



A breath of
FRESH CARE

**MHA's 2016 Annual Report
to Members**



Maryland
Hospital Association

Letter to Members



MHA chose the theme of this year’s annual meeting because it describes the change that is being brought to Maryland’s health care landscape – *A Breath of Fresh Care*. It also puts a name to the power and momentum behind your work to create a different approach to health care that is leading to a brighter future for those you serve.

There are many industry buzzwords for what’s going on here in Maryland – “volume to value,” “value-based care,” “population health” – but what’s missing from these descriptions is a way to capture how hospitals are changing to meet the needs of every patient, every resident, every community. That’s why *A Breath of Fresh Care* rings true – it places the focus on what you are focused on: the people at the heart of every hospital’s mission.

Data abound that demonstrate the broad impact of hospitals’ transformational work in the first two years under a modernized Medicare waiver. By every meaningful measure, positive changes are being made under the aggressive targets of Maryland’s all-payer model – cumulative spending growth is well below the goal, readmissions rates are down even faster than the national decline, and hospital-acquired infections and complications have dropped by more than a third.

But the result of your work is more meaningful than a collection of data points. It’s the impact that hospitals have on people’s lives as your transformation takes root in communities and begins to flourish. It’s the patients who no longer need to take multiple steps to make follow-up appointments or pick up medication. It’s the extra phone call to a nursing home to help someone’s grandmother avoid an unnecessary visit to the emergency department. It’s the personal touch that has returned to the forefront of all you do. You are making a difference in more than statistics.

As the leaders of your member-driven hospital association, we are proud of all you’ve accomplished. And we value and appreciate the trust you place in us, whether it’s fighting for the right laws in Annapolis, advocating for the resources needed to thrive, or finding new and innovative ways to learn from one another. Please enjoy this annual report and its story of how your MHA is helping you bring *A Breath of Fresh Care* to Maryland.

Carmela Coyle
President & CEO

Mark T. Jensen
Chairman

VISION

To be the lead association shaping health policy, health care, and health in Maryland.

MISSION

Help Maryland hospitals and health systems serve their communities by providing them leadership, advocacy, education, and innovative programs and services.



Maryland
Hospital Association

A Breath of Fresh Care

Maryland's hospitals have brought *A Breath of Fresh Care* to the state.

This means thinking differently about the role of a hospital in caring for an entire community. This change in thinking, along with subsequent changes in practice, have already had a meaningful impact on Marylanders. Beyond the five key goals of the Medicare waiver (see waiver dashboard) – on which hospitals have well exceeded expectations – other tangible changes are reshaping hospital care for the 21st century, and changing health care for the better.



MHA, LEADING CHANGE

- Maryland became the first state in the nation with 100 percent participation in *Equity of Care*, a national effort to eliminate health care disparities
- MHA developed standardized opioid prescribing guidelines for hospital emergency departments, in an effort to mitigate Maryland's heroin and opioid misuse epidemic
- Working with the Maryland Office of the Attorney General, MHA launched *kIDsafe*, a public awareness campaign aimed at reducing identity theft of minors
- Maryland was recognized by the March of Dimes as the first state in the nation to have 100 percent of its birthing hospitals reduce the rate of early elective deliveries to less than 5 percent for six consecutive months



MHA takes pride in providing exceptional value for your trust and investment in us.

Of course, for much of our work, this value is difficult to illustrate in a concrete “return on investment.” Things like fending off bad legislation, or performing expensive but critical data analyses that help improve quality, are not easily quantified. But here are a few we can put numbers to:

- \$72 million – for initial improvements to the fiscal year 2017 global budget update
- \$25 million – annual reduction in the hospital Medicaid tax
- \$20 million – favorable mitigation of potential readmissions penalties
- \$4.3 million – for nine hospital capital projects
- \$3 million – for Institutions for Mental Disease

TOPS IN QUALITY

Earlier this year, the American Hospital Association informed MHA that it had won the 2016 Dick Davidson Quality Milestone Award for Allied Association Leadership. The award is presented annually to a state, regional or metropolitan hospital association which, through its programs and activities, demonstrates exceptional organizational leadership and innovation in quality improvement and has made significant contributions to the measurable improvement of quality within its geographic area. The goals of this award are to:

