



Maryland
Hospital Association

October 17, 2018

Chris L. Peterson
Director, Clinical and Financial Information
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Chris:

On behalf of Maryland's 63 hospital and health system members, we appreciate the opportunity to comment on the Health Services Cost Review Commission's (HSCRC) *Medicare Performance Adjustment (MPA) policy for Rate Year 2021*. We support the draft recommendation. Most importantly, the modifications proposed align the policy with care management relationships hospitals already have with physicians. Hospitals have invested in ACOs, employment models, and Care Transformation Organizations. Partnering with physicians in these vehicles is key to moving the needle on total cost of care (TCOC).

We are pleased that the policy will adjust for a person's age, sex, disability status, and living situation (home or long-term care facility). In future years, beneficiaries' health status must be factored in as well. A specific spending level, or attainment target, is not included in the calendar 2019 policy. We appreciate that the commission plans a significant effort to understand the factors that contribute to differences in baseline amounts of TCOC per beneficiary. Hospitals with lower baseline TCOC per beneficiary may not have the same opportunity to reduce spending as hospitals that start higher.

Under the Maryland Primary Care Program, the Centers for Medicare & Medicaid Services will pay certain fees to participating physicians as incentives to manage care in new ways. Most of the payments will be made to practices or Care Transformation Organizations, not individual physicians. Further, most of the payments will be made outside the claims process. The draft MPA policy did not address whether these payments would be included in a hospital's MPA calculation, and if so, how the fees would be attributed to hospitals.

Hopefully, the additional incentives for physicians ultimately support better care and TCOC reductions. To better understand the impact of the Maryland Primary Care Program, the state should track the associated payments by physician, beneficiary, and Care Transformation Organization.

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We appreciate the opportunity to comment and look forward to continue working with you to test and improve the policy over the coming year.

Sincerely,



Traci La Valle
Vice President

cc: Nelson Sabatini, Chairman
Joseph Antos, Ph.D., Vice Chairman
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