

MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

January 2010

***CENTER FOR INFORMATION SYSTEMS
AND ANALYSIS***

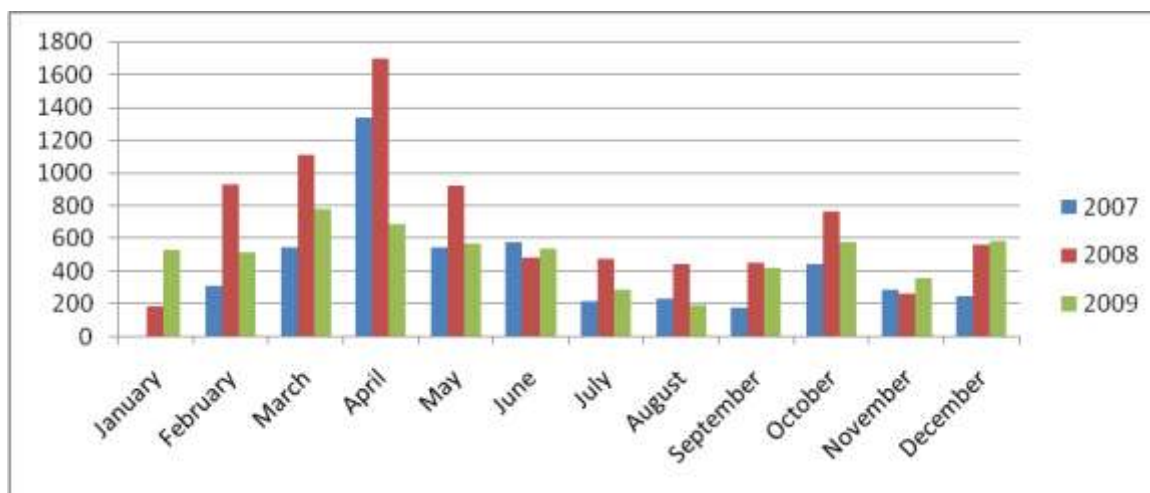
Maryland Trauma Physician Services Fund

Uncompensated Care Processing

CoreSource, Inc., the third party administrator (TPA) for the Trauma Fund, adjudicated claims with a total paid value of approximately \$335,701 in November and \$585,682 in December. The monthly payments for uncompensated care since February 2007 are shown below in Figure 1. Although the level of uncompensated care payments had been falling significantly since the start of the 2010 fiscal year in July, claims payments over the past two months have been greater than those in November and December of 2008.

Electronic submission of Trauma Fund claims is now available. Physician practices' staff may contact Maureen Abbott, the Trauma Fund's customer service representative at CoreSource, at 1-800-624-7130, extension 55512, or direct dial at 410-933-5512 for further information.

Figure 1 – Trauma Fund Uncompensated Care Payments 2007-2009



Patient Centered Medical Home Workgroup

Kathleen White, PhD., the Workgroup's chairperson, presented an update to the Maryland Health Quality and Cost Council on the status of the pilot project on December 18, 2009. Information regarding the work of each of the subgroups and the Workgroup, as well as the schedule of upcoming meetings, is available on the Council's website at: <http://dhmh.state.md.us/mhqcc/pcmh.html>. Meetings have not yet been scheduled for 2010.

PCMH Workgroup meetings are regularly held at the Commission's offices in Room 100, though conference call attendance is also available. Persons interested in participating in the Workgroup should send an e-mail to: pcmhpractices@mhcc.state.md.us.

Cost and Quality Analysis

Maryland Medical Care Data Base (MCDB) and Data Collection Regulations

The proposed replacement regulations (COMAR 10.25.06: Maryland Medical Care Data Base and Data Collection, Regulation .01-.17) to modify and expand the MCDB reporting requirements for payers operating in Maryland were favorably reviewed by the Department of Fiscal Services, the Joint Committee on Administrative, Executive and Legislative Review (AELR), and the Governor's Office. The proposed replacement regulations were published in the Maryland Register on January 4th; the 30 day comment period will end on February 5th at 4:30. The Commissioners will be asked to finalize the replacement regulations at the March 18th meeting.

Our data base contractor, Social and Scientific Systems, is completing construction of the initial files for the 2008 MCDB, which include professional services and prescription drugs. SSS has been working with one of the smaller payers to correct multiple deficiencies in their data submission, and will receive additional data from one of the largest payers to correct missing information on provider participation.

