

MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

April 2008

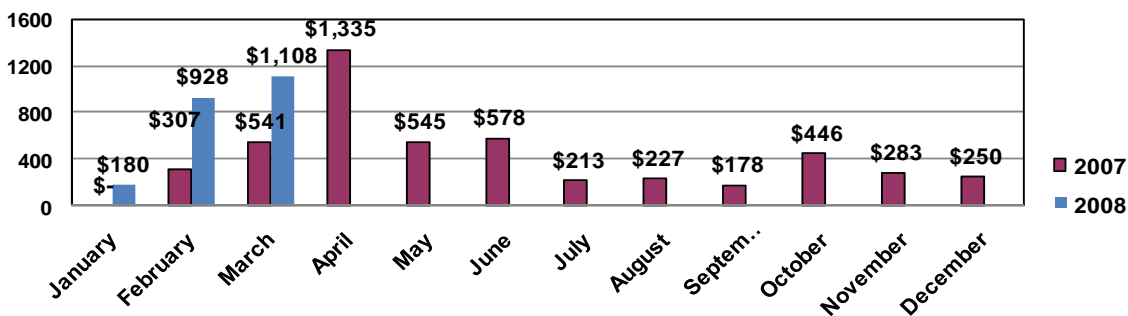
**CENTER FOR INFORMATION SYSTEMS
AND ANALYSIS**

Maryland Trauma Physician Services Fund

Uncompensated Care Processing

CoreSource Inc., the third party administrator (TPA) for the Trauma Fund, adjudicated claims with a total paid value of approximately \$1.1 million in March. The monthly payments for uncompensated care are shown in Figure 1.

**Figure 1 -- Uncompensated Care Payments 2007 and 2008
(in 000s)**



SB 916 Maryland Trauma Physician Services Fund – Reimbursement and Grants -Passed

The Maryland General Assembly approved a significant restructuring of the Trauma Fund with the goal being to better align expenditures with the revenue collected via the automobile registrations and renewals. The new law will increase spending by:

- Permitting physicians to receive uncompensated care payments for care provided at rehabilitation hospitals such as Kernan and Levindale;
- Authorizing the Level I Trauma Center, Pediatric Trauma Centers, and the three specialty referral centers to apply for on-call;
- Allowing the MHCC to adjust fee levels for uncompensated care to meet specific needs in the Maryland Trauma System; and
- Establishing a permanent Trauma Equipment Grant Program funded from the \$20 million surplus.

MHCC is required to implement these provisions beginning in July 2008. The bill gives MHCC significant oversight, but requires the notification of the two standing legislative committees before grant awards are made or physician reimbursement is increased.

Staff is preparing educational meetings for the trauma community beginning later in April. Staff hopes to have the regulations ready for promulgation by the June meeting.

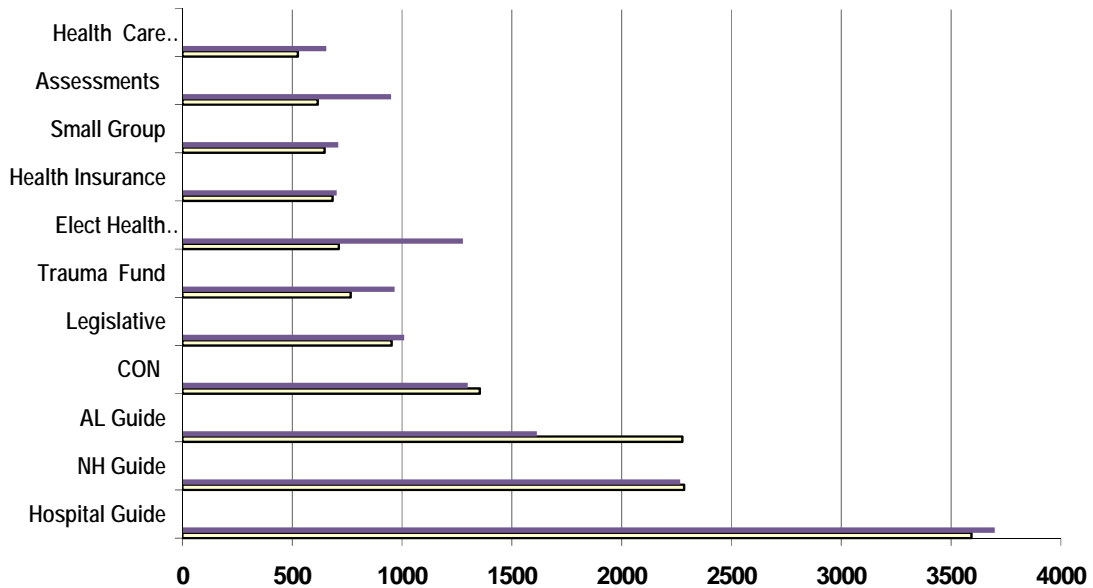
Data Base and Application Development

Internet Activities

Figure 2 presents results on web utilization for the ten most frequently visited Commission sites in February and March. About 21,500 unique users visited the site last month. About 48 percent of users came directly to the site (typed or pasted an MHCC address in their browser) and GOOGLE referred about 6,800 visitors to the site. The average user spent about 2.75 minutes on the site.

