

State of Maryland
Department of Health and Mental Hygiene

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Health Services Cost Review Commission

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**533rd MEETING OF THE HEALTH SERVICES COST REVIEW COMMISSION
September 14, 2016**

EXECUTIVE SESSION

12:00 p.m.

(The Commission will begin in public session at 12:00 p.m. for the purpose of, upon motion and approval, adjourning into closed session. The open session will resume at 2PM.)

1. Update on Contract and Modeling of the All-payer Model vis-a-vis the All-Payer Model Contract – Administration of Model Moving into Phase II - Authority General Provisions Article, §3-103 and §3-104
2. Discussion on Planning for Model Progression – Authority General Provisions Article, §3-103 and §3-104

PUBLIC SESSION

2:00 p.m.

1. Review of the Minutes from the Public Meeting and Executive Session on August 10, 2016
2. Executive Director's Report
3. New Model Monitoring
4. Docket Status – Cases Closed

2346A – Johns Hopkins Health System	2347A – University of Maryland Medical Center
2348A – University of Maryland Medical Center	2349A – Johns Hopkins Health System
5. Docket Status – Cases Open

2319R – Sheppard Pratt Health System	2350R – Prince George's Hospital Center
2351A – Johns Hopkins Health System	2352N – MedStar Harbor Hospital
6. Final Recommendation for Approval of Garrett Regional Medical Center Population Health Workforce Support for Disadvantaged Areas Award
7. CRISP Update
8. Legal Report
9. Hearing and Meeting Schedule

Minutes to be included into the post-meeting packet
upon approval by the Commissioners

Executive Director's Report

The Executive Director's Report will be distributed during the Commission Meeting

New Model Monitoring Report

The Report will be distributed during the Commission Meeting

H.S.C.R.C's CURRENT LEGAL DOCKET STATUS (OPEN)

AS OF SEPTEMBER 7, 2016

A: PENDING LEGAL ACTION : NONE
 B: AWAITING FURTHER COMMISSION ACTION: NONE
 C: CURRENT CASES:

Docket Number	Hospital Name	Date Docketed	Decision Required by:	Rate Order Must be Issued by:	Purpose	Analyst's Initials	File Status
2319R	Sheppard Pratt Health System	11/24/2015	9/14/2016	9/14/2016	CAPITAL	GS	OPEN
2350A	Johns Hopkins Health System	8/30/2016	N/A	N/A	ARM	DNP	OPEN
2351A	Johns Hopkins Health System	8/30/2016	N/A	N/A	ARM	DNP	OPEN
2352N	MedStar Harbor Hospital	9/6/2016	10/6/2016	2/3/2017	PSY & PDC	CK	OPEN

PROCEEDINGS REQUIRING COMMISSION ACTION - NOT ON OPEN DOCKET

NONE

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION *
JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
COMMISSION
* DOCKET: 2016
* FOLIO: 2160
* PROCEEDING: 2350A**

**Staff Recommendation
September 14, 2016**

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed an application with the HSCRC on August 30, 2016, on behalf of its member hospitals, Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital (the “Hospitals”) for an alternative method of rate determination, pursuant to COMAR 10.37.10.06. The System requests approval from the HSCRC to continue to participate in a global rate arrangement for heart failure services and solid organ and bone marrow transplants with Optum Health, a division of United HealthCare Services, for a period of one year beginning October 1, 2016.

II. OVERVIEW OF APPLICATION

The contract will continue to be held and administered by Johns Hopkins HealthCare, LLC (“JHHC”), which is a subsidiary of the System. JHHC will manage all financial transactions related to the global price contract including payments to the System hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating mean historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will continue to submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians holds the Hospitals harmless from any shortfalls in payment from the global price contract. JHHC

maintains it has been active in similar types of fixed fee contracts for several years, and that JHHC is adequately capitalized to bear risk of potential losses.

