

STATE OF MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Frederick W. Puddester
Chairman

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HEALTH SERVICES COST REVIEW COMMISSION

4160 PATTERSON AVENUE, BALTIMORE, MARYLAND 21215

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www.hsrcr.state.md.us

475th MEETING OF THE HEALTH SERVICES COST REVIEW COMMISSION

EXECUTIVE SESSION

February 10, 2011

10:00 a.m.

- 1. Budgetary Matters *vis-a-vis* Waiver Implications**
- 2. Comfort Order: Lifebridge Health Inc.**

**PUBLIC SESSION OF THE
HEALTH SERVICES COST REVIEW COMMISSION**

10:30 a.m.

- 1. Review of the Executive Session and Public Meeting Minutes of January 12, 2011**
- 2. Docket Status – Cases Closed**
 - 2097N – Laurel Regional Medical Center
 - 2098A – Johns Hopkins Health System
 - 2099A – Johns Hopkins Health System
 - 2100A – Johns Hopkins Health System
 - 2101A – Johns Hopkins Health System
- 3. Docket Status – Cases Open**
 - 2096N - Maryland General Hospital
 - 2102N - Washington Adventist Hospital
 - 2103N - Washington Adventist Hospital
 - 2104N - Adventist Behavioral Health
 - 2105N - Adventist Behavioral Health

4. **Executive Director's Report**
5. **Results of Performance on Maryland Hospital Acquired Conditions**
6. **Update on Potentially Preventable Readmissions Methodology**
7. **Briefing on Maryland State Budget**
8. **Hearing and Meeting Schedule**

IN RE: THE PARTIAL RATE * BEFORE THE HEALTH SERVICES
APPLICATION OF THE * COST REVIEW COMMISSION
MARYLAND GENERAL * DOCKET 2010
HOSPITAL * FOLIO: 1906
BALTIMORE, MARYLAND * PROCEEDING: 2096N

Staff Recommendation

February 2, 2011

Introduction

On November 18, 2010, Maryland General Hospital (the Hospital) submitted a partial rate application to the Commission requesting a rate for Hyperbaric Chamber (HYP) services. The Hospital is requesting the statewide median rate for HYP services to be effective January 1, 2011.

Staff Evaluation

To determine if the Hospital's HYP rate should be set at the statewide median rate or at a rate based on its own cost experience, the staff requested that the Hospital submit to the Commission all cost and statistical data for HYP services for FY 2011. Based on information received, it was determined that the HYP rate based on the Hospital's actual data would be \$393.52 per RVU, while the statewide median rate for HYP services is \$246.02 per RVU.

Recommendation

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

1. That COMAR 10.37.10.07 requiring that rate applications be filed 60 days before the opening of a new service be waived;
2. That an HYP rate of \$246.02 per RVU be approved effective February 1, 2011;
3. That no change be made to the Hospital's Charge per Case standard for HYP services; and
4. That the HYP rate not be rate realigned until a full year's experience data have been reported to the Commission.

IN RE: THE PARTIAL RATE	*	BEFORE THE HEALTH SERVICES	
APPLICATION OF THE	*	COST REVIEW COMMISSION	
WASHINGTON ADVENTIST	*	DOCKET	2010
HOSPITAL	*	FOLIO:	1912
TAKOMA PARK, MARYLAND	*	PROCEEDING:	2102N

Staff Recommendation

February 2, 2011

Introduction

On December 21, 2010, Washington Adventist Hospital (“The Hospital”) submitted a partial rate application to the Commission requesting a rate for Hyperbaric Chamber (HYP) services. The Hospital is requesting the statewide median rate for HYP services to be effective January 1, 2011.

Staff Evaluation

To determine if the Hospital’s HYP rate should be set at the statewide median or at a rate based on its own cost experience, the staff requested that the Hospital submit to the Commission all cost and statistical data for HYP services for FY2011. Based on information received, it was determined that the HYP rate based on the Hospital’s actual data would be \$324.02 per RVU, while the statewide median rate for HYP services is \$246.02 per RVU.

Recommendation

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

1. That COMAR 10.37.10.07 requiring that rate applications be filed 60 days before the opening of a new service be waived;
2. That an HYP rate of \$246.02 per RVU be approved effective February 1, 2011;
3. That no change be made to the Hospital’s Charge per Case standard for HYP services; and
4. That the HYP rate not be rate realigned until a full year’s experience data have been reported to the Commission.

IN RE: THE PARTIAL RATE * BEFORE THE HEALTH SERVICES
APPLICATION OF * COST REVIEW COMMISSION
WASHINGTON ADVENTIST * DOCKET: 2009
HOSPITAL * FOLIO: 1913
TAKOMA PARK, MARYLAND * PROCEEDING: 2103N

* *

Staff Recommendation

February 2, 2011

Introduction

On December 21, 2010, Washington Adventist Hospital ("the Hospital") submitted a partial rate application to the Commission requesting a rate for Definitive Observation (DEF) services. DEF is the delivery of more intensive care to patients than that provided by the Medical Surgical Acute (MSG) unit, yet not sufficiently intensive to require admission to an Intensive Care unit. Currently DEF is included in the Hospital's MSG rate center. The Hospital is requesting the statewide median rate with an effective date of January 1, 2011.