The Hospital Performance Guide, shown as “Hospital Guide” below, is the site with the highest utilization. The Guides (Hospital, Assisted Living, and Nursing Home) had significant traffic during the month. These three sites are the most frequently visited sites. The remaining sites are primarily policy related sites aimed at analysts and policymakers in the respective areas; therefore, fewer visitors would typically be expected. One possible exception is the ‘Electronic Health” site. It is difficult to discern the causes for the past increases.

Figure 2 Unique Visits to the MHCC Web Site in February and March Initiatives with 500 Visitors or More during the Month



Web Development for Internal Applications

A significant number of MHCC web sites are under development or significant redesign. Over the next four months, the following sites will be launched or redesigned primarily using internal resources.

Table 1– MHCC Web Applications Under Development

Board	Anticipated Start Development/Renewal	Launch date
MHCC Subsidy Program	July 1, 2008	June 15, 2008
MHCC Assessment	On-line	04/01/08
EDI Assessment	Under Development	05/15/08
LTC Survey	Modifications Underway	08/01/08
ADA Compliant NH Guide ADA Compliant with ADA Guidelines	Not Started	Under determined
Redesign of Hospital Guide	External Contractor	Not Specified

Health Occupation Boards License Renewals

Staff continued to make progress on license renewal applications for the occupation boards. Table 2 presents the status on development for health occupation boards.

Table 2– Health Occupation Boards with Web Applications Under Development

Board	Anticipated Start Development/Renewal	Start of Next Renewal Cycle
Occupational Therapy	On-line	04/15/08
Audiologists	On-line	03/20/08
Acupuncture	On-line	04/16/08
Morticians	On-line	03/25/08
Dietetic	Not started	08/11/08
Dental	Underway,	05/01/08
Physician	Not Started	07/15/08
Chiropractic	Not started	09/01/08
Optometry	Not started	06/30/09

Cost and Quality Analysis

Spotlight: Prescription Drug Spending in Maryland: Which Therapeutic Classes Gained Share from 2004 to 2006

The top ten fastest growing therapeutic classes (in terms of spending share) accounted for almost 15 percent of privately insured drug spending for nonelderly Maryland residents in 2006. This analysis of prescription drug use by nonelderly, privately insured Maryland residents—using the Commission’s Maryland Medical Care Data Base—examined the therapeutic drug classes with the largest increases in the share of total drug spending from 2004 to 2006 and the factors underlying their growth.

Increases in drug prices have become less of a factor in recent drug spending growth, accounting for approximately half of the growth in overall drug spending in 2006, with the balance of the spending increase mainly attributable to increased utilization. However, the relative impact of price versus utilization varies by therapeutic class. Price increases—measured by increases in the average spending per medicated day—appeared to be substantial in four of the ten therapeutic classes: antirheumatics; insulin, miscellaneous anxiolytics, sedatives, & hypnotics; and antihyperlipidemic combinations.

Spending growth in miscellaneous anxiolytics, sedatives, & hypnotics was fueled in part by price increases for Ambien®, which holds about two-thirds of the market for hypnotics.

Increases in prevalence of use can be attributed to a number of factors, including heightened demand for pharmaceuticals fueled in part by direct-to-consumer (DTC) advertising, the continually expanding therapeutic reach of pharmaceuticals through both new drugs and new uses for existing drugs, and the availability of less expensive generics (although there were few generics among the fastest growing therapeutic classes). Annualized growth in the number of users was substantial for six of the ten fastest growing therapeutic classes. Growth in users was especially high for antihyperlipidemic combinations (which includes Vytorin), with a 56 percent annual increase, due to efforts to expand screening for and treatment of cardiovascular diseases coupled with continuing high rates of cardiovascular disease, the introduction of Vytorin, and high levels of DTC advertising. The introduction of new drugs contributed to increased utilization in other therapeutic classes as well, with miscellaneous anxiolytics, sedatives, & hypnotics, antihypertensive combinations, and antiviral combinations each having two or more new drugs introduced in 2004–2006.