Health Insurance Coverage in Maryland

A two-page issue brief on insurance coverage in Maryland during 2007–2008 will be released at the January Commission meeting. The information in the brief comes from staff analysis of the Current Population Survey, Annual Social and Economic Supplement (CPS ASEC), the same data source used in the Commission's *Health Insurance Coverage in Maryland* report. (The report and brief are issued in alternate years.). The MHCC report and issue brief provide information at the state-level only; they do not provide information on insurance coverage for Maryland's counties because the CPS ASEC doesn't contain this information. Information for the State's counties is available from two different Census Bureau programs: 1) the Small Area Health Insurance Estimates (SAHIE) program; and 2) the American Community Survey (ACS).

Staff has been work on the MEPS-IC report, which provides information on insurance coverage in Maryland's private sector businesses and is produced every two years, alternating with the coverage report. The data for the MEP-IC report come from the Medical Expenditure Panel Survey, Insurance Component, an annual national survey of business establishments (and governments) conducted by the Agency for Healthcare Quality and Research (AHRQ). The report provides information on employer-sponsored health insurance—such as whether insurance is offered and if so, the enrollments, premiums, employee contributions and plan characteristics—for a variety of categories, such as firms size and industry. This year's report will provide information from 2008 and will include new information on deductibles, including the proportion of employees whose policies include a deductible and the average size of the deductible.

Collaboration with HSCRC

Staff is collaborating with staff from HSCRC, the Hilltop Institute, and consultant, Dr. Graham Atkinson, to conduct two studies. The Hilltop Institute will examine the feasibility of constructing global spending for hospital inpatient stays and the physician services provided during the inpatient admissions using Medicare, Medicaid, and private payer claims for 2007-2008. Dr. Graham Atkinson will examine methods for basing payments to Maryland hospitals on the total cost of hospital admission and any subsequent readmission(s), including readmissions that occur at non-Maryland hospitals. Both studies will utilize data on hospital admissions and professional medical services for Maryland residents enrolled in traditional Medicare. The Medicare data was obtained by MHCC from the Centers for Medicare and Medicaid under our existing data use agreement with CMS, "Promoting Health Care Cost Containment, Access, and Service Quality."

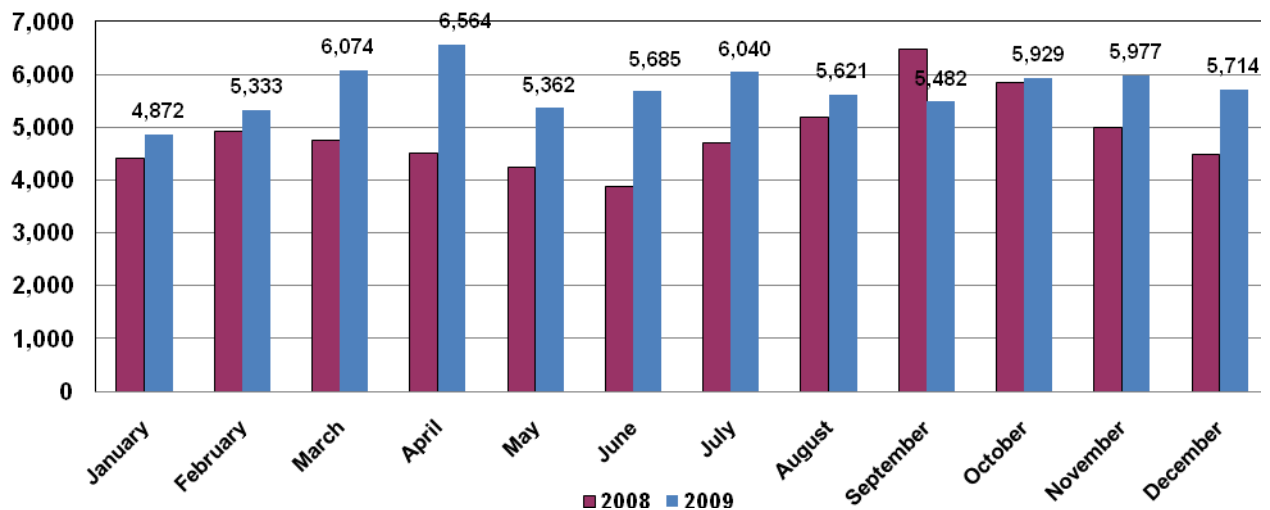
Data and Software Development

Internet Activities

Unique visitors to the MHCC website dropped 4.4% from November. However, the number of unique visits was up by more than 27 percent from December 2008. The number of first time visitors remained at about 43 percent. Time on the site remained constant with the previous month, but the number of pages opened dropped by nearly 15%.

