maryland
health services
cost review commission

Total Cost of Care Workgroup

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May 25, 2022

Agenda

- CY21/RY23 MPA Adjustment
- CY22 MPA Report Revisions
- Policy Updates
  - CY23 MPA
  - Other Policy Updates
- Savings Analysis through CY2021

CY21/RY23 MPA Adjustment

MPA Adjustment Calculation

- Draft calculation released with this presentation
  - Includes CY22 MPA and MPA MDPCP Supplemental, most recent EQIP and ECIP pre-payments to UMMS
  - Further detail can be found in appropriate program material (within CRS)
  - Need any feedback by 6/3
  - HSCRC to submit final to CMS by 6/1 for 7/1 Effective Date
- Quality adjustment set to zero for 7/1/22 implementation
  - Adjustment will be doubled for second half of RY23 once broader quality approach is determined.

Recap of MPA Adjustment Components

Adjustment	Effective Date	Measurement Window	Payment Window	7/1/2022 Adjustment Reflects	Future Revisions
MPA	Current	Calendar Year	Fiscal Year	CY21	Switch to Geographic/Academic Attribution for CY22/RY24. RY23 Quality adjustment to be entirely applied in 2nd half of the period.
ECIP	Current	Jan to June and July to Dec 6-month windows	Jan to June and July to Dec, 6-month windows.	Final for 6 months ended 12/31/20, Preliminary for 6 months ended 6/30/21	Payments to be made on Calendar Years starting 1/1/23 with CTI payments. Offset will apply.
EQUIP (UMMS Only)*.	Current	Calendar Year	6-month windows	Pre-payment of anticipated CY22 payouts	
MDPCP Supplemental	Current	Calendar Year	Fiscal Year	CY21	Expect to eliminate this adjustment assuming MDPCP Track 3 is approved for CY23
CTIs and Offset	1/1/23	Fiscal Year	Calendar Year	Not Applicable	Results for FY22 will be implemented in the 1/1/23 MPA update

*Reflects funding to UMMS for payment of EQIP incentives to providers, not payment to providers.

CTI Overlaps and MDPCP Supplemental

- Based on industry feedback the following offset approach was applied to avoid duplication between CTIs and MDPCP Supplemental Policy
  - The hospital's supplemental adjustment (either positive or negative) will be reduced by the percentage of MDPCP beneficiaries who are included in the hospital's CTI.
  - The cap on the Supplemental Adjustment penalty will be reduced based on the number of beneficiaries that are in MDPCP that are in the hospital's CTI.
- Policy was applied to CY21 results using Y1 (RY22) CTIs in data shared for this meeting
- Y2 (RY23) CTIs will be used in establishing adjustment for CY22 MPA MDPCP Supplemental Overlap Adjustment

CY22 MPA Report Changes

MPA Y5 Report Changes and Updates

- Streamline MPA Monitoring Reports and Specialized Drill Throughs
- MPA-neutralized payment amounts
- MDPCP Supplemental Adjustment Affiliated Facility added to Hospital Attributed Sandbox
- Updates to Reward (Penalty) Calculator (July release)

Detailed trainings on new MPA Monitoring Reports and Calculators will be provided by CRISP in mid-June

Streamline MPA Monitoring Reports

- Several MPA Monitoring Reports and Specialized Drill-Throughs have been removed
  - Reports are not needed as attribution is no longer based on:
    - Tiered attribution hierarchy
    - Physician plurality of care
  - Reports with little use also eliminated
- All remaining reports are accessible through a single-entry point in CRS Landing Page

MPA-Neutralized Payment Amount

- Historically payments in CCLF claims include the hospital-specific MPA adjustments for the prior performance period
  - e.g. 2020 performance reflected in FY2022 claims
  - With EQIP (UMMS Only) and soon CTI payments flowing through MPA adjustment amounts are much more material
- Effective 1/1/22 all CRS reports using CCLF will reflect amounts with the MPA adjustment neutralized
  - Enables TCOC performance to be evaluated on un-adjusted Medicare payments
  - Going forward performance on all programs evaluated on CCLF (MPA, EQIP, CTI, ECIP) will use this neutralized amount
- Periods prior to CY2022 will not be impacted
  - Avoid changing results that have already been reported
  - Results in a small inconsistency between current and prior periods, as MPA adjustments were historically small, Staff are not concerned about this inconsistency

MDPCP Affiliated Facility added to Sandbox

- New Category in Hospital Attributed Sandbox:
  - MDPCP Supplemental Adj. Affiliated Facility
- Allows tracking of utilization/trends for beneficiaries attributed under MDPCP Supplemental MPA Adjustment policy
  - Attribution based on hospital-submitted Affiliated Providers in MATT
- Evaluate the overlap of beneficiaries from MPA Geographic attribution and MDPCP Supplemental MPA Adjustment Policy

Updates to Reward (Penalty) Calculator

- Reward (Penalty) Calculator updated to include Academic Attribution
- Calculator now split into 3 parts:
  - Geographic Attribution Calculator
    - Includes base/performance trends & capped MPA Reward (Penalty) %
  - Academic Attribution Calculator
    - Includes base/performance trends & capped MPA Reward (Penalty) %
  - Net MPA Y5 Reward (Penalty)
    - Combines trends from Geographic and Academic calculators to calculate total annualized reward/penalty
    - Overall MPA Reward (Penalty) % based on weighted average of Academic and Geographic components (weighted by attributed dollars)
- Calculators will be available in July release

Policy Updates

CY2023 MPA (Y6) Policy Updates

- CY2022 Policy was intended to apply for two years, therefore changes will be minimal but:
  - CMS is requiring an increase in the quality share: HSCRC to propose an increase from 5% to 10%.
  - CMS is requiring additional quality measures
    - HSCRC staff rolling out all-payer population health measures (process starting soon lead by HSCRC quality team)
    - Measures identified will be added to MPA in a similar fashion to the RRIP and MHAC scores currently used
  - Staff expect to eliminate MDPCP Supplemental Adjustment assuming MDPCP Track 3 is approved
  - Based on industry feedback HSCRC to switch from current PSAP approach to 60% ECMAD approach identified as HSCRC's bias in last year's workgroup
- Staff will discuss these changes in more detail in future meetings.

