



All-Payer Model: Update and Future Plan

January 9, 2017

All-Payer Model Performance to Date

Performance Measures	Targets	2014 Results	2015 Results ¹	2016 Year-to-Date Results (preliminary) ²
All-Payer Hospital Revenue Growth	≤ 3.58% per capita annually	1.47% growth per capita	2.31% growth per capita	0.35% growth per capita
Medicare Savings in Hospital Expenditures	≥ \$330m over 5 years (Lower than national average growth rate from 2013 base year)	\$116m (2.15% below national average growth)	\$135m \$251m cumulative (2.22% below national average growth since 2013)	\$178m \$429m cumulative (4.60% below national average growth since 2013)
Medicare Savings in Total Cost of Care	Lower than the national average growth rate for total cost of care from 2013 base year	\$133m (1.53% below national average growth)	\$80m \$213m cumulative (0.85% below national average growth since 2013)	\$106m \$319m cumulative (1.63% below national average growth since 2013)
All-Payer Quality Improvement Reductions in PPCs under MHAC Program	30% reduction over 5 years	26% reduction	35% reduction since 2013	49% reduction since 2013
Readmissions Reductions for Medicare	≤ National average over 5 years	20% reduction in gap above nation	57% reduction in gap above nation since 2013	71% reduction in gap above nation since 2013
Hospital Revenue to Global or Population-Based	≥ 80% by year 5	95%	96%	96%



Progression Plan Highlights

- ▶ **Progression Plan submitted to CMS in December 2016**
 - ▶ Plan to extend the All-Payer Model to total cost of care metrics, and align efforts across providers and care settings.
 - ▶ Focuses on care improvements that will reduce potentially avoidable utilization in higher acuity settings.
 - ▶ Incorporated stakeholder input.
- ▶ **Incorporates 3 State initiatives**
 - ▶ Primary Care Home Model for implementation in 2018.
 - ▶ Dual Eligible ACO Model for implementation in 2019.
 - ▶ Updated Population Health Plan.
- ▶ **Aligns with MACRA requirements**

Progression Plan: Strategies, Components, and Timeline



Progression Plan: Key Strategies

- I. **Foster accountability** for care and health outcomes by supporting providers as they organize to take responsibility for groups of patients/a population in a geographic area.
- II. **Align measures and incentives** for all providers to work together, along with payers and health care consumers, on achieving common goals,
- III. **Encourage and develop payment and delivery system transformation** to drive coordinated efforts and system-wide goals.
- IV. **Ensure availability of tools** to support all types of providers in achieving transformation goals.
- V. **Devote resources to increasing consumer engagement** for consumer-driven and person-centered approaches.

Progression Plan: Sustaining Rural Health Care in Maryland

- ▶ Builds on success of rural hospitals under TPR model, and focuses on strengthening local initiatives.
- ▶ Supports several approaches for sustaining rural health care:
 - ▶ Leveraging a **Geographic Value-Based Incentive** to address local accountability for population health and Medicare total cost of care.
 - ▶ **Transforming primary care** to support care management, care coordination, connections to behavioral health, social services, and other resources.
 - ▶ **Other approaches to improve care coordination** for complex and high needs chronically ill patients.
 - ▶ Organize and engage consumers, primary care, long-term care, and other providers in care coordination and chronic care management.
 - ▶ Build on growing Primary Care Medical Home (PCMH) and other organized care models, global budgets and geographic areas, etc.

Potential Timeline

Care Redesign and Infrastructure Development

Increasing System-Wide Responsibility Over Time

MACRA



Begin to implement MACRA-eligible models

Second Phase of All-Payer Model Begins

2017



2018



2019



2020-2024

- Care Redesign Amendment
- Continuing infrastructure development and transformation
- Increase supports for high need patients

- Primary Care Home model
- Begin Incentive Harmonization
- Developing and organizing geographic and regional efforts

- Increasing responsibility for Medicare and Dual Eligible Total Cost of Care and outcomes with groups of providers as capabilities mature
- Implementing payment and delivery systems to align and harmonize efforts and incentives
- Implementing approaches to engage patients, communities and public health



Implications for Rural Health Care Delivery



Rural Health Nationally

▶ Population Health Snapshot

Setting	Gender	Morbidity Rate
Rural	Female	Increased by 40%
	Male	Increased by 10%
Urban	Female	Decreased by 10%
	Male	Decreased by 30%

- ▶ Over the same time period, rural adult women have experienced:
 - ▶ Fivefold increase in opioid and heroin overdoses.
 - ▶ Doubling of suicides.
 - ▶ Tripling of deaths due to cirrhosis of the liver, which has been linked to alcohol abuse.

▶ Rural hospitals are facing extreme pressure

- ▶ Nationally, rural hospitals have faced declining margins of 5% annually since 2011, due to shrinking inpatient demand.
- ▶ Nationally, 68 rural hospitals have closed over the last 5 years, and an additional 670 are vulnerable to closure in 2016, up from 280 in 2015.
- ▶ Many Americans living in rural communities rely on their hospital as one of their few sources of health care.

Other State Solutions—Maryland Helps Provide Leadership for National Problem

- ▶ **Pennsylvania Rural Health Model (*In CMS clearance*)**
 - ▶ Begins with 6 rural hospitals on global budgets in 2016, expanding to at least 30 of 42 rural hospitals by year 3.
 - ▶ Transitions from inpatient-focused delivery to greater emphasis on outpatient services and population health.
 - ▶ Focuses directly on improved quality and safety.
 - ▶ Leverages technology.
- ▶ **Vermont All-Payer ACO Model (*CMS approved*)**
 - ▶ All-Payer system that drives system-wide changes in controlling costs and improving care and health.
 - ▶ Encourages better care coordination and collaboration with community-based providers.
 - ▶ Creates a coordinated public/private approach to improving access to primary care, mental health, and substance abuse services.