

STATE OF MARYLAND
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HEALTH SERVICES COST REVIEW COMMISSION

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**491st MEETING OF THE HEALTH SERVICES COST REVIEW COMMISSION
September 5, 2012**

EXECUTIVE SESSION

9:30 a.m.

1. **Provider-based MCO Alternative Rate Methodologies (ARMs)**
2. **Waiver Issues**

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

10:15 a.m.

1. **Review of the Executive Session and Public Meeting Minutes of the July 11, 2012 Meeting**
2. **Comments from Secretary Joshua M. Sharfstein**
3. **Executive Director's Report**
4. **Docket Status – Cases Closed**

2160N – Maryland General Hospital
2163A – Johns Hopkins Health System
2164N – Calvert Memorial Hospital
2165A – University of Maryland Medical Center
2166A – University of Maryland Medical Center
2167A – Johns Hopkins Health System

5. **Docket Status – Cases Open**

2168R – Garrett County Memorial Hospital
2169A – University of Maryland Medical Center
2170A – University of Maryland Medical Center
2171A – University of Maryland Medical Center
2172A – MedStar Health
2173A – MedStar Health
2174A – Johns Hopkins Health System

2175A – Johns Hopkins Health System
2176R – Good Samaritan Hospital
2177A – Maryland Physicians Care
2178A – Johns Hopkins Health System
2179A – MedStar Health

6. **Draft Recommendation on Outpatient Clinic Volume Adjustment**
7. **Report on Rate Year 2013 Maryland Hospital Acquired Conditions and Quality-based Reimbursement Results**
8. **Hearing and Meeting Schedule**

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

AS OF AUGUST 27, 2012

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	File Status
2168R	Garrett County Memorial Hospital	7/16/2012	10/10/2012	12/13/2012	FULL	GS	OPEN
2169A	University of Maryland Medical Center	7/3/2012	N/A	N/A	ARM	DNP	OPEN
2170A	University of Maryland Medical Center	7/3/2012	N/A	N/A	ARM	DNP	OPEN
2171A	University of Maryland Medical Center	7/3/2012	N/A	N/A	ARM	DNP	OPEN
2172A	MedStar Health	7/25/2012	N/A	N/A	ARM	DNP	OPEN
2173A	MedStar Health	7/25/2012	N/A	N/A	ARM	DNP	OPEN
2174A	Johns Hopkins Health System	5/30/2012	N/A	N/A	ARM	DNP	OPEN
2175A	Johns Hopkins Health System	5/30/2012	N/A	N/A	ARM	DNP	OPEN
2176R	Good Samaritan Hospital	8/8/2012	9/7/2012	1/7/2013	DEF/MSG	CK	OPEN
2177A	Maryland Physicians Care	8/14/2012	N/A	N/A	ARM	SP	OPEN
2178A	Johns Hopkins Health System	8/17/2012	N/A	N/A	ARM	SP	OPEN
2179A	MedStar Health	8/17/2012	N/A	N/A	ARM	SP	OPEN

PROCEEDINGS REQUIRING COMMISSION ACTION - NOT ON OPEN DOCKET

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION
UNIVERSITY OF MARYLAND
MEDICAL CENTER
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2012
* FOLIO: 1979
* PROCEEDING: 2169A**

Staff Recommendation

September 5, 2012

I. INTRODUCTION

University of Maryland Medical Center (“Hospital”) filed an application with the HSCRC on July 3, 2012 for an alternative method of rate determination pursuant to COMAR 10.37.10.06. The Hospital requests approval from the HSCRC for continued participation in global rates for solid organ transplant, gamma knife, and blood and bone marrow transplants for three years with Aetna Health, Inc. beginning August 1, 2012.

II. OVERVIEW OF THE APPLICATION

The contract will be continue to be held and administered by University Physicians, Inc. ("UPI"), which is a subsidiary of the University of Maryland Medical System. UPI will manage all financial transactions related to the global price contract including payments to the Hospital and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating recent 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 Hospital will continue to submit bills to UPI for all contracted and covered services. UPI is responsible for billing the payer, collecting payments, disbursing payments to the Hospital at its full HSCRC approved rates, and reimbursing the physicians. The Hospital contends that the arrangement between UPI and the Hospital holds the Hospital harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

Staff reviewed the experience under this arrangement and found it to be favorable. Staff believes that the Hospital can continue to achieve favorable performance under this arrangement.