- **recognize** outstanding efforts among allied hospital associations to improve quality
- **encourage** allied hospital associations to play key roles in raising the level of hospital and health system performance to achieve care that is safe, timely, effective, equitable, efficient and patient-centered
- **spread** the learning and progress toward national health care improvement that are being promoted by allied hospital associations



“This is an association award, but credit really goes to the leaders of Maryland’s hospitals, who have demonstrated a rock-solid commitment to quality initiatives that can help them better serve their patients and communities.” – CARMELA COYLE

Money Matters



“The daily complex and life-saving services that are at the heart of every hospital’s mission rely on financial resources to be successful. The Council on Financial Policy has been at the forefront of every issue that affects the ability of hospitals to thrive in a new environment where global budgets are spurring the transformation of health care. From improving quality reimbursement programs to laying the groundwork for physician alignment, this has been a year to ensure that the critical funding needed to progress under the all-payer model remains intact and grows as necessary to build a foundation for long-term success.”

Dr. Peggy Naleppa, President & CEO, Peninsula Regional Medical Center and Peninsula Regional Health System and chair of MHA’s Council on Financial Policy

HIGHLIGHTS

- **Saved** Marylanders nearly \$70 million by advocating for lower health insurance premium increases more in line with lower-cost trends experienced by hospitals
- **Advocated** for a favorable global budget update to support hospitals’ investments in care delivery transformation
- **Developed** a preliminary framework for funding of capital needs under global budgets, including a modernization of the state’s Certificate of Need statutes
- **Secured** a favorable update to readmissions reduction reimbursement policies that reflect both attainment and improvement, as well as recognize the impact of sociodemographic factors

WHAT’S NEXT?

- **Develop** an efficiency measure that will reward hospitals for continuing to improve quality while keeping costs in check
- **Finalize** reports and formal recommendations to the Health Services Cost Review Commission from the Capacity, Certificate of Need and Capital Funding Task Force
- **Develop** an application to the Center of Medicare & Medicaid Innovation for the next phase of the all-payer model, which will focus on total cost of care
- **Design** alternative payment models to further align hospital incentives with those of physicians and post-acute care providers

Advocacy in Action



“The 2016 legislative session was extremely busy with a historic number of bills introduced. As the health care environment changes and we face new challenges under the requirements of the Medicare waiver, MHA’s leadership is critical to fostering innovative approaches and blocking efforts that impede hospitals’ ability to provide quality, efficient care. It was a successful year with victories on the Medicaid tax, stopping proposals that would create a more costly litigious environment and making progress on creating a comprehensive behavioral health system in Maryland.”

Bradley S. Chambers, President, MedStar Union Memorial Hospital and MedStar Good Samaritan Hospital and chair of MHA’s Council on Legislative & Regulatory Policy

LEGISLATIVE ACCOMPLISHMENTS

- **Protected** the \$25 million annual spend-down of the Medicaid tax in the budget for fiscal year 2017, the first year the tax has been reduced since it was enacted in 2009
- **Blocked** efforts to triple the cap on non-economic damages in medical malpractice lawsuits
- **Defeated** a measure that would have required hospitals to prominently display the value of their tax exemptions, as well as a measure that would have stripped from hospital trustees the authority to determine closures and given it to local health boards
- **Prevented** efforts to dilute valuable patient protections by exempting a single for-profit oncology practice – US Oncology – from the state’s physician self-referral law
- **Secured** \$4.3 million for hospital capital projects across the state

HIGHLIGHTS

- **Secured** \$3 million for Institutions for Mental Diseases, along with budget language allowing the state to shift funds to fill a potential federal funding gap during fiscal year 2017
- **Created** a process to establish an alternative to hospital closure, freestanding medical facilities, with a guarantee of rate payments and exemption from the lengthy Certificate of Need process; the new process allows hospitals to right-size facilities, engage stakeholders and preserve access

WHAT’S NEXT?