The use of combination drugs in which two or more medications are combined and administered in a single dose—which defines three of the fastest growing classes—is a growing trend. It seems to be driven, at least in part, by impending patent expirations of the component drugs; additionally, manufacturers promote them as likely to improve medication compliance among patients who were formerly taking the components individually since patients will now have half the pills to take, prescriptions to fill, and co-pays. In general, drug spending growth is likely to be moderate in the near future. Although there are a number of drug approvals anticipated in the next few years, few are expected to have large impacts on the spending trend. But neither will there be significant downward pressure on drug prices from generics, as there will be only a small number of new generic drugs available after 2009.

Report on Practitioner Utilization, 2005-2006.

Work is proceeding on the Commission's annual report on practitioner service expenditures and utilization. The report, which describes the number, mix, and cost of practitioner services used by privately insured, nonelderly residents of Maryland in 2006, is used to track changes in the quantity of care and the price of care for individuals in private insurance plans. It is a legislatively mandated report based on information in the Commission's Medical Care Data Base (MCDB). The MCDB contains health care claims and encounter data that most private health insurance plans serving Maryland residents submit annually to the Commission.

The format for this year's report will be similar to last year's report. There will be an overview of the trend in spending per user over the past five years, and a discussion of overall changes from 2005 to 2006 in the mix of users, spending per user, and percent paid out-of-pocket by coverage type, plan type (HMO versus non-HMO), and market share of the insurer. This chapter will also examine how insurer payments for a unit of care and the average volume of care per user vary by region of the State. A separate chapter focuses on users who were enrolled for the entire year. This chapter examines how expenditure per user varies by user risk status, coverage type, plan type, and insurer market share. It also examines how patient risk is distributed across the coverage and plan types and across insurers by market share. As in past reports, there will be a chapter that examines how insurer reimbursements vary by practice characteristics, including specialty, practice size, and organization. This year, the chapter will be expanded to include a greater focus on primary care, as recent studies have emphasized the importance of access to primary care providers.

Health Plan Quality and Performance

2008 Performance Evaluation: HEDIS Audit and CAHPS Survey

HEDIS Audit

HealthcareData.com (HDC), the audit contractor, has many audit activities in progress: clinical measure code review, examination of baseline information, onsite interviews, and in-depth review activities related to PPO health plans. All plans have completed an automated review for several measures. The special programming for this tool is designed and implemented annually. New measures are selected each year to test different aspects of plans' information systems.

Progress with PPO quality measurement has remained on schedule as Division staff works with the auditors, health plans, and the survey vendor to address some of the variations inherent for this plan type. Participants in this voluntary reporting project reached consensus on how to define the unit being measured; i.e., the enrolled population, before formal processes began. Once underway, audit and survey processes have aided in identifying opportunities to better define the reporting unit.

Consumer Assessment of Health Plan Study (CAHPS Survey)

As a check on the survey process, Division staff has been seeded for each of the four scheduled mailings going to a representative sample from each plan. The first questionnaire was mailed in early March followed by a reminder postcard. All articles tracked using this method have been received. Performance standards instituted this contract cycle require, that among other defined targets, vendor use of a tracking method to monitor mail delivery with an expected result of 100% of seed items received by staff and verification of receipt for any other items tracked using postal service tracking options.

Report Development—2007 Report Series

Health Plan Quality & Performance Division staff finalized text, layout, and data for the eleventh edition of *Measuring the Quality of Maryland HMOs and POS Plans: 2008/2009 State Employee Guide*—the last report in the three report series. The report has been posted on the Commission's website to coincide with state employee's open enrollment period. Staff worked with DBM in drafting segments for inclusion in the employee benefit booklet and other notifications about open enrollment and availability of the health plan comparative report. Distribution of enrollment materials for state employees began April 10.

Report Development Contract--Procurement

A request for proposals (RFP) for Health Plan Report Development work for the next contract period (2008 - 2012, which includes three one-year extension periods) was submitted to and approved by the Department of Budget and Management. The Commission released the RFP in February and held a pre-bid conference February 27, 2008 for prospective bidders. An evaluation committee convened and began meeting to review proposal materials submitted in response to the solicitation and anticipates making a recommendation sometime during April to the Board of Public Works for a contract award.

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)

At the February public meeting, the Commission approved final regulations on the incorporation of an Exclusive Provider Organization (EPO) as an additional plan type to be offered in the small group market. The regulations will be implemented effective March 24, 2008 and carriers can begin selling this new product on July 1, 2008.