VI. STAFF RECOMMENDATION

Based on the Hospital's favorable performance, staff recommends that the Commission: 1) waive the requirement that an application be filed 30 days prior to the effective date of an alternative rate determination arrangement; and 2) approve the Hospital's application for an alternative method of rate determination for solid organ transplant, gamma knife, and blood and bone marrow transplant services, for a one year period beginning August 1, 2012. The Hospital will need to file a renewal application 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 Hospital for the approved contract. This document would formalize the understanding between the Commission and the Hospital, 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, and 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
UNIVERSITY OF MARYLAND
MEDICAL CENTER *
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2012
* FOLIO: 1980
* PROCEEDING: 2170A**

Staff Recommendation

September 5, 2012

I. INTRODUCTION

The University of Maryland Medical Center (“Hospital”) filed an application with the HSCRC on July 3, 2012 requesting approval to continue participation in a global rate arrangement with Maryland Physicians Care (“MPC”) for solid organ and blood and bone marrow transplant services for a period of one year beginning August 23, 2012.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by University Physicians, Inc. (UPI), which is a subsidiary of the University of Maryland Medical System. UPI will manage all financial transactions related to the global price contract including payments to the Hospital and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating 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 Hospital will continue to submit bills to UPI for all contracted and covered services. UPI is responsible for billing the payer, collecting payments, disbursing payments to the Hospital at its full HSCRC approved rates, and reimbursing the physicians. The Hospital contends that the arrangement between UPI and the Hospital holds the Hospital harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

Staff found that the actual experience under the arrangement for the last year has been favorable.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospital's application for an alternative method of rate determination for solid organ and blood and bone marrow transplant services, for a one year period commencing August 23, 2012. The Hospital 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 Hospital for the approved contract. This document would formalize the understanding between the Commission and the Hospital, 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
UNIVERSITY OF MARYLAND
MEDICAL CENTER *
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2012
* FOLIO: 1981
* PROCEEDING: 2171A**

**Staff Recommendation
September 5, 2012**

INTRODUCTION

The University of Maryland Medical Center (“Hospital”) filed a renewal application with the HSCRC on July 3, 2012 requesting approval to continue to participate in a global rate arrangement for blood and bone marrow transplants for three years with the BlueCross and BlueShield Association Quality Centers for Transplant (BQCT) beginning September 1, 2012.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by University Physicians, Inc. (“UPI”), which is a subsidiary of the University of Maryland Medical System. UPI will manage all financial transactions related to the global price contract including payments to the Hospital and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating 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 Hospital will continue to submit bills to UPI for all contracted and covered services. UPI is responsible for billing the payer, collecting payments, disbursing payments to the Hospital at its full HSCRC approved rates, and reimbursing the physicians. The Hospital contends that the arrangement between UPI and the Hospital holds the Hospital harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

The staff found that the actual experience under this arrangement for the prior year has been favorable.

STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospital's application for an alternative method of rate determination for solid organ and blood and bone marrow transplant services, for a one year period commencing September 1, 2012. The Hospital 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 Hospital for the approved contract. This document will formalize the understanding between the Commission and the Hospital, and will 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
MEDSTAR HEALTH

BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2012
* FOLIO: 1982
* PROCEEDING: 2172A**

**Staff Recommendation
September 5, 2012**

I. INTRODUCTION

MedStar Health filed an application with the HSCRC on July 25, 2012 on behalf of Union Memorial Hospital and Good Samaritan Hospital (the “Hospitals”) for an alternative method of rate determination, pursuant to COMAR 10.37.10.06. Medstar Health requests approval from the HSCRC for continued participation in a global rate arrangement for cardiovascular services with the Kaiser Foundation Health Plan of the Mid-Atlantic, Inc. for one year beginning October 1, 2012.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by Helix Resources Management, Inc. (HRMI). HRMI will manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was renegotiated in 2007. The remainder of the global rate is comprised of physician service costs. Also in 2007, additional per diem payments were negotiated for cases that exceed the outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will continue to submit bills to HRMI for all contracted and covered services. HRMI is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The Hospitals contend that the arrangement between HRMI and the Hospitals holds the Hospitals harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

The staff reviewed the results of last year’s experience under this arrangement and found that they were favorable. Staff believes that the Hospitals can continue to achieve a favorable experience under this arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' request for continued participation in the alternative method of rate determination for cardiovascular services for a one year period commencing October 1, 2012. 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, and 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
MEDSTAR HEALTH

BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
* COMMISSION
* DOCKET: 2012
* FOLIO: 1983
* PROCEEDING: 2173A**

**Staff Recommendation
September 5, 2012**

I. INTRODUCTION

MedStar Health filed an application with the HSCRC on July 25, 2012 on behalf of Union Memorial Hospital and Good Samaritan Hospital (the “Hospitals”) to participate in an alternative method of rate determination, pursuant to COMAR 10.37.10.06. Medstar Health requests approval from the HSCRC for continued participation in a global rate arrangement for orthopedic services with MAMSI for a one year period beginning September 1, 2012.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by Helix Resources Management, Inc. (HRMI). HRMI will manage all financial transactions related to the global price contract including payments to the Hospitals and bear all risk relating to services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating the 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 HRMI for all contracted and covered services. HRMI is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The Hospitals contend that the arrangement between HRMI and the Hospitals holds the Hospitals harmless from any shortfalls in payment from the global price contract.

