Maryland's Hospitals: Transforming Patient Care

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Agenda

- About Maryland's Hospitals
- Maryland's All-Payer Model ("Waiver")
- Care Coordination: A Path to Population Health
- What's Next?

About Maryland's Hospitals

- 47 acute care hospitals
- Employ 106,000 people
- Provide care to all, including an estimated 389,000 uninsured Marylanders, totaling $712 million last year, nearly $2 million a day

About Maryland's Hospitals

- $1.6 billion in community benefits, including outreach services and programs aimed at specific community health needs
- 614,045 admissions
- 73,598 babies delivered
- 2.4 million ER visits

All Payer Model Background

Maryland Hospital Association

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES

HSCRC Health Services Cost Review Commission

- Maryland waiver in place since the 1970s
- Modernized in January 2014
- Formalized shift from volume to value and is in line with health care's Triple Aim

IHI Triple Aim

"The boldest proposal in the United States in the last half century to grab the problem of cost growth by the horns."

Uwe Reinhardt

Princeton University health care economist

All Payer Model Requirements

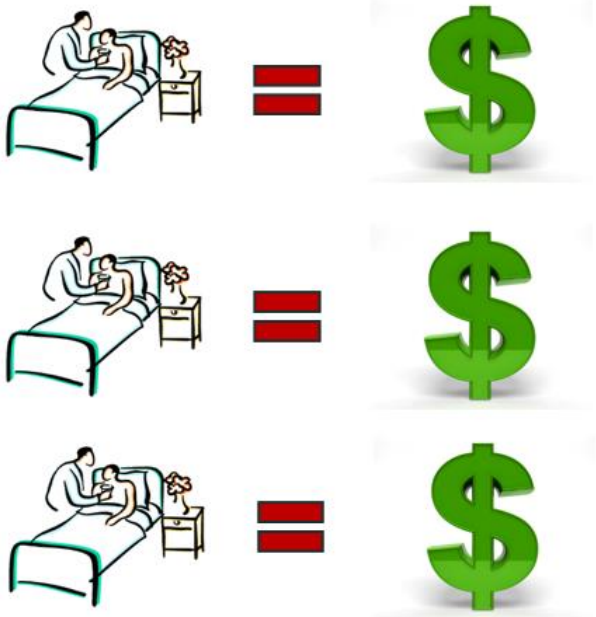
- **Three financial metrics:**
  - Annual hospital spending cap – 3.58% per capita
  - Medicare savings target - $330 million over five years
  - Growth in Maryland spending (hospital and non-hospital spending) cannot exceed the nation

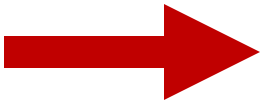
- **Two quality metrics:**
  - Reduce 30-day readmissions to national average
  - Reduce complications by 30% in five years

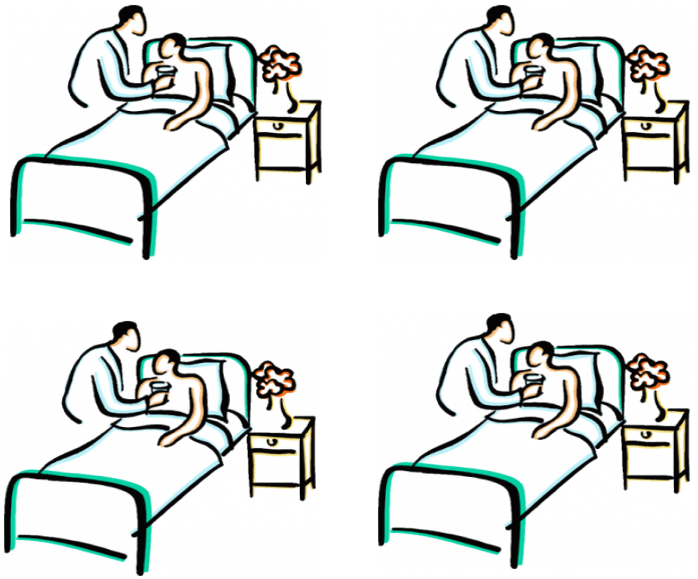
How Things Have Changed

OLD		NEW
Fee-for-service		Global budgets
Inpatient only		Population health
Fragmentation		Care coordination

