

**440th MEETING OF THE**  
**HEALTH SERVICES COST REVIEW COMMISSION**  
**REVISED**

**December 5, 2007**

Presiding Commissioner Dr. Trudy R. Hall called the meeting to order at 9:30 a.m. Commissioners Joseph R. Antos, Ph.D., Raymond J. Brusca, J.D., James Lowthers, and William H. Munn were also present.

**REPORT OF THE EXECUTIVE SESSION OF DECEMBER 5, 2007**

Oscar Ibarra, Chief-Program Administration & Information Management, summarized the minutes of the December 5, 2007 Executive Session.

**ITEM I**  
**REVIEW OF THE MINUTES OF THE EXECUTIVE AND PUBLIC SESSIONS OF**  
**OCTOBER 10, 2007**

The Commission voted unanimously to approve the minutes of the October 10, 2007 Public Meeting and the minutes of the Executive Session.

**COMFORT ORDER – DOCTOR’S COMMUNITY HOSPITAL**

The Commission voted unanimously to ratify the Comfort Order for Doctor’s Community Hospital approved in Executive Session.

**ITEM II**  
**EXECUTIVE DIRECTOR’S REPORT**

Robert Murray, Executive Director, updated the Commission on projects and activities in which the staff is currently involved. They include: 1) Health Reform Legislation; 2) discussions regarding possible changes to the Medicare Waiver test; 3) the Quality-Based Reimbursement Initiative; and 4) the Outpatient Payment Reform (GOR System).

Mr. Murray noted that the health reform bill passed in the Special Session included the redeployment of dollars associated with reductions in hospital uncompensated care. These dollars will help fund the continuation of expansions of the Medicaid program.

Mr. Murray reported that a meeting held among HSCRC and Department of Health & Mental Hygiene staff and Senators Cardin and Mikulski concluded that this was not the time to address

possible changes to the Medicare Waiver test.

Mr. Murray noted that the Quality-Based Reimbursement Task Force, chaired by Commissioner Hall, was finalizing the methodology for measurement of processes. It is anticipated that base measurement data would begin to be collected in 2009 with full implementation to be initiated in 2010.

Mr. Murray stated in regard to the GOR System: 1) that the FY 2007 data are being finalized, although there were some technical issues to be resolved regarding inflation; 2) that the new grouper was available; and 3) that corridors, rewards, and penalties are being considered for FY 2008.

Mr. Murray announced that Valerie Overton, Associate Director-Policy Analysis & Research, was leaving the Commission's staff after eight years to take a position with the Anne Arundel Medical Center. Mr. Murray noted that Mrs. Overton was almost single-handedly responsible for the creation of the Community Benefits Report. Without Mrs. Overton, we would not have a Report that is considered to be the best in the nation at assessing the community benefit and mission of hospitals. Nationally, researchers are using the "Maryland Approach" to assess hospital community benefits. Mr. Murray thanked Mrs. Overton for all of her work and wished her well.

**ITEM III**  
**DOCKET STATUS CASES CLOSED**

1959A – St. Agnes Health Care, Maryland General Hospital, Washington County Hospital, and Western Maryland Health System  
1961A & 1962A – Johns Hopkins Health System

1960A – MedStar Health

**ITEM IV**  
**DOCKET STATUS CASES OPEN**

**Johns Hopkins Bayview Medical Center – 1963N**

On October 2, 2007, Johns Hopkins Bayview Medical Center submitted an application requesting a rate for its new Audiology (AUD) services. The Hospital requested the state-wide median rate be approved effective November 1, 2007. The Hospital also asked that the 60 day new program regulation be waived.

After review of the application staff recommended:

1. That COMAR 10.37.10.07 requiring that rate applications be filed 60 days prior to the opening of a new service be waived;
2. That the state-wide median AUD rate of \$10.53 per RVU be approved effective

- November 1, 2007;
3. That the new AUD rate not be rate realigned until a full year's experience data have been reported to the Commission; and
  4. That no change be made to the Hospital's charge per case standard for AUD services.

The Commission voted unanimously to approve staff's recommendation.

### **Frederick Memorial Hospital – 1964N**

On October 3, 2007, Frederick Memorial Hospital filed a rate application requesting a rate for its new Neonatal Intensive Care (NICU) service. The Hospital requested that the state-wide median be approved effective December 1, 2007. The Hospital also requested that the 60 day new program regulation be waived.

