



MARYLAND HEALTH CARE COMMISSION

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Thursday, October 18, 2012

Minutes

Chairman Tanio called the meeting to order at 1:10 p.m.

Commissioners present: Conway, Falcone, Fronstin, Kan, Lyles, McLean, Montgomery, Moon, Petty, and Schneider.

ITEM 1.

Approval of the Minutes

Commissioner McLean made a motion to approve the minutes of the September 20, 2012 public meeting, which was seconded by Commissioner Montgomery and unanimously approved.

ITEM 2.

Update of Activities

Chairman Tanio announced and congratulated Ben Steffen on his well-deserved appointment as Executive Director of the Maryland Health Care Commission. He noted that Ben had done an outstanding job over the last year and said that he was excited about Ben's leadership going forward.

Chairman Tanio introduced and welcomed Paul Fronstin as a new member of the Commission. He said that Mr. Fronstin is a senior research associate with the Employee Benefit Research Institute (EBRI), a private, nonprofit, nonpartisan organization committed to original public policy research and education on economic security and employee benefits. He noted that Mr. Fronstin has been with EBRI since 1993 and that he earned his Bachelor of Science degree from SUNY Binghamton and his Ph.D. in economics from the University of Miami.

Ben Steffen, Executive Director, thanked the members of the Commission for their support and noted he has three goals for the Commission as Executive Director: innovation; collaboration; and engagement.

David Sharp, Director of the Center for Health Information Technology told the Commissioners that, in response to their comments and questions at the October meeting, staff had made changes to the report that will be submitted to the General Assembly regarding HB 706, Electronic Health Records—Regulation and Reimbursement.

ITEM 3.

PRESENTATION: Health Care Reform: Caring about Costs, Too; How the MHCC Can Help

Dr. Joshua Sharfstein, Secretary of the Department of Health and Mental Hygiene, addressed the Commission on the importance of controlling costs as health care reform is launched in Maryland. Dr. Sharfstein thanked the Commission, particularly noting its work in the small group health insurance market in tracking the metrics of health care costs. He said that the Commission's work informs the policy makers on the Health Insurance Exchange Board and assists in tracking health care costs' metrics.

ITEM 4.

ACTION: COMAR 10.24.11 – State Health Plan for Facilities and Services: General Surgical Services – Permanent Regulations

Eileen Fleck, Program Manager, presented final regulations for the General Surgical Services Chapter of the State Health Plan. Ms. Fleck said the proposed regulations were presented and approved at the May 2012 public meeting of the Commission. She outlined a few non-substantive changes and, on behalf of Staff, recommended that the Commission adopt the regulations as final. Commissioner Petty made a motion that the Commission adopt COMAR 10.24.11– State Health Plan for Facilities and Services: General Surgical Services as final regulation, which was seconded by Commissioner Moon and unanimously approved.

ACTION: COMAR 10.24.11 – FINAL Regulations – State Health Plan for Facilities and Services: General Surgical Services are hereby ADOPTED.

ITEM 5.

ACTION: Petition to Amend COMAR 10.24.01 to Grant Interested Party Status to a Jurisdiction without an Acute Care General Hospital in the Review of a Hospital Project in an Adjacent Jurisdiction; Staff Recommendation for Amendment to COMAR 10.24.01 – Certificate of Need for Health Care Facilities – Proposed Amendment to Regulations

Paul Parker, Director of the Center for Hospital Services, briefed the Commission on the petition of State Senator E. J. Pipkin to change the Commission's procedural regulations governing Certificate of Need reviews to re-define "interested party" so as to enable Queen Anne's and Caroline County to be granted this status in the review of the recently filed CON application to relocate Memorial Hospital of Easton within Talbot County. Queen Anne's County and Caroline County are the only jurisdictions in Maryland that do not have an acute care general hospital within their borders and both are contiguous to Talbot County. Mr. Parker acknowledged the special situation of jurisdictions that do not have an acute care hospital and presented staff's recommendation that the issue be addressed in changes to the definition of "participating entity" in the regulations. Senator Pipkin presented his position in favor of redefining "interested party" and acknowledged representatives from Queen Anne's County and Caroline County who were at the meeting.

