



Maryland
Hospital Association

May 15, 2017

Alyson Schuster, Ph.D.
Associate Director, Performance Measurement
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Ms. Schuster:

On behalf of the 64 hospital and health system members of the Maryland Hospital Association (MHA), we appreciate the opportunity to comment on the *Draft Recommendation for the Maximum Revenue Guardrail for Maryland Hospital Quality Programs for Rate Year 2019*, and the *Draft Recommendations for the Potentially Avoidable Utilization Savings Policy for Rate Year 2018*. We support HSCRC staff's recommendation to limit to 3.5 percent of total revenue the maximum penalty that any one hospital may be assessed as a result of the performance-based policies.

We continue to disagree with the staff's use of Prevention Quality Indicators (PQIs) in a way that is not recommended by their developer, the Agency for Healthcare Research and Quality (AHRQ). The metric was created not for hospitalized patients, but to measure prevention opportunities in the broader population. Because HSCRC measures the percentage of people admitted with a PQI as a percent of total discharges, the metric is capturing the hospital's historic service mix rather than the hospital's effectiveness in managing individuals' chronic conditions outside the hospital.

As the state considers moving to a second phase of the all-payer demonstration that could include responsibility for population health metrics, it is vital that hospitals be held accountable for metrics that accurately represent their effectiveness at managing the health of people at risk for progressing to high cost and high utilization. While we understand HSCRC's interest in creating an additional incentive to reduce avoidable utilization beyond global budgets and the readmissions policy, the use of PQIs without the ability to define the individual hospital's at-risk population is a shaky foundation on which to move forward. In addition, we would note that the \$228.4 million in savings provided to payers through this policy substantially exceeds the \$149 million in infrastructure funding that has been provided to hospitals to support care coordination and care management.

We appreciate the commission's consideration of our comments.

Sincerely,

Traci La Valle, Vice President

cc: Nelson J. Sabatini, Chairman
Herbert S. Wong, Ph.D., Vice Chairman
Joseph Antos, Ph.D.
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