V. STAFF EVALUATION

The staff found the experience for this arrangement last year to be favorable.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for heart failure, solid organ and bone marrow transplant services for a one year period commencing October 1, 2016. The Hospitals will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document would formalize the understanding between the Commission and the Hospitals, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

**IN RE: THE APPLICATION FOR
ALTERNATIVE METHOD OF RATE
DETERMINATION *
JOHNS HOPKINS HEALTH
SYSTEM
BALTIMORE, MARYLAND**

*** BEFORE THE MARYLAND HEALTH
* SERVICES COST REVIEW
COMMISSION
* DOCKET: 2016
* FOLIO: 2161
* PROCEEDING: 2351A**

**Staff Recommendation
September 14, 2016**

I. INTRODUCTION

Johns Hopkins Health System (“System”) filed an application with the HSCRC on August 30, 2016 on behalf of its member hospitals, Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital (the “Hospitals”) for an alternative method of rate determination, pursuant to COMAR 10.37.10.06. The System requests approval from the HSCRC to participate in a global rate arrangement for Bariatric Surgery Procedures with the Priority Partners Managed Care Organization, Inc., the Johns Hopkins Employer Health Programs, Inc., and the Johns Hopkins Uniformed Services Family Health Plan, for a period of one year beginning October 1, 2016.

II. OVERVIEW OF APPLICATION

The contract will be held and administered by Johns Hopkins HealthCare, LLC (“JHHC”), which is a subsidiary of the System. JHHC will manage all financial transactions related to the global price contract including payments to the System hospitals and bear all risk relating to regulated services associated with the contract.

III. FEE DEVELOPMENT

The hospital portion of the global rates was developed by calculating mean historical charges for patients receiving the procedures for which global rates are to be paid. The remainder of the global rate is comprised of physician service costs. Additional per diem payments were calculated for cases that exceed a specific length of stay outlier threshold.

IV. IDENTIFICATION AND ASSESSMENT OF RISK

The Hospitals will submit bills to JHHC for all contracted and covered services. JHHC is responsible for billing the payer, collecting payments, disbursing payments to the Hospitals at their full HSCRC approved rates, and reimbursing the physicians. The System contends that the arrangement among JHHC, the Hospitals, and the physicians holds the Hospitals harmless from

any shortfalls in payment from the global price contract. JHHC maintains it has been active in similar types of fixed fee contracts for several years, and that JHHC is adequately capitalized to bear risk of potential losses.

V. STAFF EVALUATION

After reviewing the Hospital experience data, staff believes that the Hospitals can achieve a favorable experience under this arrangement.

VI. STAFF RECOMMENDATION

The staff recommends that the Commission approve the Hospitals' application for an alternative method of rate determination for Bariatric Surgery Procedures for a one year period commencing October 1, 2016. The Hospitals will need to file a renewal application for review to be considered for continued participation.

Consistent with its policy paper regarding applications for alternative methods of rate determination, the staff recommends that this approval be contingent upon the execution of the standard Memorandum of Understanding ("MOU") with the Hospitals for the approved contract. This document would formalize the understanding between the Commission and the Hospitals, and would include provisions for such things as payments of HSCRC-approved rates, treatment of losses that may be attributed to the contract, quarterly and annual reporting, confidentiality of data submitted, penalties for noncompliance, project termination and/or alteration, on-going monitoring, and other issues specific to the proposed contract. The MOU will also stipulate that operating losses under the contract cannot be used to justify future requests for rate increases.

Final Recommendation for the Garrett Regional Medical Center Award under the Population Health Workforce Support for Disadvantaged Areas Program (PWSDA)

Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, Maryland 21215
(410) 764-2605
FAX: (410) 358-6217

This is a final recommendation for the Garrett Regional Medical Center. The Baltimore Population Health Work Force Collaborative Proposal remains a Draft Recommendation and the comment period has been extended to September 30, 2016. Please submit any comments to Erin Schurmann at Erin.Schurmann@maryland.gov.