Global Budgets







Maryland Waiver Performance Dashboard
Cumulative Performance –Years 1 and 2

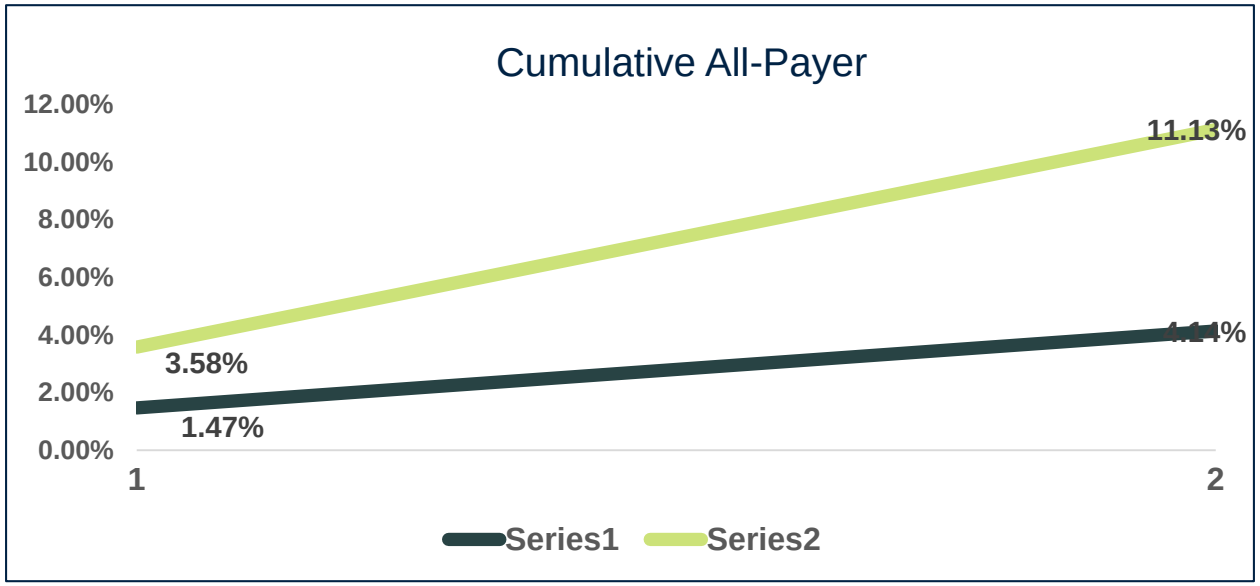
[1] All provider spending growth limited to 1 percent above the nation in a single year, and cannot rise above the national growth rate for two consecutive years. In CY 2015, Maryland was higher than the nation by 0.71 percent

[2] Data contain summaries provided by the federal government that have been prepared for Maryland, but are not official federal data. Data are preliminary and contain lags in claims. There may be material differences in results when final data are received

Financial Targets

Financial Targets in Waiver

- 3.58% annual, all-payer per capita growth limit
- Cumulative ceiling is now at 11.13%

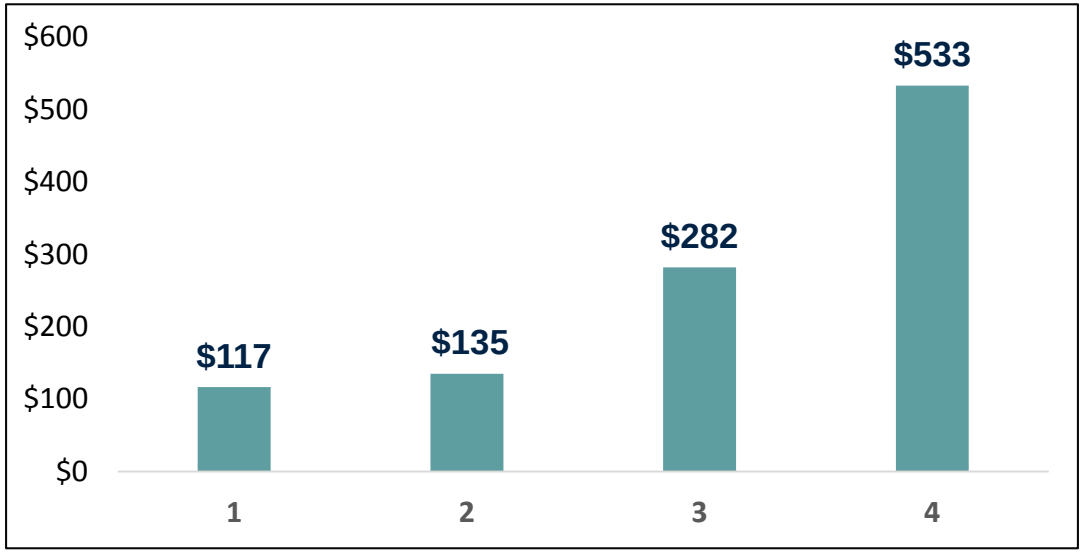


Financial Targets

Financial Targets in Waiver

- $300M in savings
- Over half a billion in Medicare hospital savings

Hospital Savings Resulting from Difference Between Maryland and National Hospital Spending Growth per Medicare Beneficiary (Dollars in Millions)