At the February public meeting, Commission staff presented both emergency regulations (for an immediate effective date) and proposed permanent regulations that specify the components of wellness benefits offered under small employer health benefit plans. These regulations are required under SB 6, the “*Working Families and Small Business Health Coverage Act*,” enacted during the Special Session of November 2007. The Commission adopted the regulations as both emergency and proposed permanent. The regulations were submitted to the Department of Business and Economic Development (DBED) and the Administrative, Executive, and Legislative Review Committee (AELR) for approval. The proposed permanent regulations were published in the Maryland Register on April 11, 2008. The public comment period ends on May 12, 2008. If approved, the emergency regulations would be valid for 180 days.

Commission staff is in the process of drafting proposed permanent regulations to implement the Premium Subsidy Program, also required under SB 6. This new Program will be available to certain small employers with 2 to 9 eligible employees as long as they meet the requirements outlined in the law and meet certain salary, wage and other requirements established by the Commission through regulation. Commission staff will present the draft premium subsidy regulations to the Commission for approval at a conference call meeting to be scheduled for late April.

Limited Benefit Plan

As required under Chapter 287 of the Acts of 2004, and through the enactment of HB 800 (2007), the Commission was required to develop a report for the General Assembly on the overall enrollment in the Limited Benefit Plan since its inception on July 1, 2005 through June 30, 2007. The report also included alternative options for individuals enrolled in the Limited Benefit Plan. At the December public meeting, the Commission approved the report and copies were submitted to the General Assembly. The report also is posted on the Commission’s website. The requirement that prominent carriers offer the Limited Benefit Plan in the small group market will sunset on June 30, 2008.

Long Term Care Policy and Planning

Hospice Data

The 2007 Maryland Hospice Survey was released for online survey completion effective March 5, 2008. Staff has been monitoring survey completion by means of weekly conference calls with OCS, the contractor for the survey. To date, three hospice programs have completed and certified Part I of their survey. A matrix has been developed to log the status of all hospice surveys. In addition, an Issues Log has been developed to share issues raised among project staff and to document their resolution. Public use data derived from previous years’ surveys have been posted on the Commission’s website. The preliminary 2006 data has been updated in final form.

Home Health

The Home Health Agency Survey application is now available to the group of home health agencies with a fiscal year end date of December 31, 2007 and a due date of May 31, 2008. Those home health agencies with a due date of February 28, 2008 have been received and reviewed.

Assisted Living

Letters were sent to Assisted Living Facilities to inform them of the availability of the Assisted Living Guide and to advise them to update their profile with current rates, services and to submit photograph of the facility. Facilities were given a due date of April 1, 2008 to have their photographs submitted for upload to their profile on the Assisted Living Guide on the Commission's web site.

Other

Long Term Care staff attended a conference on April 3, 2008 entitled "Creating Home in the Nursing Home: A National Symposium on Culture Change and the Environmental Requirements." This conference was co-sponsored by the Pioneer Network and the Centers for Medicare and Medicaid Services (CMS). The symposium was focused on the need to change the nursing home environment. Presentations focused on private rooms, lighting and glare, residential models, life safety code issues, and various state success stories.

CENTER FOR HOSPITAL SERVICES

Hospital Services Policy and Planning

Certificate of Need (CON)

CONs Issued

St. Mary's Hospital (St. Mary's County) – Docket No. 07-18-2225

Proposed build-out of existing space to create 2 new mixed use OR's on the first floor; complete build-out of existing space on the third floor; and add 17 additional medical/surgical beds

Cost: \$4,333,821

Modified CONs Issued

Anne Arundel Medical Center (Anne Arundel County) – Docket No. 04-02-2153

Increase in capital cost of the project from \$207,838,654 to \$241,101,858, an increase of \$33,263,203

Pre-Licensure/First Use Approval Issued (Completion of CON-Approved Projects)

Upper Chesapeake Medical Center (Harford County) – Docket No. 04-12-2144

Construction of a 3-story addition to the east end of the facility, expansion of the emergency department from 33 to 47 treatment beds, and expansion of m/s/g/a capacity from 127 beds to 156 beds, construction of a new critical care unit, expansion of obstetric capacity from 9 to 14 beds, and renovations to existing space.

Cost: \$37,222,055

Upper Chesapeake Medical Center (Harford County) – Docket No. 04-12-2147

Construction of new space to connect the Upper Chesapeake Medical Center and the adjacent Harford Surgical Pavilion. Four new general use operating rooms will be in the newly constructed space increasing surgical capacity from 11 to 15 rooms

Cost: \$9,890,047

Partial Pre-Licensure/First Use Approval Issued

Shady Grove Adventist Hospital (Montgomery County) – Docket No. 04-15-2138

Construction of a 4-story addition to the hospital, which includes 6 new inpatient nursing units with 144 private rooms, a new surgery department, and an expanded emergency department. Renovations to the existing hospital, construction of a new power plant, and the addition of an electrical service building. Cost: \$98,954,260

Partial First Use Approval is for: Phase 2A and 2B, construction of the patient tower and site work.

