



January 25, 2016

Cathy Weiss  
Program Manager  
Center for Health Care Facilities Planning  
And Development  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, MD 21215-2299

Dear Ms. Weiss:

This letter sets forth the comments of Virginia HealthCare Services (VHCS) on the State Health Plan for Facilities and Services: Home Health Agency (HHA) Services, *Proposed Permanent Regulations*, COMAR 10.24.16.

First, as a matter of background and introduction, VHCS is a licensed, Medicare- and Medicaid-certified home health agency operating throughout northern Virginia. We are an independent agency, not affiliated with or owned by any large provider organization, and have provided the full range of home health agency services to residents of Arlington, Fairfax, Loudon, Prince William, King George, Spotsylvania, Stafford, Westmoreland, Caroline, Culpeper, Louisa, Fauquier, Clarke, Frederick, Page, Shenandoah, and Warren counties as well as the cities of Alexandria, Fredericksburg, Winchester and Fairfax continuously since 2005.

Virginia Healthcare Services has an established track record of sustainability reflected by having served the community for over 10 years. Attaining experienced staff in all areas of the operation that are capable of providing the highest level of service has enabled Virginia Healthcare Services to steadily grow year after year. Virginia Healthcare Services' sustained success is also attributed to the company's active participation in the community by way of various sponsorships and generous donations. These factors have been vital in helping the company earn a solid and trustworthy reputation in the communities it serves.

Second, we commend the Commission for its thoughtful and comprehensive development of these Regulations, as they address some of the most significant issues confronting the health care industry in this time of payment transformation and quality improvement. For providers of home health agency services like ourselves, these Regulation will provide excellent guidance as the opportunities in Maryland to expand access to home care services to the public continues to grow.

Third, we have reviewed the provisions of the proposed Regulations found at COMAR 10.24.16.08 Certificate of Need Review Standards for Home Health Agency Services (“the Standards’) and COMAR 10.24.16.09 Certificate of Need Preference Rules in Comparative Reviews (“The Preference Rules”).

The Standards address the requirements of the Commission in conducting Certificate of Need reviews for the establishment of new home health agencies in Maryland or for the expansion of an existing Maryland home health agency to one or more additional jurisdictions. Among the eleven Standards to be addressed by a CON applicant are those that concern financial matters, including those related to accessibility, payments, sliding scales, charity care, financial feasibility, and solvency. Among the Preference Rules to be applied in Comparative Review are those that address improving performance and serving all payer types.

Nevertheless, an additional concern for the public is the extent to which third-party payers, including Medicare and Medicaid, are in the process of implementing value-based purchasing arrangements with health care provider organizations, including home health agencies, among others. Under such payment arrangements, contracted or certified providers of services are rewarded for delivering high quality, efficient and effective services at the lowest cost. In northern Virginia, we are beginning to see providers joining together to improve quality and efficiency through selective contracting with private third-party payers. Under such arrangements, patients and providers are incentivized to organize and utilize health care services that minimize costs, and maximize quality outcomes.

We believe that these trends will continue, and that the marketplace for home health agency service in Maryland will adapt to such innovative payment arrangements. With that in mind, we would suggest that CON applicants be required to demonstrate their administrative, financial and clinical capabilities to operate successfully under value-based purchasing arrangements. These arrangements may include participating in “service bundling” with physicians and hospitals, “risk sharing” with third-party payers, and participating in Accountable Care Organizations, Regional Health System Transition Coalitions, Patient-Centered Medical Homes and other innovative models of service delivery.

In our view, these arrangements have the same objectives of the Commission as set forth in the proposed Regulations, as articulated in Policy 1: Promote development and expansion of HHA services to address the changing needs of the population and the HHA marketplace by enhancing consumer choice of high quality providers in highly concentrated markets. (Proposed Regulations, p. 11).

We would propose an additional Standard be included in the proposed Regulations, at COMAR 10.24.16.08 L:



An applicant shall demonstrate ongoing participation or capability to participate in value-based payment arrangements within the proposed service area that promote the utilization of efficient and effective home health agency services.

Further, we would propose an additional Preference Rule be included in the proposed Regulations, at COMAR 10.24.16.09 F.:

**Proven Track Record in Providing Efficient and Effective Home Health Agency Services.** An applicant that participated in value-based payment arrangements will be given a preference over an applicant that participated exclusively in conventional fee-for-service reimbursement arrangements for providing home health agency services.

We believe that these two proposed Standards and Preference Rules will encourage innovation in the delivery and payment for home health agency services in Maryland, and permit the Commission to apply its regulatory authority in a manner that rewards CON Applicants for successfully engaging in these innovations. We are prepared to discuss these recommendations with you and other members of the Maryland Health Care Commission staff at your convenience.

Thank you for your consideration of our recommendations and proposal.

Sincerely,

Hussein Ibrahim, PT, DPT  
CEO  
Virginia HealthCare Services

cc: Joseph L. Bianculli, Esq.  
Richard Coughlan