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OVERVIEW

The Maryland Department of Health and Mental Hygiene (Department or DHMH) and the Maryland Health Services Cost Review Commission (HSCRC or Commission) are recommending that the Garrett Regional Medical Center proposal for a competitive Population Health Workforce Support for Disadvantaged Areas Program (PWSDA) grant be funded, beginning in fiscal year (FY) 2017. This recommendation follows the Commission's decision in December 2015 authorizing up to \$10 million in hospital rates for hospitals that commit to train and hire workers from geographic areas of high economic disparities and unemployment. These workers will fill new care coordination, population health, health information exchange, health information technology, consumer engagement, and related positions. The ultimate goals of the program are to create community-based jobs that pay reasonable wages, contribute to improving population health in Maryland, and further the goals of the All-Payer Model.

The PWSDA program will continue through June 30, 2018, on a hospital-specific basis assuming the hospital's ongoing compliance with the grant requirements. The grants could be renewed as of July 1, 2018, for an additional period if the Commission finds that the program is effective.

BACKGROUND

The Commission received three proposals for award funding. Commission staff established an independent committee to review the grant proposals and make recommendations to the Commission for funding. The PWSDA Implementation Award Review Committee (Review Committee) included representatives from the Department, the Commission, and other subject matter experts, including individuals with expertise in such areas as population health, health disparities, workforce development and adult learning, health education, healthcare career advancement, and workplace and employee wellbeing.

Following a comprehensive initial review, two of the three proposal applicants were invited to provide clarifying information related to their proposal. The full proposals of the two applicants that are being considered for approval (Garrett Regional Memorial Hospital being recommended for approval in this recommendation, and Baltimore Population Health Work Force Collaboration which is still in draft status) may be found on the Commission's website at <http://www.hscrc.maryland.gov/rfp-pwsda.cfm>.

At this time, the Review Committee is pleased to present this recommendation to the Commission. The Review Committee is strongly encouraged that this proposal will leverage the unique position that hospitals hold as economic pillars of their communities and create strong partnerships with community-based providers to respond to ongoing socioeconomic and health disparities in Maryland. This recommendation reflects the Review Committee's recommendations to grant a total of \$221,485 in hospital rates to Garrett Regional Medical Center under the PWSDA program in FY 2017.

COMPETITIVE POPULATION HEALTH WORKFORCE SUPPORT FOR DISADVANTAGED AREAS PROGRAM REQUEST FOR PROPOSALS

In order to improve population health and address disparities in the community, the Department, in collaboration with the HSCRC, released a request for proposals (RFP) for funding to implement PWSDA on May 1, 2016. HSCRC received three applications by the extended due date of June 30, 2016.

The RFP invited proposals to support job opportunities for individuals who reside in neighborhoods with a high area deprivation index (ADI), and thus enable low-income urban, suburban, and rural communities to improve their socioeconomic status while working to improve population health. The overall objective is to address the social determinants of health and assist hospitals in bolstering population health and meeting the goals of the All-Payer Model.

The RFP limits the award total to \$10 million in hospital rates over a three-year period, with the condition that hospitals provide matching funds of at least 50 percent of the amount included in their rates. The applicants were required to explain how they will use the increase in rates to support the training and hiring of individuals consistent with the program.

Funding will be allocated through HSCRC-approved rate increases for hospitals that train and/or hire individuals from deprived areas, with the expectation of reducing potentially avoidable utilization for Medicare and promoting population health in Maryland. Awardees will be required to report on the status of their ongoing implementation activities within six months of the initial award and annually thereafter.

THE REVIEW COMMITTEE AND EVALUATION CRITERIA

The Review Committee gave preference to those models that included the following characteristics/features:

- Specific target population that could be trained and recruited to bolster population health and help reduce hospital utilization
- Strong collaboration with community organizations that will facilitate recruitment of potential trainees who live in disadvantaged communities
- Efficient training to provide to selected individuals who will be employed in health-related positions, (e.g., community healthcare workers, peer recovery specialists, case managers, patient care workers, transport facilitators, etc.)
- Defined settings where trained workers can deliver the intended services to patients and other community members and contribute to promoting the health of the Maryland population
- Consistency with the goals of the All-Payer Model
- Focus on patient-centered care