CTI Update

- Year 2 CTIs have now been submitted
- Year 1 completes June 30, 2022
  - Payment adjustments will start 1/1/23.
  - HSCRC will share summary results in the CTI Steering Committee
  - CRISP Learning Collaborative has sponsored an additional evaluation report which will be prepared by Impaq, expect release in Spring 2023.

EQIP Update

New Prometheus Episodes will be added for Year 2, they are:

Specialty	Episode Name	Episode Type
Allergist	Allergic Rhinitis/Chronic Sinusitis	Chronic
	Asthma	Chronic
Dermatologist	Cellulitis, Skin Infection	Complications
	Dermatitis, Urticaria	Complications
	Decubitus Ulcer	Complications
Ophthalmologist	Cataract Surgery	Procedural
	Glaucoma	Chronic
Orthopedist/Orthopedic Surgeon	Low Back Pain	Chronic
	Osteoarthritis	Chronic
	Accidental Falls	Complications
Urologist	Catheter Associated UTIs	Complications
	Urinary Tract Infection	Complications
	Transurethral resection prostate	Complications
	Prostatectomy	Procedural

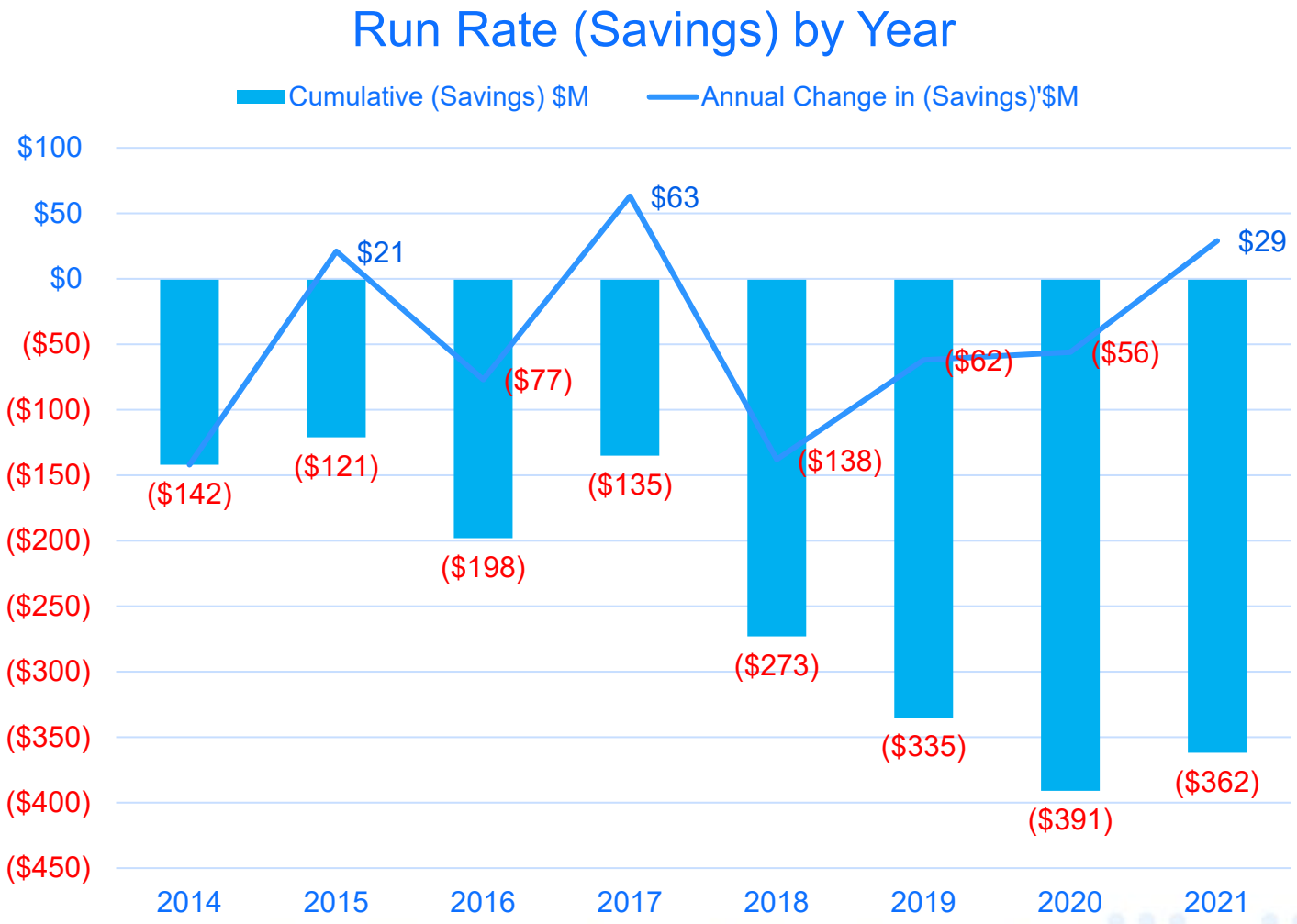
EQIP Update

New ED Initiated Episodes will be added for Year 2, they are:

ED Episodes	
Chest Pain	Pneumonia
Atrial Fibrillation	Asthma/COPD
Deep Vein Thrombosis	Skin & Soft Tissue Infection
Abdominal Pain & Gastrointestinal Symptoms	Syncope
Diverticulitis	Fever, Fatigue or Weakness
Hyperglycemia with Diabetes Mullitus	Shortness of Breath
Dehydration & Electrolyte Derangements	Hyperglycemia
Urinary Tract Infection	Skin and soft tissue infections
Nephrolithiasis	Deep vein thrombosis

Savings Analysis Through CY2021

Official Savings Test - Run Rate (Savings) by Year



- Maryland's results have typically fluctuated by year for the first 5 years.
- 2021 results are unfavorable after 3 straight years of favorable results
- We have exceeded our run rate requirement from CMS in 2021 of $222M
- This slide is based on CMMI national reporting and will not tie to other slides in this presentation.
- Includes Part C savings (~$16 M in 2021), Staff have been excluding them from most analyses as the amount is based on a single year calculation and does not carry forward.

maryland health services cost review commission

Background on Detail Savings Analysis

- Analysis reflects through CY 2021 with 3 months' run out
- Analysis focuses on comparing 2021 to 2019 as trend into and out of 2020 are distorted by the shutdowns during 2020
- Comparison is to US total with no risk adjustment or modification - reflects overall scorekeeping approach
- Visit counts are based on a count of services and are intended as approximations
- IP reflects patient day count, except where noted.

