maryland
health services
cost review commission

Care Transformation Steering Committee

November 2020

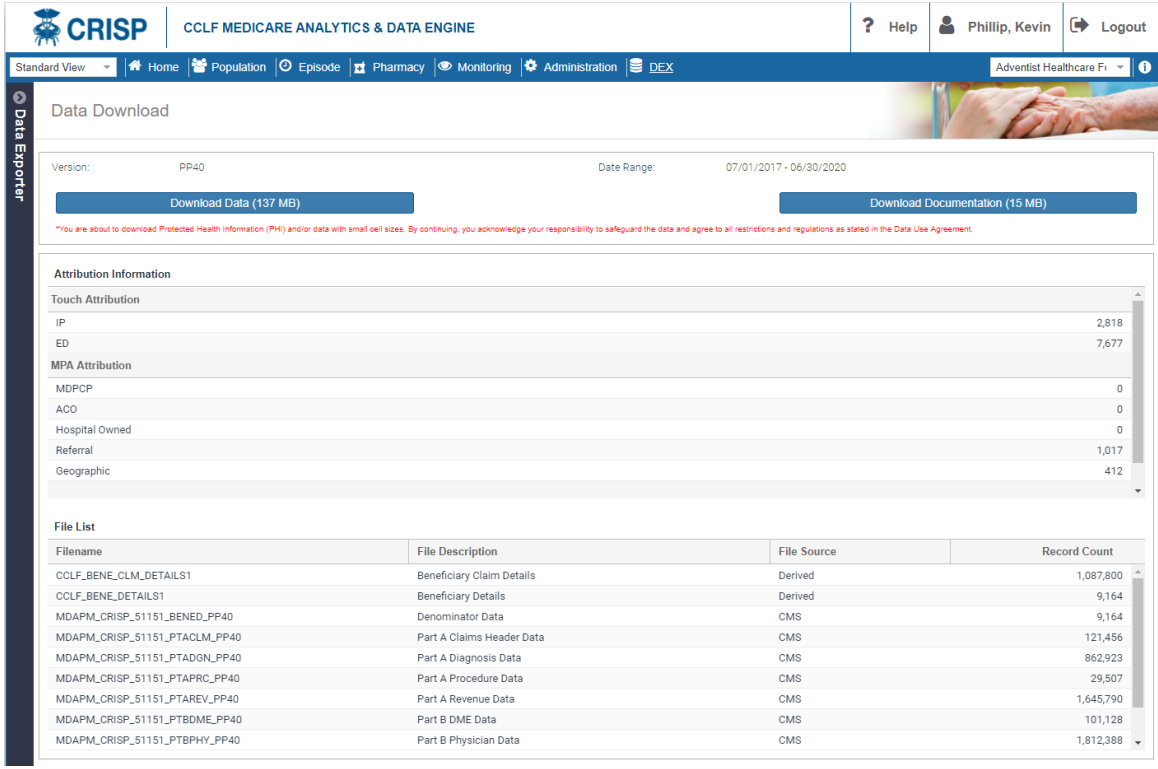
Agenda

1. Data Updates
2. Administrative Updates
3. Minimum Savings Rate
4. Next Steps

Data Updates

DEX – Data Exporter

- The CRISP Reporting Services (CRS) team has released our newest application **DEX** – **D**ata **Ex**porter on Friday, September 25th.
- Embedded within the MADE (CCLF Medicare Analytics Data Engine) application, DEX allows approved hospital users to download the Medicare Claim and Claim Line Feed (CCLF) data files.
- With DEX, Users can download the full rolling 36 months set of CCLF claims data for all Medicare beneficiaries who have 'touched' the hospital during that time period as well as any MPA (Medicare Performance Adjustment) attributed patients approved for view in MADE.
- The available files will contain the exact files and data fields previously available for download via CMS but will also include additional derived fields that are currently available in MADE. Examples of these fields include Chronic Conditions, Dual Eligibility, hAM, and Beneficiary Address.
- Hospital Point of Contacts will designate 2 to 3 DEX users per hospital.



DEX – Phase 2

Part 1: For Episodes in which a hospital participates (ECIP + CTI)

- File 1: Aggregate file with key summary fields for each episode – payment variables by POS, risk score, identifiers and other key flags
- File 2: File mapping from episodes in aggregate file to detail claims in DEX Phase 1 file
- Targeting 4/30/21 Release

Part 2: For Episodes in which a hospital does not participate

- Something similar to File 1 above is being considered
- Interested in feedback on the need, frequency and way to handle large number of potential episodes
- Trying to decide between building a tool and just addressing through ad hoc analytics for non-participating episodes
- Timeline likely beyond 4/30/21

Interested in feedback on this approach in next 30 days

Administrative Updates

Administrative Updates

Intake templates have been received and HSCRC is reviewing those submissions.

