



Maryland Health Services Cost Review Commission

Market Shift Adjustments Update

Payment Models Work Group Meeting 10/05/2015



Market Shift Adjustments

- ▶ Market shift adjustment should not undermine the incentives to reduce avoidable utilization
- ▶ Market shift adjustment should provide necessary resources for services shifted to another hospital
- ▶ Calculations are based on
 - ▶ 66 inpatient and outpatient service lines
 - ▶ Zip codes and county level
 - ▶ Excludes Potentially Avoidable Utilization (Readmissions and PQIs*)
 - ▶ Hospital service line average charge per ECMAD**
 - ▶ 50% variable cost factor applied

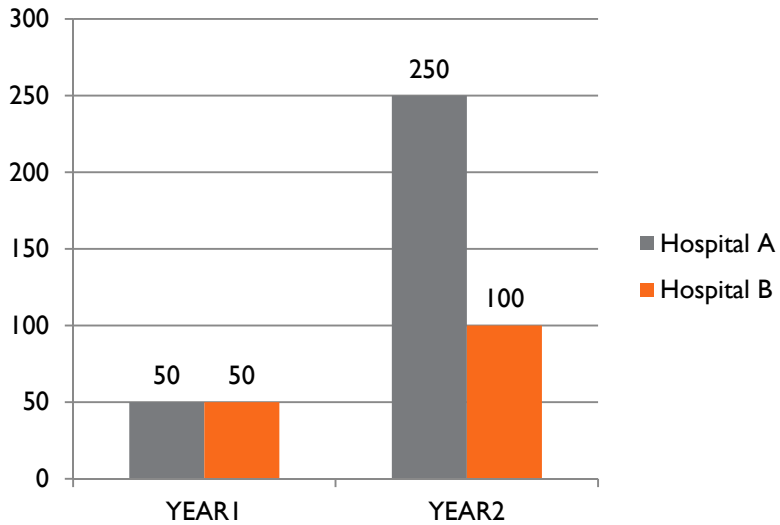
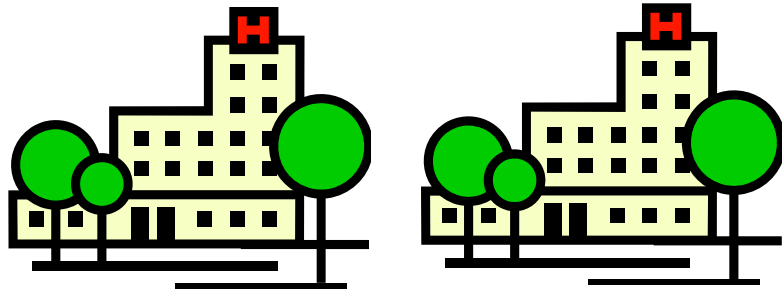
*AHRQ Prevention Quality Indicators

**Equivalent CaseMix Adjusted Discharges

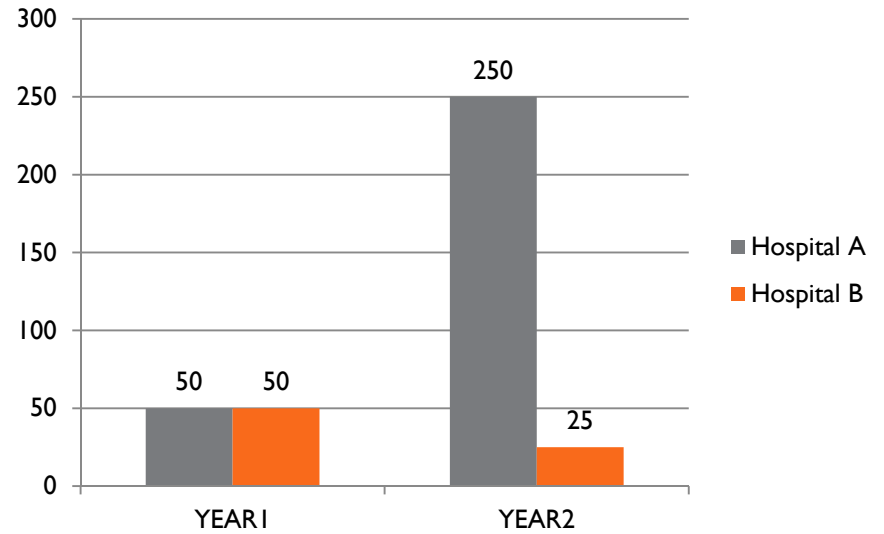
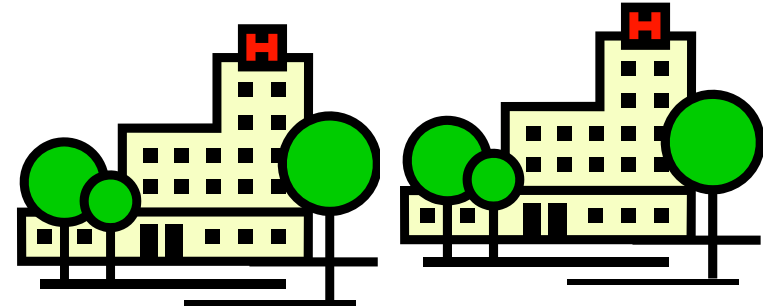
Market Share

vs.