Background on Detail Savings Analysis (Cont)

- Analysis based on comparison of Maryland trend to US trends in 5% sample in each cost bucket and differs from the amounts disclosed in Commission reporting
  - Impact of differing MD versus National mix between cost buckets is not shown
  - 5% sample does not tie to CMMI true national numbers used in overall scorekeeping
  - Part C savings not reflected in detail analysis
  - National MSSP costs are not reflected in the detail analysis (~$58 M)
- All national MSSP costs were added in 2020 when agreement about their inclusion was reached with CMMI.
  - But these costs were accrued over a much longer period, this makes 2020 and subsequent periods artificially favorable versus 2019.
  - Excluding the addition of MSSP and Part C, the official test would show a deterioration in savings from 2019 to 2021 of approximately $45 M (2021 = $362 M - $58 M - $16 M = $288 M, 2019 = $335 M - $2 M = $333). Increasing MDPCP fees was a significant driver of this deterioration.

Savings, 2013 to 2019 vs 2019 to 2021

	2013 to 2019, Average		2019 to 2021, Average	
	Average Run Rate (Savings) Cost $ M	% of Savings	Average Run Rate (Savings) Cost $ M	% of Savings
Inpatient Hospital	($37)	59.0%	$79	218.9%
SNF	($6)	9.5%	($3)	-9.2%
Home Health	$8	-12.3%	$0	0.3%
Hospice	$3	-5.5%	($11)	-30.2%
Total Part A	**($31)**	**50.7%**	**$65**	**179.7%**
Outpatient Hospital	($59)	94.9%	($95)	-262.0%
ESRD	($2)	3.5%	$7	18.0%
Outpatient Other	($4)	5.9%	($5)	-13.5%
Clinic	($0)	0.1%	($1)	-1.4%
Prof Claims	$34	-55.1%	$65	179.2%
Total Part B	**($31)**	**49.3%**	**($29)**	**-79.7%**
Total	**($62)**		**$36**	

- Inpatient Hospital and Part B professional claims are driving Excess Cost in 2021 offset by Outpatient Hospital Savings
- ~$115M of the 2019 to 2021 Professional Claim Incremental Cost is due to increases in the MDPCP Program Cost

Note: amounts above reflect change in each individual bucket, mix impact of different shares of each bucket would also impact overall savings, also amounts represent 5% sample data and exclude adjustment for MSSP and Part C. The official savings test equivalent to the $36 M in average dissavings shown on this slide is $22M average dissaving.

Amounts may not add up due to rounding.

Overview of Savings, growth rates

	% of MD Spend	MD CAGR 2013-19	MD CAGR 2019-21	National CAGR 2013-19	National CAGR 2019-21
Inpatient Hospital	36.48%	-0.36%	2.21%	0.58%	0.11%
SNF	6.07%	-2.14%	3.30%	-1.23%	3.83%
Home Health	2.91%	1.85%	-1.14%	-0.72%	-1.17%
Hospice	2.07%	3.99%	-2.01%	2.43%	2.71%
Total Part A	47.54%				
Outpatient Hospital	15.90%	3.34%	0.06%	6.58%	5.66%
ESRD	1.99%	1.38%	-5.34%	2.28%	-8.29%
Outpatient Other	1.18%	4.58%	-2.45%	7.22%	1.26%
Clinic	0.15%	8.53%	0.06%	9.09%	3.28%
Professional Claims	33.25%	3.87%	6.95%	2.72%	4.89%
Total Part B	52.46%				

- Maryland Inpatient Hospital is growing faster in MD due to Corridor Relief & US Utilization related to COVID-19
- Maryland OP hospital continues to grow much more slowly than the nation
- MD 2021 Professional Claim trend is well over US in 2021 due to increases in MDPCP Fees

CAGR = Compound Annual Growth Rate, amounts may not add up due to rounding. % of spend reflects 2021 values

Inpatient Savings Drivers

	Metrics: 2013 to 2019 (Decrease) Increase			Metrics: 2019 to 2021 (Decrease) Increase		Savings In $M		
						2013 to 2019	2019 to 2021	2013 to 2021
Area	Metric	MD Impact	National Impact	MD Impact	National Impact	(Savings) Dissavings	(Saving) Dissavings	Total (Savings) Dissavings
Admits	Decrease in Admits per 1000	(68.9)	(34.2)	(34.2)	(42.8)	($397)	$78	($318)
Length of Stay (Acuity Normalized)	Increase (Decrease) in LOS	(0.2)	(0.7)	0.3	0.2	$262	$14	$277
Unit Cost	Increase in Cost/Day	$429	$553	$296	$264	($158)	$39	($120)
Acuity (MS-DRG weights)	Increase in CMI	0.18	0.17	0.08	0.08	$67	$10	$77
Mix Impact						$7	$17	$23
			Total			($219)	$159	($61)

- 2021 Admits per K growth in MD relative to the Nation drove dissavings over 2019 followed by Unit Cost (corridor relief).

