



Maryland Health Services Cost Review Commission

**New All-Payer Model for Maryland
Work group Kick-Off Meeting
02/06/2014**

**Advisory Council Report
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Purpose of the Advisory Council

- ▶ Advisory Council was charged with offering guidance and advice on implementing Maryland's newly approved model design
- ▶ Best ways to meet the tight targets in model
- ▶ Setting priorities for implementation
- ▶ Establishing guiding principles
- ▶ Advice based on real-world experience

The Council: Members and Process

- ▶ Council represents hospitals, payers, physicians, and outside experts
- ▶ Kick-off meeting with the Commission
- ▶ Four meetings over the past two months
- ▶ Public meetings and comments taken
- ▶ Council achieved consensus after discussion and debate

1. Focus on Meeting the Early Model Requirements

- ▶ Top priority: meeting the All Payer hospital per capita spending and Medicare savings targets
- ▶ Requires clear timetable, interim milestones, key benchmarks, periodic assessments
- ▶ Global payment is the tool of preference
- ▶ Reducing avoidable utilization through better care is the key to meeting tight targets

2. Meeting Budget Targets, Investments in Infrastructure, and Providing Flexibility for Private Sector Innovation

- ▶ Balance need for near-term cost control with need for infrastructure investments
- ▶ Incentives for hospitals to meet and exceed the targets; retain, reinvest savings
- ▶ Need secure funding source to finance new investments: new data, HIT, care coordination
- ▶ Provide compilation of best practices

3. HSCRC as a Regulator, Catalyst, and Advocate

- ▶ HSCRC should be effective regulator, catalyst for reforms, and advocate for needed support
- ▶ Collect, synthesize, and interpret data
- ▶ Allow flexibility for health care sector to devise and implement successful strategies
 - ▶ Preference for performance standards
 - ▶ Avoid multi-layered design standards
- ▶ Strong incentives for discovery & innovation

4. Consumer Involvement in Planning and Implementation

- ▶ HSCRC should actively engage consumers
- ▶ Need to guard against under-use as well as over-use of health services
- ▶ Incorporate quality improvement, safety goals

5. Physician and Other Provider Alignment

- ▶ Strong physician engagement and alignment
- ▶ HSCRC should charge Work Group on this
- ▶ HSCRC should support Shared Savings models
- ▶ Understand the importance of medical malpractice reform to meeting model goals

6. Transparency and the Public Engagement Process

- ▶ Ongoing, transparent public engagement will be helpful
- ▶ Support for the establishment of Work Groups focused on technical and operational aspects of implementation

Conclusions

- ▶ Meeting targets will require large-scale transformation of Maryland health system
- ▶ Starting point is quick, widespread adoption of global payments
- ▶ Success requires identifying and better serving high-need patients
- ▶ Council looks forward to working with HSCRC