Maryland
Hospital Association

December 1, 2016

Nelson J. Sabatini
Chairman, Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Dear Chairman Sabatini:

On behalf of the Maryland Hospital Association's (MHA) 64 hospital and health system members, we appreciate the opportunity to present our comments on the draft Maryland All-Payer Model Progression Plan. The draft progression plan has been shared with stakeholders throughout its development, which has been important to creating a plan that can attract support and demonstrate to the federal government that Maryland's long history of innovation, transparency and cost savings is worth preserving and nurturing. We appreciate the special role you have afforded the hospital field by inviting us to share early review of the draft plan.

We suggest adding at the beginning of the document the principles previously laid out by the HSCRC's Advisory Council in its initial report and again reflected in its July report, which were developed after thoughtful discussion and deliberation. These principles are important to the success of the progression plan and should guide the state and the Centers for Medicare and Medicaid Services as they negotiate the terms of the new model. They are:

1) Focus on meeting the early model requirements.
2) Meet budget targets while making important investments in infrastructure and providing flexibility for private sector innovation.
3) HSCRC should play the roles of regulator, catalyst and advocate.
4) Consumers should be involved in planning and implementation.
5) Physician and other provider alignment is essential.
6) An ongoing, transparent public engagement process is needed.

In addition, we have four important thoughts:

1) As the state begins to experiment with new physician and post acute care payment models, we should be very careful not to threaten the core hospital model. New opportunities to test payment should be separate and severable from the core hospital model that has demonstrated success to date.

2) Expanding access to dual eligibles, and providing payments to primary care physicians under the primary care model that is a key part of the blueprint, will add to the total cost of care and make it more difficult to meet the total cost of care guardrail. To secure

stakeholder support, the state will need to successfully negotiate an adjustment to the total cost of care calculation to take into account this higher cost and care use. The state should take the opportunity to rethink the year-over-year calculation of the total cost of care at the hospital, regional, and state levels, in favor of a cumulative calculation.

3) Additional work is needed to address how rapidly rising behavioral health needs in Maryland can be addressed in the new model. Addressing behavioral health will be key to our ability to reduce avoidable and expensive hospital utilization. Simply put, resolving gaps in access to behavioral health care is key to getting Marylanders the right care, at the right time, in the right setting.

4) The plan must recognize that true success in the systematic total cost of care cannot be accomplished by resting the entirety of risk on one pillar of health care – hospitals. Clarity about alignment, responsibility and accountability among all stakeholders, including nursing homes and physicians, and potentially among payers and consumers, is needed.

Thank you again for the opportunity to present our comments and for making this an open process. As always, if you have any questions, please feel free to contact me or any member of the MHA team.

Sincerely,

Michael B. Robbins
Senior Vice President