V. STAFF EVALUATION

The staff reviewed the experience under this arrangement for the last year and found that it was favorable. The staff believes that the Hospitals can continue to achieve a favorable experience under this arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' request for continued participation in the alternative method of rate determination for orthopedic services, for a one year period, commencing September 1, 2012. The Hospital 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: 2012
* FOLIO: 1984
* PROCEEDING: 2174A**

Staff Recommendation

September 5, 2012

I. INTRODUCTION

On July 30, 2012, Johns Hopkins Health System (“System”) filed an alternative rate application on behalf of its member hospitals, Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital (the “Hospitals”) requesting approval from the HSCRC to continue to participate in a global rate arrangement with the Canadian Medical Network which combines two previously approved arrangements. The combined arrangement includes global rates for cardiovascular procedures, kidney transplant services, and bone marrow transplants. The Hospitals request that the Commission approve the revised arrangement for one year beginning September 1, 2012.

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 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. 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 the risk of potential losses.

V. STAFF EVALUATION

Staff finds that the actual experience for cardiovascular services, kidney transplants, and bone marrow transplants under the arrangement for the last year has been favorable.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for cardiovascular procedures, kidney transplant services, and bone marrow transplant services for one year beginning September 1, 2012. 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 will formalize the understanding between the Commission and the Hospitals, and will 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: 2012
* FOLIO: 1985
* PROCEEDING: 2175A**

Staff Recommendation

September 5, 2012

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed a renewal application with the HSCRC on July 30, 2012 on behalf of the Johns Hopkins Bayview Medical Center (the “Hospital”) requesting approval from the HSCRC for continued participation in a capitation arrangement among the System, the Maryland Department of Health and Mental Hygiene (DHMH), and the Centers for Medicare and Medicaid Services (CMS). The Hospital, doing business as Hopkins Elder Plus (“HEP”), serves as a provider in the federal “Program of All-inclusive Care for the Elderly” (“PACE”). Under this program, HEP provides services for a Medicare and Medicaid dually eligible population of frail elderly. The requested approval is for a period of one year effective September 1, 2012.

II. OVERVIEW OF APPLICATION

The parties to the contract include the System, DHMH, and CMS. The contract covers medical services provided to the PACE population. The assumptions for enrollment, utilization, and unit costs were developed on the basis of historical HEP experience for the PACE population as previously reviewed by an actuarial consultant. The System will assume the risks under the agreement, and all Maryland hospital services will be paid based on HSCRC rates.

III. STAFF EVALUATION

Staff found that the experience under this arrangement for FY 2012 was favorable.

III. STAFF RECOMMENDATION

Staff recommends that the Commission approve the Hospital’s renewal application for an alternative method of rate determination for one year beginning September 1, 2012. The Hospital 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 Hospital for the approved contract. This document formalizes the understanding between the Commission and the Hospital, and

includes 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 also stipulates that operating losses under the contract cannot be used to justify future requests for rate increases.

IN RE: THE ALTERNATIVE	*	BEFORE THE HEALTH
RATE APPLICATION OF	*	SERVICES COST REVIEW
MARYLAND GENERAL HOSPITAL	*	COMMISSION
SAINT AGNES HEALTH	*	DOCKET: 2012
WESTERN MARYLAND HEALTH SYSTEM	*	FOLIO: 1987
MERITUS HEALTH	*	PROCEEDING: 2177A

Draft Recommendation

August 29, 2012

I. Introduction

On August 22, 2012, Maryland General Hospital, Saint Agnes Health System, Western Maryland Health System, and Meritus Health (the “Hospitals”) filed an application for an Alternative Method of Rate Determination pursuant to COMAR 10.37.10.06. The Hospitals seek renewal for the continued participation of Maryland Physicians Care (“MPC”) in the Medicaid Health Choice Program. MPC is the entity that assumes the risk under this contract. The Commission most recently approved this contract under proceeding 2131A for the period January 1, 2012 through December 31, 2012. The Hospitals are requesting to renew this contract for one year beginning January 1, 2013.

II. Background

Under the Medicaid Health Choice Program, MPC, a Managed Care Organization (“MCO”) sponsored by the Hospitals, is responsible for providing a comprehensive range of health care benefits to Medical Assistance enrollees. The application requests approval for the Hospitals to provide inpatient and outpatient hospital services as well as certain non-hospital services, in return for a State-determined capitation payment. Maryland Physicians Care pays the Hospitals HSCRC-approved rates for hospital services used by its enrollees. Maryland Physicians Care is a major participant in the Medicaid Health Choice program, and provides services on a statewide basis to about 20.2% of the total number of MCO enrollees in Maryland.

The Hospitals supplied information on their most recent experience and their preliminary projected revenues and expenditures for the upcoming year based on the initial revised Medicaid capitation rates.

III. Staff Review

This contract has been operating under previous HSCRC approval (Proceeding 2131A). Staff reviewed the operating performance under the contract as well as the terms of the capitation pricing agreement. Staff reviewed financial information and projections for CYs 2011 and 2012, and preliminary projections for CY 2013. In recent years, the financial performance of MPC has been favorable. The actual financial experience reported to staff for CY2011 was positive, and is expected to remain positive in CY 2012. However, the MCO projects an unfavorable financial outcome for CY 2013. This is due to a proposed significant reduction in capitation payments for CY 13.

