



MARYLAND HEALTH CARE COMMISSION

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Thursday, April 19, 2012

Minutes

Commissioner McLean called the meeting to order at 1:10 p.m.

Commissioners present: Conway, Fleig, Grady, McLean, Montgomery, Schneider, and Weinstein.
Commissioner Kan participated via conference call.

ITEM 1.

Approval of the Minutes

Commissioner Kan made a motion to approve the minutes of the March 15, 2012 public meeting, which was seconded by Commissioner Schneider and unanimously approved.

ITEM 2.

Update of Activities

Ben Steffen, Acting Executive Director, announced and congratulated Paul Parker for being appointed Director, Center for Hospital Services.

David Sharp, Director, Center for Health Information Technology, provided an update of the status of the Health Information Exchange draft regulations that were released for informal public comment on February 16, 2012. Dr. Sharp said staff is in the preliminary stage of evaluating the informal comments received.

Evanson Mukira, Health Policy Analyst, provided an update on the Central Line Associated Blood Stream Infections (CLABSI). Mr. Mukira said the most recent update to the Maryland Hospital Performance Evaluation Guide shows that, for the second consecutive year, Maryland hospitals made significant progress in reducing these serious but preventable infections that occur in intensive care units. He said the most current data for the 12-month period, January 1, 2011 through December 31, 2011, shows a 43% reduction in CLABSIs in Maryland hospitals, with 224 CLABSIs in adult ICUs and 43 CLABSIs in NICUs.

ITEM 3.

ACTION: Certificate of Need

- **Magnolia Gardens, LLC (Docket No. 11-16-2315)**

Magnolia Gardens, LLC, which is the owner of Magnolia Center, an existing nursing home in Prince George's County, applied for a Certificate of Need to construct a replacement facility on a site near the existing facility. Paul Parker, Director of the Center for Hospital Services, presented the staff recommendation. Mr. Parker said the proposed facility is designed as a one-story building totaling 72,660 gross square feet. He said the new facility will contain 86 private and 22 semi-private rooms, for a total of 108 patient rooms. Mr. Parker said the total estimated project cost is \$20,743,511 and the bulk of the funding will be provided by a real estate investment trust. Staff recommended that the Commission approve this project with a condition that Magnolia will provide the Commission with a completed Memorandum of Understanding with the Maryland Medicaid Assistance Program agreeing to the minimum required level of Medicaid participation for Prince George's County. Commissioner Fleig made a motion to approve the staff recommendation, which was seconded by Commissioner Conway and unanimously approved.

ACTION: Certificate of Need – Magnolia Gardens, LLC (Docket No. 11-16-2315) is hereby APPROVED.

- **Mid-Atlantic Waldorf, LLC (Docket No. 11-08-2325)**

Mid-Atlantic Waldorf was previously granted a Certificate of Need to establish a 67-bed comprehensive care facility to be developed along with a 90-bed assisted living facility at 3735 Leonardtown Road, in Waldorf. Mr. Parker presented the staff recommendation. He said the facility applied for a Certificate of Need to change the site of the previously approved comprehensive care facility because the seller of the former site failed to move forward with construction of the storm water management facilities, which was necessary for site development on the approved site. The new proposed site is less than 4 miles from the previously authorized site and all features and services of the project remain the same. Staff recommended that the Commission approve this project. Commissioner Fleig made a motion to approve the staff recommendation, which was seconded by Commission Montgomery and unanimously approved.

ACTION: Certificate of Need – Mid-Atlantic Waldorf, LLC (Docket No. 11-08-2325) is hereby APPROVED.

- **Frederick Memorial Hospital (Docket No. 12-10-2326)**

Frederick Memorial Hospital applied for a Certificate of Need to add 10 acute medical/surgical beds through the renovation of existing hospital space formerly used to provide comprehensive care facility services. Mr. Parker provided the staff recommendation. He said the facility proposes to renovate 7,800 square feet of existing hospital space. The estimated cost of this project is \$2,348,587 and the hospital proposes to borrow the funds needed through the sale of bonds. Mr. Parker said the project will increase the hospital's MSGA bed capacity to 256 beds and its total bed capacity to 315 beds. He noted that this project would complete the transition of all space in the 4A unit of Frederick Memorial Hospital to an 18-bed MSGA unit. He also noted that partial renovation of the space had been previously found not to require Certificate of Need review and approval because it did not increase the hospital's bed capacity. The unit will consist of all private rooms. Staff recommended that the Commission approve this project.

Commissioner Fleig made a motion to approve the staff recommendation, which was seconded by Commission Weinstein and unanimously approved.

ACTION: Certificate of Need – Frederick Memorial Hospital (Docket No. 12-10-2326) is hereby APPROVED.

ITEM 4.

ACTION: Legislation

Erin Dorrien, Program Manager, Government Relations and Special Projects, provided a final status report on the 2012 legislative session.

