



Maryland  
Hospital Association

May 23, 2016

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

Dear Chairman Sabatini:

On behalf of the Maryland Hospital Association's (MHA) 64 member hospitals and health systems, I am writing to share concerns and recommendations regarding the Health Services Cost Review Commission's (HSCRC) Healthcare Transformation Implementation Grant Program.

HSCRC staff's proposal for the grant program awards funding for only nine out of 22 proposals. The total funding for these programs is \$30.5 million, out of \$42.8 million requested and from a previously-authorized pool of \$37 million. Only two of the proposals received their full funding request and one program received just 43 percent of its request. This is troubling for several reasons:

- Hospitals that received partial funding or were rejected outright have not been given any explanation for those actions, raising questions about the evaluation and award process and its transparency. This will be important for those pursuing future grant programs.
- The 72-hour window that initially was provided to awardees to accept or reject the grants was unreasonable, considering the number of community partners involved and the unexpected less-than full grant funding. The last-minute staff recommendation to require that grant funds be shared back with payers between fiscal years 2018 and 2020 also affected the awardees' decision-making process. And this was unnecessary, given final action on these grant awards is not to be taken until the June commission meeting.
- It's unclear why only \$30.5 million of the \$37 million was awarded, when many programs that were vetted and deemed worthy by HSCRC staff remain underfunded. An explanation would be helpful. Withholding nearly 18 percent of the available grant money may limit the scope and success of the program, especially when a return on investment is expected in later years.

To ameliorate these concerns, we would recommend that the following steps be taken:

- Before finalizing the grant awards, give applicants a detailed explanation for rejection or partial funding

Nelson J. Sabatini  
May 23, 2016  
Page 2

- Ahead of the September consideration of the allocation of the remaining \$6.5 million in the grant program, provide greater clarity on criteria and the staff evaluation process, so that it is straightforward and transparent to those additional applicants who staff may consider for awards at that time

Thank you for your consideration.

Sincerely,



Michael B. Robbins  
Senior Vice President

cc: Herbert S. Wong, Ph.D., Vice Chairman  
Victoria W. Bayless  
George H. Bone, M.D.  
John M. Colmers  
Stephen F. Jencks, M.D., M.P.H.  
Jack C. Keane  
Donna Kinzer, Executive Director  
Steve Ports, Deputy Director, Policy and Operations