



Talking Points

Waiver Year One

JUNE 2015

- Hospitals are transforming themselves to care not only for patients, but for entire communities, with an emphasis on wellness and preventive medicine.
- The transformation is based on a five-year demonstration agreement, signed in January 2014, which modernized and extended the state's unique way of paying hospitals. Maryland is the only state in the country where hospital rates are set not by hospitals, but by an independent state agency.
- Marylanders are seeing these changes at their hospitals — in the form of greater access to their own medical records, improved care coordination among providers, and common-sense services, like bedside prescription delivery.
 - Several examples throughout the state, culled from HSCRC infrastructure reports, are:
 - Intensive care coordination with primary care physicians and nursing facilities
 - In-home visits after discharge, to connect people with support to manage chronic illness
 - Free or reduced-cost clinics for underserved patients with chronic diseases, including those suffering from mental health and substance abuse problems
 - Hotlines for patients to ask questions directly to a nurse
 - Tele-health monitoring for chronic disease management
 - Transportation to medical appointments
 - Embedding social workers in emergency departments to make sure patients connect with needed follow-up and transition services
 - Subsidized medications for those in need of financial assistance
 - Community health education, including programs like smoking cessation
- Hospitals are engaging their communities and other partners, including long-term care facilities, primary care physicians and home health providers, in ways like never before. This is being done to provide patients with the right care, in the right place, at the right time.
- Culture change is challenging, but welcome, because it's the right thing to do for patients and for communities. Hospital executives and physicians embrace this change and it's showing positive results for the community.
- The pace of change is incredibly rapid.
- It's incredibly challenging and counterintuitive. Hospitals have had to upend their business model to move toward population health management. This has meant dramatic change in culture and in the care delivery system itself.

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- Patients are receiving more conscientious after-care and improved inpatient and outpatient care, payers are saving money, and communities are healthier.
- While hospitals have made significant progress, they represent only a portion of the overall health care landscape. Other providers — doctors, post-acute care facilities and others — still operate under a strict fee-for-service model. To truly transform health care, it will take cooperation and buy-in from the entire continuum. This will include physician gain-sharing and other initiatives that bring providers in line with the goals of the CMS agreement.
- Hospitals are rapidly improving clinical performance, including:
 - A nearly 16 percent reduction in avoidable hospitalizations
 - A 0.80 percent reduction in Medicare readmissions rate, a faster reduction than the nation as a whole
 - A reduction in infections and other hospital acquired conditions of more than 26 percent
- Hospitals are becoming more cost-effective and efficient:
 - Hospital spending growth grew by an estimated 1.47 percent in 2014, well below the annual 3.58 percent spending growth target
 - Medicare hospital spending growth per beneficiary is down by 1.12 percent in 2014, well below national growth projections
 - This has translated to an overall savings to Medicare of more than \$100 million in the first year