Ms. Dorrien discussed the following bills that were supported by the Commission:

- ***SB 227 – Maryland Health Care Commission – Assessment of Fees and Maryland Trauma Physician Services Fund - Revisions***

This bill changes the reporting requirement from premiums written to premiums earned to be in line with the reporting requirements of the Maryland Insurance Administration. It also eliminates the requirement that the Maryland Insurance Administration report premiums earned to the Commission by May 30th of every year. SB 227 also makes an accounting change that allows the Commission to use funds from the trauma fund balance that may not have been collected that fiscal year. SB 227 passed.

- ***SB 234/HB 439 – The Maryland Health Improvement and Disparities Reduction Act of 2012***

This bill establishes Health Enterprise Zones and tax credits for practitioners. It requires the Commission to report on programs that reduce disparities. The Health Quality and Cost Council will convene a task force to study the feasibility of the multicultural accreditation program and the Commission will staff the workgroup. SB 234/HB 439 passed.

- ***SB 238/HB 443 – Maryland Health Benefit Exchange Act of 2012***

This bill expands the operating structure of the Maryland Health Benefit Exchange by authorizing the Exchange to contract with health insurance carriers in a certain manner, establishing the framework for the Small Business Health Options Program (SHOP) Exchange, and establishing navigator programs for the SHOP and individual exchanges. SB 238/HB 443 passed.

- ***SB 456/HB 465 – Health Insurance – Health Benefit Plan Premium Rate Review***

This bill requires carriers to file premium rate reviews with the Maryland Insurance Administration (MIA) and defines when and under what conditions the MIA can disapprove rate filing. SB 456/HB 465 passed.

- ***SB 749/HB 1140 – Physicians – Sharing of Information with the Maryland Health Care Commission***

This bill allows the Maryland Health Care Commission to share and receive data from the Maryland Board of Physicians, the Office of Health Care Quality, and the Health Services Cost Review Commission. SB 749/HB 1140 passed.

- ***SB 750/HB 1141 – MHCC – Cardiac Surgery and PCI Services***

This bill clarifies MHCC oversight of the establishment and continuation of primary and elective PCI services through Certificates of Conformance and Certificates of Ongoing Performance, and provides for a Clinical Advisory Group composed of both in-state and out of state experts in cardiac surgery and interventional procedures to advise the Commission in updating its State Health Plan regarding these services. SB 750/HB 1141 passed.

- ***SB 540/HB 470 – MHCC – Preauthorization of Medical Services and Pharmaceuticals***

This bill requires the Commission to adopt regulations to establish standards for the preauthorization of medical services and pharmaceuticals. The Commission must provide an annual report on implementation beginning in 2012 through 2016. SB 540/HB 470 passed.

- ***SB 954 – Medical Records – Enhancement or Coordination of Patient Care***

This bill allows carriers to share information with treating physicians and requires any entity sharing information electronically to follow HIE regulations. SB 954 passed.

ITEM 5.

PRESENTATION: State Health Access Data Assistance Center (SHADAC) Issue Brief

Linda Bartnyska, Acting Director, Center for Information Systems and Analysis, and Janet Ennis, Chief of Small Group Market, presented the results of a study on Maryland's self-insured small group market. Ms. Bartnyska said the study was conducted for the Commission by SHADAC using MEPS-IC data. She noted that the funding for the study was provided through a grant from the Robert Wood Johnson Foundation's State Health Reform Assistance Network. The study concluded that the percentage of small employers nationally and in Maryland that self-insure is relatively small and the trend has been flat. Ms. Bartnyska said that, because the Affordable Care Act increases the incentives for some small employers to self-insure, staff will continue to track self-insurance rates in the small group market and provide the information to State policy-makers. Staff will also work with the Maryland Insurance Administration and the Health Benefit Exchange Board to identify appropriate actions for Maryland.

ITEM 6.

PRESENTATION: Draft Hospice Plan Chapter of the State Health Plan

Linda Cole, Chief, Long Term Care Policy and Planning, highlighted draft changes to the State Health Plan Chapter for Hospice Services. Ms. Cole provided background information, literature, definitions, and data.

She said that new docketing rules in the draft Chapter address requirements for the Commission to accept applications seeking to establish hospices in jurisdictions with defined need, applications from providers in jurisdictions that are contiguous to single provider jurisdictions; requirements for existing hospices to establish inpatient capacity; and requirements for service exceptions. Ms. Cole discussed the draft new and existing standards which include: minimum services required under Medicare Conditions of Participation; impact of a project on existing providers; charity care and sliding fee scale; quality standards; public education programs; and standards for inpatient units. She also discussed the proposed changes to the methodology including: change from a cancer-focused approach to projecting need for all hospice patients; change from all ages to population 35+; use rate changes; and volume threshold changed from a fixed threshold to a calculation based on current services patterns.

Ms. Cole said that this draft State Health Plan Chapter for Hospice Services was released for informal public comment on Friday, April 13, 2012, with comments due no later than May 14, 2012.

ITEM 7.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:50p.m., upon motion of Commissioner Fleig, which was seconded by Commissioner Schneider and unanimously approved.