis focused on HSCRC's support for hospitals during the COVID-19 pandemic and TCOC model performance.
- DLS recommended -
  - a report on COVID-19 support for hospitals and
  - report containing an evaluation of MDPCP and information on outcome-based credits.
- Members focused on -
  - community benefit reporting and
  - hospital revenue and volumes during the pandemic

User Fee Bill

Bill #	Description	Position
HB 510 SB 917	**Health Care Facilities – Health Services Cost Review Commission – User Fee Assessment**	Support

- House: Reported Favorable by HGO w/ Amendment that adds a 3-year sunset provision.
- Senate Hearing TBD
- MHA submitted written testimony- there was no other testimony from stakeholders.

Medical Bill Reimbursement

Bill #	Description	Position
HB 694 SB 944	**Hospitals – Financial Assistance – Medical Bill Reimbursement**	Letter of Information

- Seeks to require hospitals to provide refunds to patients who were eligible for free care but paid a bill in 2017-2021.
- Related to data analysis and modeling in a HSCRC report on potential future policy options related to financial assistance (required under Chapter 470 of 2020).
- House hearing was on March 2, 2022; Senate hearing TBD

Value-Based Payment

Bill #	Description	Position
HB 1148 SB 834	**Health Insurance - Two-Sided Incentive Arrangements and Capitated Payments – Authorization**	Letter of Information

- Permits insurers and certain non-hospital providers to enter certain value-based payment arrangements.
- House hearing on March 3; Senate hearing on March 9.

Medicaid Coverage of Doulas

Bill #	Description	Position
HB 669 SB 503 HH 765 SB 166	**Maryland Medical Assistance Program – Doula Services – Coverage** **Maryland Medical Assistance Program - Doula Program**	Letter of Information & Amendment

- Seeks to codify Medicaid regulations re: funding doulas
- Hearings in House and Senate were in February.
- HB 669 reported favorable w/ amendment by HGO, including amendment to protect HSCRC rate-setting authority.
- HB 765 is not moving forward.

Hospital-Adjacent Urgent Care

Bill #	Description	Position
HB 1048 SB 840	**COVID-19 Response Act of 2022**	Letter of Information with Amendment

- Provides for the establishment of unregulated hospital-adjacent urgent care centers.
- HSCRC amendment focuses on the definition of hospital-adjacent urgent care center.
- Unregulated urgent care centers are already allowable under current regulations if they meet certain requirements.
- Senate Hearing on March 2; House Hearing on March 14

Questions?

Megan Renfrew

Associate Director of External Affairs

Center for Payment Reform and Provider Alignment

megan.renfrew1@maryland.gov

maryland health services cost review commission

maryland
health services
cost review commission

TO: HSCRC Commissioners

FROM: HSCRC Staff

DATE: March 9, 2022

RE: Hearing and Meeting Schedule

April 13, 2022 To be determined - GoTo Webinar

May 11, 2022 To be determined - GoTo Webinar

The Agenda for the Executive and Public Sessions will be available for your review on the Wednesday before the Commission meeting on the Commission's website at http://hscrc.maryland.gov/Pages/commission-meetings.aspx.

Post-meeting documents will be available on the Commission's website following the Commission meeting.