MD vs Nation, Outpatient Hospital, CAGR, '19 to '21

2013 to 2019	2019 to 2021						
Cumulative (Savings) Costs $M		% of Spend	MD Above (Below) National			Run Rate (Savings) Cost, $M	% of Savings
			Utilization	Unit Cost	Total		
($137)	Part B Rx	22.49%	-4.82%	-13.89%	-18.04%	($66)	34.76%
($26)	Imaging	11.61%	-7.48%	-2.66%	-9.94%	($18)	9.30%
($9)	Proc-Major Cardiology	9.93%	0.31%	-4.70%	-4.40%	($3)	1.66%
($32)	Proc-Minor	8.34%	-5.65%	-10.12%	-15.19%	($17)	9.20%
($80)	E&M - ER	7.95%	-1.85%	-2.80%	-4.60%	($6)	3.06%
$3	Proc-Major Orthopaedic	6.90%	-9.43%	-19.41%	-27.01%	($19)	10.13%
($2)	Proc-Major Other	5.77%	-11.13%	8.50%	-3.58%	($2)	1.07%
$62	Lab	5.35%	-7.12%	-2.58%	-9.52%	($20)	10.28%
($63)	E&M - Other	5.27%	-1.63%	3.01%	1.33%	$2	-1.12%
($9)	Proc-Endocrinology	5.21%	-6.60%	-3.97%	-10.31%	($6)	3.16%
($15)	Proc-Ambulatory	4.37%	-5.77%	4.63%	-1.41%	($1)	0.42%
($18)	Proc-Oncology	3.62%	-14.20%	4.08%	-10.70%	($11)	5.86%
($7)	Proc-Eye	1.51%	-7.65%	-3.70%	-11.07%	($2)	0.86%
$6	Other Professional	1.40%	-8.46%	9.60%	0.33%	$1	-0.38%
$11	DME	0.28%	-9.68%	-16.60%	-24.67%	($22)	11.65%
$0	Proc-Dialysis	0.01%	-11.46%	-11.03%	-21.23%	($0)	0.07%

- Nearly all hospital OP categories generated savings with Part B Rx the biggest driver.

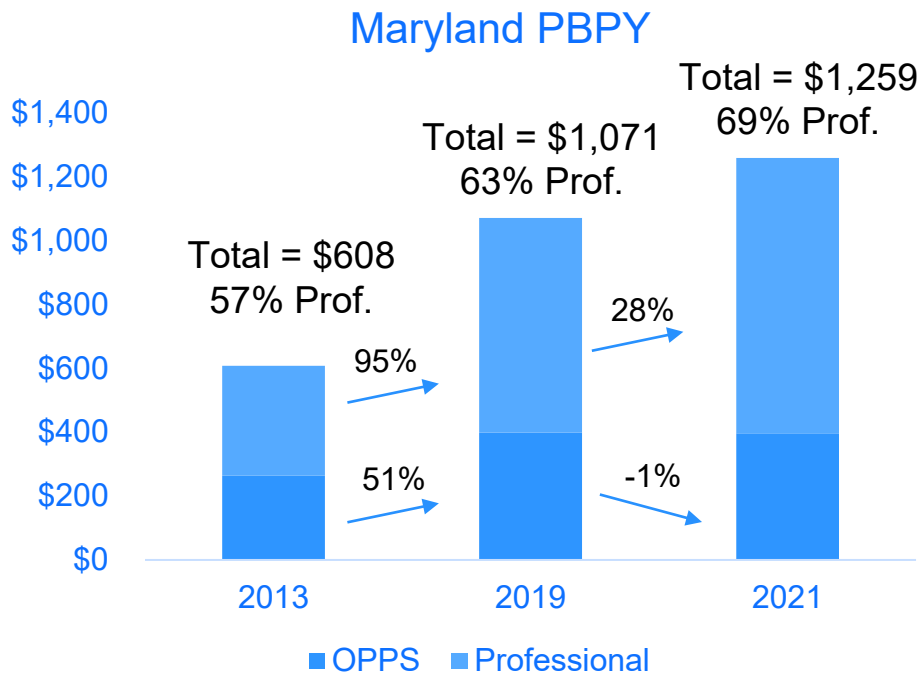
MD vs Nation, Professional, CAGR, '19 to '21

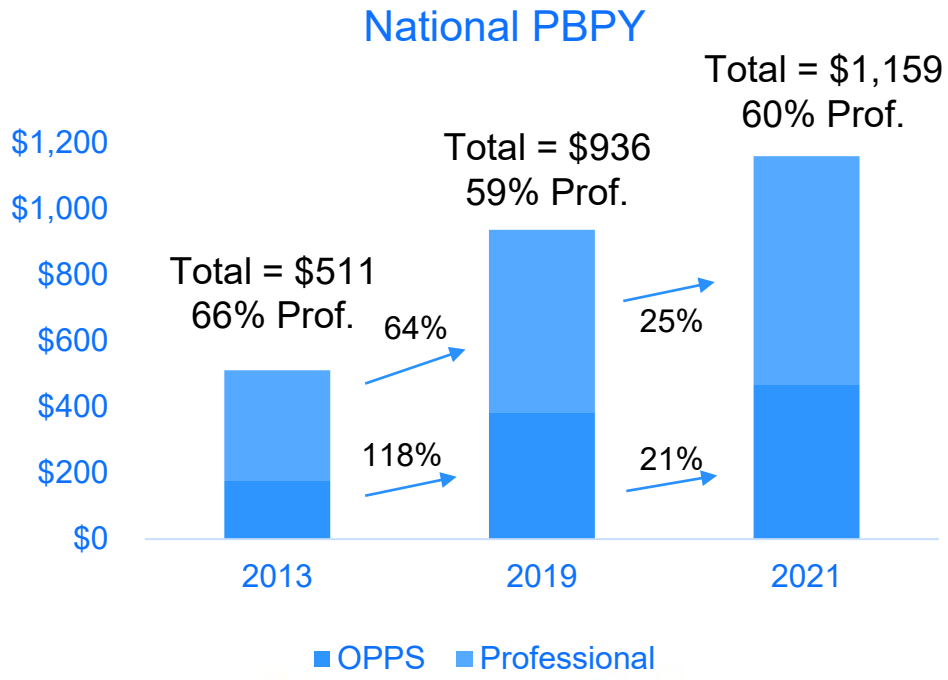
2013 to 2019	2019 to 2021						
Cumulative (Savings) Costs $M		% of Spend	MD Above (Below) National			Run Rate (Savings) Cost, $M	% of Savings
			Utilization	Unit Cost	Total		
$4	E&M – Specialist	19.28%	2.15%	0.16%	2.31%	$15	11.65%
$81	Part B Rx	18.32%	-1.40%	3.68%	2.23%	$14	10.93%
$55	E&M - PCP	12.19%	7.77%	12.24%	20.96%	$94	72.39%
$14	Lab	9.60%	2.64%	3.06%	5.78%	$19	14.79%
$10	Imaging	6.56%	0.92%	0.68%	1.60%	$4	3.40%
($1)	DME	6.14%	1.53%	-4.33%	-2.86%	($4)	-3.31%
$10	Other Professional	6.04%	3.55%	-0.65%	2.88%	$4	3.36%
$7	Proc-Minor	5.69%	-4.26%	0.84%	-3.45%	($7)	-5.23%
($6)	ASC	3.95%	-2.50%	4.72%	2.09%	$3	2.54%
($6)	Proc-Ambulatory	2.82%	-7.99%	4.64%	-3.72%	($3)	-2.45%
$3	Proc-Major Other	1.85%	15.16%	-12.68%	0.56%	$0	0.29%
$26	Proc-Major Cardiology	1.51%	-0.13%	-11.12%	-11.23%	($10)	-7.33%
($2)	Proc-Eye	1.45%	-2.99%	1.22%	-1.81%	($1)	-0.59%
($2)	Proc-Major Orthopaedic	1.34%	-4.57%	2.99%	-1.72%	($1)	-0.51%
($2)	Proc-Endocrinology	1.29%	-4.13%	-2.20%	-6.23%	($2)	-1.75%
$10	Proc-Oncology	1.29%	4.50%	-3.33%	1.02%	$0	0.37%
($1)	Proc-Dialysis	0.67%	5.09%	3.25%	8.51%	$2	1.46%

