



May 17, 2023

Willem Daniel
Deputy Director, Payment Reform
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Mr. Daniel:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment on the Commission's proposed Medicare Performance Adjustment (MPA) changes. MHA is concerned about raising the total amount of revenue at risk to 2% in calendar year 2024 for the following reasons:

Evaluation of HSCRC Payment Incentives for Total Cost of Care (TCOC) Performance

As a condition of a per capita hospital payment system and under the contract agreement, a mechanism must be in place to measure TCOC performance with appropriate financial incentives. However, since the MPA was effectuated, hospital TCOC performance has been layered into additional HSCRC payment policies, including Care Transformation Initiatives (CTI) and efficiency policies. Now that final performance for year one of the CTI program is known and we anticipate changes to efficiency policies for rate year 2024, MHA encourages HSCRC staff and commissioners to evaluate the total amount of revenue at risk at the individual hospital level and determine the appropriateness. This approach aligns with establishing a maximum risk threshold for hospital quality payment programs.

Attribution & Hospital Ability to Impact Performance

We remain concerned that strict geographic attribution does not capture hospital initiatives to transform care delivery. Under this approach, hospitals have limited opportunity to impact their attributed beneficiaries through treatment relationships, such as the Maryland Primary Care Program (MDPCP), Episode Quality Improvement Program (EQIP) affiliated providers, or hospital care transformation activities.

MHA also recommends HSCRC evaluate all payment policies measuring hospital TCOC performance, and determine whether policies should continue, sunset, or be modified based on hospitals' ability to meaningfully impact performance. For example, the MDPCP supplemental adjustment was removed from MPA after calendar year 2023, when track three began, with significant downside risk applied to participating primary care practices and Care Transformation Organizations.

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We appreciate your attention to this matter and are happy to discuss our recommendations.
Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Brett McCone". The signature is fluid and cursive, with the first name "Brett" and last name "McCone" clearly distinguishable.

Brett McCone
Senior Vice President, Health Care Payment