- Hospitals submitted 119 CTIs for the first performance period.
- HSCRC will be reaching out over the next couple of weeks to discuss any of the issues identified on the intake templates.

We will begin work on the requested modifications to CTI in late November / December and will reach out to hospitals thereafter.

Timing of the first performance period

There has been some confusion about whether the first performance period will be one year or six months.

- Hospitals do not want to be locked in for an entire year with a population definition that does not work for unexpected reasons.
- However, the minimum savings rates are affected by the number of episodes and a shorter performance period will disadvantage hospitals.

In order to balance these considerations:

- The first performance period will be one year.
- Hospitals will have the option to submit additional CTI for a performance period beginning in July 2021 and lasting the fiscal year.
- A hospital may withdraw a previously submitted CTI at that time but will receive no incentive payments for the withdrawn CTI.

Minimum Savings Rate Policy

Updates to the MSR

Several hospitals made comments on the minimum savings rate schedule, specifically about the “cliff” effect in the MSR.

- For example, moving from 150 to 151 Care Transitions CTI resulted in the MSR moving from 10% to 6%.
- The “buckets” were arbitrary and can be made more granular.

HSCRC will use the MSR schedule shown here, which is based on incrementing the MSR by 0.5 percentage points.

Minimum Savings Rate	Setting Specific CTI	Community Triggered CTI
1.0	> 8977	> 19655
1.5	3991 - 8977	8736 - 19655
2.0	2246 - 3990	4916 - 8735
2.5	1441 - 2245	3146 - 4915
3.0	1001 - 1440	1286 - 3145
3.5	731 - 1000	1606 - 2185
4.0	561 - 730	1231 - 1605
4.5	441 - 560	971 - 1230
5.0	361 - 440	791 - 970
5.5	301 - 360	651 - 790
6.0	251 - 300	551 - 650
6.5	210 - 250	466 - 550
7.0	181 - 210	401 - 465
7.5	161 - 180	351 - 400
8.0	141 - 160	311 - 350
8.5	126 - 140	270 - 310
9.0	111 - 125	246 - 270
9.5	101 - 110	221 - 245
10.0	91 - 100	201 - 220
15.0	< 90	< 200

Evolution of the MSR policy

The MSR is intended to ensure that hospitals are only paid for their success at reducing total cost of care and not statistical variation.

- Initially, HSCRC intended to have a single minimum savings rate for all the hospital's CTI.
- However, it became clear that the variation between CTI would require a relatively high MSR to cover all CTI.

HSCRC has been considering three options for setting the MSR, each of which raise different complexities.

1. Individual MSRs
2. Pooled MSR across CTI
3. "Sequential" Analysis of CTI

Option 1: Individual MSR

The MSR determines the amount of savings the hospital must produce before earning any additional payments.

- The MSR is determined by the number of episodes in the CTI.
- The required savings are calculated by multiplying the MSR by the total cost of care in the CTI.

Example CTI		
Number of Episodes	A = Input	300
$ per Episode	B = Input	$14,000
Total Cost of Care	C = A x B	$4,200,000
MRS	D = From MSR Table	5.5%
Savings Threshold	E = C x D	$231,000

Option 1: Individual MSR Continued

CTI	# Episodes	TCOC	MSR	Required Savings	Actual Savings	Difference
CTI #1	260	$5,000,000	6.0%	$300,000	$292,000	-$8,000
CTI #2	400	$9,800,000	5.0%	$490,000	-$200,000	-$690,000
CTI #3	275	$6,300,000	6.0%	$378,000	$485,000	$107,000
CTI #4	500	$10,500,000	4.5%	$472,500	$375,000	-$97,500
CTI #5	260	$3,000,000	6.0%	$180,000	$50,000	-$130,000
CTI #6	315	$600,000	5.5%	$33,000	$35,000	$2,000

- Green results exceed the MSR and earn a payment.
- Yellow results are less than the MSR and do not earn a payment even they are positive.
- Red results are negative and do not earn a payment.
- The hospital would earn $520k.

Option 1: Individual MSR Conclusion

The individual MSR's will tend to be higher because the number of episodes is small.

- Some of the number of CTI is due to the way that the intake templates are constructed and not differences in actual populations or clinical interventions.
- Hospitals that produce savings but miss by a small amount do not receive any payments even if combined with large savings elsewhere.
- The policy intention is to combine CTI where actuarially appropriate in order to set an achievable MSR.

Option 2: Pooled MSR

One option to address this issue is pooling pool CTIs for the purpose of calculating the MSR. Under this option:

- The required savings threshold would be equal to the MSR multiplied by the combined total cost of care.
- The savings from the two CTI combined must beat the combined required savings threshold.

