

Craig P. Tanio, M.D.
CHAIR



Ben Steffen
EXECUTIVE DIRECTOR

MARYLAND HEALTH CARE COMMISSION

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Thursday, February 16, 2017

Minutes

Chairman Tanio called the meeting to order at 1:05 p.m.

Commissioners present: Carr-York, Fleig, Hafey, Metz, Moffit, O'Connor, Phillips, Pollak, Sergent, Stollenwerk, Thomas, and Tomarchio.

ITEM 1.

Approval of the Minutes

Commissioner Hafey noted that she participated on the teleconference call on Monday, February 6, 2017, but was not listed as present in the minutes. Staff made the correction. Commissioner Fleig made a motion to approve the minutes of the January 26, 2017 public meeting of the Commission, as corrected, and the February 6, 2017 public meeting of the Commission, held via teleconference, which was seconded by Commissioner Hafey and unanimously approved.

ITEM 2.

Update of Activities

Ben Steffen, Executive Director, said that budget hearings were held in both the House and Senate last week. Mr. Steffen stated that the Department of Budget and Management (DBM) has recommended an operating budget for 2018 of \$15,119,104. He said that questions arose regarding the recovery of indirect costs and noted that DBM recommended increasing the indirect costs that MHCC and HSCRC submit to DHMH from 18 to 30 percent of labor costs. He informed the Commission that the MHCC indirect cost recovery is specified in law as 18 percent of direct labor costs. He stated that DBM would seek a statutory change to permit the higher recovery rate. The increase in the indirect labor rate added approximately \$600,000 to the MHCC budget for 2018. That adjustment is already reflected in the \$15,119,104 budget approved by DBM. He reassured the Commissioner the Commission could meet 2018 obligations using its operating reserve plus funds collected through the 2018 assessment on hospitals, nursing homes, payers, and provider, but warned that the 2019 budget would be more challenging. Mr. Steffen stated that MHCC would likely have to seek mandate relief next year, if

the assessment cap was not changed. The assessment cap was last increased in 2008. He noted that it is extremely rare for a state agency to operate for nine years with no cap increase.

Mr. Steffen informed the Commissioners that MHCC had been awarded two-year \$50,000 grant from the Network for Regional Healthcare Improvement (NRHI) to continue Total Cost of Care (TCoC) work. This year 12 sites are participating in the three tiers of the initiative. The sites include a combination of states and local business coalitions. The new effort will allow for meaningful comparisons of Maryland's TCoC performance to spending in similar states with the addition of Massachusetts and Virginia to the program.

Mr. Steffen said staff continues to meet with DHMH and CMMI in developing the Maryland Comprehensive Primary Care model, which was developed as part of the State's All Payer Model Agreement with the goal of identifying ways for ambulatory care physicians to earn value-based incentive payments.

Linda Bartnyska, Director of the Center for Analysis and Information Systems, introduced Mahlet Nigatu. Ms. Nigatu joined Commission staff as Chief of Policy, Cross-Payer, and Workforce Analyses. Before joining the Commission, she worked for the Wisconsin Health Information Organization, a voluntary APCD for the state of Wisconsin.

Ms. Bartnyska said that, at the request of Commissioner Pollak, staff conducted a simple analysis of Maryland's hospital discharge data from 2010-2016 for hip joint replacement, knee joint replacement, and two spine procedures in different payer populations. She noted that the discharges were limited to Maryland residents. Ms. Bartnyska said the results will be provided to the Commissioners.

ITEM 3.

ACTION: Certificate of Need – Lorien Elkridge (Docket No. 16-13-2379)

Lorien Elkridge applied for a Certificate of Need to add 25 comprehensive care facility beds and construct a three-story building addition, along with minor renovations to the existing facility. Kevin McDonald, Chief of Certificate of Need, presented the staff recommendation. Mr. McDonald said that the estimated cost of the project is \$5,457,500, and will be funded with a \$4.25 million mortgage loan, \$907,500 in cash, and a \$300,000 loan for fixtures, furnishings, and equipment. He said that, based on staff's analysis of the proposed project's compliance with applicable standards and criteria, staff recommended that the project be approved with conditions. Commissioner Carr-York made a motion to approve the staff recommendation, which was seconded by Commissioner Moffit and unanimously approved.

ACTION: Certificate of Need – Lorien Elkridge (Docket No. 16-13-2379) is hereby APPROVED

ITEM 4.

