

Presentation to Senate Finance Committee

**Update of the Hospice Chapter of the State Health Plan
Maryland Health Care Commission**

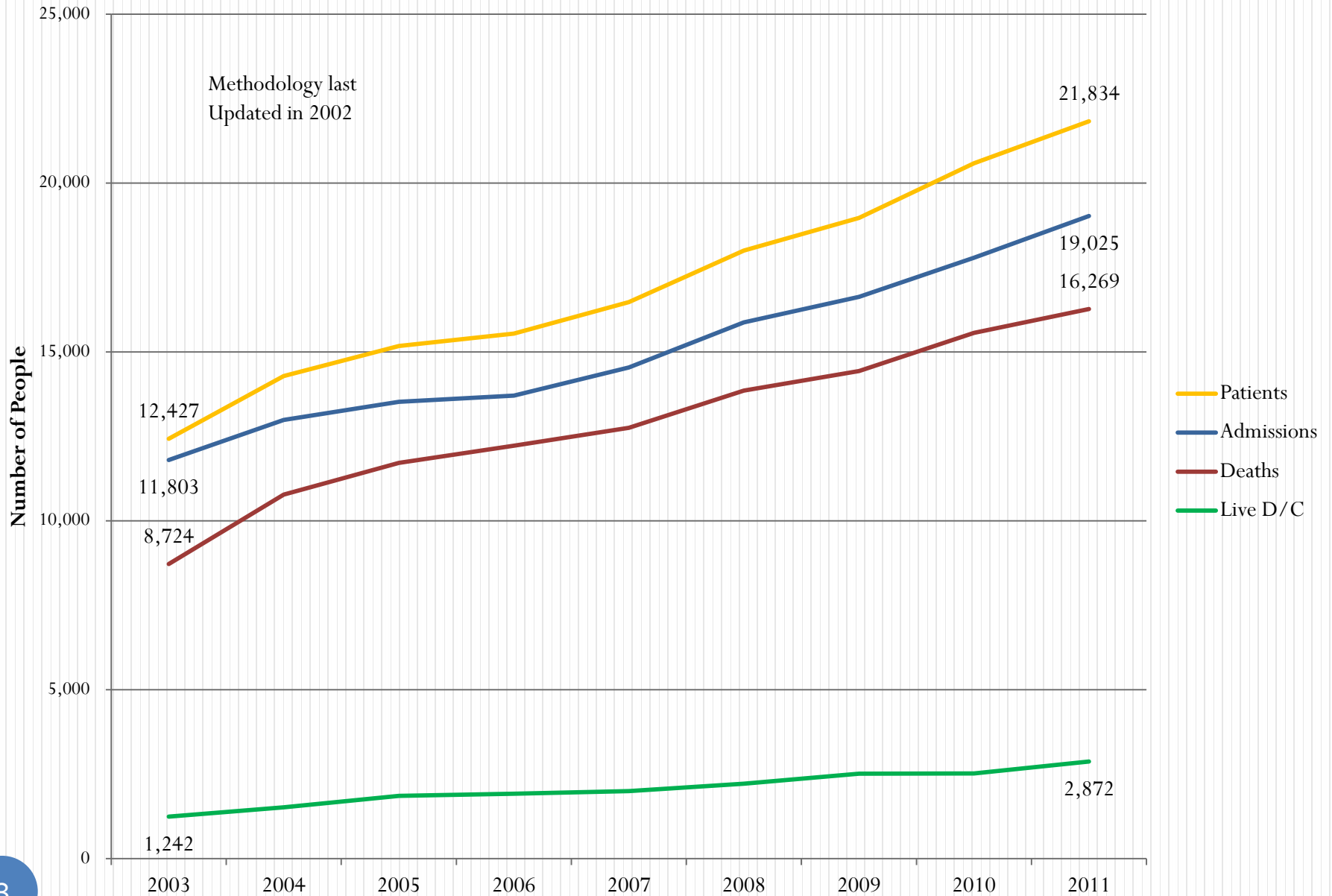
Ben Steffen

January 24, 2013

Need to Update State Health Plan

- Statute at §19-118 requires the Commission to update the State Health Plan (SHP) every five years
- Hospice Section of SHP last updated in 2007; need projections last updated in 2002
- Population is aging and utilization of hospice is growing

Trends in Maryland Hospice Utilization (FY2003-2011)