- **Continue** to gain support for legislation enabling hospitals and other health care providers to collaborate, innovate, and share savings under the all-payer model
- **Participate** in the Rural Health Task Force, led by the Maryland Health Care Commission, to examine trends and needs
- **Develop** a coalition behavioral health agenda for the 2017 legislative session

Quality Counts



“As we near the midpoint of Maryland’s all-payer model experiment, great strides have been made on the quality front. The progress on reducing readmissions and hospital-acquired conditions is encouraging because these are truly a statewide measures. This means that when it comes to patient safety, the Medicare waiver is working precisely as intended – providing better care more efficiently. And with hospitals continuing to invest in proactive, preventive care, whole communities are beginning to see positive changes in their overall health. Maryland is at the leading edge of health care transformation in the 21st century.”

Dr. Redonda G. Miller, President, Johns Hopkins Hospital, and chair of MHA’s Council on Clinical & Quality Issues

HIGHLIGHTS

- **Released** a Home Health Agency Partnership Development Guide and hospital-specific Post-Acute Care Market Profile so hospitals can further refine networks with top providers
- **Developed** an HCAHPS Data Analysis Report to help hospitals better understand performance relative to peers and to the state as a whole
- **Released** the Hospital-Specific Readmissions and High Utilizers Report to help hospitals assess readmissions reduction strategies and identify new opportunities for improvement
- **Released** Hospital-Specific Prevention Quality Indicators (PQIs), including statewide benchmarks, to prepare hospitals for future payment policies intended to target PQIs
- **Convened** physician and quality leaders to refine 3M PPC definitions based on first year’s waiver experience

WHAT’S NEXT?

- **Create** a new website to provide helpful guidance to consumers on a range of topics, including health insurance, physician interaction, behavioral health resources, and more
- **Release** enhanced statewide reports to aid infection prevention professionals
- **Generate** opportunities for hospital and community leaders to identify priorities and areas for collaboration on behavioral health

BY THE NUMBERS

3.7%

all-payer, statewide readmissions reduction, resulting in 4,125 fewer readmissions

24.4%

reduction in potentially preventable complications

90%

or better compliance with hand hygiene practices

10%

reduction in C. difficile infections

26%

reduction in infections associated with abdominal hysterectomy procedures

Moving to the Waiver's Next Phase

Over the first two years of Maryland's all-payer model agreement with the Centers for Medicare & Medicaid Services (CMS), hospitals have more than met the required metrics. Spending growth has been far below limits, hospital savings to Medicare has been far above requirements, and quality measurements have been surpassed. However, much remains unknown at this stage, including what is needed for the waiver to be both successful and sustainable.

The contract requires that the state submit, by the end of 2016, "a proposal for a new model, which shall limit, at a minimum, the Medicare per beneficiary total cost of care growth rate..." Anticipating the complexity and difficulty of this move, MHA began late last year organizing and participating in a range of activities designed to help the state craft a workable proposal.

As a member-driven organization, all final decisions on MHA's position are, as always, determined by our Executive Committee. Informing their discussions is a three-person team of Executive Committee designees established to advise a 10-member staff team that has been meeting twice weekly exclusively on this issue. And MHA has regularly convened a work group of more than a dozen hospital executives to offer guidance from the front-line perspective. Combined with the participation of hospital and MHA leaders on the council advising Health Services Cost Review Commission (HSCRC) on how to craft these next steps, and MHA's advocacy in regular meetings with HSCRC staff, leadership and commissioners, MHA is making sure that the voice of hospitals remains a key driver as the state moves forward.



MHA Members 2016

MHA HISTORY

Volunteer leaders governing hospitals, along with their executive management and medical staff leaders founded the Maryland Hospital Association in 1970. The association was created as a forum for cooperation and communication among the state's major health care providers.