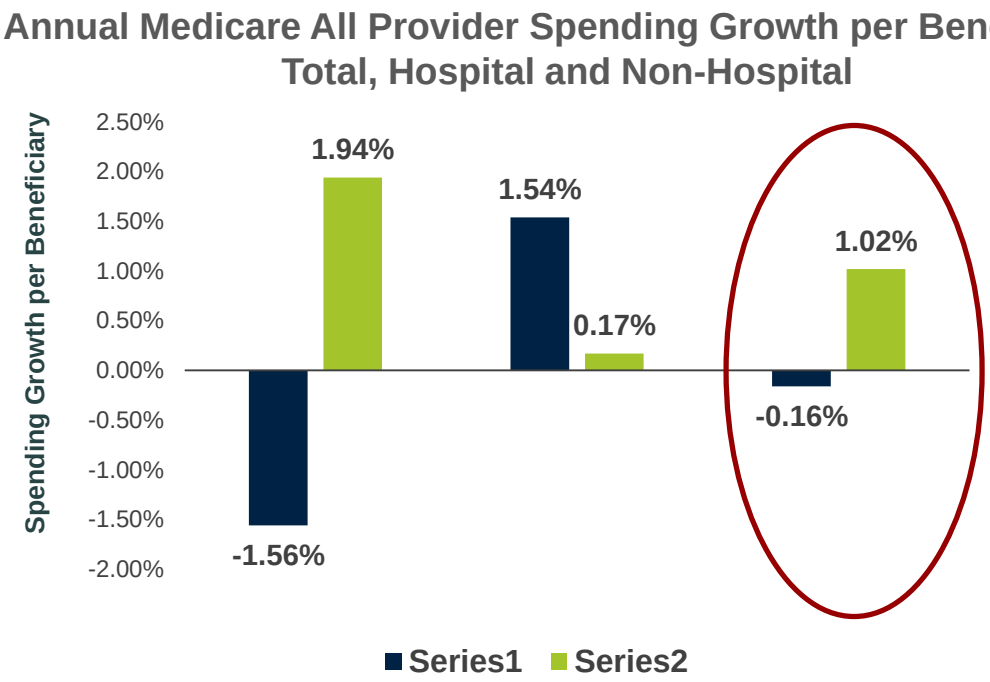


Per Capita Costs

Financial Targets

Financial Targets in Waiver

- Maryland's Medicare per beneficiary total cost growth rate cannot exceed the national average by more than 1 percentage point

