



Centers for Medicare & Medicaid Services
Center for Medicare & Medicaid Innovation

2810 Lord Baltimore Drive, Suite 130

Baltimore, MD 21244



Memorandum of Understanding Between the
Centers for Medicare & Medicaid Services and
State of Maryland in relation to the Maryland Total Cost of Care
Model Statewide Integrated Health Improvement Strategy

November 20, 2019

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
CENTERS FOR MEDICARE & MEDICAID SERVICES
AND THE STATE OF MARYLAND IN RELATION TO THE MARYLAND TOTAL
COST OF CARE MODEL STATEWIDE INTEGRATED HEALTH
IMPROVEMENT STRATEGY**

I. Purpose and Scope

Under the Maryland Total Cost of Care Model State Agreement (“Agreement”), CMS and the State of Maryland are testing whether statewide health care delivery transformation, in conjunction with population-based payments, improves population health and care outcomes for individuals, while controlling the growth of Medicare total cost of care (“TCOC”). The purpose of this Memorandum of Understanding (“MOU”) between the Centers for Medicare & Medicaid Services (“CMS”) and the Governor of Maryland, Maryland Department of Health, and the Health Services Cost Review Commission (collectively referred to as the “State”) is to memorialize the commitment, principles, and framework for CMS and the State to develop a comprehensive set of goals, measures, milestones, and targets for hospital quality improvement, healthcare system transformation and quality improvement, and population health outcomes (“Statewide Integrated Health Improvement Strategy”) for the Maryland Total Cost of Care Model (“Model”). The State and CMS are hereinafter collectively referred to as “the Parties.” This MOU is not intended to constitute a legally binding or enforceable agreement or commitment on either Party. This MOU is not intended in any way to amend, modify, or replace the Agreement.

CMS is implementing the Model under Section 1115A of the Social Security Act (“Act”), which authorizes CMS, through its Center for Medicare and Medicaid Innovation (“Innovation Center”), to test innovative payment and service delivery models that have the potential to reduce Medicare, Medicaid, or Children’s Health Insurance Program expenditures while maintaining or improving the quality of beneficiaries’ care.

CMS and the State commit to the activities described below in establishing an approach to developing, achieving, measuring, and maintaining goals, milestones, measures, and targets included in the Statewide Integrated Health Improvement Strategy for the Model.

The Parties agree as follows:

II. Term, Termination, Modification.

A. Term. This MOU shall be effective when it is signed by the last Party to sign it (as indicated by the date associated with that Party’s signature). This MOU will be effective when signed by both Parties for the remaining performance period of the Model, through December 31, 2026, unless terminated in accordance with section II.B.

B. Termination. Either Party may terminate this MOU by providing at least 120 days' advance written notice to the other Party. If the State does not implement the commitments set forth in this MOU, CMS reserves the right to immediately terminate this MOU without advance written notice to the State. Termination of this MOU will not be grounds for termination of the performance period of the Model or the Agreement. If CMS or the State terminates the Agreement or the performance period of the Model, this MOU shall terminate automatically.

C. Modification. This MOU may be modified or amended only in a written instrument signed by both Parties.

III. Statewide Integrated Health Improvement Strategy

A. Overview. The State will be responsible for developing, measuring, achieving and maintaining goals, measures, milestones, and targets described in the Statewide Integrated Health Improvement Strategy. CMS and the State will agree to a comprehensive set of goals, measures, milestones, and targets for health-related goals consistent with the framework and principles outlined in this MOU to assess the State's performance on the Statewide Integrated Health Improvement Strategy.

B. Determination of the goals, measures, milestones, and targets for the Statewide Integrated Health Improvement Strategy. By no later than December 31, 2020, the State will propose in writing to CMS the Statewide Integrated Health Improvement Strategy, in accordance with the framework and principles outlined in Sections III.C and III.D of this MOU ("Statewide Integrated Health Improvement Strategy Proposal"). CMS will inform the State in writing of its decision to approve or request modifications to the Statewide Integrated Health Improvement Strategy Proposal within 90 days of receipt.

C. Framework for goals, measures, milestones, and targets for the Statewide Integrated Health Improvement Strategy Proposal. The State's Statewide Integrated Health Improvement Strategy Proposal must include at least one goal for each of the domains specified in Section III.C.1 through III.C.3 of this MOU. A goal may fit into multiple domains. Each such goal must be accompanied by at least one measure, the State's baseline performance on that measure, and each of the following for that measure: a Model Year 3 milestone, a Model Year 5 interim target, and a Model Year 8 final target.

1. "Hospital Quality" Domain: Hospital quality and value-based program performance targets not used in the Hospital Payment Program as described in Section 8.d.i.2 of the Agreement.

2. “Care Transformation Across the System” Domain: System-wide care transformation and quality improvement goals that reflect activities under the Hospital Payment Program described in Section 8 of the Agreement, the Care Redesign Program described in Section 9 of the Agreement, the Maryland Primary Care Program described in Section 10 of the Agreement, any new Model programs proposed by the State and approved by CMS as described in Section 11 of the Agreement, or other care transformation activities measured by the State.
3. “Total Population Health” Domain: Goals to improve population health for all Maryland residents as identified by the State, which may include but are not limited to the population health measures for Maryland residents used for purposes of the Model's outcomes-based credits described in Section 7 of the Agreement.