CON Letters of Intent

- Manor Care Bowie, MD., LLC (Prince George's County)
Construction of a new 120 bed comprehensive care facility on US Route 201 in Bowie by the relocation of 100 existing beds from Heartland Health Care Center-Adelphi and 20 beds from Heartland Health Care Center-Hyattsville
- Abibank Home Care Services (Subira Adams) – Provide home health services in Frederick County
- Abraham Healthcare Services, Inc. (Tia Davis) - Provide home health services in Frederick County
- All Staffing, Inc. (Michelle Wike) - Provide home health services in Frederick County
- Allied Alternatives Health Care (Adenike Israel-Bolarinwa) - Provide home health services in Frederick County
- Alpha Health Services, Inc. (Octavie Bynum) – Provide home health services in Frederick County
- American Health First (Samuel Mark) - Provide home health services in Frederick County
- Angels Enterprises, Inc. (Christien Okoroafor) - Provide home health services in Frederick County
- Angel Loving Care, Inc. (Fariatu Jobi)- Provide home health services in Frederick County
- Ayesha Home Health Care (Tahir Afzal) - Provide home health services in Frederick County
- BMA Healthcare Services (Ethel Ngozi Nwanna) - Provide home health services in Frederick County
- BME (Rina Russ) - Provide home health services in Frederick County
- Boyo Health Care Services (Petra Jua) - Provide home health services in Frederick County
- Carroll Home Care (Karen Feroli) - Provide home health services in Frederick County
- Celtic Home Health (Arnold Burchianti) - Provide home health services in Frederick County
- CH Home Health Services (Carolyn Holmes) - Provide home health services in Frederick County
- Community Home Health /Medical Services of America (Howard Sollins) - Provide home health services in Frederick County
- Community Support Systems (Emilia Atem) - Provide home health services in Frederick County
- Compassionate Healthcare Nursing (Ramona Lewis) - Provide home health services in Frederick County
- Crown Home Health Corporation (Charlene Taylor) - Provide home health services in Frederick County
- Daystar Home Care, Inc. (Vera Quayson) - Provide home health services in Frederick County
- D&J Personal Care Services (James Breakfield) - Provide home health services in Frederick County
- Elite Health Care Agency (Ugbizobo Egbuanran) - Provide home health services in Frederick County
- FEM Nursing Services (Emmanual Owooje) - Provide home health services in Frederick County
- GAM Elite Health Care (Yodit Haileab) - Provide home health services in Frederick County
- Gentle Touch Home Care (Carlette Rivers) - Provide home health services in Frederick County
- Grace Homecare Services (Grace Amponsah) - Provide home health services in Frederick County
- HomeCare Rehab (John Baker) - Provide home health services in Frederick County
- Home Health Care Professionals (Surjit Kohli) - Provide home health services in Frederick County
- Home Health Connections (Shahin Mafi) - Provide home health services in Frederick County
- JPS Services (Veronica Brown) - Provide home health services in Frederick County
- J Rehoboth Home Care (Yinka Oladimeji) - Provide home health services in Frederick County
- Kahak Healthcare Services (Michel Kahak) - Provide home health services in Frederick County
- K & K Health Care Services (Anne Kemadjou) - Provide home health services in Frederick County

- Kemngang, Vivian - Provide home health services in Frederick County
- Madanguit, Gerardo - Provide home health services in Frederick County
- Mariel Group, LLC (Curtis Brown) - Provide home health services in Frederick County
- Maxim Home Health (Robert Sharkey) - Provide home health services in Frederick County
- Mid America Home Health (Jay Levy) - Provide home health services in Frederick County
- MISS Health Care Agency (Ifeoma Onyia-Oyebade) - Provide home health services in Frederick County
- Nursing Health Services Training (Ramona Lewis) - Provide home health services in Frederick County
- People Now Healthcare Solutions (Anthony Boyo) - Provide home health services in Frederick County
- Prime Home Health Care (Sameena Khokhar) - Provide home health services in Frederick County
- Professional HealthCare Resources (Ronald Decesare) - Provide home health services in Frederick County
- Quality Home Care (Patricia Ndubueze) - Provide home health services in Frederick County
- Reliance Home Care (Jean-Pierre Leduc) - Provide home health services in Frederick County
- Shadon Care, Inc, (Folashade Badmus) - Provide home health services in Frederick County
- Solid Rock Health Care Services (Rotimi Ikusika) - Provide home health services in Frederick County
- Spectrum, Inc. (Pauline Nnawuba) - Provide home health services in Frederick County
- Vitality Home Healthcare (Jessica Macauley) - Provide home health services in Frederick County

CON Applications Filed

Lorien Howard County II (Howard County) – Matter No. 08-13-2246

Addition of 4 comprehensive care beds, to previously approved but not yet built 60 bed comprehensive care facility to be located in Elkridge.