The percent of unique visitors who arrived by directly entering the MHCC URL (mhcc.maryland.gov) or subfolders for our URL (mhcc.maryland.gov/hospitalguide for example) remained consistent with the previous month, at about 41 percent. The percent of unique visitors, who arrived via a search engine such as Google, remained consistent at 39 percent. However, Google sent slightly more visitors to our site, more than 26 percent of all unique visits. The most common keywords used in the Google search were: “maryland health care commission;” “mhcc;” “maryland healthcare;” “maryland health care commission long term care survey adult day care;” and “healthcare associated infections report.” Consistent with last month, the remaining 20 percent of visitors were referred from sites such as other state agencies, and the DHMH website was the most common referring site, followed by the Maryland Web Portal (Maryland.gov).

Figure 2 -- Unique Visitors to the MHCC Web Site



Web Development for Internal Applications

Table 1 presents the status of development for internal applications and for the health occupation boards. In the upcoming months, MHCC staff will add several new capabilities to the website, the first of which will be a listserv capability, which is not available for several projects at the Commission. Planning is underway for several new projects, including a Physician/Health Professional Portal that will integrate information on all projects that are of interest to health professionals in Maryland. The second effort is a redesign of the Hospital Quality website. A combination of internal and contract resources will be used for this effort.

Table 1– Web Applications Under Development

Board	Anticipated Start Development/Renewal	Start of Next Renewal Cycle
Nursing Home/Long Term Care Survey Development	Development Underway	January 2010
Nursing Home Quality Site	Proposals Under Review	Start of Project: February 2010
MHCC Listserv	Completed	Available as of December 2009
Health Insurance Compare	RFP Released	February 2010
Physician Portal	Planning	February 2010
Hospital Quality Redesign	Planning	Spring 2010

<p><i>CENTERS FOR HEALTH CARE FINANCING AND LONG-TERM CARE AND COMMUNITY BASED SERVICES</i></p>
--

Health Plan Quality and Performance

Health plans and our contract auditor, HealthcareData Company, LLC, are preparing for audit review cycle which entails review of medical records, review of plans systems for calculating HEDIS rates and an on-site visit in the Spring. The new division chief, Aisha Pittman, met with HealthcareData Company in the first week of January to review the process and begin to identify opportunities for improving and reforming the process. WB&A Market research has begun to work with plans and the audit firm to administer the Health Plan CAHPS member satisfaction survey.

Because of the current state of Maryland’s economy we have contacted each of our contractors requesting price concession for the current and remaining years of the contract. We were successful this month in getting a contract price reduction from NCQA. With this reduction, the *2009/2010 Comprehensive Performance Report* has been streamlined, reducing text by merging introductory information for each measure into four major topical categories. We anticipate releasing the finalized report in early February. The *2010 State Employee Guide to Maryland Managed Care Plans* will be released in early March.

We have piloted a proprietary product for the last two years called eValue8 which complements the HEDIS measures and creates a much more robust performance measurement program and subsequently results in a report with greater utility for employers and employees choosing a health plan. We are still in negotiations with the franchisee, the Mid-Atlantic Business Group on Health for the 2010 evaluation period.

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)

The enactment of SB 637/HB 674 requires the Commission to post on the MHCC website and update quarterly, premium comparisons of health benefit plans issued in the small group market. The RFP for development of the website (VIRTUAL COMPARE©) has been released and posted on the state procurement web site. Proposals are due in late January. A brief update on VIRTUAL COMPARE© was presented at the December 2009 meeting.

Under this same legislation, the Commission contracted with Health Management Associates (HMA) to conduct a study on options to implement the use of value-based health care services and increase efficiencies in the CSHBP. The Commission approved the final version of the report at the December 2009 meeting and the report was submitted to the General Assembly in early January.

This legislation also required the Commission to report on potential options for allowing plans with fewer benefits than the Standard Plan. Mercer conducted this analysis, and the Commission approved the report, with a few modifications, at the December 2009. The revised report was submitted to the General Assembly in early January.