IV. Recommendation

MPC has continued to maintain consistent favorable performance in recent years. However, the MCO expects the CY 13 rate cut to present a financial challenge. Based on past and projected performance, staff believes that the proposed renewal arrangement for MPC is acceptable under Commission policy but the Commission should continue to watch the impact of the CY 13 capitation payment reductions on the MCO's future financial posture, and any related surplus.

Therefore:

- (1) Staff recommends approval of this alternative rate application for a one-year period beginning January 1, 2013.**
- (2) Since sustained losses over an extended period of time may be construed as a loss contract necessitating termination of this arrangement, staff will continue to**

monitor financial performance to determine the impact of the CY 2013 Health Choice Program capitation payment reductions, and the MCOs expected financial status into CY 2014. Staff recommends that Maryland Physicians Care report to Commission staff (on or before the August 2013 meeting of the Commission) on the actual CY 2012 experience, preliminary CY 2013 financial performance (adjusted for seasonality) of the MCO, as well as projections for CY 2014.

- (3) Consistent with its policy paper outlining a structure for review and evaluation of applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the continued adherence to the standard Memorandum of Understanding with the Hospitals for the approved contract. This document formalizes the understanding between the Commission and the Hospitals, and includes provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the managed care contract, quarterly and annual reporting, the 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 also stipulates that operating losses under managed care contracts may not be used to justify future requests for rate increases.**

IN RE: THE ALTERNATIVE	*	BEFORE THE HEALTH	
RATE APPLICATION OF	*	SERVICES COST REVIEW	
THE JOHNS HOPKINS HEALTH	*	COMMISSION	
SYSTEM	*	DOCKET:	2012
	*	FOLIO:	1988
BALTIMORE, MARYLAND	*	PROCEEDING	2178A

Draft Recommendation

August 29, 2012

I. Introduction

On August 21, 2012 Johns Hopkins Health System (“JHHS,” or the “System”) filed an application for an Alternative Method of Rate Determination pursuant to COMAR 10.37.10.06 on behalf of Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital (the “Hospitals”). The System seeks renewal for the continued participation of Priority Partners, Inc. in the Medicaid Health Choice Program. Priority Partners, Inc. is the entity that assumes the risk under the contract. The Commission most recently approved this contract under proceeding 2135A for the period from January 1, 2012 through December 31, 2012. The Hospitals are requesting to renew this contract for a one-year period beginning January 1, 2013.

II. Background

Under the Medicaid Health Choice Program, Priority Partners, a provider-sponsored Managed Care Organization (“MCO”) sponsored by the Hospitals, is responsible for providing a comprehensive range of health care benefits to Medical Assistance enrollees. Priority Partners was created in 1996 as a joint venture between Johns Hopkins Health Care (JHHC) and the Maryland Community Health System (MCHS) to operate an MCO under the Health Choice Program. Johns Hopkins Health Care operates as the administrative arm of Priority Partners and receives a percentage of premiums to provide services such as claim adjudication and utilization management. MCHS oversees a network of Federally Qualified Health Clinics and provides member expertise in the provision of primary care services and assistance in the development of provider networks.

The application requests approval for the Hospitals to continue to provide inpatient and

outpatient hospital services, as well as certain non-hospital services, in return for a State-determined capitation payment. Priority Partners pays the Hospitals HSCRC-approved rates for hospital services used by its enrollees. The Hospitals supplied information on their most recent experience and their preliminary projected revenues and expenditures for the upcoming year based on the initial revised Medicaid capitation rates.

Priority Partners is a major participant in the Medicaid Health Choice program, providing managed care services on a statewide basis through CY 2011 and serving 27.5% of the State's MCO population.

III. Staff Review

This contract has been operating under the HSCRC's initial approval in proceeding 2081A. Staff reviewed the operating performance under the contract as well as the terms of the capitation pricing agreement. Staff has analyzed Priority Partner's financial history, net income projections for CY 2012, and projections for CY 2013. The statements provided by Priority Partners to staff represent both a "standalone" and "consolidated" view of Priority's operations. The consolidated picture reflects certain administrative revenues and expenses of Johns Hopkins Health Care. When other provider-based MCOs are evaluated for financial stability, their administrative costs relative to their MCO business are included as well; however, they are all included under one entity.

In recent years, the financial performance of Priority Partners has been favorable. The actual financial experience reported to staff for CY2011 was positive, and is expected to remain positive in CY 2012. However, the MCO projects an unfavorable financial outcome for CY 2013. This is due to a proposed significant reduction in capitation payments for CY 13.

IV. Recommendation

Priority Partners has continued to achieve favorable financial performance in recent years. However, the MCO expects the CY 13 rate cut to present a financial challenge. Based on past and projected performance, staff believes that the proposed renewal arrangement for Priority Partners is acceptable under Commission policy but the Commission should continue to watch the impact of the CY 13 capitation payment reductions on the MCO's current and future financial posture, and any related surplus.