Pre-Application Conference

Frederick County Home Health Review (see list of LOI's above)

Policy and Planning

The Task Force on the Plan to Guide the Future Mental Health Service Continuum held its second meeting on Thursday, April 10, 2008. The purpose of the Task Force is to provide assistance to the Commission in the development of the Plan to Guide the Future Mental Health Service Continuum consistent with the direction from the Joint Chairmen's Report. The Task Force is chaired by Rex W. Cowdry, M.D.

At the second meeting the Task Force discussed a White Paper on the *Roles of State and Private Hospitals in Providing Inpatient Psychiatric Treatment*. This White Paper is the second in a series that will support the development of the Plan. The White Paper discusses the role of state hospitals, general hospitals and private psychiatric hospitals in providing inpatient and acute inpatient psychiatric care. Changes in the roles of each of these sectors are examined through analyzing historical information on Maryland's inpatient capacity and utilization. The impact of state and federal policies on hospitals' decisions regarding the provision of inpatient psychiatric care is also discussed. Maryland's system is compared to four other states in order to identify opportunities for changing the roles of hospitals with regard to inpatient psychiatric care. Finally, the paper offers some possible policy options for Maryland and questions for Task Force discussion. Meeting agendas and other materials considered by the Task Force are posted on the Commission's website at

http://mhcc.maryland.gov/mental_health_services/index.html

Hospital Quality Initiatives

The HPEG Advisory Committee held its monthly meeting on March 24th to discuss various activities associated with the maintenance and expansion of the Hospital Performance Evaluation Guide (HPEG). The staff provided an update on the status of implementation of the Healthcare Associated Infections Technical Advisory Committee recommendations. The staff discussed plans for a statewide hospital training session on NHSN enrollment and reporting requirements scheduled for April 25th. The staff also reviewed planned updates to the Guide and activities surrounding the establishment of a Quality Measures Data Center to support the Maryland Hospital Performance Evaluation System. In support of MHCC's hospital quality initiatives, the staff continues to reach out to other units within DHMH, federal agencies, professional organizations and other states, to share and gather information and to identify opportunities for collaboration and improvement. These activities are highlighted below:

- *National Healthcare Safety Network (NHSN)*

The Division of Healthcare Quality Promotion of the CDC manages the National Healthcare Safety Network (NHSN), an internet-based surveillance system that integrates patient and healthcare personnel safety surveillance systems. In accordance with the recommendations of the HAI Technical Advisory Committee, the NHSN system will be the vehicle for collecting data on certain health-care associated infection data and quality measures from Maryland hospitals. CHS staff continues to review NHSN educational materials to develop an understanding of the technical reporting requirements associated with the surveillance system. Staff also participates in the NHSN State Users monthly teleconferences to stay abreast of issues surrounding HAI hospital performance measures. On April 2nd, staff participated in the NHSN monthly conference call that included an update on the status of the new module designed for multidrug-resistant organism (MDRO) and clostridium difficile-associated disease (CDAD) data collection and surveillance. State representatives also participated in a detailed discussion of HAI public reporting issues and challenges.

- *Maryland Patient Safety Conference*

The Maryland Patient Safety Center held its Fourth Annual Maryland Patient Safety Conference on Thursday, March 20th at the Baltimore Convention Center. The Conference covered a variety of healthcare quality issues including preventing and minimizing medication errors, addressing healthcare acquired infections, and patient safety monitoring and reporting. Staff attended the all day conference and participated in a panel presentation on MRSA issues.

Specialized Services Policy and Planning

The Commission granted permission to Washington County Hospital (Docket No. 06-21-0013 WN) to initiate primary percutaneous coronary intervention (PCI) services without on-site cardiac surgery on March 15, 2008. The Commission advised Upper Chesapeake Medical Center (Docket No. 07-12-0014 WN) that the hospital may initiate primary PCI services on April 4, 2008.

On February 15, 2008, the Commission docketed the primary PCI waiver application filed by Carroll Hospital Center (Docket No. 08-06-0026 WN). The Commission will consider the staff recommendation on the hospital's application at the public meeting on April 17, 2008.