Health Insurance Partnership

The "Partnership" premium subsidy program has been available to certain small employers with 2 to 9 full time employees since October 1, 2008. As of January 12, 2010, enrollment in the Partnership was as follows: 229 businesses; 659 enrolled employees; 1,073 covered lives. The average annual subsidy per enrolled employee is \$2,074; the average age of all enrolled employees is 39; the group average wage is approximately \$28,000; the average number of employees per policy is 4; and the total subsidy amount allocated is about \$1.3 million.

The second annual report on the implementation of the Partnership was presented at the December 2009 meeting and the report was submitted to the General Assembly in early January.

Mandated Health Insurance Services

Insurance Article § 15-1501, Annotated Code of Maryland, requires the Commission to submit an annual report to the General Assembly on: (1) any proposed mandated health insurance service that failed during the preceding legislative session; and (2) any request for analysis on a proposed mandated benefit that was submitted by a Legislator to the Commission by July 1st of that year. Each evaluation must include an assessment on the medical, financial, and social impact of the proposed mandate. At the December 2009 meeting, the Commission approved the annual report (prepared by Mercer) that evaluated two proposed mandates: coverage for autism spectrum disorder with removal of age and monetary limits; and cost of changing the eligibility requirement in the current mandate covering in vitro fertilization (IVF) from two years of infertility to one year of infertility. The approved report was submitted to the General Assembly in early January.

Long Term Care Policy and Planning

Hospice Data

Work is currently underway on the FY 2009 Maryland Hospice Survey. A meeting was held on November 4th with representatives of both limited and general licensed hospices to review a draft for the FY 2009 survey. Revisions to the Instructions have also been completed. The survey is expected to be ready for internal testing during this month and is scheduled to be released for online data submission by mid February.

Minimum Data Set

Staff is currently working with the minimum data set (MDS) Resident Assessment Instrument to update data sets for planning and policy development. The focus is on: update current programs and address programming issues; construct variables for research projects; develop a methodology to impute missing data; create data sets that permit tracking of variables over time; and link data sets.

HB 30 Work Group

Long Term Care staff has been asked to participate in the HB 30 Workgroup. The mission of the workgroup is to study: the types of options available in the state for hospice and palliative care; the degree to which these options are utilized within home, long term care, hospital, and hospice settings; the

average length of time spent in various settings; and the types and degree of barriers that exist regarding awareness of, and access to hospice and palliative care programs. The final report was submitted to the legislature at the end of December. One of the recommendations of this report is that the Centers for Medicare and Medicaid Services (CMS) work with the Commission to establish quality indicators, looking at the best practices approach to include data on family satisfaction with end of life care as a quality indicator.

Home Health Agency Data Analysis

Commission staff continues to review and analyze utilization trend data of HHA services. Staff is looking at age-specific use rates, as well as jurisdiction-specific utilization patterns in order to determine possible changes to the methodology for forecasting home health agency need. Preliminary analysis of Medicare and Medicaid home health utilization by zip code has also been part of the home health agency data analysis.

Home Health Agency Survey

There are 21 home health agencies with fiscal year ending dates of March 31, May 31, or June 30 which are in Phase I of data collection. To date, 80 % of the home health agency surveys have submitted and accepted; 9% are in progress and two surveys were rejected for errors. Staff anticipates that all surveys will be submitted and reviewed within the next week.

Long Term Care Survey

Development of the 2009 long term care survey is in progress; staff continues to test the application and update the specifications where applicable to enhance error resolutions. The data cleaning of the 2008 long term care survey is in progress.

Long Term Care Quality Initiative

LTC Website Expansion continues to be a work in progress as the team reviews proposals and bidder responses to review team questions.

Nursing Home Survey

The results of the 2009 Maryland Nursing Home Family Survey will be mailed to facilities for preview by the end of the month. Staff is preparing information for the release of results to the public which is planned for February. A briefing for the Commission will be held prior to the release.

A Request for Proposals (RFP) to secure a contractor to conduct nursing home family and resident surveys for calendar years 2010-2014 is expected to be released soon.