Staff Evaluation

To determine if the Hospital's DEF rate should be set at the lower of the statewide median or at a rate based on the DEF rate center's allocated costs and actual volumes, the staff requested that the Hospital submit to the Commission all costs and volumes associated with DEF and MSG for the period July 1, 2009 to June 30, 2010. Based on the information received, it was determined that the DEF rate based on the Hospital data would be \$1,202.79 per day, while the statewide median rate is \$1,137.59 per day.

In order to ensure that the DEF rate is revenue neutral, staff needs to move the applicable DEF patient days and revenue out of the MSG rate center and into DEF. Based on our analysis the following DEF days and revenue should be taken out of MSG and moved to DEF:

	Current Rate	Budgeted Volume	Approved Revenue
Definitive Observation	\$1,137.59	21,428	\$24,376,279
Medical Surgical Acute	\$1,054.38	27,135	\$28,609,721

Recommendation

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

1. That the DEF rate of \$1,137.59 per day be approved effective February 1, 2011.
2. That to remain revenue neutral, staff will remove 21,428 patient days and revenue of \$24,376,279 from of MSG and move to DEF.
3. That no change be made to the Hospital's Charge per Case standard for DEF services; and
4. That the DEF rate not be rate realigned until a full year's experience data have been reported to the Commission.

IN RE: THE PARTIAL RATE	*	BEFORE THE HEALTH SERVICES	
APPLICATION OF THE	*	COST REVIEW COMMISSION	
ADVENTIST BEHAVIORAL	*	DOCKET	2010
HEALTH	*	FOLIO:	1914
ROCKVILLE, MARYLAND	*	PROCEEDING:	2104N

Staff Recommendation

February 2, 2011

Introduction

On December 21, 2010, Adventist Behavioral Health (“The Hospital”) submitted a partial rate application to the Commission requesting a rate for Psychiatric Geriatric (PSG) services. The Hospital is requesting the statewide median rate for PSG services to be effective January 1, 2011.

Staff Evaluation

To determine if the Hospital’s PSG rate should be set at the statewide median or at a rate based on its own cost experience, the staff requested that the Hospital submit to the Commission all cost and statistical data for PSG services for FY 2011. Based on information received, it was determined that the PSG rate based on the Hospital’s actual data would be \$955.85 per day, while the statewide median rate for PSG services is \$937.03 per day. Staff also determined that no CON was needed for PSG services because PSG services are considered to be a sub section of Adult- Psychiatric services.

Recommendation

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

1. That COMAR 10.37.10.07 requiring that rate applications be filed 60 days before the opening of a new service be waived;
2. That a PSG rate of \$937.03 per day be approved effective February 1, 2011;
3. That no change be made to the Hospital’s Charge per Case standard for PSG services; and
4. That the PSG rate not be rate realigned until a full year’s experience data have been reported to the Commission.

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To: HSCRC Commissioners

From: Robert Murray *RM*

Re: Delay and Reassessment of Final Maryland Hospital Preventable Readmissions (MHPR) Recommendations

Date: January 25, 2011

This is to advise the Commissioners that staff is recommending that we do not move forward at this time with approving a final MHPR recommendation. After further investigation following the last Commission meeting, we have determined that we are not ready to adequately identify inter-hospital readmissions sufficient to link performance on MHPRs to payment.

As the Commissioners have been made aware, staff has worked since the spring of last year to construct a reliable algorithm that matches patients across facilities. We have attempted to match patients using the limited data fields we have which include sex, date of birth and zip code and compared our matching with Medicare MEDPAR data and other private payer data that contain unique patient identifiers. Staff have finally concluded that the patient-level case mix data submitted to HSCRC by hospitals does not contain a sufficient amount of patient identifying information (e.g., last four digits of SSN, first name, last name, etc.) to construct an algorithm that diminishes false negatives and false positives sufficiently to calculate statistically accurate hospital-specific readmission rates.

Staff will continue its work with the Agency for Healthcare Research and Quality on a project over the next 4 months that entails collecting additional patient-level data from pilot hospitals sufficient to create a reliable unique patient ID.

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TO: Commissioners

FROM: Legal Department

DATE: February 2, 2011

RE: Hearing and Meeting Schedule

Public Session:

March 2, 2011 Time to be determined, 4160 Patterson Avenue, HSCRC Conference Room

April 13, 2011 Time to be determined, 4160 Patterson Avenue, HSCRC Conference Room

The Agenda for the Executive and Public Sessions will be available for your review on the Commission's website on the Thursday before the Commission meeting. To review the Agenda, visit the Commission's website at:

<http://www.hsrcr.state.md.us/commissionMeetingSchedule.cfm>.

Post-meeting documents will also be available on the Commission's website, by the close of business, on the Friday following the Commission meeting.