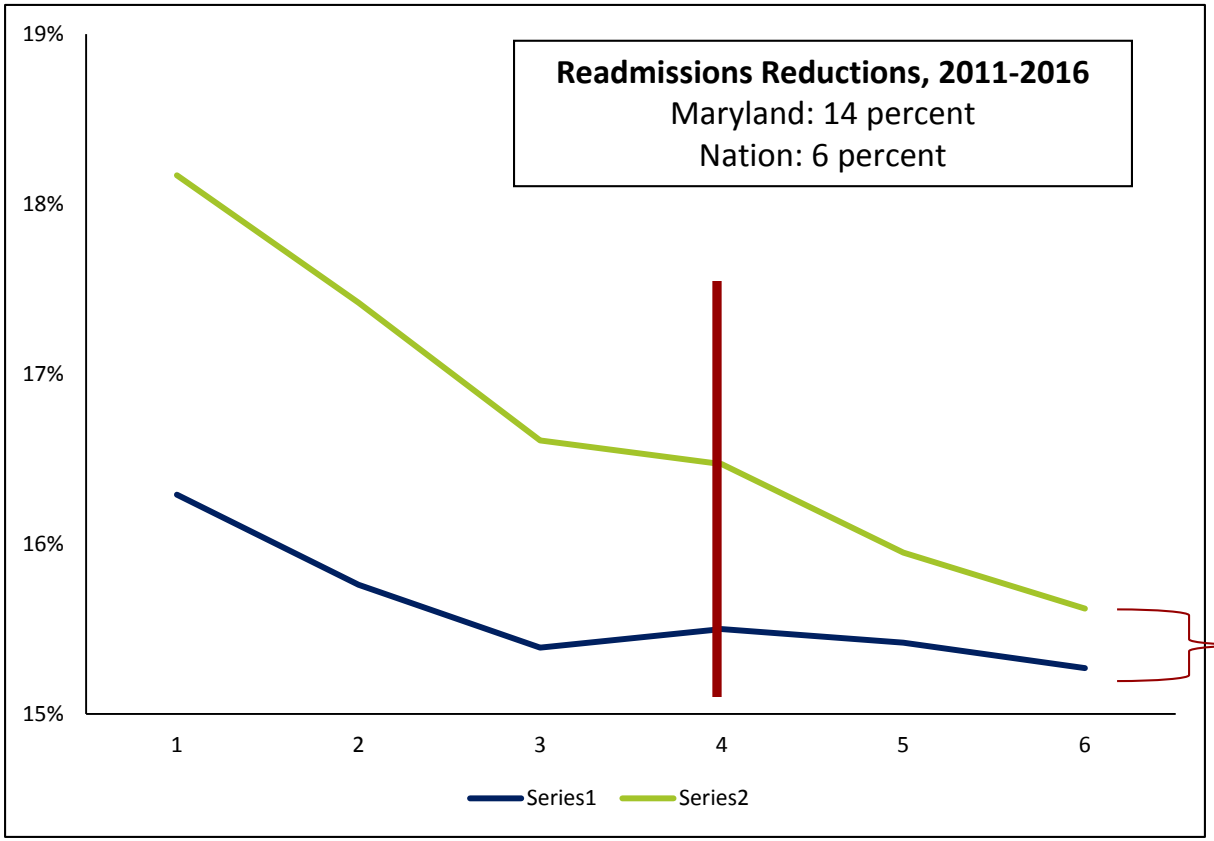


Maryland is doing well on this metric – national growth exceeds growth in Maryland by 1.18%

Per Capita Costs

How Are We Doing - Readmits

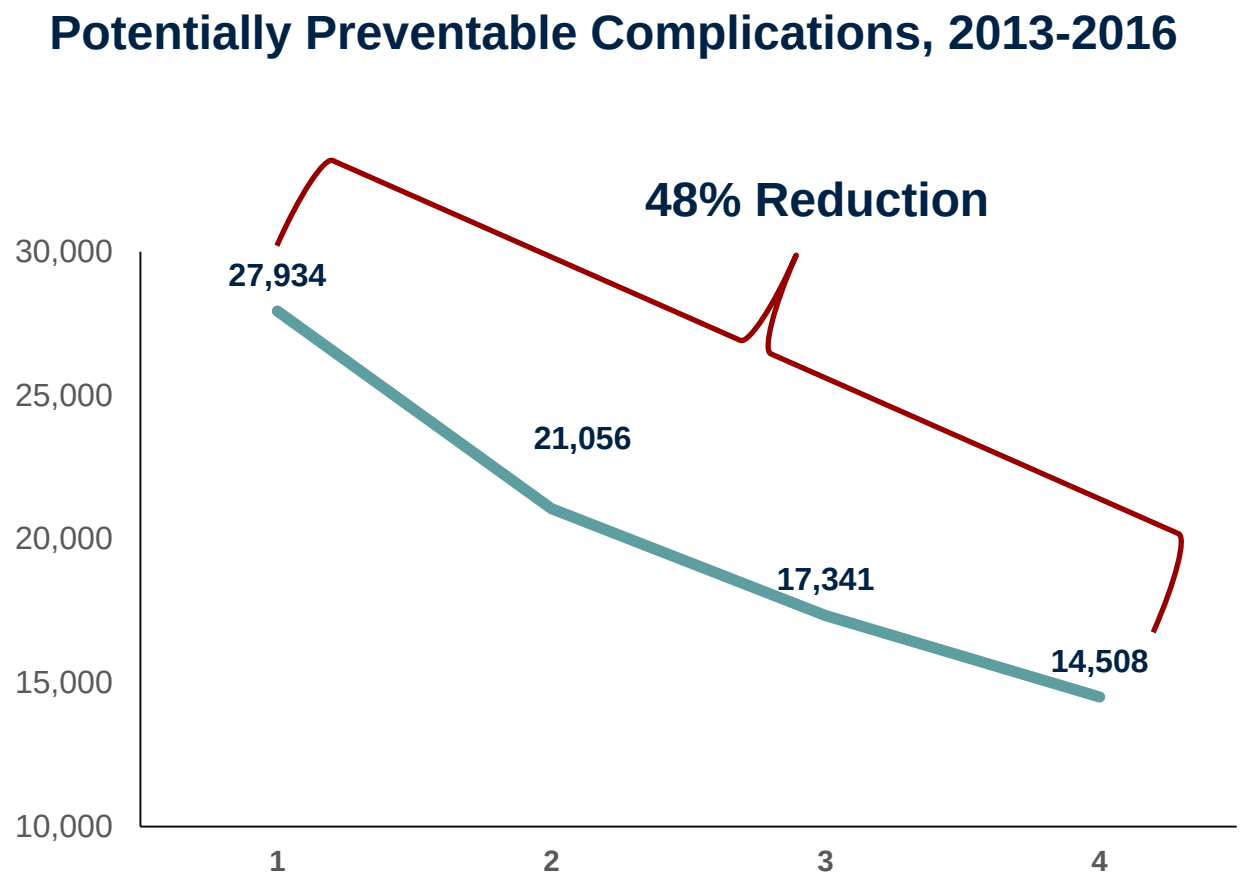
Maryland Readmissions Rates versus Nation, Medicare Unadjusted