This can either help or hurt the hospital depending on the performance of the individual CTI.

Option 2: Pooled CTI

Under the pooled option:

- The MSR would be based off on the combined number of episodes.
- The total cost of care for the two CTI would be added together.
- The savings threshold would be equal to the MSR x the total cost of care.

Example CTI A		
Number of Episodes	A = Input	350
Total Cost of Care	B =Calculation	$14,000
Minimum Savings Rate	C = From MSR Table	$6,300,000
Savings Threshold	D = B x C	6.0%
Example CTI B		
Number of Episodes	E = Input	500
Total Cost of Care	F = Calculation	$14,000
Minimum Savings Rate	G = From MSR Table	$10,500,000
Savings Threshold	H = F x G	4.5%
Combined CTI		
Numer of Episodes	I = A + E	850
Total Cost of Care	L = B + F	$16,800,000
Minimum Savings Rate	M = From MSR Table	3.5%
Savings Threshold	N = L x M	$588,000.0

Option 2: Pooled CTI Continued

CTI #3	Scenario 1	Scenario 2
Total Cost of Care	$6,300,000	$6,300,000
Minimum Savings Rate	6.0%	6.0%
Required Savings	$378,000	$378,000
Actual Savings	$485,000	$485,000
CTI #4		
Total Cost of Care	$10,500,000	$10,500,000
Minimum Savings Rate	4.5%	4.5%
Required Savings	$472,500.0	$472,500
Actual Savings	$375,000	$0
Combined CTI		
Total Cost of Care	$16,800,000	$16,800,000
Minimum Savings Rate	3.5%	3.5%
Required Savings	$588,000	$588,000
Actual Savings	$860,000	$485,000

- Green results exceed the MSR.
- Yellow results are positive but do not exceed the MSR.
- Red results are $0 or negative.
- Under some scenarios, pooling the MSR benefits hospitals but other scenarios can penalize hospitals.

Option 2: Pooled MSR Conclusion

The pooled MSR can result in hospitals being penalized for negative (or zero) savings in some of their individual CTI.

- This is equivalent to individual CTI episodes being aggregated up to the CTI level. This may be appropriate for similar CTI.
- However, two very different CTI could offset one another, which was not an intention of the policy.

The pooled MSR would need to be further adjusted to account for differences between the community-based CTI versus the setting specific CTI.

Option 3: “Sequential” MSR Analysis

A final option for the minimum savings rate, is to evaluate the MSRs independently and then all excess savings to carry over to some close CTI. Under this option, the MSR would be evaluated using the following algorithm:

1. CTI would be ranked according to how much they exceeded the required savings
2. Starting from the highest saving CTI:
    1. The total savings will be added together and compared to the sum of the required savings
    2. If the total savings exceeds the total required savings, then another CTI will be added
    3. If not, the hospital earns the total savings from all of the combined CTI

Option 3: “Sequential” MSR Analysis

CTI	# Episodes	TCOC	MSR	Required Savings	Results	Difference	Cumulative TCOC	Required Savings	Cumulative Savings
CTI #3	275	$6,300,000	6.0%	$378,000	$485,000	$107,000	$6,300,000	$378,000	$485,000
CTI #6	315	$600,000	5.5%	$33,000	$35,000	$2,000	$6,900,000	$411,000	$520,000
CTI #1	260	$5,000,000	6.0%	$300,000	$292,000	-$8,000	$11,900,000	$711,000	$812,000
CTI #4	500	$10,500,000	4.5%	$472,500	$375,000	-$97,500	$22,400,000	$1,183,500	$1,187,000
CTI #5	260	$3,000,000	6.0%	$180,000	$50,000	-$130,000	$25,400,000	$1,363,500	$1,237,000
CTI #2	400	$9,800,000	5.0%	$490,000	-$200,000	-$690,000			

Option 3: “Sequential” MSR Conclusion

Sequentially adding CTI until the required savings rate is violated is a compromise between pooling the MSR and allowing CTI to be evaluated individually.

- Negative savings in one CTI cannot wipe out savings in another CTI.
- Some spillover can help CTI that are close to the individual MSR get over the threshold.

HSCRC will use option 3 to evaluate the CTI for the first year. Changes to the MSR policy may be considered for subsequent years.

Next Steps

Next Steps

- Currently selected CTI will go live on January 1 2020.
  - HSCRC will reach out to hospitals to redress any issues.
  - If you do not hear from us, your CTI is accepted and will appear in the CTP.
- Requested modifications will be developed beginning over the next month or two.
- The December CT Steering Committee Meeting will address the overlaps policy for the currently submitted CTI.
- Development of a COVID CTI will resume in December.