COMAR 10.24.05 Research Waiver Applications: Atlantic C-PORT Study of Nonprimary Percutaneous Coronary Intervention provides for a limited number of qualified hospitals without on-site cardiac

surgical services to participate in the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) elective angioplasty study. Notice of the docketing of the following applications was published in the *Maryland Register* on March 28, 2008, and posted on the Commission's website: Shady Grove Adventist Hospital (Docket No. 08-15-0027 NPRW), St. Agnes Hospital (Docket No. 08-24-0028 NPRW), Baltimore Washington Medical Center (Docket No. 08-02-0029 NPRW), Johns Hopkins Bayview Medical Center (Docket No. 08-24-0030 NPRW), Southern Maryland Hospital Center (Docket No. 08-16-0031 NPRW), Anne Arundel Medical Center (Docket No. 08-02-0032 NPRW), and Holy Cross Hospital (Docket No. 08-15-0033 NPRW).

Health Information Technology

Staff continued work on the initial draft of the Solutions and Implementation Report, which will address organizational-level business practices related to privacy and security of health information exchange (HIE). Staff completed development of the Principles, Barriers and Solutions, and the Background section of the report. A Solutions and Implementation Workgroup (Workgroup) began meeting last fall to identify privacy and security solutions and formulate high level implementation plans. This report is a culmination of the Workgroup's efforts to identify and propose activities related to privacy and security that will facilitate the exchange of electronic patient information. Staff is planning on circulating the draft report to Workgroup volunteers in May for comment and is anticipating a June release of the report. An Implementation Workgroup is tentatively scheduled to begin meeting later this summer and will use the information from this report to develop detailed implementation plans.

Staff continued to participate in weekly teleconferences of the Certification Commission for Health Information Technology (CCHIT) Network Workgroup (Workgroup). Last month, the Workgroup reviewed results of a second industry wide CCHIT survey of HIEs that was intended to determine the level of interest in CCHIT network certification. Responses to the survey indicated that only a limited number of HIEs are ready to participate in a network certification program. The Workgroup also discussed various network testing models that could be included in the certification process. CCHIT is working with a vendor to develop a testing application that will be used to evaluate network compliance. The Workgroup plans to finalize and pilot test scripts in mid-April. CCHIT anticipates initiating its network certification program around October 1, 2008.

The Maryland Hospital Association (MHA) Transaction Workgroup (Workgroup) completed development of its Request for Solution (RFS) proposal to develop the Maryland Transaction Data Interchange Network (network). The MHA seeks to reduce the per transaction costs and ensure the availability of electronic claims status and eligibility transactions. Over the last year, the MHA has been working with hospitals to explore options for exchanging administrative transactions. The Workgroup decided to develop a proposal to assess opportunities for a consortium of hospitals to participate in a bulk services agreement or to build a network. The RFS is scheduled for release in early April, with responses due about 45 days afterwards. As part of this initiative, the MHA also plans to develop an implementation guide for HIPAA administrative transactions.

Staff continued in its effort to develop a hospital health information technology (HIT) survey. Questions included in the survey were identified from discussions with hospital CIOs, and a review of existing hospital surveys that have a technology component. The survey is intended to measure statewide hospital adoption and implementation of HIT and allow for benchmarking with national activity. During the month, staff modified the survey to include changes proposed by several hospital CIOs. The Commission's Center for Hospital Services is considering including an HIT survey in its 2009 Hospital Quality Survey.

Staff provided consultative support to The Maryland State Medical Society (MedChi) in evaluating a U.S. Department of Health and Human Services (HHS) Medicare demonstration project to provide incentives for using electronic health records (EHRs). HHS has reached out to a number of communities nationwide to encourage their participation in submitting a proposal to participate in a five year EHR demonstration project. The demonstration project is designed to show that widespread adoption and use of EHRs will

reduce medical errors and improve the quality of care. Communities are asked to identify approximately 200 small physician practices to participate in the project, where half of the participating practices are eligible to receive modest incentive payments for using EHRs. The Acting Administrator for the Centers for Medicare and Medicaid Services is planning to take part in a meeting on April 10th at MedChi to overview the demonstration project.

Health Information Exchange

Staff received six proposals from multi-stakeholder groups in response to the Request for Application (RFA) for *A Citizen Centric Health Information Exchange for Maryland*. RFAs were received from the Montgomery County HIE Collaborative, the University of Maryland Medical System, the Chesapeake Regional Information System for our Patients, the Howard County Health Project, LifeBridge Health, and the Maryland Advisory Committee for HIE. LifeBridge Health has since withdrawn their application. The RFA represents the first phase of a two-phase initiative to build a statewide HIE. Staff assembled a review committee to score the RFAs that consisted of representatives from the 2005 legislatively appointed Task Force to Study Electronic Health Records, CareFirst, Oracle, and two well-known national experts on HIE. Existing MHCC and HSCRC regulations require that both Commissions take action on staff recommendations. A public announcement is tentatively planned for early May. The first phase is scheduled to be completed in approximately nine months; the second phase of this initiative will incorporate the best features from the planning proposals to build a statewide HIE that will enable the exchange of patient information across health care sectors.