Hospital Services Planning and Policy

Certificate of Need (CON): December 1, 2009 through December 31, 2009

CONs Issued

Baltimore Washington Medical Center (Anne Arundel County) – Docket No. 09-02-2292
Add three mixed-use, general purpose operating rooms (ORs), construct shell space for future ORs, and expand and renovate surgical facilities support space
Cost: \$36,546,000

CON Letters of Intent

A.F. Whitsitt Center (Kent County)
Add intermediate care facility/chemical dependency (“ICF/CD”) beds

Anne Arundel Medical Center (Anne Arundel County)
Add medical/surgical beds

Comprehensive Nursing Services , Inc.
Establish a specialty home health agency (pediatric) serving Baltimore, Anne Arundel, Carroll, Cecil, Harford and Howard Counties and Baltimore City

CON Applications Filed

Kaiser Permanente Gaithersburg Surgical Center (Montgomery County) – Matter No. 09-15-2303
Establish a free-standing ambulatory surgical facility at 665 Watkins Mill Road, Gaithersburg
Estimated Cost: \$9,780,233

Kaiser Permanente Largo Surgical Center (Prince George’s County) – Matter No. 09-16-2304
Establish a free-standing ambulatory surgical facility at 1221 Mercantile Lane, Largo.
Estimated Cost: \$18,700,211

A.F. Whitsitt Center (Kent County) – Matter No. 09-14-2305
Add 16 ICF/CD beds for patients with substance abuse and co-occurring mental disorders
Estimated Cost: \$0 (beds to be added are currently operating as acute psychiatric hospital beds)

Pre-Application Conference

A.F. Whitsitt Center
December 15, 2009

Application Review Conference

Fredericktown Ambulatory Surgical Facility/Physicians Surgery Center of Frederick
December 28, 2009

Site Visit

Center for Hospital Services staff visited the University of Maryland Medical Center on December 14, 2009 and received a tour and orientation to the expansion and renovation project currently under review by the Commission (Docket No.09-24-2300)

Status Conference

A second status conference concerning an expansion project of Montgomery General Hospital currently under review by the Commission (Docket No. 09-15-2293) was held, via telephone, on December 23, 2009. This was a follow-up to the first Status Conference, held on November 10, 2009.

Determinations of Coverage

- **Ambulatory Surgery Centers**

Laurel ASC (Anne Arundel County)

Name change from Laurel ASC to The ASC at Waugh Chapel

Cumberland Valley Surgery Center (Washington County)

Establish an ambulatory surgery center with one sterile OR and two non-sterile procedure rooms (“PRs”) to be located at 1110 Professional Court in Hagerstown

Ambulatory Urology Center (Allegany County)

Establish an ambulatory surgery center with one sterile OR and two non-sterile PRs to be located at 12234 Williams Road in Cumberland

William E. Becker, ASC

Closure of the ambulatory surgery center located at 902 Seton Drive, Suite 307, in Cumberland.

Howard L. Schultheiss (Harford County)

Addition of a physician to the medical staff of the surgery center

- **Other**

- **Delicensure of Bed Capacity or a Health Care Facility**

Homewood at Williamsport (Washington County)

Temporary delicensure of 43 comprehensive care facility (“CCF”) beds

Pickersgill Retirement Community (Baltimore County)

Temporary delicensure of four CCF beds

- **Relicensure of Bed Capacity or a Health Care Facility**

None

- **Relinquishment of Bed Capacity or a Health Care Facility**

St. Mary’s Nursing Center (St. Mary’s County)

Relinquishment of 20 temporarily delicensed CCF beds

- **Miscellaneous**

Home Health Care Services, LLC

Request to provide home health services to the Villages at Woodholme (determined to require CON)

HomeCall-Prince George’s

Relocation of main office, located at 99 Commerce Place, Suite 100, Largo in Prince George’s County to 130 Admiral Cochrane Drive, Suite 103, Annapolis in Anne Arundel County and the closure of the branch office in Anne Arundel County (determined not to require CON)

- **Waiver Beds**

Northampton Manor (Frederick County)

Addition of six CCF “waiver” beds bringing the facility’s total CCF bed capacity to 196

Planning and Policy

On December 3, 2009, Center for Hospital Services staff participated in a meeting of the Health Services Cost Review Council's Rate Methodology Committee. Approaches to changing the way in which HSCRC uses assumptions concerning fixed and variable cost in setting payment rates for hospitals following major capital projects were discussed. How such changes would serve as an alternative to the partial rate review process and to CON review and approval for capital projects that do not categorically require CON review and approval were also considered at this meeting.