We must close this gap by the end of 2018

Source: CMS

How Are We Doing – PPCs



Source: HSCRC monthly inpatient case-mix data with 3M PPCs, final data

All Payer Model Created New Incentives

Changes how hospitals are paid to reward the right things – global budgets

- Success under the new rules requires:
  - cost reduction
  - care coordination outside the hospital
  - care in lower cost, community setting
  - reduce unnecessary care
  - improve clinical effectiveness
- The key: **population health management**

Population Health Management

Changes How Hospitals Think

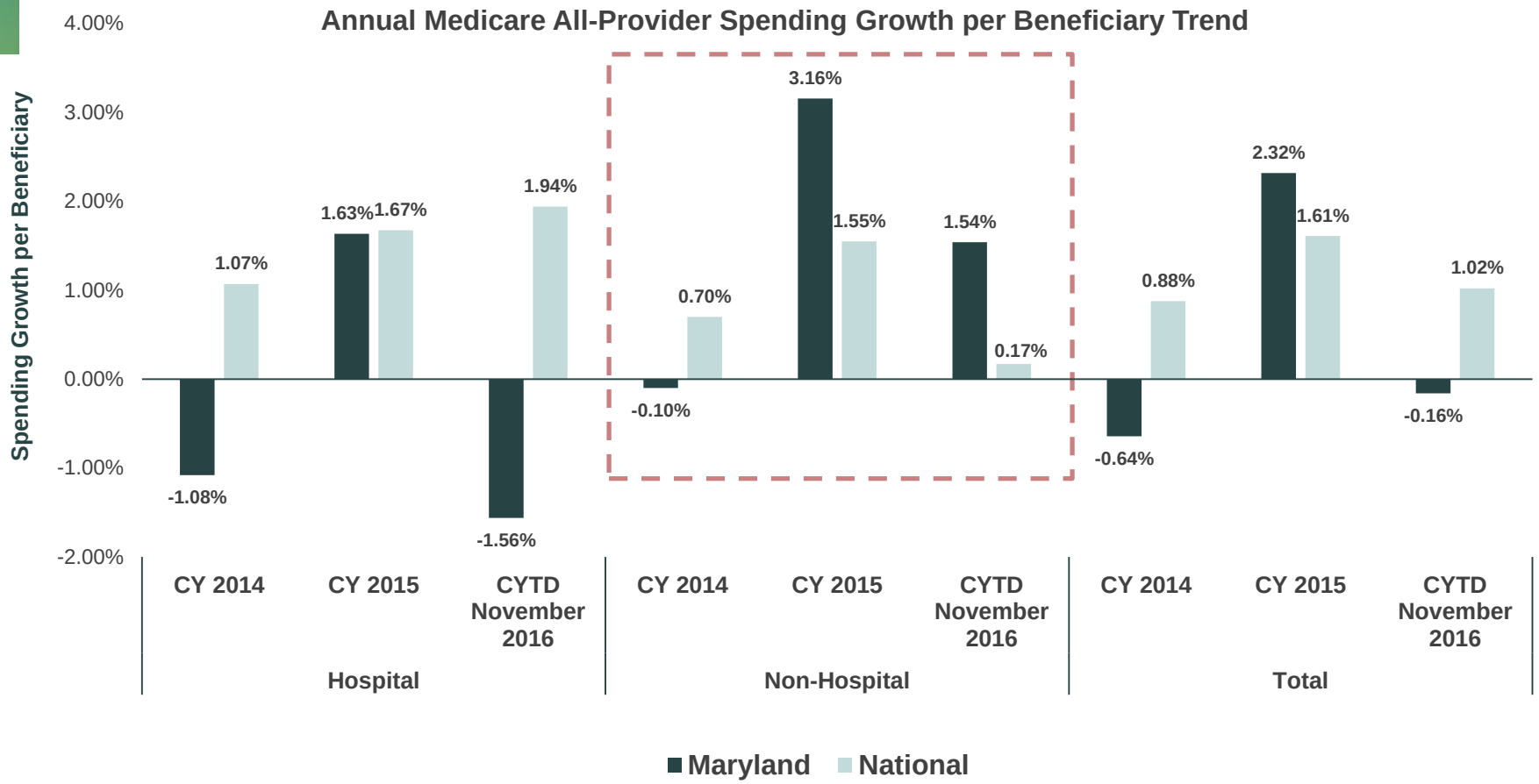
- Do more to earn more → Rewards for efficiency and quality
- Care for an individual patient → Care for an entire population
- Acute care → Ambulatory care → Community care
- Competition → Collaboration
- Hospital care → Health care

What does it mean?