- E&M PCP includes growth in MDPCP fees
- Most non-PCP Professional cost is generating dissavings in 2021

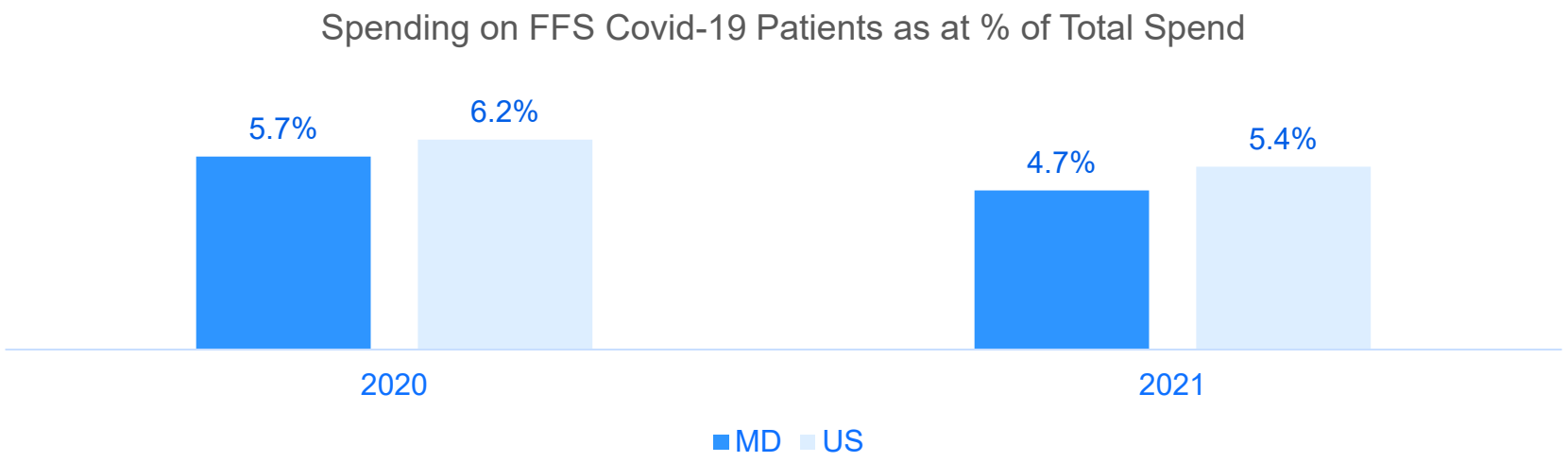
Mix of Part B Drug Spending

- Through 2019 Maryland was successful in shifting Part B Rx to the professional setting going up from 57% professional to 63% professional while the nation dropped from 66% to 59%.
- 2021 continued the pattern, as MD went to 69% professional while national remained essentially flat.

