



Maryland
Hospital Association

October 2, 2019

Katie Wunderlich
Executive Director
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Dear Katie:

We at MHA thank you for reaching out to us and our members to seek input into the Commission's strategic visioning. Please find our response attached. You can also expect individual hospitals and health systems to contribute their own perspectives.

Please do not hesitate to reach out if you'd care to discuss any of the written remarks.

Kind regards,

Bob Atlas
President & CEO

Attachment



1. What are your organization's top 3 strategic priorities or goals for the next 5-10 years?

MHA's governing body in late 2018 set out the following strategic aims for the association:

- Strengthen the health of Marylanders by fostering integrated, holistic care and supports
- Ensure the success of the Maryland model of health care financing
- Promote the long-term vitality of Maryland's hospitals and health systems.

Achieving these aims requires MHA to work with hospital members, the commission, and many other stakeholders to create a sustainable health care system. As was discussed during the meetings held in late 2018 and early 2019 of small groups of commissioners and CEOs:

A sustainable health care system is one in which the population sees steadily improving experience of care and better health, all payers and consumers spend reasonable sums for health services in total, and health care facilities and providers are compensated adequately both to furnish needed services and to continually refresh their capabilities to maintain excellence.

2. What are the biggest challenges or obstacles to realizing those priorities?

- **Accountability.** All stakeholders need to be aligned, with shared accountability to deliver success under Maryland's Total Cost of Care Model. Absent a change in law, Maryland's hospitals are the only entities that are directly accountable to deliver Model success. The commission controls hospital financial incentives, and in turn, CMS grants Maryland a waiver from its national policies that pay hospitals less than the full cost of care. Shared accountability amongst all Maryland stakeholders – hospitals, providers other than hospitals, health plans, and government agencies – is essential for the system to produce expanded and sustained success.
- **Time.** Health care transformation takes time, both to get it done and to realize its impact. Hospitals and health systems, with both leadership and support from MHA, need time to prove the transformational effects of our Model. CMS should set realistic expectations for delivery system changes and the measurement thereof. The commission rightly should expect hospitals to make steady progress in effectuating those changes.
- **Resources.** Funding of health services – not just of hospitals but of services across the continuum – is vital for the Model's success. Among the reasons for inappropriate use of hospital services is the inadequacy of other health and social services that could obviate the need for hospital visits and, when people do become hospital patients, could speed their return to the community. This is especially important in communities that where populations are most vulnerable, where disparities abound.
- **Transparency.** Hospitals need to know what CMS and the commission want of them. Hospitals are being asked to innovate and to expand beyond hospital services, all while complying with current rules and upholding their role as the 24/7 health care safety net. Yet the metrics of success are neither fixed nor completely clear. For example, HSCRC staff recently have said the RTI evaluation report to CMS is a measuring stick for success. RTI's criteria are many and they differ from the targets set forth in the Model contract. Plus, CMS now wants Maryland to sign a new memorandum of understanding that may stipulate other goals for quality, care transformation, and population health.



3. What should the State/HSCRC consider doing to foster continued delivery system reform?

At MHA, we have five key goals to achieve our strategic aims under question 1. These are:

- Health care that is safe and of excellent quality and value
- Multi-stakeholder alignment to manage total cost of care
- Robust, diverse, inclusive and engaged health workforce
- Access for all Marylanders to appropriate care and supports
- Appropriate, predictable revenue and efficient care delivery.

The State/HSCRC should consider the following focus areas to foster continued delivery system reform:

- Engage all Maryland partners to align for better health care and better health. Maryland's hospitals strive to deliver high quality care consistent with Model aims. Others, including public agencies, do, at times, act in ways that could run counter to Model goals. Physicians, nursing facilities and other providers still operate mainly under a fee-for-service model. State agencies, including those whose actions impact social determinants of health – housing, nutrition, education, etc. – will benefit from learning about the Model and how they can aid its success. Appreciating the scope of the commission, HSCRC leaders should actively engage elected and appointed officials to gain buy-in across state and local government.
- Work with CMS to ensure that timelines and expectations are reasonable. In the next five years, agreement on a “permanent” model with CMS would eliminate much uncertainty. That will let hospitals and health systems make long range investments to solidify the foundation of a transformed system of care. Of course, to make the model permanent, CMS will want the state to deliver on certain objectives. Educating hospitals about CMS's expectations will give their leaders insight on what they need to prioritize.
- Focus on policies that are pivotal to Model success and remove those that are not. Clearly define the 3-5 key goals the commission wishes to reach at the five-year mark. Build these goals from CMS's expectations of what's needed to make the Maryland Model permanent.

Some hospital leaders fear that the recent flurry of new policies is diluting their ability to deliver on vital objectives. Hospitals need to focus on efforts that expand the model while maintaining financial viability as the community safety net. MHA will work with constituents to promote long-term success. However, we, like hospitals and the commission, have limited capacity to labor on a multitude of priorities.

- HSCRC, the Maryland Health Care Commission (MHCC), and the Office of Health Care Quality should consider how health care must change for the future when enacting and applying rules and policies today. Streamlining processes to redesign and reconfigure services will allow hospitals and health systems to fulfill the Model's promise. For example, MHA and MHCC came together to allow hospitals to convert inpatient capacity to emergency and ancillary services without a certificate of need. Simplifying processes will help pave the way to a transformed health system.

To undergird all these efforts, we hope HSCRC and companion agencies will help to educate the public about the benefits of health care transformation under the Maryland Model. By this we do not mean to teach people about the features of the Model itself but rather to explain how we are reshaping health care to improve affordability, quality and the health of all Marylanders.