Examples of change

Patients	Partnerships	Population health
Bedside prescription delivery	Close collaboration with SNFs	Wellness initiatives
Health “coaches”	Transport to primary care appointments	Predictive data analytics
In-home post-discharge visits	Physician education/partnerships	Mental health/substance abuse clinics
Nurse hotlines	Sharing of data	Mobile health clinics

Medicare All Provider Spending Growth Per Beneficiary Trends (Total Cost of Care)



Non-hospital spending growth in Maryland continues to outpace the nation

Source: CMS data, see disclaimer
*Substance Abuse and Mental Health Services Administration data not included

Regional and Local Efforts Focus on…

- Delivery system changes, including:
  - Chronic disease supports
  - Integration and coordination across care continuum
  - Case management and other supports for high needs and complex patients
  - Episode improvements, including quality and efficiency improvements
  - Clinical consolidation and modernization to improve quality and efficiency

Care Redesign in Maryland

- Care Redesign Amendment
  - Approved Fall 2016

- Initial two programs:
  - Hospital Care Improvement Program (HCIP)
  - Complex and Chronic Care Improvement Program (CCIP)

Care Alerts

- Partnership with CRISP
- Value: operate functionally to share information on high needs Medicare patients
- Learning Collaborative

Regional Transformation Partnerships

- Regional Collaborations
  - Analytics
  - Targeted services based on patient and population needs
  - Plan and develop care coordination and population health improvement approaches

- 8 Awards, $2.5M
  - Additional implementation grants

Regional Transformation Partnerships

- NexusMontgomery; $7.6 M

Hospital Partners	Primary Community Partners
Adventist HealthCare Shady Grove	Primary Care Coalition
Shady Grove Adventist Hospital	The Coordinating Center
Washington Adventist Hospital	Cornerstone Montgomery
Holy Cross Hospital	
Holy Cross Germantown Hospital	
Med Star Montgomery Medical Center	
Suburban Hospital	

Patient Focus: Medicare beneficiaries and dual eligible individuals residing in senior housing and senior care facilities

Regional Transformation Partnerships

- Baltimore City Regional Partnership

Hospital Partners	Primary Community Partners
The Johns Hopkins Hospital	Health Care for the Homeless
Johns Hopkins Bayview Medical Center	Sisters Together And Reaching
University of Maryland Medical Center	Esperanza Center
University of Maryland Midtown	
Mercy Medical Center	
Anne Arundel Medical Center	
Greater Baltimore Medical Center	
Medstar Harbor Hospital	

Patient Focus: More than 50 percent of residents living in surrounding zip-codes are recipients of Medicare, Medicaid, dual eligible, lack health insurance and experience the major barriers to health.

Provider Alignment

- Barriers to collaboration in state law
- Legislation to allow new value-based compensation arrangements
- Stakeholder process included multiple state agencies, Physicians, Insurance Companies