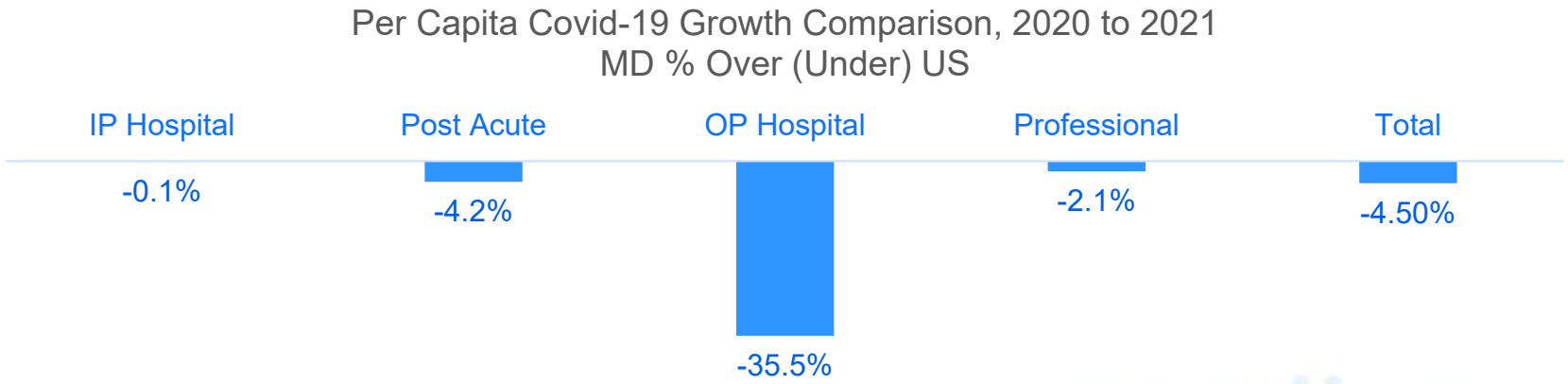




2021 COVID-19 Medicare Spending

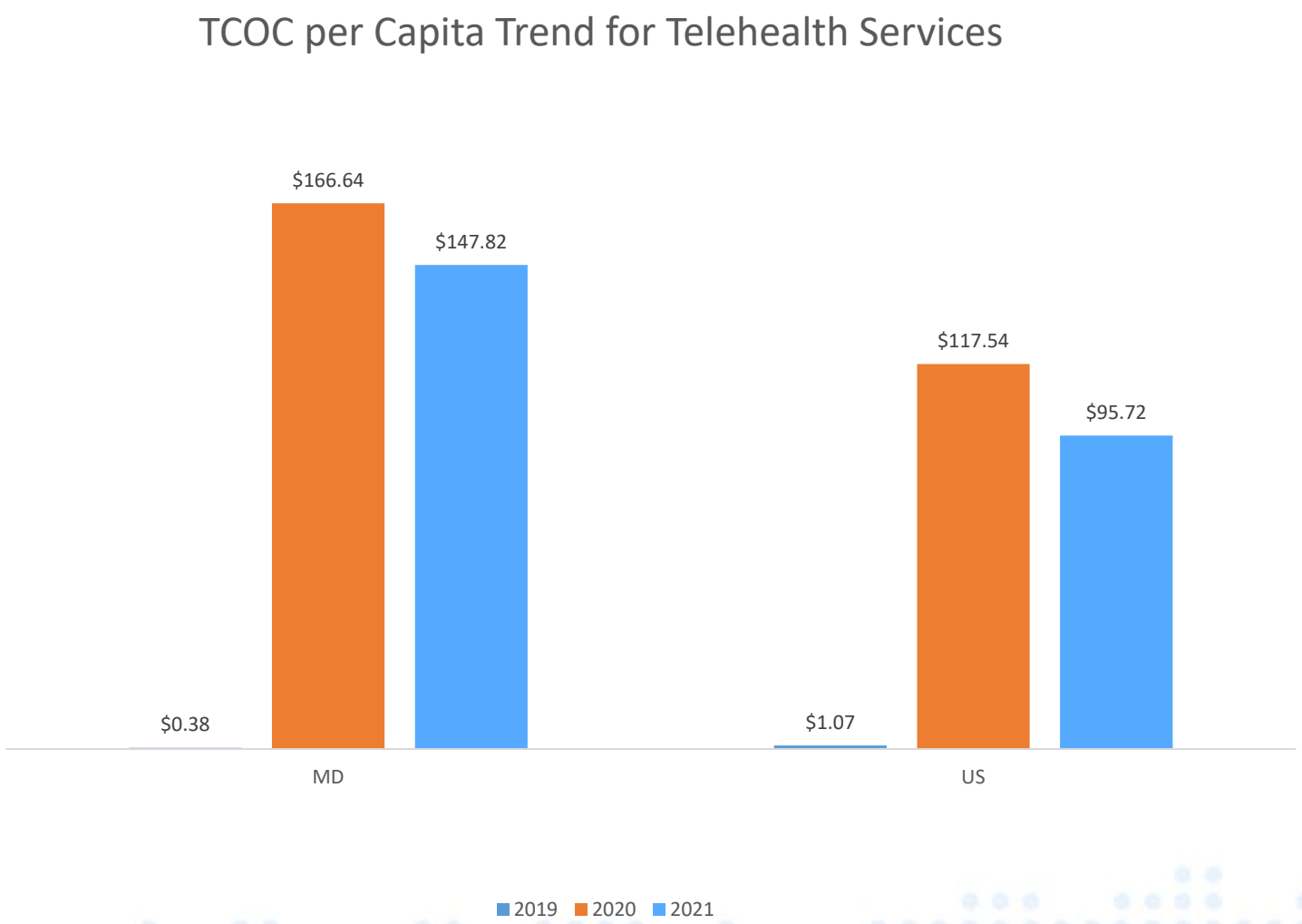


- 4.7% of 2021 MD TCOC per Capita was from Claims with Covid-19 diagnosis (US was 5.4%)



* Includes all patients with a confirmed COVID Dx for IP and Post Acute and all Patients with a confirmed COVID Dx or COVID Exposure for OP and Professional. COVID exposure only accounts for about 12% of 2020 spending and 7% of 2021 COVID spending.

2021 Telehealth Trend, MD vs US



- MD ranked 5th in 2021 Tele-Health Cost per Capita behind MA, NY, CA & DC
- Telehealth was 1.1% of MD TCOC per Capita in 2021, 1.3% nationally

High Level Summary of Savings Impact

- While there are varying ways to calculate and allocate savings, savings can generally be attributed to the following ($ in M):

