



Maryland
Hospital Association

November 29, 2017

Dianne Feeney
Associate Director, Quality Initiatives
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Dear Dianne:

On behalf of the Maryland Hospital Association's 64 member hospitals and health systems, we appreciate the opportunity to comment on the Health Services Cost Review Commission's *Draft Recommendations for Updating the Quality-Based Reimbursement Program for Rate Year 2020*.

Last year, commissioners approved the staff's recommendation to set a very aggressive payment scale for the rate year 2019 Quality-Based Reimbursement (QBR) policy. The Maryland scale requires a hospital to score above 45 percent to avoid a penalty and begin earning a reward, as compared to the national performance expectation that tends to result in scores above 36-40 percent earning rewards. If the Maryland payment scale were applied nationally, about two-thirds of hospitals in the nation would have been penalized in federal fiscal year 2017.

Commissioners' rationale for the aggressive payment scale was to create an incentive that would result in better performance compared to the nation. However, in their discussion, they recognized that more heavily weighting the Patient Experience of Care Measures had little impact on statewide performance; they also referenced the slow pace of change in national scores. Because the final data for rate year 2019 will not be available for at least another nine months, we cannot yet know whether the more aggressive payment scale is having an impact on performance.

The Maryland QBR program mirrors the Centers for Medicare & Medicaid Services (CMS) Value-Based Purchasing program more closely than the Maryland programs on readmissions and complications align with their national counterparts. National Value-Based Purchasing has been widely criticized in recent years as overly burdensome while doing little to improve outcomes that matter to patients. In October, CMS Administrator Seema Verma announced *Meaningful Measures*, an initiative to streamline quality measurement across all programs and reduce the burden of reporting measures that have little impact on outcomes. In her remarks, she acknowledged that the financial and opportunity costs of reporting the current measures may outweigh their intended purpose of providing high-quality care and improving patient outcomes.

Respectfully, we suggest that if the heavier weighting on Patient Experience of Care Measures and the more aggressive payment scale do not produce the intended performance outcomes,

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perhaps the measures or the policy are flawed. As Maryland's hospitals focus on reducing unnecessary care, addressing patients' needs in lower cost settings when appropriate, and meeting the aims of the all-payer demonstration, hospitals may have already determined that the QBR measures, and the convoluted mechanisms required to track and score performance, have too high an opportunity cost.

We appreciate the commission's consideration of our feedback. Should you have any questions, please call me at 410-540-5087.

Sincerely,



Traci La Valle, Vice President

cc: Nelson J. Sabatini, Chairman
Joseph Antos, Ph.D., Vice Chairman
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