



PENINSULA
REGIONAL HEALTH SYSTEM

September 25, 2017

Ben Steffen
Executive Director
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

In response to the May 23, 2017, white paper titled "Commitment to meeting the healthcare needs of our vulnerable rural communities" by the University of Maryland Medical System ("UMMS"), in partnership with its affiliate, University of Maryland Shore Regional Health, Peninsula Regional Health System (PRHS) submits the following comments.

The white paper outlines UMMS' role as the provider of services in the five central counties of the Eastern Shore, its vision for the future, and outlines the eight (8) critical issues with unsolved considerations. With community hospitals in three of the five counties, UMMS serves a diverse and rural population.

In general, PRHS applauds UMMS for its efforts in creating healthier communities and providing appropriate healthcare services to residents of rural communities. PRHS began the process of establishing ambulatory campuses approximately five years ago. We believe they are crucial in meeting the local health and wellness related needs, closer to home and in a more cost effective setting. We believe that any plan to service the Eastern Shore should consider the impact on total cost of care.

Concerning patients requiring tertiary care, Peninsula Regional Medical Center (PRMC) is a lower cost provider when compared to academic medical centers; therefore, total cost of care can be best achieved by having appropriate tertiary services facilitated on the Lower Eastern Shore as opposed to transferring patients across the Bay Bridge. PRMC has historically been and will always be that lower cost regional tertiary provider. With services including open heart, trauma, neurosurgery and women's and children's care, it costs less to be treated at PRMC than on the Western Shore of Maryland. As UMMS contemplates expansion of services at its Easton facility or develops transfer policies, it is important to note that a high quality, low cost provider of tertiary services already exists on the Eastern Shore. Duplication of certain services would be unnecessary, and PRHS welcomes the opportunity to work with UMMS in providing those services.

It is important to note that PRHS shares many of the same challenges in serving a rural population especially in the areas of provider recruitment and retention, capital investments and workforce development. PRHS has attempted, unsuccessfully at this time, to work within the existing regulated reimbursement environment in an attempt to receive recognition and appropriate financial support. It is in this vein that we support the elements as referenced by UMMS, yet strongly urge any action taken by the State of Maryland in response to the Rural Health Workgroup to include all impacted organizations including those on the Lower Eastern Shore.

More specifically, and as outlined in the discussion under the section "Summary of Considerations and Solutions," these initiatives raise a potential for setting statewide precedents. We would urge that state level support be broadly applied to all rural communities, including the Lower Eastern Shore, as we work diligently to meet the entire region's needs. Residents in all of the Eastern Shore's contiguous rural communities are better served with provider collaboration and broader thinking.

As Maryland changed from the waiver to the new contract with the Centers for Medicare and Medicaid Services, all Maryland hospitals were asked to reduce potentially avoidable utilization and reinvest in their communities to provide the highest-quality services and the best experience while lowering the total cost of healthcare. PRHS, like many others, facilitated that role as the area's healthcare provider. With this in mind, PRHS would look forward to working with UMMS in collaboration/partnership to develop a service that results in high quality, great experience and at a low cost to improve the health and wellness of the entire region.

Sincerely,



Steve Leonard, MBA, FACHE
President/CEO Designate