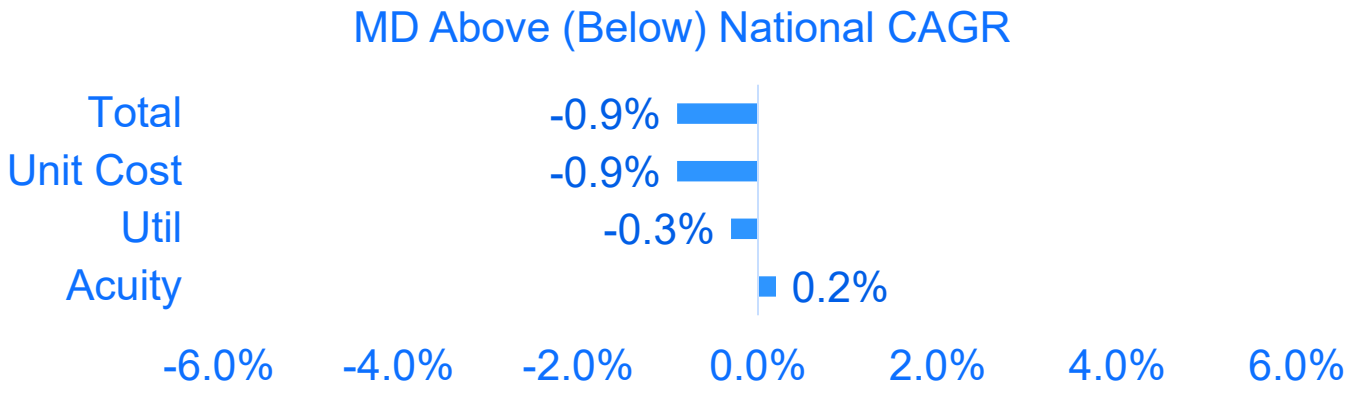
IP: Reduced IP admits and cost per day somewhat offset by higher LOS	$59
OP Hospital (excl. ED & Part B Rx): Reductions in imaging, minor procedures, hospital clinics	$279
PAC: Skilled Nursing, Home Health & Hospice	$0
ED: Reduction in ED per Visit Costs	$74
Part B Drugs: Shift to lower cost, office POS	$114
MDPCP Fees	($142)
Other Professional: Additional Primary Care plus Specialists and other professional categories	($70)
Other	($14)
Net Savings as measured using the 5% sample	$300
National MSSP Spending	$58
Part C Savings	$16
True Up to Official Test	($12)
Net Savings	$362

Next Meeting: July 27, 2022

Appendix

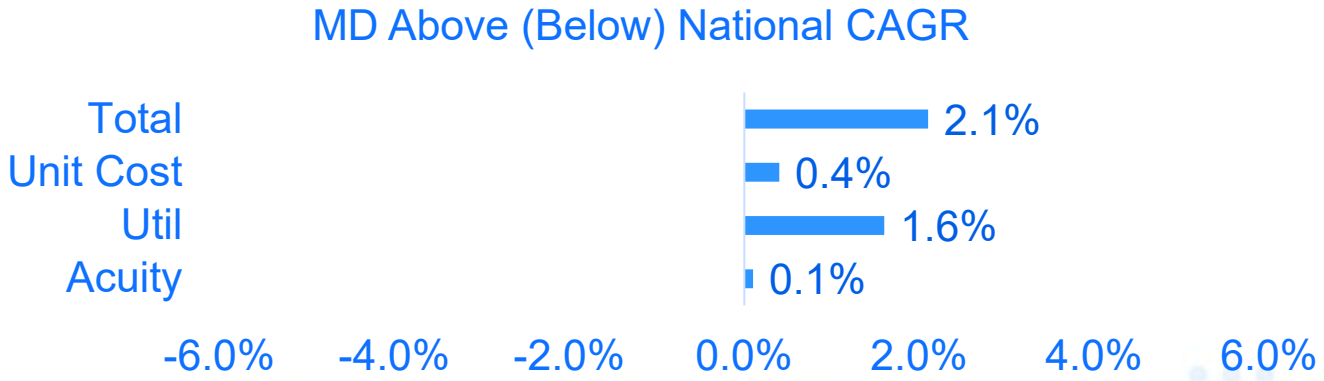
Inpatient Cost by Source (Days as Units)

2013 to 2019 CAGR, IP Utilization and Cost per Day



CAGRs	Utilization	Unit Cost	Acuity	Total
MD	-2.9%	0.8%	1.9%	-0.4%
National	-2.7%	1.7%	1.7%	0.6%
MD Above (Below) National	-0.3%	-0.9%	0.2%	-0.9%

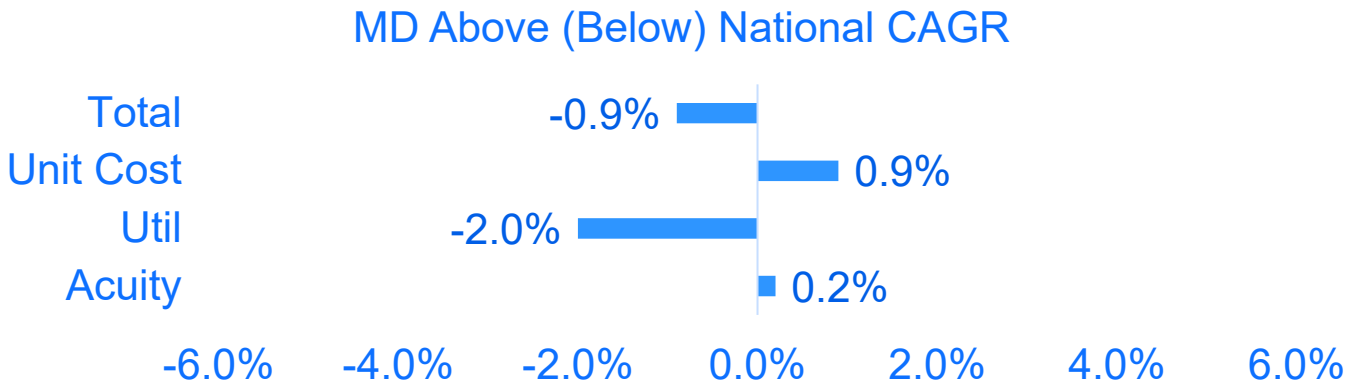
2019 to 2021 CAGR, IP Utilization and Cost per Day



CAGRs	Utilization	Unit Cost	Acuity	Total
MD	-2.5%	2.5%	2.4%	2.2%
National	-4.1%	2.1%	2.2%	0.1%
MD Above (Below) National	1.6%	0.4%	0.1%	2.1%