- Valid implementation plan
- Reasonable budget

The Review Committee established evaluation and weighting criteria in each of the following categories:

1. Needs assessment (the disadvantaged community and the target workforce) -10 points
2. Work plan (partnership(s) with community organization(s), type of training, qualifications of the trainees, implementation, and employment retention) - 30 points
3. Evaluation (tracking and reporting; strategy to evaluate process and outcomes) -10 points
4. Sustainability, impact, and replicability by others -15 points
5. Resources (community resources, trainers, and organizations) -10 points
6. Support requested (budget and its justification) – 25 points

The Review Committee gave preference to those proposals that included the following characteristics/features:

- The likelihood that the proposed programs would be successful in reducing avoidable utilization and improving population health
- The operational readiness and sustainable staffing detail of the proposal
- The overall feasibility of the proposal to be successful

RECOMMENDATIONS

Recommended Awardees

Based on its review, the Review Committee is currently recommending the following grant proposal for FY 2017 funding:

- Garrett Regional Medical Center Health Work Force Support Program:
 - \$221,485 to be phased in over three years based on proposed expenses.
 - At least 50 percent of hires through the program must be Maryland residents

Table 1 below lists the recommended awardee, the requested and recommended award amounts from rates, and the hospitals affected. A summary of each recommended proposal may be found in the Appendix.

Table 1. Recommended Awardee

Applicant	Award Request	Rate Award Amount	Hospital(s) in Proposal
Garrett Regional Medical Center Health Work Force Support Program	\$221,485	\$221,485	Garrett Regional Medical Center
Total		\$221,485	

REPORTING AND EVALUATION

The December 2015 approved Commission recommendations required that:

- Hospitals receiving funding under this program shall report to the Commission by May 1, 2017, and each year thereafter on:
 - The number of workers employed under the program
 - How many of those workers have been retained
 - The types of jobs that have been established under the program
 - How many patients or potential patients have been assisted through these positions
 - An estimate of the impact that these positions have had in reducing potentially avoidable utilization or in meeting other objectives of the All-Payer Model
- Awardees report periodically to the Commission on their program, including an annual report beginning on May 1, 2017
- The Commission evaluate the effectiveness of the program prior to July 1, 2018, to determine if the program should be continued in general, or for individual hospitals
- The Commission utilize external resources in collecting and evaluating proposals, reporting on the results of implementing the program, and assisting in evaluating its effectiveness

Following Commission approval of the awards, staff will provide each awardee with a template for monitoring and reporting on the performance of the programs in meeting the goals of the All-Payer Model and consistency with the application proposal. 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. Pursuant to the Commission mandate, staff will review the program before June 30, 2018, on each hospital’s compliance with program requirements and to determine whether the program overall is meeting the Commission’s goals. Staff will propose recommendations to the Commission based on their findings.

APPENDIX

Garrett Regional Medical Center Health Work Force Support Program

Applicant	Garrett Regional Medical Center
Date of Submission:	05/31/2016 original submission, 06/27/2016 revised submission
Health System Affiliation	N/A
Total Rate Request (\$)	\$221,485

Summary of the Proposal

Garrett Regional Medical Center proposes to partner with Garrett College and the Garrett County Health Department to provide health education and care coordination for high utilizers of inpatient care. High utilizers of hospital services are enrolled in “the well patient program” that is managed by a social worker and nurse navigator, who will identify the potential recipients for the PWSDA program.

They will identify high-needs patients from “the well patient program” who could be a good fit for the workforce development program, and enlist the help of Garrett College instructors to train these individuals as community healthcare workers, transport facilitators, or liaisons for medical services. The opportunity to attend the training that will focus on chronic diseases will also be offered to the recipient’s family. Those who complete the training will become hospital staff to provide services in homes, community centers, and local churches. They will also be supervised by community outreach mentors under the auspice of the Garrett County Health Department. Once hospital employees, the recipients will have opportunities for continuing education with tuition remission and, eventually, when they move to other jobs, they will be replaced by other individuals from the region. Over the three year period, the Medical Center will train and hire 5 individuals from deprived areas in Maryland and neighboring West Virginia.