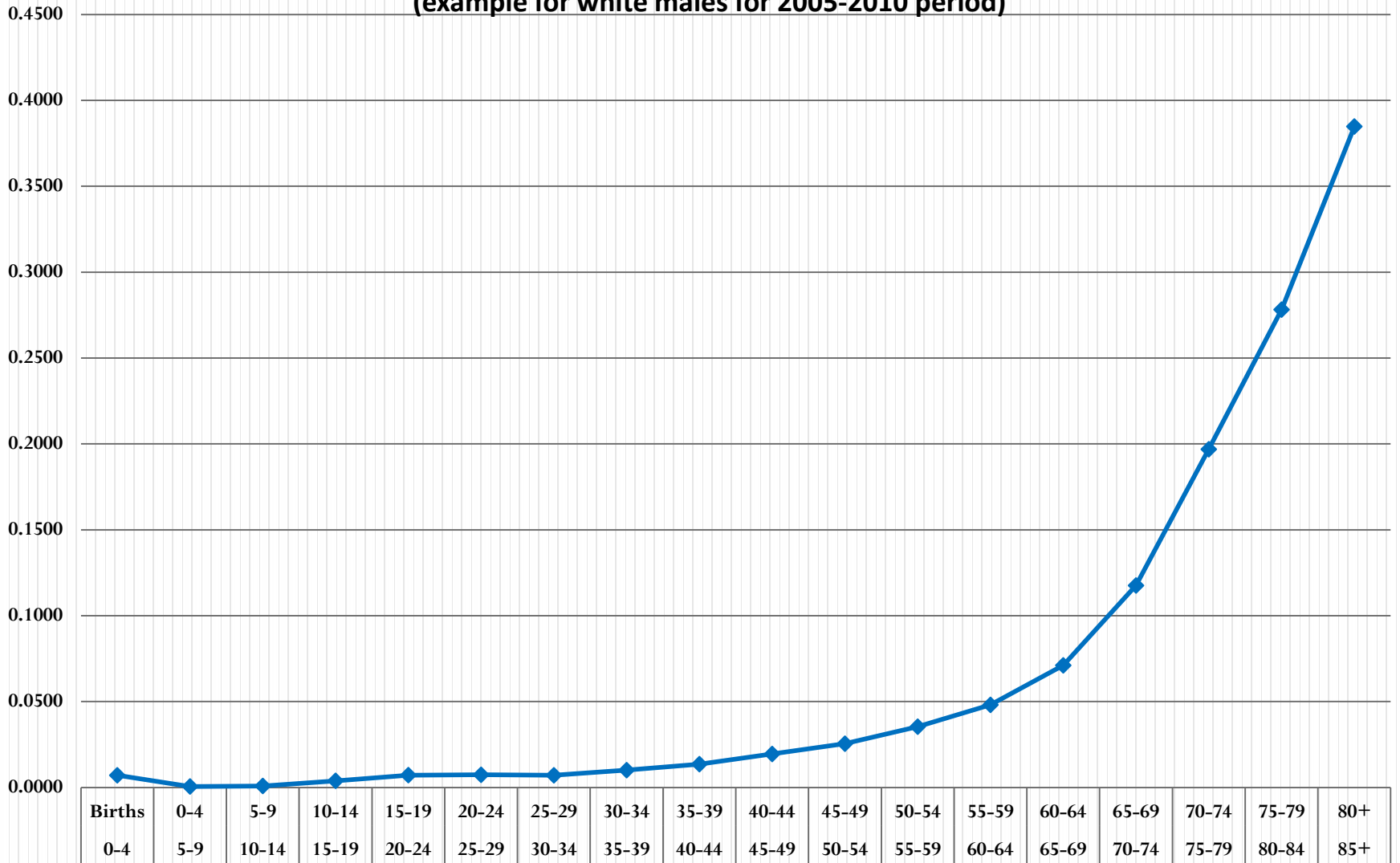


Between 2010 and 2025, Maryland's Population Ages 65+ will Grow by 62 Percent



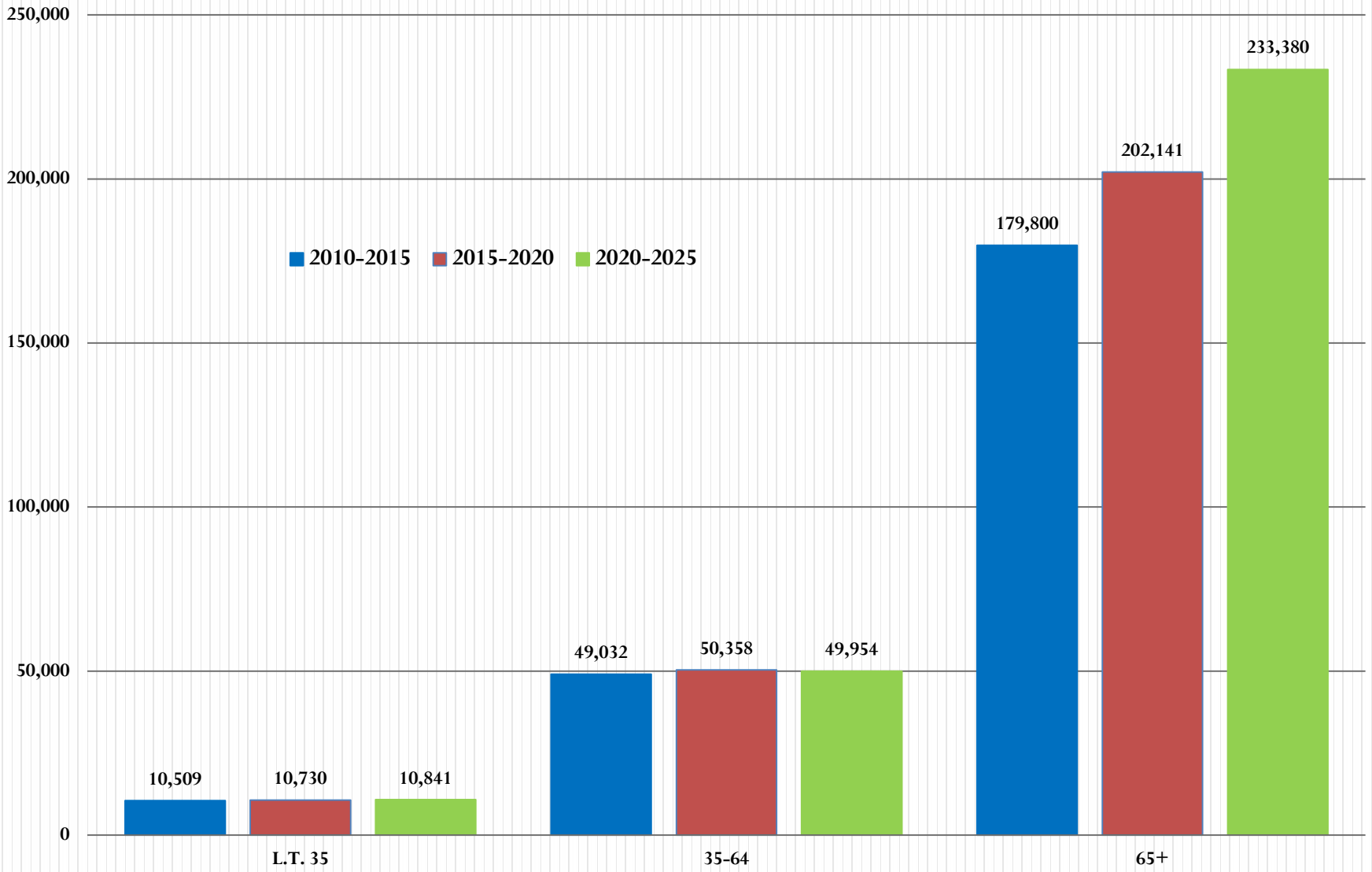
Source: Maryland Department of Planning, Population Projections by Age

Mortality Rates Rise Sharply With Age (example for white males for 2005-2010 period)



Source: Maryland Department of Planning, Population Projections by Age

The Projected Increase in Deaths is Driven by Those Ages 65+



Source: Maryland Department of Planning, Population Projections by Age

Where have we been?

- Reviewed and updated current chapter on hospice services
- Met with the Hospice Work Group (including industry representatives designated by the Hospice Network) October, 2011; November, 2011; August 2012
- Informal Public Comment period April-May 2012
- Areas of Agreement – Education and Quality Reporting
- Met with Senate Finance Committee September 2012

Where are we now?

- Reviewed methodology presented by Hospice Network
- Met with the Hospice Network's consultant to review revised methodology
- Reconvened Hospice Work Group (January 16, 2013)
 - Briefly reviewed concerns about the Commission's previous need projection methodology
 - Reviewed the methodology proposed by Hospice Network
 - Discussed potential alternatives and modifications to the Hospice Network's proposed methodology

Outcome of the Work Group Meeting

- Reached consensus on:
 - Use MedPAC national average as the aspirational goal
 - Use population adjustment to project target population deaths
 - Use deaths when calculating hospice capacity
 - Volume threshold to be based on median number of deaths served by providers statewide
 - Use ages 35+
 - Use a 5 year planning window
- This methodological approach will show need in large, low utilization counties; will be supplemented by outreach and education
- A summary of these agreements and an updated need projection has been disseminated to the Hospice Work Group

Where do we go from here?

- Update all parts of SHP chapter and release for Informal Public Comment
- Incorporate any required changes
- Promulgate the SHP chapter as regulation
- Collaborate with the Hospice Work Group to help achieve the policies and goals of the Chapter
 - Quality measurement and reporting
 - Education to overcome barriers to hospice use