Background: Maryland’s All-Payer Model

- Since 1977, Maryland has had an all-payer hospital rate-setting system
- In 2014, Maryland updated its approach through the All-Payer Model
  - 5-year state innovation between Maryland & federal government (2014 through 2018) focused on hospital payment transformation
  - Each hospital receives fixed Global Budget Revenue (GBR)
    - Shifts from volume to value-based payments
    - Greater focus on patients and working with providers across the care continuum
Core Approach—Person-Centered Care Tailored Based on Needs

*Utilizing EHRs, analytics, health information exchange, and care coordination resources to improve care and health.*

- **A**
  Care plans, support services, case management, new models, and other interventions for individuals with significant demands on health care resources (e.g., HCIP, CCIP)

- **B**
  Address modifiable risks and integrate and coordinate care, develop advanced patient-centered medical homes, primary care disease management, public health, and social service supports, and integrated specialty care

- **C**
  Promote and maintain health (e.g., Maryland Primary Care Model)
## Success To Date in Maryland’s All-Payer Model (2014-2018)

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Target</th>
<th>2016 YTD Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>All-payer hospital revenue growth</td>
<td>≤3.58% per capita annually</td>
<td>0.35% per capita in 2016 thru Sept</td>
</tr>
<tr>
<td>Cumulative Medicare savings in hospital spending</td>
<td>&gt;$330 million by Dec 2018</td>
<td>$429 million cumulative</td>
</tr>
<tr>
<td>Medicare savings in total cost of care</td>
<td>≤ national growth rate</td>
<td>1.63% below national average growth</td>
</tr>
<tr>
<td>Reductions in hospital-acquired conditions</td>
<td>30% reduction by Dec 2018</td>
<td>49% reduction</td>
</tr>
<tr>
<td>Hospital readmissions for Medicare</td>
<td>To national average by Dec 2018</td>
<td>71% reduction in gap above nation</td>
</tr>
<tr>
<td>Hospital revenue to global or population-based</td>
<td>≥80% by Dec 2018</td>
<td>96%</td>
</tr>
</tbody>
</table>

Source: Figure I of “The Maryland All-Payer Model Progression Plan,” Maryland Department of Health and Mental Hygiene, [http://www.hscrc.maryland.gov/documents/md-maphs/pr/Maryland-All-Payer-Model-Progression-Plan.pdf](http://www.hscrc.maryland.gov/documents/md-maphs/pr/Maryland-All-Payer-Model-Progression-Plan.pdf)
Transformation Under the All-Payer Model

- Delivery systems, payers, and regional partnerships organizing and transforming

- In 2015, HSCRC awarded grants to support the planning and development of 8 Regional Partnerships for health system transformation
  - Focused on developing care coordination and population health priorities, determining what resources are needed and available, and determining how resources and strategies should be deployed

- In 2016, HSCRC awarded Transformation Implementation grants to 10 regional partnerships and 4 single hospitals
  - Inter-hospital partnerships focus on region-specific health challenges to promote care coordination across settings
  - Single-hospital grantees working outside hospital walls to improve care
Care Redesign Amendment

- Developed in response to stakeholders’ requests for greater alignment strategies and transformation tools
- Allows hospitals to implement Maryland-designed **Care Redesign Programs** with hospital-based and community-based care partners (e.g. physicians, nursing homes, etc.)
  - Access to comprehensive Medicare data
  - Approvals for hospitals to share resources and pay incentives to their care partners
  - Support for providers under MACRA
  - Flexibility to add/modify/delete care redesign programs
Care Redesign Amendment: Two Initial Programs to Start in 2017

- Two initial care redesign programs aim to align hospitals and other providers
- Voluntary participation

<table>
<thead>
<tr>
<th><strong>Hospital Care Improvement Program (HCIP)</strong></th>
<th><strong>Complex and Chronic Care Improvement Program (CCIP)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Designed for hospitals and providers practicing at hospitals</td>
<td>• Designed for hospitals and community providers and practitioners</td>
</tr>
<tr>
<td>• Focus on efficient episodes of care</td>
<td>• Focus on complex and chronic patients</td>
</tr>
<tr>
<td>• <strong>Goal</strong>: Facilitate improvements in hospital care that result in care improvements and efficiency</td>
<td>• <strong>Goal</strong>: Enhance care management and care coordination</td>
</tr>
</tbody>
</table>
Second Term Proposal (2019+): “Progression Plan” Key Strategies

I. **Foster accountability** for care and health outcomes by supporting providers as they organize to take responsibility for groups of patients/a population in a geographic area.

II. **Align measures and incentives** for all providers to work together, along with payers and health care consumers, on achieving common goals,

III. **Encourage and develop payment and delivery system transformation** to drive coordinated efforts and system-wide goals.

IV. **Ensure availability of tools** to support all types of providers in achieving transformation goals.

V. **Devote resources to increasing consumer engagement** for consumer-driven and person-centered approaches.
“Progression Plan” Highlights

- Build on global hospital revenue model with value-based incentives
- Continue transformation to focus on complex and chronic care, episodes
- Begin implementing a Comprehensive Primary Care Model in 2018, increasing focus on prevention and chronic care
- Payment and delivery alignment beyond hospitals
  - MACRA bonus-eligible programs
- Increasing responsibility for system-wide costs/goals
  - Dual Eligibles ACO
  - Geographic Incentive Model
Maryland’s Planned Progression-Synergistic Models

**Person-Centered Care Tailored to Needs**

**Hospital Global Model**

**Focus:** Complex and high needs patients

**Comprehensive Primary Care Model**

**Focus:** Rising need patients, prevention

**Tools**

- Risk stratification
- Complex and high needs case management/interventions
- Care coordination
- Medication reconciliation
- Chronic care management

**Goal:** Improve Outcomes, Reduce Avoidable Utilization
Thank you for the opportunity to work together to improve care for Marylanders!

Questions?