Work Plan

Fall 2015	<ol style="list-style-type: none"> 1. The Well Patient Program was initiated. 2. The hospital’s designated social worker and nurse navigator identified high utilizers of the hospital resources and their specific needs.
Following HSCRC approval of the program	<ol style="list-style-type: none"> 1. Identified patients/program recipients will be trained as CHWs by Garrett College. 2. New trainees, under the supervision of the social worker or nurse navigator, will meet with the patients they will be assisting. 3. Additional two weeks of training on safety practices and infection control. 4. Trained individuals will be deployed in the community. 5. Trainees’ performance will be evaluated annually. 6. Metrics will be collected from the start.



CHESAPEAKE REGIONAL INFORMATION SYSTEM FOR OUR PATIENTS

CRISP Medicare Data Update

HSCRC Commissioners Meeting

September 14, 2016

7160 Columbia Gateway Drive, Suite 230
Columbia, MD 21046
877.952.7477 | info@crisphealth.org
www.crisphealth.org



Data Supports the Waiver Amendment

Maryland has proposed an Amendment to the All-Payer Model that will provide access to the following **tools**:

- **Detailed, person-centered Medicare data (beyond hospital data across care continuum) for care coordination and care redesign**
- **Medicare Total Cost of Care data for planning and monitoring**
- Approvals for sharing resources for care coordination and care improvement
- Approvals for hospitals to share savings with non-hospital providers



Data Supports the Waiver Amendment

Current initiatives:

- HSCRC case mix-driven PaTH and High Utilizer reporting
- GBR PSA level TCOC reports (KPMG) – available this month
- Patient-level (but not identifiable) episodes analysis (hMetrix) – available by mid-October
- CMS CCLF Data (patient identifiable) available to hospitals and CRISP as of 1/1/17



Proposed Vendor Requirements

Medicare Data System

- Land Medicare data in a secure repository where it is accessible for desired downstream uses
- Transform data to create consistent, standard elements according to industry standards and best practices
- Consume data in a variety of potential methods
- Integrate to enable appropriate flow of data across the entire system

Analytics Engine

- Provide/develop/apply an analytics engine(s) to generate a suite of reports to primarily health care provider



Conceptual Model and Analytics Sets

Analytics Set #1: Hospital Information Delivery Product: refinements and ongoing support to the hospital information delivery product; allow for certain data extracts as permissible by CMS

Analytics Set #2: Data for HSCRC Administrative and Monitoring Functions: analytics for program monitoring and administration by hospitals and the HSCRC and other program administration entities; HSCRC and CRISP will determine data specifications early in the Phase of effort

Analytics Set #3: Information Delivery Product for Other Providers: provide/develop and deliver reports to support care coordination use cases with ambulatory practices and other non-hospital providers

Analytics Set #4: Information for CRISP Functions: provide analytics for CRISP administration/ monitoring of the solution through metadata; conceptualize integration strategies with other CRISP data and services



RFP Process On Schedule

Event	Approximate Dates	Notes
CRISP Issues RFP	June 22, 2016	Any proposal updates will be issues on the CRISP website
Bidders Conference	June 29, 2016	1pm ET
Intent to Respond	July 8, 2016	Email to Laura Mandel Laura.Mandel@crisphealth.org
Clarifications and Q&A	July 15, 2016	Ongoing then finalized on CRISP website
Vendor RFP Responses Due to CRISP	August 10, 2016	Email proposals by 5pm ET to Laura Mandel Laura.Mandel@crisphealth.org
Prescreen Responses	August 16, 2016	Bill, Craig, Mary, Laura Select 6 – 8 vendors
Selection Committee Meets	August 26, 2016	Select 3 – 4 vendors
Vendor Interviews and Demonstrations, Reference Review	September 12-16, 2016	CRISP will contact selected bidders to schedule interviews
CRISP Issues Final Specifications	September 23, 2016	Final specifications emailed to selected bidders
Vendors Submit Final Response and Financial Bid/BAFO	September 30, 2016	Responses submitted to Laura Mandel Laura.Mandel@crisphealth.org
Vendor Selection and Contracting	October 9, 2016	
Prepared to Land Data	January 1, 2017	Estimated delivery date from CMMI