Research Triangle Institute (RTI), a national consulting organization under contract with the Office of the National Coordinator (ONC), notified staff that its proposal for participation in the Health Information Security & Privacy Collaboration (HISPC) Adoption of Standards Collaborative Workgroup (Workgroup) has been approved. The goal of the HISPC Workgroup is to develop the *National Health Bridge (NHB): Basic Policy Requirements for Authentication and Audit* that supports cross network HIE for the purpose of treatment for individuals and populations as well as an implementation plan that can be used by participating states to guide the adoption of the NHB. The project will also develop an implementation plan that can be used by participating states to guide the adoption of the NHB. Staff will focus on validating a set of basic policy requirements for authentication and audit developed by several modeling states in the Workgroup. Staff plans to invite participants from service area health information exchanges (SAHIEs) around the state to take part in validating policy from the modeling states. The Attorney General's office is currently reviewing the contract. RTI is expected to fund approximately \$102,000 for the work.

Staff continued developing the project scope for an initiative aimed at achieving consensus on appropriate business practices, and privacy and security policies. The project brings together representatives from SAHIEs to identify a framework of policies that will be documented in a *SAHIE Planning Guide* (Guide). Staff expects the Guide to help spur uniform adoption of policies and practices within the state that will facilitate the exchange of patient information in a statewide HIE. This project is scheduled to begin in May.

Electronic Health Networks & Electronic Data Interchange

Staff approved MHCC EHN recertification for RelayHealth/McKesson. Staff is in the process of finalizing its review of the initial certification application for GHN On-Line. Staff is currently reviewing recertification documentation for Eyefinity and Gateway EDI, and is providing consultative support to Misys Healthcare System and Henry Schein Practice Solutions. Staff contacted GE Healthcare, Health Fusion, and ProtoMed Medical Management Corporation to advise them that their MHCC EHN certification will expire in August.

The draft of the *2007 Dental EDI Review* (Review) has been completed and is undergoing a final internal evaluation before it is released. The Review represents the 2006 dental EDI activity and trends in Maryland based on transaction data submitted by 39 private payers, Medicaid, and the seven Medicaid Managed Care Organizations (MCOs). Release of the Review is scheduled for early May.

MHCC's Center for Information Service and Analysis is providing support in developing a web-based application for payers to use in reporting their 2007 administrative transaction census data as required by COMAR 10.25.09, *Requirements for Payers to Designate Electronic Health Networks*. In January, 42 payers were notified to submit a *2008 EDI Progress Report* by June 30, 2008. Staff will be testing the web-based application in early April; several payers also agreed to participate in pilot testing. The web-based application is expected to be available for payers to submit their 2007 EDI transaction data by June 1st.

National Networking

Staff participated in a virtual meeting regarding the development of a successor to the American Health Information Community (AHIC). AHIC is a federal advisory body that makes recommendations regarding the development and adoption of HIT to the Secretary of HHS. The AHIC successor (AHIC 2.0) will be a self-sustaining, public-private partnership based in the private sector. Work is progressing to design AHIC 2.0's governance structure, address legal matters and financial sustainability issues, create positions and recruit a management team and staff, and develop a transition plan. AHIC 2.0 is expected to be fully operational by December 2008.

Staff participated in a meeting of the Healthcare Information and Management Systems Society (HIMSS) Personal Health Record (PHR) Committee for Clinician Outreach Task Force (Task Force). The Task Force's purpose is to develop and execute a business and outreach plan to educate clinical organizations about the value and need for PHRs. Fiscal year 2008 objectives include publishing a FAQs sheet educating clinicians on key issues related to using PHRs, developing presentations and a best practices case study highlighting successful uses of PHRs, and several other education and outreach initiatives. The next meeting of the Task Force is scheduled for April 21st.

In March, staff participated in the *Health IT: Increasing Transparency, Quality, and Value in America's Health Care Conference* sponsored by the U.S. Chamber of Commerce and the National Chamber Foundation. The conference focused on the barriers associated with adoption and utilization of HIT. A panel of representatives discussed the future of electronic prescribing with respect to reducing preventable adverse drug events, and the barriers to adoption and utilization of electronic prescribing. The conference also included a review of positive outcomes that resulted from the use of HIT, and a discussion regarding the effect of electronic health records on cost reduction and improvements in patient care.