D. Principles guiding the selection of Statewide Integrated Health Improvement Strategy Proposal goals, measures, milestones, and targets. CMS and the State agree to the following principles to guide the State's selection of goals, measures, milestones, and targets to be included in the Statewide Integrated Health Improvement Strategy Proposal:

1. Goals, measures, and targets should be relevant to Maryland as established through a collaborative public process as determined by the State;
2. Goals, measures, and targets should reflect an all-payer perspective;
3. Goals, measures, and targets should capture statewide improvements achieved under the Model, including improved health outcomes and equity;
4. Goals for the three domains described in Section III.C.1 through III.C.3 of this MOU should be synergistic and mutually reinforcing;
5. Measures should be focused on outcomes whenever possible;
6. Milestones, including process measures, may be used to signal progress toward the targets;
7. The Statewide Integrated Health Improvement Strategy Proposal should fully maximize the population health improvement opportunities made possible by the Model; and
8. The Statewide Integrated Health Improvement Strategy Proposal should promote public and private partnerships with shared resources and infrastructure.

E. CMS Evaluation and State accountability for Statewide Integrated Health Improvement Strategy.

1. CMS and its evaluation contractor will evaluate the State's performance on the agreed to Statewide Integrated Health Improvement Strategy to assess impact on hospital quality, healthcare system transformation and care quality, population health, and the

overall Model.

2. If the State fails to submit a Statewide Integrated Health Improvement Strategy Proposal to CMS in accordance with the timeline described in Section III.B above, the State will submit to CMS a memorandum explaining the reason for the delay and advising when CMS can expect receipt of the Statewide Integrated Health Improvement Strategy Proposal. The memorandum should be submitted with the annual report that the State must submit to CMS by December 31st of the applicable Model Year in accordance with Appendix D of the Agreement.
3. If the State fails to achieve any of the Model Year 3 milestones included in the Statewide Integrated Health Improvement Strategy, the State must submit to CMS a memorandum proposing how the State will work to meet the applicable Model Year 5 interim target(s). CMS will approve or request modifications to the memorandum within 60 days of receipt. The memorandum should be submitted with the annual report that the State must submit to CMS by December 31st of the applicable Model Year in accordance with Appendix D of the Agreement.
4. If the State fails to achieve any of the Model Year 5 interim targets included in the Statewide Integrated Health Improvement Strategy, the State must submit to CMS a memorandum proposing how the State will meet the applicable Model Year 8 final target(s). CMS will approve or request modifications to the memorandum within 60 days of receipt. The memorandum should be submitted with the annual report that the State must submit to CMS by December 31st of the applicable Model Year in accordance with Appendix D of the Agreement.
5. Any failure of the State to achieve any Model Year 3 milestones or Model Year 5 interim targets included in the Statewide Integrated Health Improvement Strategy shall not be a Triggering Event or Other Event as those terms are defined in Section 12 of the Agreement and shall not otherwise affect the State's performance under the Model and the Agreement.

F. State reporting requirements on Statewide Integrated Health Improvement Strategy goals, measures, milestones and targets. Beginning in Model Year 3, the State will report on the State's progress towards achieving the Statewide Integrated Health Improvement Strategy goals, measures, milestones, and targets as part of the annual report that the State must submit to CMS by December 31st of each Model Year in accordance with Appendix D of the Agreement. This progress report should include a description of:

1. The State's performance on the Statewide Integrated Health Improvement Strategy milestones, interim targets, and final targets, based on available data;
2. Any activities by the Health Services Cost Review Commission and the Maryland Department of Health to coordinate with each other or other public or private entities to achieve the Statewide Integrated Health Improvement Strategy goals, milestones, and targets; and

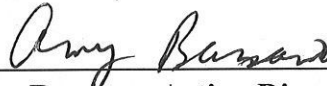
3. Any public or private investments to achieve the Statewide Integrated Health Improvement Strategy goals, milestones, and targets.

G. Resource Responsibilities. This MOU represents the broad outline of CMS's and the State's intent to commit to a Statewide Integrated Health Improvement Strategy. Each party shall bear its own costs and expenses in fulfilling its responsibilities under this MOU, including without limitation its own expenses for travel and accommodation. This MOU does not commit CMS to any obligation or expenditure of Federal funds. Expenditures by CMS will be subject to its budgetary processes and to the availability of funds and resources pursuant to applicable laws, regulations, and policies. The State agrees that any supplies or services it provides pursuant to this MOU are provided without expectation of payment from CMS, and the State agrees to waive any and all claims for such payment. Furthermore, while the parties intend to cooperate with respect to the activities outlined herein, neither party will be required to commit funds, personnel or resources under this MOU.

Each Party is signing this MOU on the date stated opposite that Party's signature. If a Party signs but fails to date a signature, the date that the other Party receives the signing Party's signature will be deemed to be the date that the signing Party signed this MOU.

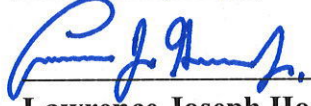
CENTERS FOR MEDICARE & MEDICAID SERVICES

Date: 12/27/19

By: 
Amy Bassano, Acting Director, Center for Medicare and Medicaid Innovation

GOVERNOR OF MARYLAND

Date: 12/20/19

By: 
Lawrence Joseph Hogan, Jr., Governor

MARYLAND DEPARTMENT OF HEALTH

Date: 12/11/19

By: 
Robert R. Neall, Secretary of Health

HEALTH SERVICES COST REVIEW COMMISSION

Date: 12/6/19

By: 
Nelson Sabatini, Chairman