RFP Process Update

- Vendor selection committee selected 5 vendors for in-person interviews/product demonstrations
 - CRISP Staff and CRISP Workgroup Members, (Hospital representatives, HSCRC, MHA)
- Holding in-person interviews and product demonstrations this week, reference calls on going
 - Includes selection committee, plus any additional members of the RAC and Technology Committee
- CRISP Board briefed
- HSCRC Commissioners briefed

Title 10 DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Subtitle 37 HEALTH SERVICES COST REVIEW COMMISSION

Chapter 10 Rate Application and Approval Procedures

Authority: Health-General Article, §§ 19-201, and 19-211; Annotated Code of Maryland

NOTICE OF PROPOSED ACTION

The Health Services Cost Review Commission proposes to add Regulation .07-2 under **COMAR 10.37.10 Rate Application and Approval Procedures** . This action was considered and approved for promulgation by the Commission at a previously announced open meeting held on September 14, 2016, notice of which was given pursuant to General Provisions Article, § 3-302(c), Annotated Code of Maryland. If adopted, the proposed regulation will become effective on or about January 16, 2017.

Statement of Purpose

The purpose of this action is to designate those outpatient services provided at a freestanding medical facility that are subject to Health Services Cost Review Commission rate regulation in conformance with newly enacted law.

Comparison of Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

See Statement of Economic Impact.

Opportunity for Public Comment

Comments may be sent to Diana M. Kemp, Regulations Coordinator, Health Services Cost Review Commission, 4160 Patterson Avenue, Baltimore, Maryland 21215, or (410) 764-2576, or fax to (410) 358-6217, or email to diana.kemp@maryland.gov. The Health Services Cost Review Commission will consider comments on the proposed regulation until November 14, 2016. A hearing may be held at the discretion of the Commission.

.07-2 Outpatient Services – Freestanding Medical Facility

A. Definition. In this regulation, “freestanding medical facility” means a freestanding medical facility licensed under Subtitle 3A of Title 19 of the Health-General Article.

B. The following outpatient services provided at a freestanding medical facility are considered “hospital services” under Health-General Article §19-201:

- (1) Emergency Services
- (2) Observation Services
- (3) Associated Ancillary Services, such as laboratory, radiology, imaging, EKG, and Medical/Surgical Supplies and Drugs

C. In accordance with Health-General Article §19-201, Annotated Code of Maryland, the Commission’s rate setting jurisdiction extends to those outpatient services provided at a freestanding medical facility, as designated by the Commission.

D. A freestanding medical facility or a proposed freestanding medical facility that desires to provide a service not designated in paragraph B above (an “undesignated service”) must receive a determination under the provisions of this regulation.

E. Commission Approval.

(1) A freestanding medical facility may not charge a Commission-approved rate for an undesignated service without prior Commission staff approval.

(1) A freestanding medical facility may not open a new outpatient service, relocate an existing outpatient service, or convert an existing outpatient service from regulated or unregulated status without a prior determination from the Commission’s staff as to whether the service constitutes a hospital service subject to Commission rate regulation. A request for determination shall be made in writing at least 60 days before the contemplated action.

F. Upon request for a determination, the Commission’s staff shall:

- (1) Review the information presented;
- (2) Consult with appropriate parties;
- (3) Visit the site of the service as it considers necessary; and
- (4) Notify the freestanding medical facility of its determination as soon as practicable.

G. In deciding whether the service constitutes a “hospital service” subject to Commission rate regulation, Commission staff shall consider, among other things, the following criteria:

- (1) Cost of the service;
- (2) In consultation with Maryland Health Care Commission (MHCC) staff, access to and need for the service in the community;
- (3) Feasibility of providing the outpatient service in the community on an unregulated basis; and
- (4) Impact of the service on the All-Payer Model including, but not limited to, the Total Cost of Care limitations as prescribed in the All-Payer Model Agreement with the Center for Medicare and Medicaid Innovation.