After years of hard work…

Focus on Patients

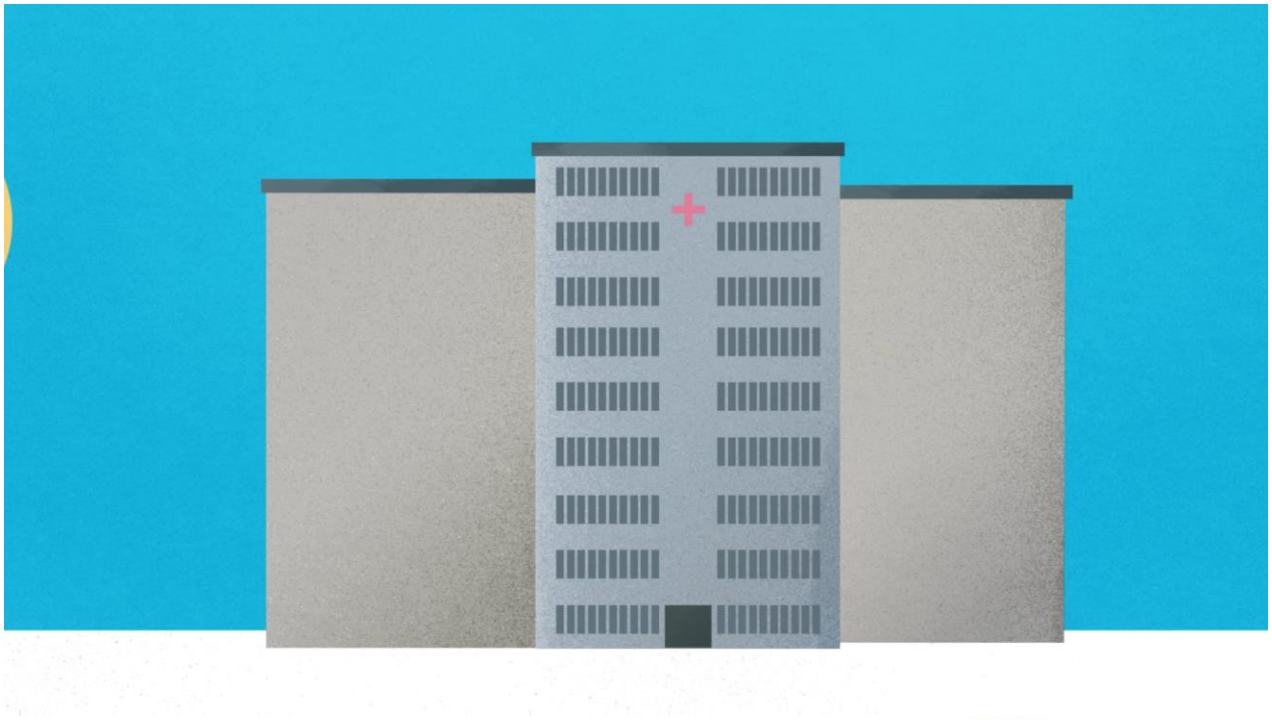
A Breath of Fresh Care

PATIENT BILL OF RIGHTS AND COMPLIMENTS & CONCERNS

COMMUNITY HEALTH PROGRAMS FOR YOU

RESOURCES FOR PATIENTS

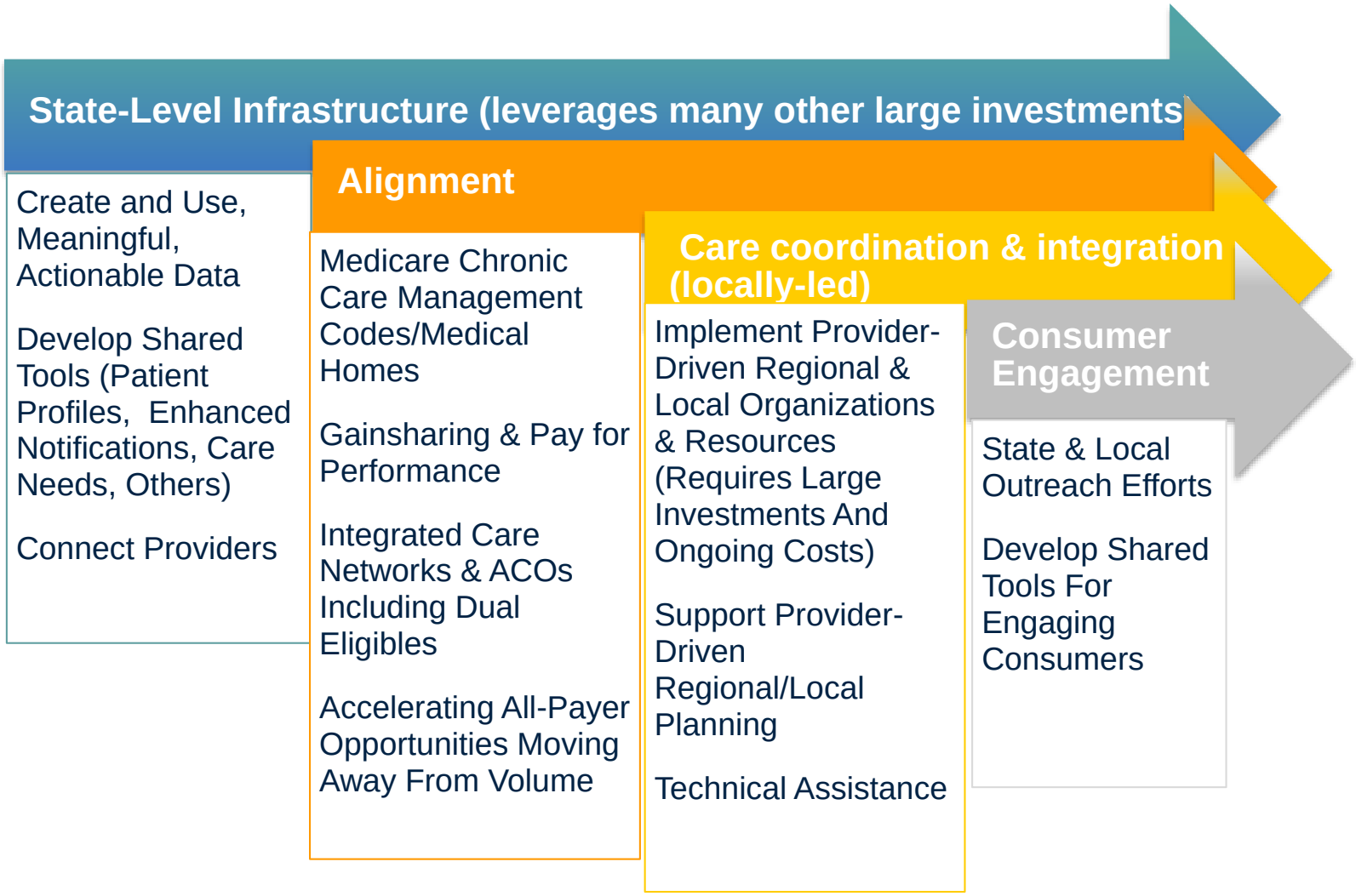
Thanks to a commitment by Maryland's hospitals, in 2014 Maryland became one of the first states in the nation to implement a NEW proactive, community-based health care model. The vision: to help you get health and stay healthy for life.



