

Craig P. Tanio, M.D.
CHAIR



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MARYLAND HEALTH CARE COMMISSION

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Thursday, June 18, 2015

Minutes (as corrected)

Chairman Tanio called the meeting to order at 1:35 p.m.

Commissioners present: Carr, Fleig, Fronstin, Metz, Moffit, Montgomery, Phillips, Pollak, Stollenwerk, and Weinstein. Commissioners Kan, Peralta, and Schneider participated via telephone.

ITEM 1.

Approval of the Minutes

Commissioner Fleig made a motion to approve the minutes of the May 21, 2015 public meeting of the Commission, which was seconded by Commissioner Kan and unanimously approved.

ITEM 2.

Update of Activities

Ben Steffen, Executive Director, said that the Commissioners and staff held an educational retreat that morning to building consensus on funding and priorities of the Commission for 2017 and beyond.

Rebecca Goldman, Health Policy Analyst, provided an update on the Palliative Care Pilot project. Paul Parker, Director, Center for Health Care Facilities Planning and Development announced that Ms. Goldman will be relocating, therefore, resigning from Commission staff. Mr. Parker thanked her for all her hard work and dedication.

ITEM 3.

ACTION: Certificate of Need: Lorien Harford Nursing and Rehabilitation Center

Lorien Harford, III, LLC, doing business as Harford Nursing and Rehabilitation Center, applied for a Certificate of Need (CON) to establish a 70-bed comprehensive care facility in Forest Hill, Maryland (Harford County). Kevin McDonald, Chief of Certificate of Need, presented the staff recommendation for conditional approval, summarizing the key points of compliance of the \$12.2 million project with applicable criteria and standards. There was a brief discussion of the relatively high assumptions with respect to projected Medicare utilization at the facility and the cost incurred on the project applicant by

the requirement to obtain CON approval for the project. Commissioner Fronstin made a motion to approve the staff recommendation, which was seconded by Commissioner Moffit and unanimously approved.

ACTION: Certificate of Need: Lorien Harford Nursing and Rehabilitation Center is hereby APPROVED with a condition.

ITEM 4.

ACTION: Certificate of Need Exemption: Seasons Hospice/Optum Hospice Merger

Seasons Hospice and Palliative Care of Maryland, Inc. applied for an exemption from Certificate of Need for its proposed merger with the hospice operations of Optum Palliative and Hospice Care. Bill Chan, Health Policy Analyst, presented the staff recommendation. Mr. Chan said that Seasons proposed to purchase the Maryland general hospice operations of Optum, which is authorized to provide general hospice services in three jurisdictions (Baltimore, Montgomery, and Prince George's Counties), and merge those operations into Seasons. He said that Optum is also authorized to provide hospice care to certain United Healthcare health maintenance organization members without respect to the patient's jurisdiction of residence, but that ability could not be acquired by Seasons. Mr. Chan noted that Seasons provides general hospice services in Baltimore City and the counties of Anne Arundel, Baltimore, Carroll, Cecil, Harford, Howard, and Prince George's. Staff recommended that the Commission approve the request for an exemption from CON review for the merger of Seasons and the hospice services of Optum. Mr. Chan said that with this exemption, Seasons, the surviving hospice, will acquire authority to provide hospice care to the residents of Montgomery County. Commissioner Moffit made a motion to approve the staff recommendation, which was seconded by Commissioner Montgomery and unanimously approved. Chairman Tanio and Commissioner Fleig abstained from the vote.

ACTION: Certificate of Need Exemption: Seasons Hospice/Optum Hospice Merger is hereby APPROVED.

ITEM 5.

PRESENTATION: Plans for Development of State Plan for Freestanding Medical Facilities

Paul Parker, Director of the Center for Health Care Facilities Planning and Development, and Kathleen Ruben, Health Policy Analyst, presented an overview of work performed in development of a new State Health Plan chapter for freestanding medical facilities (FMFs). Ms. Ruben profiled the three Maryland facilities currently operated as FMFs and their developmental history. She noted that Maryland piloted this new type of health care facility, beginning in 2006, and is now ending the pilot phase, necessitating the development of regulations to guide regulatory oversight of applications by Maryland hospitals to develop such facilities. Mr. Parker briefly reviewed the types of standards that will be contained in a draft plan that will be released for informal review and comment. After obtaining input from a work group that is now in the final stages of being put together, staff will consider the informal comments received on the draft and make recommendations to the Commission, which will be asked to consider a revised draft for adoption as proposed regulations later this year.

ITEM 6.

UPDATE: Results for the State EHR Incentive Program

David Sharp, Director of the Center for Health Information Technology and Innovative Care Delivery, and Angela Evatt, Chief of Health Information Exchange, presented results of the State's Electronic Health Record Incentive Program. Ms. Evatt provided background information on the State's Incentive Program, noting that Maryland law enacted in 2009 required the Commission to establish electronic health record (EHR) adoption incentives from certain State-regulated payors. She stated that Commission regulations, COMAR 10.25.16 – Electronic Health Record Incentives, require State-regulated payors to offer EHR adoption incentives to physician and nurse practitioner who lead practices that meaningfully use a federally certified EHR in the areas of family practice, general practice, geriatric, internal medicine, pediatric medicine, or gynecologic practice. Practices can receive up to \$25,000 based on the practice's patient panel, calculated at \$25 per member. Ms. Evatt noted that since 2011, State-regulated payors have paid over \$8.3 million to approximately 370 qualifying practices, and that participation in the program has increased by about 14 percent since April 2013. Ms. Evatt also noted the increase in EHR adoption and meaningful use has been aided by the continued collaboration among the Commission, The Maryland State Medical Society (MedChi), the Department of Health and Mental Hygiene, the Chesapeake Regional Information System for our Patients (CRISP), and the Maryland Nurses Association.

ITEM 7.

UPDATE: Results of the Analysis of Payment for Professional Services

Deferred until the July 16, 2015 public meeting of the Commission.

ITEM 8.

UPDATE: Evolution of the Small Group Market

Bruce Kozlowski, Co-Director of the Center for Quality Measurement and Reporting, discussed the status of the transition of Maryland's small group health insurance market. Mr. Kozlowski provided background information on the benefits and cost sharing of the Comprehensive Health Benefit Plan that was developed by the Commission and the Maryland Insurance Administration to ensure that carriers provided the benefits required in regulations. He also provided background information regarding the State's partnership premium subsidy program, which was established in 2007 for small employers not currently offering health insurance to their employees. He noted that the Partnership premium subsidy program closed to new groups effective January 1, 2014, with a gradual phase out of enrolled groups upon renewal with new enrollments as of May 1, 2015. Mr. Kozlowski discussed the small group market going forward, noting that the small business health insurance exchanges (SHOP) must open up to businesses with up to 100 employees in 2016, and that those businesses must offer products consistent with the Essential Health Benefits package and all other insurance market reforms. He said this expansion could further disrupt the redefined small group market as larger firms with negative illness profiles joining the small group market, and firms with younger healthier employees opt to self-insure. Mr. Kozlowski discussed the trends and possibilities for small employers, noting that because the ACA is still maturing, rate adjustments are to be expected. He said that, although there were earlier upward rate adjustments, for 2016 there are positive indicators with the dominant carrier requesting 17% reductions for four of its plans, and 3% reduction to two plans. He also said that most other carrier adjustments are minimal increases of 3-4% with the exception of one carrier requesting a 15% increase for its two plans.

ITEM 9.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:00 p.m. upon motion of Commissioner Fleig, which was seconded by Commissioner Montgomery and unanimously approved.