

**604th Meeting of the Health Services Cost Review Commission
March 8, 2023**

(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 8, 2023
2. Docket Status – Cases Closed
3. Docket Status – Cases Open
 - 2614A Johns Hopkins Health System
 - 2615A Johns Hopkins Health System
 - 2616A Johns Hopkins Health System
 - 2617A Johns Hopkins Health System
 - 2618A Johns Hopkins Health System
4. Confidential Data Requests
5. Overview of Deregulation Process
6. Policy Update
 - a. CRISP Learning Collaborative Maryland Model Analytics Reports
 - b. Model Monitoring
 - c. Legislative Update
7. Hearing and Meeting Schedule

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

AS OF FEBRUARY 27, 2023

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

Docket Number	Hospital Name	Date Docketed	Purpose	Analyst's Initials	File Status
2603R	Luminis Anne Arundel Medical Center	7/22/2022	FULL	KW	OPEN
2608R	Shady Grove Adventist Medical Center	7/18/2022	CAPITAL	GS	OPEN
2614A	Johns Hopkins Health System	2/8/2023	ARM	DNP	OPEN
2615A	Johns Hopkins Health System	2/8/2023	ARM	DNP	OPEN
2616A	Johns Hopkins Health System	2/24/2023	ARM	DNP	OPEN
2617A	Johns Hopkins Health System	2/24/2023	ARM	DNP	OPEN
2618A	Johns Hopkins Health System	3/1/2023	ARM	DNP	OPEN

PROCEEDINGS REQUIRING COMMISSION ACTION - NOT ON OPEN DOCKET

None

**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: 2023
* FOLIO: 2424
* PROCEEDING: 2614A**

Staff Recommendation

March 8, 2023

I. INTRODUCTION

Johns Hopkins Health System (the “System”) filed an application with the HSCRC on February 8, 2023, 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 new global rate arrangement with for cardiovascular services, kidney transplant services, and spine surgery with Global Medical Management Inc. for a period of one year beginning April 1, 2023.

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 found that the experience under this arrangement over the last year was slightly unfavorable. The prices under this arrangement have been renegotiated. Staff believes that the hospitals can continue to achieve a favorable outcome under this revised arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for cardiovascular services, kidney transplant services, and spine surgery for a one-year period commencing April 1, 2023. 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: 2023
* FOLIO: 2425
* PROCEEDING: 2615A**

Staff Recommendation

March 8, 2023

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed an application with the HSCRC on February 8, 2023, 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 April 1, 2023.

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

Staff found that the experience under this arrangement for the last year was slightly unfavorable. The prices under this arrangement were renegotiated. Staff believes that the Hospitals can achieve favorable experience under this revised arrangement.

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 April 1, 2023. 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: 2023
* FOLIO: 2426
* PROCEEDING: 2616A**

Staff Recommendation

March 8, 2023

I. INTRODUCTION

On February 24, 2023, 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, 2023.

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, 2023. 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.

**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: 2023
* FOLIO: 2427
* PROCEEDING: 2617A**

Staff Recommendation

March 8, 2023

INTRODUCTION

Johns Hopkins Health System (the “System”) filed an application with the HSCRC on February 24, 2023, 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 add outpatient joint replacement services to the global rate arrangement approved for bariatric surgery, bladder surgery, anal rectal surgery, cardiovascular services, joint replacement surgery, pancreas surgery, spine surgery, thyroid surgery, parathyroid surgery, solid organ and bone marrow transplants, and Executive Health services, eating disorder, gender affirming surgery, and gall bladder surgery with Assured Partners. The Hospitals request that the approval be for the period for one year beginning April 1, 2023

II. OVERVIEW OF APPLICATION

The contract will be continue to 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 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 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

The experience under the current arrangement for the last year has been favorable. Staff believes that the Hospitals can continue to achieve a favorable performance under this arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination to add outpatient joint replacement services to bariatric surgery, bladder surgery, anal rectal surgery, cardiovascular services, joint replacement surgery, pancreas surgery, spine surgery, thyroid surgery, parathyroid surgery, solid organ and bone marrow transplants, and Executive Health services, eating disorder, gender affirming surgery, and gall bladder surgery approved effective April 1, 2023. 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: 2023
* FOLIO: 2386
* PROCEEDING: 2618A**

Staff Recommendation

March 8, 2023

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed an application with the HSCRC on March 1, 2023, 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 April 1, 2023.