Therefore:

- 1) Staff recommends approval of this alternative rate application for a one-year period beginning January 1, 2013.**
- 2) Since sustained losses over an extended period of time may be construed as a loss contract necessitating termination of this arrangement, staff will continue to monitor financial performance to determine the impact of the CY 2013 Health Choice Program capitation payment reductions, and the MCOs expected financial status into CY 2014. Therefore, staff recommends that Priority Partners report to Commission staff (on or before the August 2013 meeting of the Commission) on the actual CY 2012 experience, and preliminary CY 2013 financial performance (adjusted for seasonality) of the MCO, as well as projections for CY 2014.**
- 3) Consistent with its policy paper outlining a structure for review and evaluation of applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the continued adherence to the standard**

Memorandum of Understanding with the Hospitals for the approved contract. This document formalizes the understanding between the Commission and the Hospitals, and includes provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the managed care contract, quarterly and annual reporting, the 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 also stipulates that operating losses under managed care contracts may not be used to justify future requests for rate increases.

IN RE: THE ALTERNATIVE	*	BEFORE THE HEALTH	
RATE APPLICATION OF	*	SERVICES COST REVIEW	
MEDSTAR HEALTH	*	COMMISSION	
SYSTEM	*	DOCKET:	2012
	*	FOLIO:	1989
COLUMBIA, MARYLAND	*	PROCEEDING:	2179A

Draft Recommendation

August 29, 2012

I. Introduction

On August 15, 2012, MedStar Health filed an application for an Alternative Method of Rate Determination pursuant to COMAR 10.37.10.06 on behalf of Franklin Square Hospital, Good Samaritan Hospital, Harbor Hospital, and Union Memorial Hospital (the “Hospitals”). MedStar Health seeks renewal for the continued participation of MedStar Family Choice (“MFC”) in the Medicaid Health Choice Program. MedStar Family Choice is the MedStar entity that assumes the risk under this contract. The Commission most recently approved this contract under proceeding 2128A for the period from January 1, 2012 through December 31, 2012. The Hospitals are requesting to renew this contract for one year beginning January 1, 2013.

II. Background

Under the Medicaid Health Choice Program, MedStar Family Choice, a Managed Care Organization (“MCO”) sponsored by the Hospitals, is responsible for providing a comprehensive range of health care benefits to Medical Assistance enrollees. The application requests approval for the Hospitals to provide inpatient and outpatient hospital services, as well as certain non-hospital services, in return for a State-determined capitation payment. MedStar Family Choice pays the Hospitals HSCRC-approved rates for hospital services used by its enrollees. MedStar Family Choice provides services to about 3.7% of the total number of MCO enrollees in Maryland.

The Hospitals supplied information on their most recent experience and their preliminary projected revenues and expenditures for the upcoming year based on the Medicaid capitation rates.

III. Staff Review

This contract has been operating under previous HSCRC approval (proceeding 2128A). Staff reviewed the operating performance under the contract as well as the terms of the capitation pricing agreement. Staff reviewed financial information and projections for CYs 2011 and 2012, and projections for CY 2013. In recent years, the financial performance of MFC has been favorable. The actual financial experience reported to staff for CY2011 was positive, and is expected to remain positive in CY 2012. MFC is projecting continued favorable performance in CY 2013.

IV. Recommendation

MFC has continued to achieve favorable financial performance in recent years. Based on past performance, staff believes that the proposed renewal arrangement for MFC is acceptable under Commission policy.

Therefore:

- (1) Staff recommends approval of this alternative rate application for a one-year period beginning January 1, 2013.**
- (2) Since sustained losses may be construed as a loss contract necessitating termination of this arrangement, staff will continue to monitor financial performance to determine whether favorable financial performance is achieved in CY 2013, and expected to be sustained into CY 2014. Staff recommends that MedStar Family Choice report to Commission staff (on or before the August 2013 meeting of the Commission) on the actual CY 2012 experience and preliminary CY 2013 financial performance (adjusted for seasonality) of the MCO, as well as projections for CY 2014.**

(3) Consistent with its policy paper outlining a structure for review and evaluation of applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the continued adherence to the standard Memorandum of Understanding with the Hospitals for the approved contract. This document formalizes the understanding between the Commission and the Hospitals, and includes provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the managed care contract, quarterly and annual reporting, the 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 also stipulates that operating losses under managed care contracts may not be used to justify future requests for rate increases.

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HEALTH SERVICES COST REVIEW COMMISSION

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To: HSCRC Commissioners

From: Dr. Sule Calikoglu, Associate Director of Performance Measurement

Date: August 29, 2012

Re: Rate Year (RY) 2013 Quality Based Reimbursement Initiative (QBR) and Maryland Hospital Acquired Conditions (MHAC) Results

This memorandum summarizes the results of the QBR and MHAC programs for RY 2013.

The QBR scores used for adjustments in RY2013 were based on hospital performance in clinical process of care measures and patient experience of care in calendar year 2011. The program redistributed a total of \$7.9 million among 45 hospitals in a revenue neutral manner. The maximum penalty was set to 0.5 % of gross permanent inpatient revenue for RY2013. Exhibit 1 provides an analysis of average hospital rates in each measure included in the QBR program. The average rates continued to improve in 2011, with an average improvement of 2.4% for process of care measures, and of 3.1% in Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS).