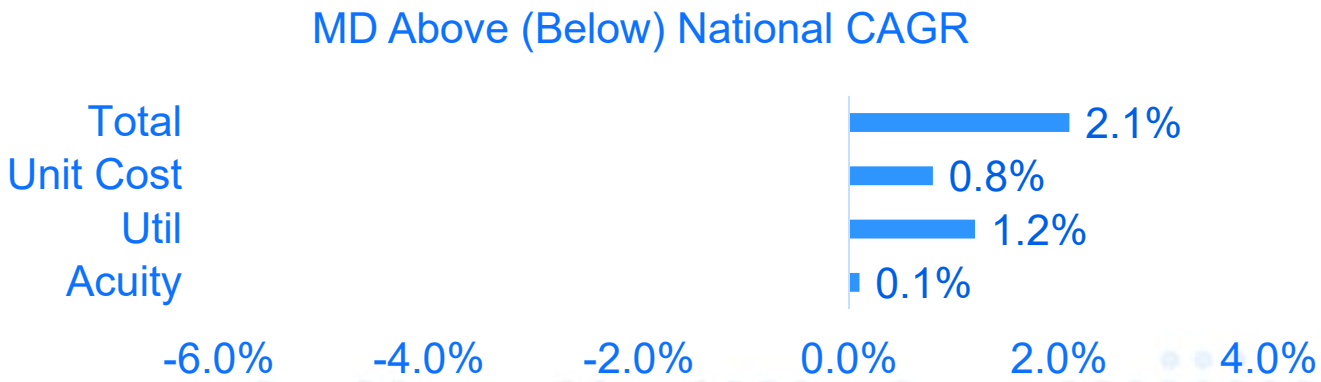
Inpatient Cost by Source (Admits as Units)

2013 to 2019 CAGR, IP Utilization and Cost per Admit



CAGRs	Utilization	Unit Cost	Acuity	Total
MD	-3.9%	1.8%	1.9%	-0.4%
National	-1.9%	0.9%	1.7%	0.6%
MD Above (Below) National	-2.0%	0.9%	0.2%	-0.9%

2019 to 2021 CAGR, IP Utilization and Cost per Admit



CAGRs	Utilization	Unit Cost	Acuity	Total
MD	-7.0%	7.4%	2.4%	2.2%
National	-8.1%	6.6%	2.2%	0.1%
MD Above (Below) National	1.2%	0.8%	0.1%	2.1%

MD vs Nation, OP Hosp. CAGR, ‘13 to ‘19

		MD Above (Below) National				
	% of US Spend	Utilization	Unit Cost	Total	Run Rate (Savings) Cost, $M	% of Savings
Part B Rx	20.7%	16.4%	68.2%	-30.8%	($137)	38.7%
Imaging	12.6%	-13.7%	-1.0%	-12.9%	($26)	7.3%
E&M - ER	10.2%	-36.3%	-1.7%	-35.2%	($80)	22.8%
Proc-Major Cardiology	10.1%	-9.5%	2.9%	-12.0%	($9)	2.6%
Proc-Minor	8.8%	-12.0%	13.1%	-22.2%	($32)	9.0%
E&M - Other	6.9%	-28.6%	-5.1%	-24.7%	($63)	17.9%
Proc-Major Other	5.9%	3.2%	6.3%	-3.0%	($2)	0.5%
Proc-Endocrinology	5.4%	-11.6%	2.3%	-13.5%	($9)	2.5%
Lab	4.9%	-12.2%	-43.8%	56.2%	$62	-17.4%
Proc-Ambulatory	4.6%	-28.3%	-8.2%	-21.8%	($15)	4.4%
Proc-Oncology	3.8%	-24.1%	-10.5%	-15.2%	($18)	5.0%
Proc-Major Orthopaedic	2.8%	40.1%	24.0%	13.0%	$3	-0.9%
Proc-Eye	1.7%	-44.4%	-20.6%	-29.9%	($7)	1.9%
Other Professional	1.4%	-21.6%	-23.9%	3.0%	$6	-1.7%
DME	0.2%	15.5%	-6.2%	23.1%	$11	-3.1%
Proc-Dialysis	0.0%	-27.4%	-45.5%	33.3%	$0	-0.1%

MD vs Nation, Professional CAGR, ‘13 to ‘19

		MD Above (Below) National				
	% of US Spend	Utilization	Unit Cost	Total	Run Rate (Savings) Cost, $M	% of Savings
E&M - Specialist	19.2%	-2.5%	-3.2%	0.7%	$4	2.1%
Part B Rx	16.1%	4.4%	-11.9%	18.5%	$81	39.5%
E&M - PCP	12.2%	3.6%	-10.2%	15.3%	$55	26.8%
Lab	9.0%	5.5%	0.4%	5.1%	$14	6.8%
Imaging	7.2%	1.5%	-2.3%	3.9%	$10	5.0%
Other Professional	6.9%	3.2%	-3.4%	6.7%	$10	5.0%
DME	6.3%	0.9%	1.5%	-0.6%	($1)	-0.4%
Proc-Minor	6.0%	0.9%	-2.8%	3.8%	$7	3.4%
ASC	3.8%	-1.6%	2.6%	-4.1%	($6)	-2.9%
Proc-Ambulatory	3.0%	-12.1%	-5.6%	-6.9%	($6)	-3.0%
Proc-Major Other	2.1%	-2.4%	-7.0%	5.0%	$3	1.6%
Proc-Major Cardiology	1.7%	-5.4%	-32.5%	40.2%	$26	12.5%
Proc-Eye	1.7%	-3.1%	1.8%	-4.8%	($2)	-1.1%
Proc-Major Orthopaedic	1.5%	-2.2%	1.8%	-3.9%	($2)	-0.8%
Proc-Endocrinology	1.5%	-2.1%	4.3%	-6.1%	($2)	-1.2%
Proc-Oncology	1.3%	18.4%	-8.5%	29.3%	$10	5.0%
Proc-Dialysis	0.7%	-5.1%	-3.4%	-1.8%	($1)	-0.4%