

# Maryland Health Care Commission

Rex Cowdry, MD  
Executive Director

# Maryland Health Care Commission



- **Goal: Improving quality, outcomes, and value through information gathering and reporting, health planning and regulation, and health policy analysis**
  - **Empower patients and families** with information to make decisions through public reporting of quality and cost
  - **Stimulate quality improvement** through voluntary and public reporting and through regulation
  - **Help control health system costs** through effective and efficient planning and regulation
  - **Improve insurance options for small employers** through regulation of the small group market
  - **Provide a health policy think tank** for Maryland, merging information and analysis to develop options
- **Health care reform**
  - **Health Insurance Exchange**
  - **Creating a viable risk pool: merger of individual and small group markets**
  - **Individual Responsibility**
  - **Low-income premium subsidies**
  - **Cross-cutting issue – Funding Healthcare Reform**
    - Repurposing uncompensated care funds while maintaining the all-payer waiver
    - Medicaid HIFA waivers and plan amendments – the challenge of “budget neutrality”
  - **Cross-cutting issue - The Interface with Medicaid**
    - Best combination of public and private sector solutions
    - Managing crowd-out of employer coverage
  - **Cross-cutting issue – The Affordability Project**
    - What are essential or core services? Are they best defined by type of service or by evidence of value, effectiveness?
    - What cost-sharing provisions are both effective and fair?
    - Can high-efficiency networks be established and maintained?
    - What is the appropriate “affordability test” for health insurance?
  - **Cross-cutting issue – Proper Incentives**
    - What incentives are appropriate and effective for individuals (value-based coinsurance, DM, actual health outcomes)?
      - What positive and negative effects do consumer-directed health plans (HDHPs) have on health and health care use?
    - What incentives are appropriate and effective for providers (P4V, capitation, gain-sharing)?

- **Quality and Accountability Through Public Reporting**
  - **Quality measures in hospitals and nursing homes (with OHCQ)**
    - Long-established measures – what’s our unique role?
    - The importance of auditing, credibility, and risk adjustment in public reporting
    - Reporting satisfaction measures (patient satisfaction in hospitals, family satisfaction in NH)
    - New initiatives – Healthcare Associated Infections, Surgical Outcomes
    - New initiatives – Linking quality measures with performance payments (with HSCRC / Medicaid)
  - **The marriage of certificate of need and public reporting of quality**
    - Primary angioplasty programs as a classic example of strong performance standards driving quality improvement
    - New initiatives – Non-primary angioplasty outcomes research, universal reporting of cardiac surgery and angioplasty outcomes
    - Reporting of risk-adjusted outcomes aided by specialty society efforts (STS, NCDR)
  - **Health plan reporting**
    - Long-established measures – What meaning do they have?
    - New measures of plan performance – providing better information, processing claims, managing chronic illnesses
  - **The Price Transparency Project**
    - Hospital case rates for common DRGs – adjusted for case mix (with HSCRC)
    - Physician price transparency – distribution of billed and approved amounts by specialist and code
- **The Market for Physician Services**
  - **Analysis of payment issues: “adequacy of payments,” out-of-network services, hospital-based physicians**
  - **Analytic support for the Secretary’s Task Force on Access and Reimbursement**
- **Health and Healthcare Disparities**
  - **Hospital quality measures (with OMHHD)**
  - **Ambulatory care sensitive conditions analyses (with OMHHD)**

# Maryland Health Care Commission



- **Rebuilding Maryland's Hospital Infrastructure (in conjunction with the HSCRC)**
  - **Nearly \$4 billion in projects over 2 years at its peak**
- **Planning Issues**
  - **Urban hospitals**
    - Outward bound
    - Why payer mix remains important
    - The special case of Dimensions
  - **Emergency Department Crowding**
    - Community alternatives, diversion programs, new incentives to providers
    - Process reengineering in the ED
    - Disposition – inpatient bed needs, process reengineering in the rest of the hospital, alternatives in the community
  - **Psychiatric care (with DHMH, MH, MHA, advocacy groups)**
    - Part of the ED crowding issue
    - The market dynamics of psychiatric services
    - The challenge of creating and sustaining effective community supports, ED and jail diversion programs, SA treatment options
- **Health Information Technology**
  - **Delivering the right information to the right place at the time of service to improve quality and reduce costs**
    - Information about the patient (Coordinate care, avoid errors, assure appropriate treatment, remind...)
    - Information about coverage, preferred treatments based on value
  - **Electronic health records with decision support, e-prescribing**
  - **Health information exchange**
    - Vital that the policies be right to assure public acceptance and trust
    - Business model is a challenge
  - **Maryland initiatives**
    - Task Force on the Electronic Health Record
    - Privacy and Security Study
    - Planning and implementation projects (in conjunction with HSCRC, MCHRC, DHMH/Medicaid)

- **Greatest challenges involve value**
  - **Access is a huge issue, but universal coverage will require better solutions to the question of value**
  - **Identifying high value health care**
    - Challenge of technology assessment
    - Vital need for real-world effectiveness data through health information exchange
    - Single source or multiple source?
    - Single implementation model or a diversity of value-based incentives
  - **Developing appropriate models to deliver high value health care**
    - Integrated, risk-bearing health care systems ?
    - Provider incentives, including risk sharing ?
    - Patient incentives – lower premiums, cost-sharing structures based on value ?
    - Coverage of “experimental” interventions (interventions of uncertain value) only in clinical research settings
  - **Communicating the issues to the public and professions**
    - Building public acceptance of differential “costs” based on value (as opposed to managed care denials)
    - Conveying necessity to limit access to interventions of low or uncertain value
    - Dealing with the “preference shift” when illness strikes
    - Building professional support for guideline concordant care, implicit or explicit constraints on practice
    - Low reimbursement rates in Maryland, especially for primary care, provide a quid pro quo opportunity
- **From Page 1: The Affordability Project and Proper Incentives Revisited**
  - **Maryland Small Group Market as a Laboratory**
    - Benefit designs regulated by the Commission are the only SGM products in Maryland
    - Modified community rating, guaranteed issue, guaranteed renewal
    - Ability to design a high-performance set of benefits
    - Some restrictions on patient incentives would need to be removed
  - **Maryland Health Insurance Plan as a Laboratory**
    - Maryland’s high-risk pool
    - Insurance designs established by the MHIP Board and implemented by CareFirst under contract
    - Great opportunity to explore more aggressive disease management strategies
    - Great opportunity to explore innovative incentives for patients and for physicians