



# Summary of Planning Grants to Promote Regional Partnerships for Health System Transformation under BRFA of 2014

April 2015

Payment Models Work Group

## Background--Funding to Support Implementation of All-Payer Model

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- ▶ 2014 Budget Reconciliation and Financing Act established the option “to fund statewide or regional proposals that support the implementation of Maryland’s all-payer model contract”
- ▶ Up to \$15 million during FY 2015
- ▶ Funded through hospital rates

# HSCRC's Infrastructure Focus

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- ▶ HSCRC convened an Advisory Council to advise on implementation of new All-Payer Model
- ▶ Advisory Council indicated the need to focus first on meeting the new waiver tests, but to invest for the sustainability of the model. In particular, to focus on:
  - Physician alignment
  - High needs patients and related care coordination infrastructure
- ▶ **3 Approaches to use of Funds to Accomplish Goals:**
  - ▶ Regional Planning Grants
  - ▶ Statewide Infrastructure
  - ▶ Evaluation and Planning Resources

# Planning Grants for Regional Partnerships for Health System Transformation

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- ▶ Regional approach is needed to assure focus on needs, patient centered focus, and coordination of resources between hospitals, physicians and community health
- ▶ DHMH and HSCRC released an RFP for funding to support planning, development initiatives, and operational plans for regional partnerships for health system transformation
- ▶ Proposal should include developing care coordination and population health priorities, determining what resources are needed and available, and how resources and strategies should be deployed – particular for high needs patients
- ▶ Application due April 15, 2015
- ▶ Grants of up to \$400,000 for 5 or more proposals
- ▶ A review Committee will make recommendations to the Commission on proposals to select

# Funding Guidelines

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- ▶ **Successful proposals will:**
  - ▶ support the purpose of All Payer Model of hospital payment, which is achievement of the three-part aim: improved outcomes, lower costs, and enhanced patient experience;
  - ▶ be scalable as the partnerships demonstrate success;
  - ▶ support coordinated action in areas where uncoordinated action could lead to additional cost and confusion;
  - ▶ have the support of the LHIC(s) in the region; and
  - ▶ help to align other parts of the health care system with the goals of the All-Payer Model.

# Staff Recommendation Pending Before Commission

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- ▶ **Staff Recommends increasing hospital rates in May and June of 2015 to provide up to \$15 million to support:**
  - ▶ Planning grants for regional partnerships for health system transformation (up to \$2.5 million)
  - ▶ Common care coordination infrastructure to provide support on a Statewide basis for specific opportunities to improve care coordination and chronic condition management (up to \$12 million)
  - ▶ The existing engagement of resources to assist (in conjunction with stakeholders) in further evaluation and planning of possible statewide infrastructure and approaches for care coordination and provider alignment (\$1 million)