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 April 1, 2023, 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.



maryland
health services
cost review commission

1

**Final Staff Recommendation for the Release of
HSCRC Confidential Patient Level Data to
Oregon Health & Science University (OHSU)/ University of Utah
Center for Policy Research in Emergency Medicine (CPR-EM)**

Health Services Cost Review Commission

4160 Patterson Avenue, Baltimore, MD 21215

March 8, 2023

This is a final recommendation for Commission consideration at the March 8, 2023, Public Commission Meeting.

SUMMARY STATEMENT

The Oregon Health & Science University (OHSU) Center for Policy and Research in Emergency Medicine (CPR-EM)/University of Utah- National Emergency Medical Services Information System (NEMSIS) Technical Assistance Center (T.A.C.) is requesting access to Health Services Cost Review Commission (HSCRC) Inpatient and Outpatient Hospital data (“the Data”), for the following projects:

1. An evaluation of pediatric firearm injury risk prediction in children using emergency services in the US;
2. An evaluation of the National Pediatric Readiness Project (NPRP); and
3. Identifying ways to further improve pediatric outcomes and quality of care, and to examine the associated costs, all with national health policy implications.

OBJECTIVE

The firearms injury prevention project will offer a direct benefit to Marylanders because the findings are likely to directly impact policy and decision-making around firearms injury prevention for children at the National, state and local levels. The NPRP evaluation project will offer a direct benefit to Marylanders by exploring how the location of ED and hospital care for children may be directly associated with better or worse outcomes and quality of care; how an ED’s “readiness” to treat pediatric patients affects outcomes by identifying a re-engineered, high-value emergency care system for injured children that optimizes quality, outcomes, and costs. Investigators received approval from the Maryland Department of Health (MDH) IRB on September 23, 2022, and the MDH Strategic Data Initiative (SDI) office on February 3, 2023. The Data will not be used to identify individual hospitals or patients. The Data will be retained by OHSU/Utah until June 30, 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 the HSCRC Confidential Data Review Committee (“the Review Committee”). The Review Committee is composed of representatives from HSCRC, the MDH Environmental Health Bureau, and the Behavioral Health Administration. 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 OHSU 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 OHSU for the Data for Calendar Years 2018 through 2021, data be approved. Additionally, Staff recommends approval of OHSU's continued use of Calendar Years 2012 through 2017, previously approved at the HSCRC Public meeting on March 13, 2019.
2. This access will include limited confidential information for subjects meeting the criteria for the research.

***Release of CRISP Learning Collaborative Maryland Model Analytics Reports
February 2023***

The Maryland Model Analytics project set out to evaluate specific aspects of the Maryland Total Cost of Care (TCOC) model and care transformation efforts throughout the state. CRISP contracted with multiple vendors to address one or more investigative analysis questions. These vendors worked multiple stakeholders to understand aspects of care redesign, potential best practices, and areas of improvement for future consideration. CRISP recently released the second set of these reports.

Evaluation of Maryland Medicare Spending on Inpatient Care – Acumen, November 2022

Maryland has an arrangement with the Centers for Medicare & Medicaid Services (CMS) regarding hospital reimbursement based on a fixed global budget to avoid unnecessary inpatient utilization. These alternative reimbursement strategies have resulted in different patterns of care across several dimensions, particularly inpatient care. This report summarizes the results of the investigation that analyzed Maryland hospitals' performance across different MS-DRGs and compared that performance to hospitals' performance in other states, where this arrangement is not implemented.

As expected, inpatient stays in Maryland are more expensive than inpatient stays in other states when examining allowed amounts. In terms of patterns of care, key findings include that in Maryland Medical MS-DRGs making up a larger share of total volume of inpatient stays than Surgical MS-DRGs, Maryland generally having a higher 30-day post-discharge spending than other states, and Maryland hospitals tend to have a lower share of stays in the higher severity MS-DRG (with complications). The report includes detail data about the prevalence, length of stay and payments by MS-DRGs for 2019.

Report:

<https://www.crisphealth.org/wp-content/uploads/2023/02/2022-11-17-crisp-task3-report-v10.pdf>

Upcoming Webinar: [Fri, Mar 10: 01:00 PM - 02:00 PM](#)

Evaluation of Maryland Medicare Spending on Chronic Conditions - Acumen, November 2022

The Maryland Total Cost of Care (TCOC) Model builds on earlier models that achieved cost savings by focusing on reducing inpatient costs. This report summarizes the total costs of care for Medicare Fee-for-Service (FFS) beneficiaries with 25 chronic conditions, comparing the costs between Maryland and other states. The report contains two main sets of analyses, first looking at high-level trends across conditions, such as the mean annual cost per beneficiary and the prevalence of conditions. The second set of analyses looks in detail at the costs per setting by beneficiary, focusing on conditions, including those where there are the largest overall differences in mean annual allowed amount between Maryland and other states. In addition, the Appendix to the report replicates the analysis for the first half of 2022 and compares it to the first half of 2019 to allow an understanding of how the COVID-19 pandemic impacted the delivery of care to patients with Chronic conditions.