ACTION: COMAR 10.24.19 – State Health Plan for Facilities and Services: Freestanding Medical Facilities – Proposed Regulations

Chairman Tanio noted that, at the January meeting, the Commission decided to delay action on the revised proposed Freestanding Medical Facilities (FMF) regulations to permit additional discussions to occur among the MHCC, HSCRC, OHCQ, and MIEMSS on the establishment of freestanding medical facilities. Eileen Fleck, Chief of Acute Care Policy and Planning, presented the staff recommendation for the adoption of proposed permanent regulations. Ms. Fleck noted that the FMF regulations being considered contain revisions and updates to the proposed regulations that were adopted by the Commission in November 2016. She summarized those changes, and requested that the Commission adopt the suggested changes to the regulations. Following discussion, Commissioner Pollak made a motion to adopt the regulations, which was seconded by Commissioner Sergent, and unanimously approved. Commissioner O'Connor opposed, and Commissioner Thomas abstained.

ACTION: COMAR 10.24.19 – State Health Plan for Facilities and Services: Freestanding Medical Facilities – Proposed Regulations is hereby APPROVED

ITEM 5.

PRESENTATION: Legislative Update

Erin Dorrien, Chief of Governmental and Public Affairs, provided an update on various legislation. The first bill Ms. Dorrien discussed, SB 369/HB 403 “Maryland Patient Referral Law – Compensation Arrangements Under Federally Approved Programs and Models,” would establish an exemption from the MPRL for certain compensation arrangement. She noted that the bill would require certain information to be filed with the Maryland Insurance Administration and that the insurance Commissioner would determine if the arrangement violates insurance law.

Ms. Dorrien said that HB 1053 “Integrated Community Oncology Reporting Program” would establish an Integrated Community Oncology Pilot Program, requiring the MHCC to establish an application process for the program. She noted that it would also require the MHCC to establish a Clinical Advisory Group to advise on the development of regulations and assist in ongoing monitoring of the performance of the centers, and report those results to the Governor and General Assembly.

Ms. Dorrien stated that SB 571/HB 909 “Maryland Health Insurance Coverage Protection Act,” would create a new temporary commission, and require the new commission to assess the impact of federal changes to the ACA, Medicaid, and Medicare. She also mentioned HB 736 “Workgroup to Recommend Possible Reforms to Maryland’s Health Care System,” which would establish a workgroup to study and recommend reforms to Maryland’s health care system should certain changes occur at the federal level.

She said that SB 1020 “Maryland Health Care Regulatory Reform Act of 2017” would reorganize MHCC and HSCRC into the Maryland Health Care and Cost Review Commission. It would establish an oversight framework similar to that of the Public Service Commission with five full-time paid Commissioners. It would also require the new commission to submit a proposal for a streamlined CON process to the Governor and the General Assembly.

Ms. Dorrien also said that a bill that would create the framework for the Maryland Comprehensive Primary Care Program was drafted and is working its way through the

Department of Legislative Services. This bill would name the MHCC as the coordinating entity for the MCPC model, establish an advisory council to provide advice to MHCC on the design, recruitment, performance monitoring, and model enhancements. The program would require CMMI approval. Ms. Dorrien provided a bill summary chart of all bills that are currently being tracked.

ITEM 6.

PRESENTATION: Maryland Patient Safety Center – Annual Report

Theresa Lee, Director of the Center for Quality Measurement and Reporting, announced that the Maryland Patient Safety Center, Inc. (MPSC) was first designated by the MHCC as Maryland's Patient Safety Center in 2004. The MHCC re-designates a Maryland Patient Safety Center every three years, with a goal to make health care in Maryland the safest in the nation by fostering a shared culture of safety among patient care providers by mandatory reporting of serious adverse events to the Department of Health and Mental Hygiene, and by encouraging voluntary reporting of other patient safety events. The Maryland Patient Safety Center, Inc. offers education and training on quality and facilitates patient safety collaborative arrangements. The Maryland Health Care Commission re-designated the MPSC, Inc. in December, 2014. Robert Imhoff, President and CEO of MPSC, Inc., and Bonnie DiPietro, Director of Operations, presented on the Center's progress and its fiscal year 2018 program plan. Commissioner Stollenwerk suggested that de-identified aggregate data is only useful if it is publicly reported. Commissioner Moffit added that Maryland needs benchmark information on patient safety, such as data on births that should have been done by cesarean section to avoid cerebral palsy. In summarizing the Commissioners' views, Chairman Tanio said that patient safety strategies should be clear and aspirational and convey what is possible to achieve. He also noted that the Commission would be replacing former Commissioner Fronstin on the Center's Board of Directors.

ITEM 7.

Overview of Upcoming Initiatives

Mr. Steffen said that the March 2017 meeting of the Commission will include an update on the Health Care Quality website, round 2 of the telehealth awards, an update on legislation, and the cardiac surgery recommended decision.

ITEM 8.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:05 p.m. following a motion by Commissioner Thomas, which was seconded by Commissioner Stollenwerk and unanimously approved.