

**Chet Burrell**  
President and Chief Executive Officer

**CareFirst BlueCross BlueShield**  
1501 S. Clinton Street, 17<sup>th</sup> Floor  
Baltimore, MD 21224-5744  
Tel: 410-605-2558  
Fax: 410-781-7606  
chet.burrell@carefirst.com



**VIA EMAIL:** paul.parker@maryland.gov  
**VIA FEDERAL EXPRESS**

July 27, 2015

Mr. Paul Parker  
Director, Center for Health Care Facilities  
Planning & Development  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215:

Re: CareFirst BlueCross BlueShield – Participating Entity Status  
Cardiac Surgery Certificate of Need Application  
Docket Nos. 15-02-2360, 15-02-2361

Dear Mr. Parker:

I am writing on behalf of CareFirst BlueCross BlueShield (“CareFirst”) to urge that the Maryland Health Care Commission approve Anne Arundel Medical Center’s (AAMC) application for a cardiac surgery program.<sup>1</sup> As explained below, AAMC’s proposal represents the most cost effective alternative for Maryland’s health care system.

In CY 2013, we understand that more than 80% of the total cardiac surgery cases for adult residents of the CareFirst service area were treated at the three highest charge hospitals in the region: University of Maryland Medical Center (“UMMC”), Johns Hopkins Hospital (“JHH”), and Washington Hospital Center (“WHC”). If AAMC’s proposal is approved, a significant number of the cardiac surgery patients who would have received treatment at UMMC, JHH, and WHC will, instead, be treated at AAMC. AAMC’s average projected payment rate for cardiac surgery will be nearly 40% lower than the estimated payment rate at WHC for a comparable case mix and nearly 50% lower than the average payment rate at JHH and UMMC for a comparable case mix.

Additionally, a cardiac surgery program at AAMC will help Maryland improve its performance on the Medicare Expenditure Test under the Maryland Hospital All Payer Hospital Program because Medicare will pay AAMC less for cardiac surgery cases than it would have paid otherwise.

For these reasons, and those set forth in my letter of support dated December 15, 2014, CareFirst continues to urge the Commission to give favorable consideration to AAMC’s proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Chet Burrell".

Chet Burrell  
President & CEO

<sup>1</sup> CareFirst seeks status as a participating entity to provide written comments under COMAR 10.24.01.01(B)(30) and 10.24.01.08(F)(2).

**Chet Burrell**  
President and Chief Executive Officer

**CareFirst BlueCross BlueShield**  
1501 S. Clinton Street, 17<sup>th</sup> Floor  
Baltimore, MD 21224-5744  
Tel: 410-605-2558  
Fax: 410-781-7606  
chet.burrell@carefirst.com



December 15, 2014

Kevin R. McDonald, Chief  
Certificate of Need  
Maryland Health Care Commission  
4160 Patterson Ave  
Baltimore, MD 21215-2299

Subject: Letter of Support- Anne Arundel Medical Centers Certificate of Need Application for Cardiac Surgery Services

Dear Mr. McDonald,

I am writing to offer my enthusiastic support for the establishment of a cardiac surgery program at the Anne Arundel Medical Center as set forth in the hospital's Certificate of Need application. As the largest private health insurer in Maryland, CareFirst recognizes the improved patient care experience afforded by the increase in access to cardiac surgery services that the AAMC program will provide, the contribution to the health of the patient population of the Upper Shore Health Planning Region that a cardiac surgery program at AAMC represents, and the reduction in per capita costs that will result. The proposed AAMC program is, therefore, fully consistent with CMS's Triple Aim of improved patient care experience, improved population health, and reduced per capita expenditures.

For CareFirst, it is also important that the AAMC program will support both CareFirst's patient centered medical home (PCMH) initiative and the All-Payer Model Demonstration (the Demonstration), each of which have objectives that are in accord with the Triple Aim.

A key objective of the PCMH program is to provide each of its groups of participating PCPs (Medical Panels) with clear incentives to maximize the value of the specialist and hospital referrals that are made by the particular Medical Panel for services to CareFirst members. The value of such referrals is measured in terms of improved access, lower costs, and higher quality.

As a cardiac surgery service in the Upper Shore Health Planning Region, including Baltimore, the AAMC program will offer improved access to the residents of the region. As AAMC is one of the lowest cost hospitals in Maryland, the cardiac surgery program's relocation of cases from the regional AMCs will result in substantial savings to all payers, including both CareFirst and Medicare. As AAMC's quality of care makes it the hospital of choice for several of the PCMH program's Medical Panels, the cardiac surgery program will provide an attractive referral option

for these Medical Panels, with the program's quality of care enhanced by its affiliation with Johns Hopkins.

The AAMC program will, therefore, qualify as a high value cardiac surgery service. The value represented by the AAMC program will ensure a substantial number of referrals not only of CareFirst members under the PCMH arrangement, but also of Medicare beneficiaries whose referrals are likely to mirror those of the PCMH.

For the reasons outlined above, I fully support the AAMC CON and trust that the MHCC will appreciate the multiple contributions that the program will make to realize the objectives of the Triple Aim, of the PCMH program, and of the Demonstration.

Thank you for your consideration.

A handwritten signature in cursive script that reads "Chet Burrell".

Chet Burrell  
President & CEO