Overall, the mean annual allowed amounts tend to be higher for beneficiaries in Maryland than other states with some notable exceptions for neurodegenerative diseases. Maryland's acute hospitalization costs are higher per beneficiary than other states because of the all-payer nature of hospital reimbursement in Maryland, but the utilization rate remains lower. Other key differences in cost and service utilization include Maryland having lower rates of PAC utilization and Maryland's mean DME

costs are lower. Between 2019 and 2022 both Maryland and the nation experienced significant drops in inpatient utilization by those with chronic conditions. The report includes extensive data tables allowing for analysis of care by chronic condition for both Maryland and the Nation for 2019 and 2022.

Report:

<https://www.crisphealth.org/wp-content/uploads/2023/02/2023-01-06-crisp-task4-report-v9-FINAL.pdf>

Upcoming Webinar: [Thu, Mar 16: 01:00 PM - 02:00 PM](#)

Outcomes and Costs Associated with Evidence-based Treatment of First Episode Psychosis – Acumen, September 2022

Research shows that expeditious and comprehensive treatment of first episode psychosis (FEP) positively impacts a range of clinical and social outcomes. This descriptive study estimated the prevalence of psychosis among Maryland commercial insurance enrollees ages 15 to 30, examined patterns of behavioral health treatment following a diagnosis of FEP, and explored how demographic characteristics and treatment patterns following an FEP diagnosis related to clinical outcomes in the year following diagnosis (excluding the initial 30-days following the diagnosis).

Overall, the patterns of care by age group appeared inconsistent with the evidence that early, aggressive treatment of a first psychotic episode may mitigate the progression to more severe psychosis and functional impairment. Additional analyses suggests that more complex and higher need beneficiaries drive hospital admissions and that these individuals may be prioritized for hospitalization given the limited availability of inpatient psychiatric services in Maryland, particularly for adolescents.

Final Report:

https://www.crisphealth.org/wp-content/uploads/2023/02/Acumen-MD-Model-Analytics_T7-FEP_Final_Report_20220926.pdf

Upcoming Webinar: [Wed, Mar 1: 02:00 PM - 03:00 PM](#)

Health Care Costs in Baltimore Relative to Other Urban Areas in Maryland – ABT Associates, December 2022

This report explores differences in 2019 per-capita costs of care between counties in the Baltimore area and other urban counties in Maryland, before and after risk adjustment for patient complexity to their peers in other states. Analyses health care costs and utilization for individuals covered by employer-sponsored health insurance in Maryland and also includes a discussion of similar Medicare results. This report also assessed drivers of differences in per-capita costs, including the extent to which differences were by driven by unit cost, versus utilization, and differences in the location and mix of services provided.

Overall, total costs of care for commercial patients were 4% higher in the Baltimore area than in other urban areas in Maryland, relative to their respective benchmarks. This was driven by relatively higher unit costs in the Baltimore area. For employer-sponsored health insurance the Baltimore area had higher total spending than non-Baltimore urban areas of roughly \$40 million in inpatient facility spending and \$120 million in outpatient facility spending, which was offset by \$86 million less in total spending on professional services. The report includes detail spending comparisons between the Baltimore Area and other urban Maryland regions and their benchmarks to allow the reader to understand the relatively contribution of different areas of spending.

Final Report:

<https://www.crisphealth.org/wp-content/uploads/2023/02/HSCRC-Benchmarking-Baltimore-Cost-Report-2022-12-15.pdf>

Upcoming Webinar: [Fri, Mar 24: 10:00 AM - 11:00 AM](#)

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR MEDICARE AND MEDICAID INNOVATION

February 17, 2023

Katie Wunderlich
Executive Director, HSCRC
4160 Patterson Avenue
Baltimore, Maryland 21215

RE: Public Payer Differential Change Beginning April 1, 2023

The purpose of this letter is to inform the Health Services Cost Review Commission (HSCRC) and the State of Maryland that the HSCRC's proposal to increase the Public Payer Differential submitted to the Centers for Medicare & Medicaid Services on December 22, 2022 has been approved. In accordance with Section 8.b.ii.1.a of the Total Cost of Care State Agreement ("Agreement"), the State may submit to CMS a request to change the Public Payer Differential to enable the State to meet the Annual Saving Target for the subsequent Model Year if hospital expenditures for the current Model Year are less than the All-payer Revenue Limit calculated by the State in alignment with Section 6.f and Appendix B of this Agreement for that Model Year.