H. Based on the consideration of the criteria stated in §G of this regulation, the Commission staff shall make its determination on the request made under §E of this regulation within a reasonable period of time, taking into account, among other things, whether either a Certificate of Need application to establish a freestanding medical facility or a request for exemption from Certificate of Need to convert a licensed general hospital to a freestanding medical facility is pending before the MHCC and, if so, the time frame for staff to comment to MHCC on the financial feasibility of the proposed project.

I. A freestanding medical facility that fails to obtain, or violates, a staff determination on the regulated status of a given service may be subject to fines for inaccurate reporting under COMAR 10.37.01.03R and paybacks for inappropriate charges made during the time a staff determination on an outpatient service was not obtained or adhered to.

NELSON SABATINI
Chairman
Health Services Cost Review Commission

IMPACT STATEMENTS

PART

A
(check one option)

ESTIMATE OF ECONOMIC IMPACT

_____ The proposed action has no economic impact.

OR

X The proposed action has an economic impact.

I. Summary of Economic Impact.

The purpose of this action is to designate those outpatient services provided at a Freestanding Medical Facility that are subject to Commission rate regulation in conformance with newly enacted legislation.

II. Types of Economic Impacts.	Revenue (R+/R-)	Expenditure (E+/E-)	
			Magnitude
A. On issuing agency:	N/A		
B. On other State agencies:	N/A		
C. On local governments:	N/A		
		Benefit (+)	
		Cost (-)	
D. On regulated industries or trade groups:	+		Moderate
E. On other industries or trade groups:	-		Moderate
F. Direct and indirect effects on public:	+		Moderate

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

D. This assumption is based on the expectation that hospitals will receive Commission approved rates for the outpatient service(s) provide, which are reasonably related to costs incurred.

E. This assumption is based on payers not being able to negotiate rates for these services, but will be required to pay Commission approved rates, which will tend to be higher than rates negotiated.

F. This assumption is based on the expectation that the public will gain access to these services, and that the charges will be certified as reasonable, to be paid by all payers, by the HSCRC.

PART B
(Check one option)

Economic Impact on Small Businesses

 X The proposed action has minimal or no economic impact on small businesses.

or

_____ The proposed action has a meaningful economic impact on small businesses.
An analysis of this economic impact follows.

Impact on Individuals with Disabilities

(Check one option)

 X The proposed action has no impact on individuals with disabilities.

or

_____ The proposed action has an impact on individuals with disabilities as follows:

Opportunity for Public Comment

PART C

(For legislative use only; not for publication)

- A. Fiscal Year in which regulations will become effective: FY 2017.
- B. Does the budget for fiscal year in which regulations become effective contain funds to implement the regulations:
- X YES — NO
- C. If "yes", state whether general, special (exact name), or federal funds will be used:
- 100% Special Funds, Hospital Assessments
- D. If "no", identify the source(s) of funds necessary for implementation of these regulations:
- N/a
- E. If these regulations have no economic impact under Part A., indicate reason briefly:
- N/A
- F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason. These regulations do not target small businesses, but rather the healthcare environment generally.
- N/A

State of Maryland
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hsrc.maryland.gov

TO: Commissioners
FROM: HSCRC Staff
DATE: September 14, 2016
RE: Hearing and Meeting Schedule

October 19, 2016 To be determined - 4160 Patterson Avenue
HSCRC/MHCC Conference Room

November 9, 2016 To be determined - 4160 Patterson Avenue
HSCRC/MHCC Conference Room

Please note that Commissioner's binders will be available in the Commission's office at 11:45 a.m.

The Agenda for the Executive and Public Sessions will be available for your review on the Thursday before the Commission meeting on the Commission's website at <http://www.hsrc.maryland.gov/commission-meetings-2016.cfm>

Post-meeting documents will be available on the Commission's website following the Commission meeting.