Commissioner Kan made a motion that the Commission accept the staff recommendation for the proposed change and grant approval of a one-time-only exception for Queen Anne's and Caroline County to be defined as interested parties in the matter of Shore Health Systems' application for Certificate of Need to replace Memorial Hospital of Easton with a new facility. Following

discussion among the Commissioners and a motion from Commissioner McLean to table Commissioner Kan's motion, which was approved, Commissioner Petty made a motion to approve Senator Pipkin's requested amendment to Certificate of Need procedural regulations, which was seconded by Commissioner Montgomery, and approved. Commissioners Conway, Falcone, Fronstin, Kan, Lyles, McLean, Moon, Montgomery, and Petty voted in favor of the motion. Chairman Tanio and Commissioner Schneider opposed the motion.

ACTION: Petition to Amend COMAR 10.24.01 to Grant Interested Party Status to a Jurisdiction without an Acute Care General Hospital in the Review of a Hospital Project in an Adjacent Jurisdiction - Proposed Amendment to Regulations - is hereby ADOPTED.

ITEM 6.

PRESENTATION: First Shared Savings Results from the Maryland Multi-Payer PCMH Program

Susan Myers, Manager of Advanced Primary Care Programs, and Guy D'Andrea, President of Discern Consulting, presented the shared savings results for the commercially insured population in the first year of the Maryland Multi-Payer PCMH program. Ms. Myers discussed key points outlining the significant progress in shared savings, achievement of NCQA Level II or III by the participating practices, and the evaluation as the three main program areas. She also discussed the evolving policy considerations. Ms. Myers noted the calculated savings for 2010-2011 and said that the first year results confirm that the PCMH practices can generate savings. She also noted that the results showed that practices at varying levels of sophistication and serving diverse patient populations can transform and succeed. Mr. D'Andrea discussed, in detail, the shared savings calculations and status, as well as the results.

ITEM 7.

PRESENTATION: "My Eyes, Your Eyes – How Does the CMS Five-Star Quality Rating System for Nursing Homes Related to Family Member/Responsible Party Experience of Care?"

This agenda item was postponed until the November public meeting.

ITEM 8.

PRESENTATION: Impact of Assignment of Benefits Legislation – Baseline Analysis

Linda Bartnyska, Acting Director of the Center for Information Services and Analysis, presented the baseline analysis on the impact of assignment of benefits. Ms. Bartnyska provided background information, noting that the Maryland General Assembly passed legislation in 2010 permitting patients covered under non-HMO contracts to assign benefits to non-participating hospital-based and on-call physician specialties under the condition that these specialists agree not to balance bill the patient. The Commission was assigned the responsibility of evaluating the impact of the legislation on patients, physicians, and carriers. Ms. Bartnyska said the evaluation measures are focused on the magnitude and composition of payment for out-of-network services. She said that the expected impact of the law includes: higher payments to non-participating, hospital-based or on-call physicians; higher payments by carriers and lower payments by patients; and possibly lower rates of network participation by hospital-based or on-call physicians. She said that the report would be submitted to legislators at the end of the month.

ITEM 9.

PRESENTATION: Quarterly Update to the Hospital Performance Evaluation Guide

This agenda items was postponed until the November public meeting.

ITEM 10.

PRESENTATION: Maryland Trauma Physician Services Fund, Report to the Maryland General Assembly, FY 2012

Karen Rezabek, Program Manager, and Bridget Zombro, Director of Administration, noted that the Maryland Health Care Commission is required to submit an annual report to the General Assembly on the status of the Maryland Trauma Physician Services Fund. This fund finances uncompensated and undercompensated trauma services and on-call stipends for trauma physicians that serve Level II and Level III Trauma Centers. Ms. Rezabek and Ms. Zombro presented a summary of the report and provided the status of the Trauma Fund. Ms. Rezabek said that the Fund received \$11.7 million from the \$5 registration fees collect by Maryland's Motor Vehicle Administration in fiscal year 2012. She noted that the Fund expended: \$4.8 million in uncompensated care; \$6 million in on-call and stand-by stipends; \$255,372 to Medicaid, \$300,000 in Trauma Equipment Grants, and \$304,000 in Administrative Expenses. She pointed out that an 8% reduction in payments effective July 1, 2009 remains in effect, with the exception of Medicaid. Ms. Zombro said the Office of Legislative Audits found that MHCC did not requires its contractor to confirm that trauma patients were listed on the Trauma Registry as the law required, and therefore, some claims were not eligible for reimbursement by the Fund. The auditor recommended that the MHCC recoup the ineligible claims paid. Commission staff is currently working to resolve this issue. Effective October 1, 2012, the statute permits advanced spending of funds received from the Motor Vehicle Administration in any fiscal year.

ITEM 11.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:40 p.m., upon motion of Commissioner Montgomery, which was seconded by Commissioner McLean and unanimously approved.