What's Next?

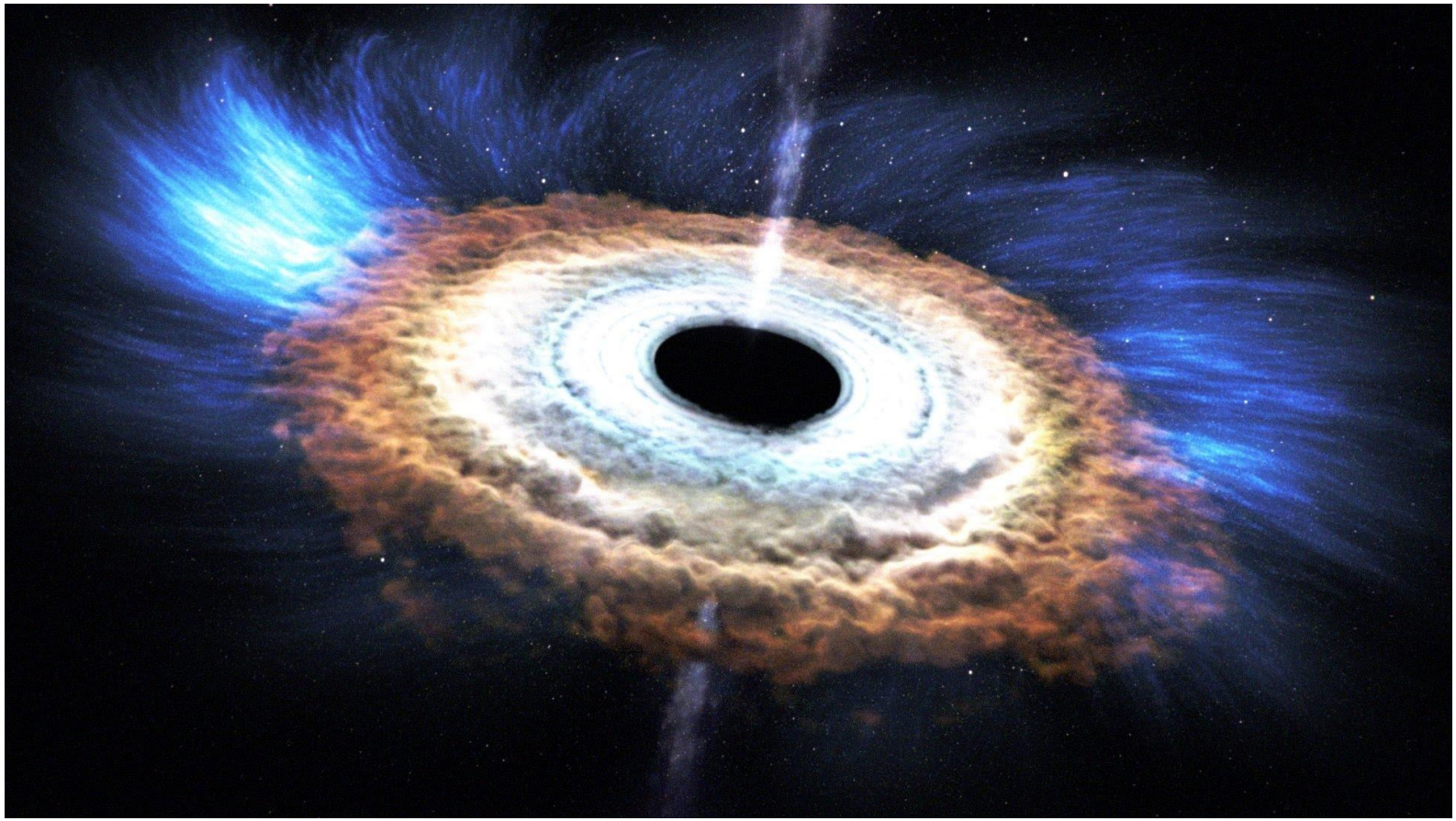
- Phase 2 "strategic plan" submitted Dec 31 to:
  - Incentivize providers to address Medicare total cost of care
  - Transform payment and delivery through new models:
    - Care redesign amendment
    - Primary care model; MACRA compliance
    - Post acute & long term care models
    - Dual eligibles (Medicare/caid) model
  - Begin to develop other new models: geographic
- Model details under negotiation

Maryland's Strategic Transformation Roadmap



Source: HSCRC Public Meeting. May 13, 2015

What's Next?



Questions