As the MHAC program is transitioning from fiscal year to a calendar year based performance period, the performance period comprised of three quarters of data (Fiscal year (FY) 2012 quarters 1, 2 and 3) for RY2013. The maximum penalty was set to 2% of gross permanent inpatient revenue, which resulted in redistributing \$16.7 million among 46 hospitals in a revenue neutral manner. Exhibit 2 provides changes in the first three quarters of FY2012 compared to FY2011. The rate of potentially preventable complications declined by 9.1% resulting in cost savings of \$32 million.

Exhibit 1: Trends in Process of Care and Patient Experience Measures - 2008 to 2011

DOMAIN	Measure	State Hospital Average				Annual Change		
		2008	2009	2010	2011	2009	2010	2011
Average	Process of Care Measures	91.7%	93.2%	93.4%	95.8%	1.5%	1.7%	2.4%
	HCAHPS		65.3%	66.8%	69.8%		1.5%	3.1%
Heart Attack	AMI-1 Aspirin at Arrival	97.1%	97.4%	98.5%	98.5%	0.3%	1.1%	0.0%
	AMI-2 Aspirin prescribed at discharge	96.3%	96.4%	97.9%	98.6%	0.1%	1.6%	0.7%
	AMI-3 ACEI or ARB for LVSD	92.7%	93.2%	96.3%	97.5%	0.5%	3.1%	1.2%
	AMI-4 Adult smoking cessation advice/counseling	97.2%	98.4%	98.7%	99.5%	1.2%	0.3%	0.8%
	AMI-5 Beta blocker prescribed at discharge	95.7%	95.5%	96.9%	99.0%	-0.2%	1.4%	2.1%
	AMI-8a - Primary PCI Received Within 90 Minutes of Hospital Arrival	.	.	84.6%	90.3%			5.7%
Children Asthma Care	CAC-1a - Relievers for Inpatient Asthma (age 2 through 17 years) – Overall Rate	.	.	99.8%	100.0%			0.2%
	CAC-2a - Systemic Corticosteroids for Inpatient Asthma (age 2 through 17 years) – Overall Rate	.	.	99.5%	99.1%			-0.4%
	CAC-3-Home Management Plan of Care (HMPC) Document Given to Patient/Caregiver	.	.	62.9%	76.7%			13.7%
Heart Failure	HF-1 Discharge instructions	83.5%	86.7%	88.8%	91.7%	3.2%	2.1%	2.9%
	HF-2 Left ventricular systolic function (LVSF) assessment	95.0%	97.1%	97.6%	99.0%	2.1%	0.5%	1.4%
	HF-3 ACEI or ARB for LVSD	91.5%	93.1%	93.8%	96.1%	1.6%	0.6%	2.4%
	HF-4 Adult smoking cessation advice/counseling	96.4%	97.1%	98.9%	99.1%	0.7%	1.7%	0.2%
Pneumonia	PN-2 Pneumococcal vaccination	84.2%	88.9%	92.2%	95.0%	4.7%	3.4%	2.8%
	PN-3b Blood culture before first antibiotic – Pneumonia	89.9%	91.7%	93.7%	95.1%	1.8%	2.0%	1.4%
	PN-4 Adult smoking cessation advice/counseling	95.5%	95.9%	97.9%	98.5%	0.5%	1.9%	0.7%
	PN-6 Initial Antibiotic Selection for CAP in Immunocompetent Patient	90.8%	91.5%	91.8%	94.9%	0.7%	0.3%	3.1%
	PN-7 Influenza vaccination	78.6%	85.0%	90.0%	93.4%	6.4%	5.0%	3.4%
Surgical Care Improvement	SCIP CARD 2 Surgery Patients on Beta-Blocker Therapy Prior to Admission Who Received a Beta-Blocker During the Perioperative Period	91.1%	89.1%	92.9%	94.3%	-2.0%	3.8%	1.4%
	SCIP INF 1- Antibiotic given within 1 hour prior to surgical incision	92.4%	94.6%	96.1%	97.0%	2.3%	1.5%	0.9%
	SCIP INF 2- Antibiotic selection	96.0%	96.7%	96.9%	97.2%	0.8%	0.1%	0.3%

Exhibit 1: Trends in Process of Care and Patient Experience Measures - 2008 to 2011