Market Shift



Market Shift Adjustment=0



Market Shift Adjustment=25



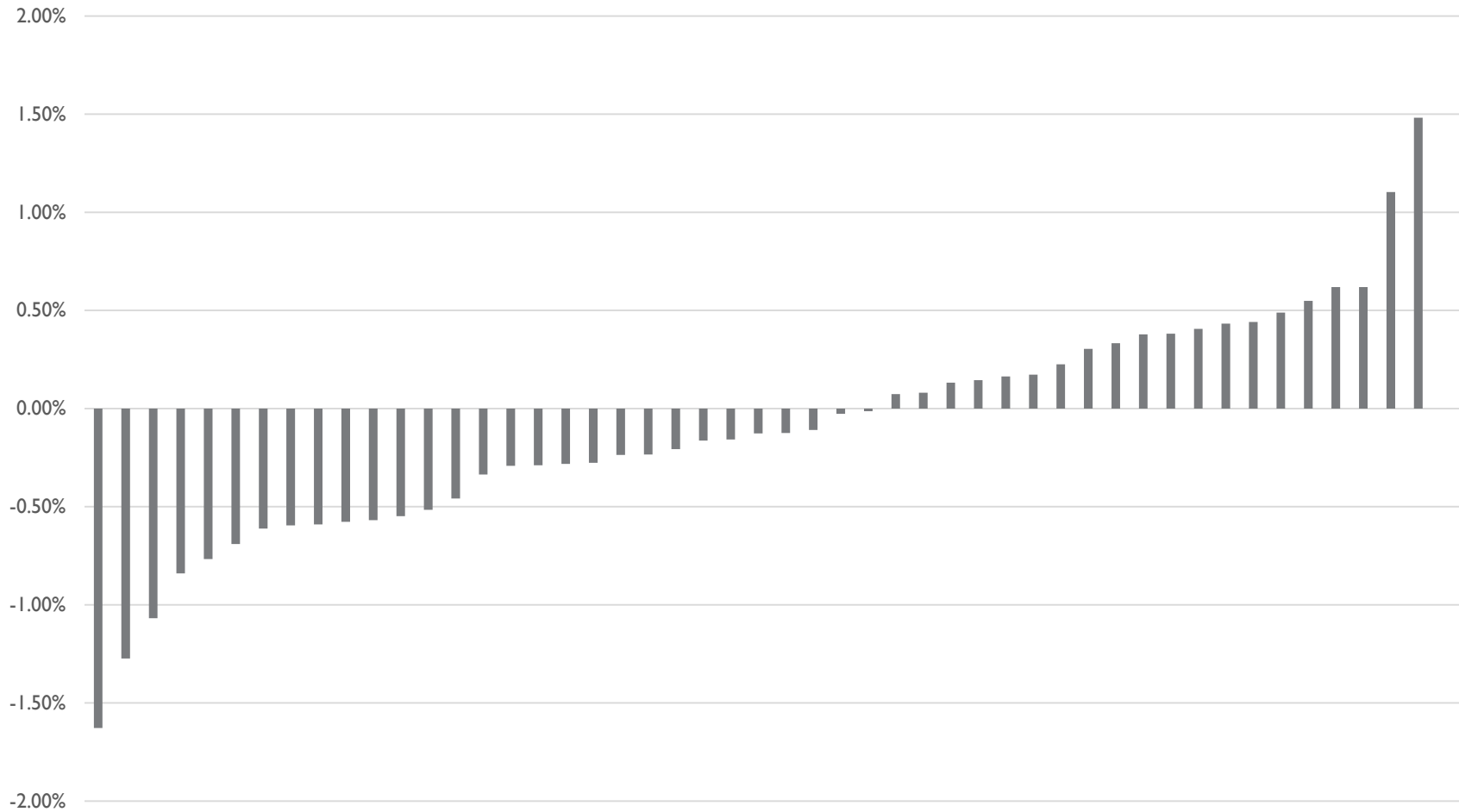
RY 2016 Statewide Impact*

Statewide Impact	FY 16 Market Shift Adjustment Results
A	B
Grand Net Total	-\$756,341
Positive Adjustment Total	\$27,741,411
Negative Adjustment Total	-\$28,497,752
Absolute Adjustment Total	\$56,239,163

*excludes oncology/radiation therapy/infusion service line and other manual adjustments

RX 2016 Hospital Level Impact as % of Revenue

RX 2016 Market Shift Adjustments by Hospital



Technical Report and Reference Materials

<http://www.hscrc.state.md.us/gbr-adjustments.cfm>



Infusion/Chemotherapy/Radiation Therapy

- ▶ Consolidated billing creates a challenge to measure unit of service
- ▶ HSCRC staff aggregated records for the same patients at a single hospital into a single measurement unit
- ▶ Assignment of highest EAPG* and weights are under review

*3M Enhanced Ambulatory Patient Grouping System