maryland
health services
cost review commission

Total Cost of Care Workgroup

July 2022 Update

Overview

- MPA Timeline
- Proposed Changes:
  - Elimination of MDPCP Supplemental Adjustment
  - Addition of Population Health Measure and Increase in Quality Weights
  - Change to Primary Service Area Plus (PSAP) Attribution

Timeline

- **July:** HSCRC distributes detail on other proposed MPA changes (this package)
- **By August 17th**: industry can submit comments on proposed changes in this package
- **August 31st:** TCOC workgroup– Review these changes to MPA and any industry comments
- **September/October:** Population Health Quality Metrics Workgroup concludes on all-payer measures and scoring mechanism
  - CMS is requiring inclusion of the Population Health measures in the MPA for CY2023 so Staff will select these measures even if workgroup can't reach broader consensus
- **October**: HSCRC shares draft MPA recommendation with stakeholders
- **November**:
  - Preliminary recommendation amending MPA policy submitted to Commission
  - MPA approval letter submitted to CMS
- **December**: Final recommendation amendment to MPA submitted to Commission

Elimination of MDPCP Supplemental Adjustment

- If Track 3 is approved/implemented for CY2023 Staff propose to eliminate the MDPCP Supplemental Adjustment
- If Track is not approved/implemented for CY2023 the adjustment will operate as in CY22.

Current Quality Calculation and Proposed Revisions

- Current MPA Quality Adjustment =
  - MPA TCOC result ***x*** *1/3** ***x*** (1**+** RRIP **+** MHAC Reward/Penalty)
    - Subject to +/- 1% cap applied at the end of the calculation.
  - Where:
    - MPA result is expressed as percentage points above or below target
    - RRIP and MH are each up to +/- 2%
    - Calculation is reversed if MPA TCOC result is a penalty
    - Total adjustment can not exceed +/- 1.0% of Medicare payments
  - % of MPA reward at risk for quality = 4%
- CMS has requested the State include Population Health goals in the MPA quality component and increase the aggregate at risk for quality.
- Staff have committed to mirroring all payer quality programs in the MPA to avoid creating competing incentives

*A hospital receives a 1% bonus/penalty by beating/exceeding national trend by 3% resulting in the 1/3rd translation
** The payment model workgroup will be reviewing all-payer related rewards and penalties

Proposed New MPA Quality Calculation

- Capture results from new all-payer population health measures
  - Set maximum value to +/- 4% as that sets population health weight equal to the value of traditional programs
  - Exact translation from all-payer population health measures to MPA value of 4% will be determined once measures and scoring are established*.
- Double the quality weighting after adding population health score and apply the quality adjustment after the TCOC cap.
- Proposed MPA Quality Adjustment
  - Step 1: MPA TCOC x 1/3 result subject to +/- 1% cap.
  - Step 2: Step 1 x (1+ 2 x (RRIP + MHAC + Pop Health Reward/Penalty))
  - Where:
    - MPA result is expressed as percentage points above or below target
    - RRIP and MH are each up to +/- 2%
    - Population health is worth +/- 4%
    - Calculation is reversed if MPA TCOC result is a penalty
    - Total adjustment can not exceed +/- 1.16% of Medicare payments
  - % of MPA reward at risk for quality = 16%