DOMAIN	Measure	State Hospital Average				Annual Change		
		2008	2009	2010	2011	2008-2009	2009-2010	2010-2011
	SCIP INF 3- Antibiotic discontinuance within appropriate time period postoperatively	88.4%	91.2%	93.9%	95.3%	2.8%	2.7%	1.3%
	SCIP INF 4- Cardiac Surgery Patients with Controlled 6 A.M. Postoperative Serum Glucose	.	.	87.8%	93.0%			5.2%
	SCIP INF 6- Surgery Patients with Appropriate Hair Removal	97.4%	99.5%	99.8%	99.8%	2.1%	0.3%	0.0%
	SCIP VTE 1- Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Ordered	89.7%	90.0%	90.9%	96.5%	0.3%	0.9%	5.6%
	SCIP VTE 2 - Surgery Patients with Recommended Venous Thromboembolism Prophylaxis Given 24 hours prior and after surgery	87.2%	87.8%	89.3%	95.7%	0.6%	1.5%	6.4%
HCAHPS	Cleanliness of Hospital Environment	.	62.5%	64.2%	68.1%		1.7%	3.9%
	Communication About Medicines (Q16-Q17)	.	55.5%	57.5%	60.2%		2.0%	2.7%
	Communication With Doctors (Q5-Q7)	.	77.8%	78.1%	79.7%		0.3%	1.6%
	Communication With Nurses (Q1-Q3)	.	75.0%	76.3%	77.3%		1.3%	1.0%
	Discharge Information (Q19-Q20)	.	80.7%	81.4%	82.6%		0.7%	1.2%
	Overall Rating of this Hospital	.	60.7%	65.2%	69.4%		4.5%	4.2%
	Pain Management (Q13-Q14)	.	66.7%	67.4%	71.2%		0.6%	3.9%
	Quietness of Hospital Environment	.	52.0%	53.7%	58.5%		1.7%	4.8%
	Responsiveness of Hospital Staff (Q4,Q11)	.	57.3%	57.3%	60.6%		0.0%	3.3%
	Willingness to Recommend this Hospital	.	64.4%	66.5%	70.5%		2.1%	4.0%

Exhibit 2: State-Wide Changes in Potentially Preventable Complication Rates (PPC) and Costs in FY2012 Quarters 1, 2, and 3 Compared to FY2011

PPC NUMBER/ PPC Name		OBSERVED NUMBER OF PPCs	PPC CHANGES COMPARED TO FY2011	TOTAL COST	COST CHANGES COMPARED TO FY2011	PERCENT CHANGE IN RATE	PERCENT CHANGE IN COST
Total		28238	-2833	\$349,439,424	-\$32,000,399	-9.1%	-8.4%
31	Decubitus Ulcer	117	-63	\$3,914,131	-\$2,413,196	-35.0%	-38.1%
10	Congestive Heart Failure	700	-265	\$4,507,088	-\$2,309,223	-27.5%	-33.9%
47	Encephalopathy	271	-97	\$3,530,223	-\$1,516,412	-26.3%	-30.1%
29	Poisonings Except from Anesthesia	78	-26	\$166,608	-\$47,808	-25.3%	-22.3%
51	Gastrointestinal Ostomy Complications	132	-30	\$2,428,852	-\$587,176	-18.3%	-19.5%
3	Acute Pulmonary Edema and Respiratory Failure without Ventilation	2221	-385	\$20,335,850	-\$4,747,970	-14.8%	-18.9%
35	Septicemia & Severe Infections	1036	-216	\$22,654,590	-\$4,998,124	-17.3%	-18.1%
48	Other Complications of Medical Care	387	-83	\$6,886,733	-\$1,451,175	-17.7%	-17.4%
45	Post-procedure Foreign Bodies	16	-4	\$249,402	-\$52,286	-21.1%	-17.3%
59	Medical & Anesthesia Obstetric Complications	536	-98	\$387,360	-\$67,115	-15.5%	-14.8%
11	Acute Myocardial Infarction	842	-119	\$5,216,037	-\$858,165	-12.4%	-14.1%
33	Cellulitis	324	-49	\$1,967,660	-\$323,436	-13.2%	-14.1%
49	Iatrogenic Pneumothrax	203	-25	\$1,363,614	-\$212,211	-10.9%	-13.5%
65	Urinary Tract Infection without Catheter	2142	-382	\$24,493,727	-\$3,217,202	-15.1%	-11.6%
26	Diabetic Ketoacidosis & Coma	30	-6	\$142,210	-\$17,649	-16.6%	-11.0%
5	Pneumonia & Other Lung Infections	1275	-141	\$21,338,369	-\$2,452,730	-9.9%	-10.3%
41	Post-Operative Hemorrhage & Hematoma with Hemorrhage Control Procedure or I&D Proc	136	-13	\$1,864,072	-\$213,544	-8.5%	-10.3%
17	Major Gastrointestinal Complications without Transfusion or Significant Bleeding	439	-47	\$6,749,100	-\$692,357	-9.6%	-9.3%
6	Aspiration Pneumonia	754	-76	\$9,202,286	-\$839,820	-9.2%	-8.4%
7	Pulmonary Embolism	382	-53	\$5,278,682	-\$477,336	-12.1%	-8.3%
42	Accidental Puncture/Laceration During Invasive Procedure	735	-109	\$4,351,417	-\$376,588	-12.9%	-8.0%
53	Infection, Inflammation & Clotting Complications of Peripheral Vascular Catheters & Infusions	154	-14	\$1,026,825	-\$86,458	-8.2%	-7.8%