After review of the Hospital's application, staff recommended:

1. That COMAR 10.37.10.07 requiring that rate applications be filed 60 days prior to the opening of a new service be waived;
2. That the state-wide median NICU rate of \$1,450.89 per day be approved effective December 1, 2007; and
3. That no change be made to the Hospital's charge per case standard for the NICU service; and that the NICU rate not be rate realigned until a full year's experience data have been reported to the Commission.

The Commission voted unanimously to approve staff's recommendation.

### **Johns Hopkins Health System – 1966A**

On September 14, 2007, Johns Hopkins Health System (the System) filed an application on behalf of Johns Hopkins Bayview Medical Center requesting approval for continued participation in a capitation arrangement between the System and Baltimore Mental Health Systems, Inc. with the services being coordinated through Johns Hopkins Bayview Medical Center. The request is to extend the approval for a period of one year beginning November 1, 2007.

Staff recommended that the System's request be approved for one year beginning November 1, 2007 based on the historically favorable performance under this arrangement. In addition, staff recommended that the approval be contingent on the execution of the standard Memorandum of Understanding.

The Commission voted unanimously to approve staff's recommendation.

### **MedStar Health – 1967A**

On October 27, 2007, Helix Management, Inc. a subsidiary of MedStar Health, filed an application on behalf of Union Memorial Hospital to participate in a global rate arrangement for orthopedic services with the NFL Player Joint Replacement Benefit Plan for a one year period beginning December 1, 2007, with an option to seek renewal based upon favorable performance.

After review of the application, including the data utilized to develop the global rates, staff recommended that the arrangement be approved for one year beginning December 1, 2007, In addition, staff recommended that the approval be contingent on the execution of the standard Memorandum of Understanding.

The Commission voted unanimously to approve staff's recommendation.

### **Johns Hopkins Health System – 1968A**

On June 19, 2007, Johns Hopkins Health System (the System) filed an application on behalf of its member hospitals Johns Hopkins Hospital, Johns Hopkins Bayview Medical Center, and Howard County General Hospital for approval for continued participation in a global rate arrangement with Coventry Transplant Network for a period of three years.

Staff recommended that the System's request be approved for one year beginning December 1, 2007 based on the historically favorable performance under this arrangement. In addition, staff recommended that the approval be contingent on the execution of the standard Memorandum of Understanding.

The Commission voted unanimously to approve staff's recommendation.

### **ITEM V** **RECOMMENDATIONS FOR THE NURSE SUPPORT PROGRAM I FY 2008 MID-YEAR FUNDING CYCLE AWARDS**

Oscar Ibarra presented the recommendations for the Nurse Support Program (NSP) I FY 2008 Mid-year funding Cycle Awards. Mr. Ibarra explained that the recommendations involved four applications filed after the original filing deadline. Mr. Ibarra stated that the Evaluation Committee recommended that all four applications submitted be funded, in the amount of \$526,524.

The Commission voted unanimously to approve the recommendation of the Evaluation Committee.

### **ITEM VI** **LEGISLATIVE REPORT**

Steve Ports, Principal Deputy Director-Policy & Operations, presented an overview of the Special Legislative Session and summarized the piece of legislation of special interest to the Commission, Senate Bill 6, the Working Families and Small Business Health Care Coverage Act.

Mr. Ports stated that Senate Bill 6 expands eligibility for Medicaid to parents and caretaker relatives with a dependent child and incrementally expands Medicaid eligibility to childless adults with household incomes of 116%. The Bill also establishes a Small Employer Health Benefit Premium Subsidy Program and provides conditional funding for the provision of health care services in Prince George's County.

Hal Cohen, Ph.D., commented that although it is substantial and important, we should be careful not to over-promise the savings associated with the expansion of insurance coverage in the new legislation.

**ITEM VII**  
**HEARING AND MEETING SCHEDULE**

January 9, 2008	Time to be determined, 4160 Patterson Avenue, HSCRC Conference Room
February 6, 2008	Time to be determined, 4160 Patterson Avenue, HSCRC Conference Room

There being no further business, the meeting was adjourned at 10:30 a.m.