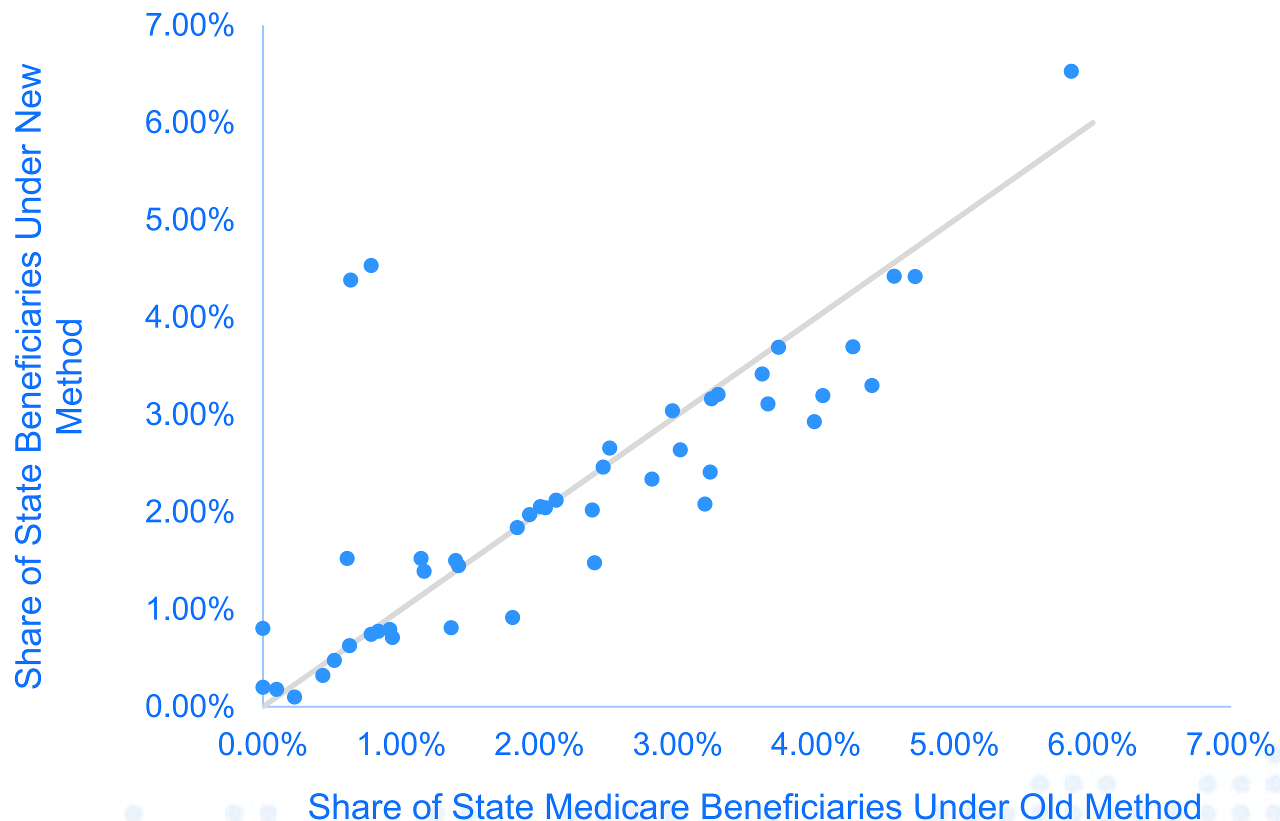
*The payment model workgroup will be reviewing all-payer related rewards and penalties for the selected population health measures within the base HSCRC quality program. The MPA will use the same measures, but the penalty/reward will be applied to the MPA, as defined in the MPA recommendation, regardless of the application in the quality program.

New PSAP Algorithm, Effective 1/1/23

- **Current**: Primary Service Areas (PSAs) are determined based on zip code in GBR agreements
- **New**: Based on MHA feedback, PSAs to be determined mathematically as those zip codes which account for 60% of a hospital's FY19 ECMADs when sorted from highest to lowest volume
- Remaining zip codes are then assigned, and shared zip codes are split to create the PSAP, no change to this process except FY19 ECMADs will now be used.
- Other HSCRC processes will follow this change on the same timeline: PQIs, Benchmarking etc.
- Also attached in this package
  - Detail on revised approach (same file distributed late last year)
  - Attribution memo for CY2022 (Y5) and draft for CY2023 (Y6)

Impact of Change on Share of MC FFS Beneficiaries by Hospital

- Change is small for most hospitals. Academic Medical Centers add significant share with the offset coming from other Baltimore area hospitals



- Each point indicates a hospital, grey line indicates where there is no change in share
- AMCs are the two points well above the line on the left
- Nearly all hospitals with share loss (below grey line) are in the Baltimore area.
- Detail in attached file

Next Steps

The TCOC Workgroup will meet again in September

- Hospitals should submit comments on proposed changes in this package by August 17th
- Staff will discuss the any industry comments at the August 31st workgroup

HSCRC and CRISP have been working to create a forum for hospitals to ask questions & discuss policy in a common forum.

- We will be migrating to use this website as our primary vehicle for posting documents and answering questions.
- See the CRISP Website here: https://www.crisphealth.org/learning-system/tcocandmpa/.