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24	Renal Failure without Dialysis	3507	-307	\$26,652,756	-\$2,196,189	-8.0%	-7.6%
16	Venous Thrombosis	706	-77	\$13,615,093	-\$917,238	-9.8%	-6.3%
27	Post-Hemorrhagic & Other Acute Anemia with Transfusion	640	-43	\$4,506,386	-\$300,683	-6.3%	-6.3%
19	Major Liver Complications	223	-9	\$3,188,824	-\$204,792	-4.0%	-6.0%
40	Post-Operative Hemorrhage & Hematoma without Hemorrhage Control Procedure or I&D Proc	1397	-103	\$11,260,535	-\$704,867	-6.9%	-5.9%
9	Shock	1072	-26	\$17,821,859	-\$1,084,544	-2.3%	-5.7%
1	Stroke & Intracranial Hemorrhage	586	-42	\$9,559,881	-\$569,460	-6.8%	-5.6%
44	Other Surgical Complication - Moderate	153	-2	\$1,565,831	-\$74,718	-1.6%	-4.6%
2	Extreme CNS Complications	198	-3	\$2,667,910	-\$118,521	-1.7%	-4.3%
23	GU Complications Except UTI	221	5	\$1,698,000	-\$49,924	2.2%	-2.9%
8	Other Pulmonary Complications	623	-33	\$7,720,797	-\$206,712	-5.1%	-2.6%
36	Acute Mental Health Changes	194	-1	\$592,399	-\$13,967	-0.5%	-2.3%
4	Acute Pulmonary Edema and Respiratory Failure with Ventilation	1037	-49	\$31,500,405	-\$565,530	-4.5%	-1.8%
54	Infections due to Central Venous Catheters	131	-16	\$4,511,958	-\$49,310	-10.7%	-1.1%
14	Ventricular Fibrillation/Cardiac Arrest	1179	-4	\$21,713,844	-\$160,811	-0.3%	-0.7%
20	Other Gastrointestinal Complications without Transfusion or Significant Bleeding	183	-2	\$2,511,748	-\$3,468	-1.3%	-0.1%
18	Major Gastrointestinal Complications with Transfusion or Significant Bleeding	183	-3	\$3,212,577	\$7,180	-1.8%	0.2%
52	Inflammation & Other Complications of Devices, Implants or Grafts Except Vascular Infection	607	7	\$7,745,550	\$62,384	1.2%	0.8%
34	Moderate Infectious	160	-16	\$3,189,505	\$82,195	-9.3%	2.7%
12	Cardiac Arrhythmias & Conduction Disturbances	532	20	\$2,060,940	\$66,771	3.9%	3.4%
37	Post-Operative Infection & Deep Wound Disruption Without Procedure	351	-5	\$5,674,988	\$276,123	-1.4%	5.1%

Exhibit 2: State-Wide Changes in Potentially Preventable Complication Rates (PPC) and Costs in FY2012 Quarters 1, 2, and 3 Compared to FY2011

PPC NUMBER/ PPC Name		OBSERVED NUMBER OF PPCs	PPC CHANGES COMPARED TO FY2011	TOTAL COST	COST CHANGES COMPARED TO FY2011	PERCENT CHANGE IN RATE	PERCENT CHANGE IN COST
50	Mechanical Complication of Device, Implant & Graft	308	32	\$4,471,421	\$396,451	11.6%	9.7%
39	Reopening Surgical Site	148	10	\$3,606,126	\$386,949	6.9%	12.0%
15	Peripheral Vascular Complications Except Venous Thrombosis	134	6	\$2,611,304	\$290,848	4.6%	12.5%
13	Other Cardiac Complications	157	25	\$244,214	\$33,425	18.7%	15.9%
28	In-Hospital Trauma and Fractures	102	19	\$641,348	\$89,303	23.5%	16.2%
25	Renal Failure with Dialysis	69	4	\$3,304,446	\$541,845	6.9%	19.6%
56	Obstetrical Hemorrhage with Transfusion	430	58	\$1,156,364	\$217,962	15.7%	23.2%
66	Catheter-Related Urinary Tract Infection	52	7	\$1,030,059	\$251,190	14.5%	32.3%
38	Post-Operative Wound Infection & Deep Wound Disruption with Procedure	45	17	\$1,347,520	\$475,694	59.8%	54.6%

Notes: Changes are adjusted for differences in patient mix. Cost estimates are based on FY2011 levels and adjusted for cost differences between hospitals. If the costs increase while the rates decline, this is a result of PPCs occurring in more costly hospitals.

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TO: Commissioners
FROM: Legal Department
DATE: August 29, 2012
RE: Hearing and Meeting Schedule

Public Session:

October 10, 2012	Time to be Determined, 4160 Patterson Avenue, HSCRC Conference Room
November 7, 2012	1:00 p.m., 4160 Patterson Avenue, HSCRC Conference Room

Please note, Commissioner packets will be available in the Commission's office at 9:00 a.m.

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

www.hscrc.state.md.us/commissionMeetingSchedule2012.cfm

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