Maryland
Hospital Association

October 23, 2019

Tequila Terry
Deputy Director, Center for Payment Reform
and Provider Alignment
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Dear Tequila:

On behalf of the Maryland Hospital Association's 61 member hospitals and health systems, we support the Health Services Cost Review Commission's plan to make grant funding available to support partnerships that address diabetes and behavioral health. We recognize the significant impact of diabetes and unmet behavioral health needs across the state and see the value in hospitals, doctors, payers, public health and other health care providers and community organizations coordinating to address the multiple contributing factors. We offer the following recommendations to enhance the plan and increase the value of the investments for all communities.

Flexibility within Funding Streams
The commission should consider interventions in addition to the Diabetes Prevention Program (DPP), Diabetes Self-Management Program and Medical Nutrition Therapy. These programs are not widely available because there are significant operational barriers to establish the service, and the cost to provide the service exceeds reimbursement by $661 per beneficiary.[1] Even for payers other than Medicare that offer DPP as a covered benefit, patients may not be able to access the benefit due to insufficient providers of DPP. The American Diabetes Association recognizes several similar—but less onerous—lifestyle and medication-based interventions that are more feasible to adopt and have been shown to be effective in large-scale implementation.[2]

Crisis services are needed, but so is access to behavioral health services when there is not a crisis. Expanding access to can help to alleviate the need for crisis services. An MHA survey of behavioral health patients found that 42% experienced a discharge delay of four hours or more, after a disposition decision is made, from the Emergency Department. Of those patients experiencing a delay, 45% were due to lack of availability in an appropriate setting. This indicates that inadequate access to all types of behavioral health services is contributing to the need for crisis services.

[1] Medical Care: November 2018 - Volume 56 - Issue 11 - p 908–911
[2] Diabetes Care 2016 Jul; 39(7): 1186-1201 https://doi.org/10.2337/dc16-0873

Measurement of Progress
We support the recommendation to increase oversight and more systematically measure the impact of partnerships' activities. However, the focus on Medicare claims to measure diabetes-related interventions is too narrow and may not reflect the impact on the most important target populations, who are more likely to be uninsured or covered by Medicaid and commercial insurers. Focusing on diabetes services for the Medicare population misses the peak opportunity. People 45-64 years old account for more than half of those newly diagnosed with diabetes.[3] Among vulnerable populations, where the interventions can have the biggest impact, the age of onset is often younger. While the recommendation encourages the interventions to be all-payer, measuring only the Medicare population will dampen the measured impact and misalign the incentive with important target populations.

Timing
The commission should consider a rolling submission and start date. Forming and vetting new relationships and creating formal agreements to work together takes time. Partnerships that build on existing programs may be ready to submit applications and begin operations within the timeline specified, but others need additional time.

Legacy Partnerships
We appreciate the commission recognizing the importance of additional time to transition current partnerships to sustainable funding sources. To discontinue funding at the end of the current fiscal year risks the loss of programs that are working or showing early progress. Partnerships and programs take at least a year to ramp up, and it may take another year or two to demonstrate definitive results.

We encourage HSCRC staff to thoughtfully evaluate partnerships' outcomes and be open to suggestions to extend funding beyond fiscal year 2020. In the spring, HSCRC staff began clearly communicating the intent to discontinue funding at the end of fiscal 2020; We encourage HSCRC staff to thoughtfully evaluate partnerships' outcomes and be open to suggestions to extend funding beyond fiscal year 2020. In the spring, HSCRC staff began clearly communicating the intent to discontinue funding at the end of fiscal 2020. Prior communication made clear that the funding would be permanent unless there was material lack of performance or for not meeting the letter or intent of an application. Below are the examples of where the Commission said the funding would be permanent.

Final Recommendations on Update Factors for FY 2016
May 13, 2015
Page 8: *The amount of the **grant awards** would be a **permanent 0.25% adjustment** to hospital rates.*

HSCRC Transformation Program Extension memo
November 13, 2015
Page 8: *Scalability and Sustainability*

[3] CDC National Diabetes Statistics Report, 2017

*This section should detail how the intervention/program is sustainable without additional rate increases in future years (**beyond the ongoing amount associated with this competitive award**.) Plans for funding an expansion of the program/intervention if it proves successful should also be described.*
Page 24: *…The implementation **grants will not be removed** (barring any adjustments made by Commission staff if expectations are not met) and **will be in hospitals' rate bases and global budgets permanently.***
Page 25: *How do you advise we predict ROI for years beyond 2017 when implementation will not start until 2016?*
A: *The Commission expects a continued ROI into the future, **especially since the dollars are permanently in rates….***

Email correspondence
May 2016
Page 1 *The best way to describe [the ROI to payers…in FY 18 each hospitals global budget will be reduced by 10% of the grant amount…In FY 19, the global budget would be reduced…and the same in FY 20. There would be **no further reductions after that**…*
Page 2 In response to request for clarification: *Confirm that "Permanent rate adjustment" means the award is expected to continue after FY20. Yes*

Final Recommendations for Competitive Transformation Implementation Awards
June 8, 2016
Page 7 The Commission reserves the right to terminate or rescind an award at any time for material lack of performance or for not meeting the letter or intent of an application…

We appreciate the opportunity to comment on this draft recommendation. Please feel free to contact me to discuss this further.

Sincerely,

Traci La Valle

Traci La Valle

cc: Nelson J. Sabatini, Chairman
Joseph Antos, Ph.D., Vice Chairman
Victoria W. Bayless
Stacia Cohen, RN
John M. Colmers
James N. Elliott, M.D.
Adam Kane
Katie Wunderlich, Executive Director

Enclosure