In reference to the State-submitted "*Request to Increase the Public Payer Differential*" memo received December 22, 2022, the State is projecting to fall short of the \$267M CY 2022 annual Medicare savings target by \$187M and is expecting the temporary 1 percent Public Payer Differential (PPD) increase to generate \$26M of savings to Medicare. CMS notes that the CY 2022 Total Cost of Care Annual Performance Requirements will not be finalized until May of CY 2023 to account for three months of claims runout. As a result, CMS uses its discretion to approve the State's request before the CY 2022 All-Payer Revenue Limit and other performance result are finalized for two reasons: (1) the State has met the All-Payer Revenue Limit requirement for all Model Years since the start of the Maryland Total Cost of Care Model and (2) the State is expecting to meet the All-Payer Revenue Limit requirement for CY 2022, which for purposes of this request is considered the current Model Year.

CMS expects to implement the State's request to increase the Public Payer Differential by 1 percentage point effective April 1, 2023. The PPD will increase from 7.7% to 8.7%; therefore, from April 1, 2023 ending June 30, 2024 Public Payers will pay 91.3% of billed charges. CMS recognizes that the State's request to increase the PPD is temporary, which may impact the State's ability to meet future financial performance requirements, specifically the Total Cost of Care Growth Guardrail. CMS expects the State to meet all future annual performance requirements of the Model as defined in the Agreement and ensure that this flexibility does not jeopardize future performance results. We appreciate the efforts put forth by the State to proactively correct CY 2022 performance challenges and look forward to our continued partnership.

Sincerely,

Tequila V. Terry -S
Digitally signed by Tequila V.
Terry -S
Date: 2023.02.17 07:45:21
-05'00'

Tequila Terry
Director, State Population Health Group
Center for Medicare and Medicaid Innovation

MEMORANDUM

To: Chief Financial Officers and Other Stakeholders

From: Katie Wunderlich, Executive Director

Date: March 1, 2023

Re: Adjustment to the Public Payer Differential

To mitigate the excess Medicare TCOC growth in Maryland, the Health Services Cost Review Commission, at its December 14, 2022 public meeting, voted and CMMI subsequently approved increasing the public-payer (Medicare, Medicare Advantage Plans, Medicaid fee-for-service and Medicaid MCOs) differential by 1 percentage point, from 7.7 percent to 8.7 percent, effective April 1, 2023. The increase will be effective for the remainder of FY 2023 and the duration of FY 2024. The adjustment will be made through a hospital mark-up adjustment and will be revenue neutral to hospitals. The payer differential shall apply to claims with discharge dates and outpatient services dates on and after April 1, 2023.

Global Budget compliance will be applied on a blended basis for FY 2023.

If you have any questions, you may contact Dennis N. Phelps, Deputy Director, Audit & Compliance at dennis.phelps@maryland.gov or Chris Konsowski, chris.konsowski@maryland.gov.

Adam Kane, Esq
Chairman

Joseph Antos, PhD
Vice-Chairman

Victoria W. Bayless

Stacia Cohen, RN, MBA

James N. Elliott, MD

Maulik Joshi, DrPH

Sam Malhotra

.....
Katie Wunderlich
Executive Director

William Henderson
Director
Medical Economics & Data Analytics

Allan Pack
Director
Population-Based Methodologies

Gerard J. Schmith
Director
Revenue & Regulation Compliance



TO: HSCRC Commissioners
FROM: HSCRC Staff
DATE: March 8, 2023
RE: Hearing and Meeting Schedule

April 12, 2023 To be determined - GoTo Webinar

May 10, 2023 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.

Adam Kane, Esq
Chairman

Joseph Antos, PhD
Vice-Chairman

Victoria W. Bayless

Stacia Cohen, RN, MBA

James N. Elliott, MD

Maulik Joshi, DrPH

Sam Malhotra

Katie Wunderlich
Executive Director

William Henderson
Director
Medical Economics & Data Analytics

Allan Pack
Director
Population-Based Methodologies

Gerard J. Schmith
Director
Revenue & Regulation Compliance