Adventist HealthCare

- Adventist HealthCare Behavioral Health & Wellness
- Adventist HealthCare Physical Health & Rehabilitation
- Adventist HealthCare Shady Grove Medical Center
- Adventist HealthCare Washington Adventist Hospital

Anne Arundel Medical Center

Atlantic General Hospital

Bon Secours Baltimore Health System

Brook Lane

Calvert Memorial Hospital

Children's National Medical Center

Clinical Center (NIH)

Dimensions Healthcare System

- Laurel Regional Hospital
- Prince George's Hospital Center

Doctors Community Hospital

Fort Washington Medical Center

Frederick Regional Health System

Garrett Regional Medical Center

Greater Baltimore Medical Center

HealthSouth Chesapeake Rehabilitation Hospital

Holy Cross Health

- Holy Cross Germantown Hospital
- Holy Cross Hospital

Johns Hopkins Medicine

- The Johns Hopkins Hospital & Health System
- Johns Hopkins Bayview Medical Center
- Howard County General Hospital
- Mt. Washington Pediatric Hospital
- Suburban Hospital

Kennedy Krieger Institute

LifeBridge Health

- Carroll Hospital Center
- Northwest Hospital
- Sinai Hospital of Baltimore

McCready Health

MedStar Health (in Maryland)

- MedStar Franklin Square Medical Center
- MedStar Good Samaritan Hospital
- MedStar Harbor Hospital
- MedStar Montgomery Medical Center
- MedStar Southern Maryland Hospital Center
- MedStar St. Mary's Hospital
- MedStar Union Memorial Hospital

Mercy Medical Center

Meritus Medical Center

Peninsula Regional Medical Center

Saint Agnes Hospital

Sheppard Pratt Health System

Union Hospital

University of Maryland Medical System

- Mt. Washington Pediatric Hospital
- University of Maryland Baltimore Washington Medical Center
- University of Maryland Charles Regional Medical Center
- University of Maryland Harford Memorial Hospital
- University of Maryland Medical Center
- University of Maryland Medical Center Midtown Campus
- University of Maryland Rehabilitation & Orthopaedic Institute
- University of Maryland Shore Medical Center at Chestertown
- University of Maryland Shore Medical Center at Dorchester
- University of Maryland Shore Medical Center at Easton
- University of Maryland St. Joseph Medical Center
- University of Maryland Upper Chesapeake Medical Center

VA Maryland Health Care System

Western Maryland Regional Medical Center

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Council on Clinical and Quality Issues

Council on Financial Policy

Council on Legislative and Regulatory Policy

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MHA-LED WORK GROUPS AND COMMITTEES

Financial Technical Work Group

Gainsharing Program Steering Committee

Hospital Bond Project Review Committee

Joint Quality-Finance Work Group

Legislation Work Group

Behavioral Health Task Force

Task Force on Capacity, CON and Capital Funding

Total Cost of Care Work Group

Education and Services



Prime, the shared services/group purchasing subsidiary of the Maryland Hospital Association, helps hospitals meet the aggressive financial and quality goals outlined in the modernized Medicare waiver by providing cost-effective, straightforward solutions to complex issues.

Prime provided \$850,000 to MHA in fiscal year 2016 to support advocacy efforts, and in grants to the Maryland Patient Safety Center.



Maryland Healthcare Education Institute

continues to work with members on the changing demands of population health management as well as the consistent challenges created by an aging health care workforce. Targeted programming was brought to a number of hospital campuses this past year, where MHEI staff worked individually and with groups of hospital staff totaling over 3,000 participants. Nearly one-third of MHEI members use MHEI for customized, specific, targeted programs and development.

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The Chesapeake Registry Program helps hospitals meet their evolving staffing needs by providing access to vetted, high-quality temporary staff including nurses and allied health providers. The Registry offers a user-friendly software interface with real-time data to access staffing credentials.

880,000 hours of clinical personnel time provided, a 17% increase over last year.



Maryland Hospital Association

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MHA is the advocate for Maryland's hospitals, health systems, communities, and patients before legislative and regulatory bodies. MHA's membership is composed of community and teaching hospitals, health systems, specialty hospitals, veterans hospitals, and long-term care facilities. Allied with the American Hospital Association, MHA is an independent organization headquartered in Elkridge, Maryland.