Hospital Quality Initiatives

- *Hospital Performance Evaluation Guide (HPEG) Advisory Committee*

The HPEG Advisory Committee continues to provide guidance on the various activities associated with the maintenance and expansion of the Hospital Performance Evaluation Guide (HPEG). The next meeting of the HPEG Advisory Committee is scheduled for Monday, January 25, 2010 at 9:00 a.m. in the Commission offices.

- *Collection of Data on Specialized Cardiac Care Services*

The PCI Data Work Group met on December 16, 2009 to discuss options for statewide PCI data collection. At the Work Group meeting, representatives from the ACTION Registry®-GWTG™ and NCDR CathPCI Registry® presented information in response to a number of questions identified by Work Group members, including the major differences between the NCDR ACTION-GWTG and CathPCI Registries; the ability for facilities using both registries to enter data fields common to both (e.g., patient demographic data) only once; the availability of the ACTION-GWTG Limited data set; the Risk-Adjustment methodology and institution-specific quarterly and annual reports provided by each Registry; the ability to establish customized data fields for items desired by the State of Maryland; the options available to establish an audit process for the data; future plans for the ACTION-GWTG Registry and the CathPCI Registry and plans to combine the two data bases in the future; and, how the ACC-NCDR could work with the State on reporting and analysis. The next Work Group meeting is scheduled for January 22, 2010 at 1:00 p.m. in the Commission offices.

- *Maryland Quality Measures Data Center Project*

The Quality Measures Data Center (QMDC) provides a web-based tool for hospitals to upload clinical quality measures and patient experience (HCAHPS) data required to be reported to the Commission. This initiative will not only accelerate the timely receipt of data directly from hospitals, but it will enable the Commission to validate the accuracy and completeness of the data as well. Staff and the contractor, IFMC, meet weekly to review progress and facilitate problem resolution. The Commission now has the 1st and 2nd quarter 2009 clinical measures and HCAHPS data reported to the QMDC. Individual hospital preview reports for the 1st and 2nd quarter 2009 data submission have been posted to the QMDC website as scheduled. The staff is now in the process preparing for the release of the data on the Hospital Performance Evaluation Guide. It is important to note that the release of the data will represent the first public release of patient experience data on the Maryland Hospital Performance Evaluation Guide as well as new measures of hospital performance on the treatment of surgical patients.

Healthcare Associated Infections (HAI) Data

- *Validation of Data on Central Line-Associated Blood Stream Infections (CLABSI) in the ICU*

Since July 1, 2008, Maryland hospitals have been required to use the National Healthcare Safety Network (NHSN) surveillance system to report data to the Commission on Central Line-Associated Blood Stream Infections (CLABSI) in any ICU. Hospitals are required by NHSN to report data in the system within 30 days following the end of the month. The Commission has collected several months of CLABSI data and has initiated an independent quality review of the data prior to public release of the information on the Hospital Guide. The Commission has engaged the services of a contractor with expertise in auditing healthcare infections data. The contractor, APIC Consulting Services, Inc., held a training session for the auditors on December 8th and the auditors have begun the process of conducting on-site reviews. Those on-site reviews concluded on January 8, 2010.

- *American Recovery and Reinvestment Act (ARRA) Grant Funding*

On September 4, 2009, the Centers for Disease Control and Prevention (CDC) announced the award of a \$1.2 million grant to Maryland under the American Recovery and Reinvestment Act (ARRA) to enhance the prevention of healthcare-associated infections (HAI). The grant is a collaborative effort involving the Department of Health and Mental Hygiene, Maryland Health Quality and Cost Council, and the Maryland Health Care Commission. The funds available under this program will build on the Commission's HAI initiatives and enable Maryland to strengthen its data collection, reporting, and analysis infrastructure to meet the challenge of preventing HAI. The grant will support two Health Policy Analyst positions. Robin Hudson joined the Commission staff on January 13th as the HAI Prevention Coordinator under the grant. Staff expects to complete recruitment efforts for the remaining position in the next few weeks.

The Maryland HAI Prevention Plan was submitted to the U.S. Department of Health and Human Services, as required, at the end of December 2009 by Secretary Colmers. Following the December Commission meeting, Staff presented the plan to the Maryland Health Quality and Cost Council.

- *Active Surveillance Testing (AST) for MRSA in All ICUs Survey*

The results of the 3rd quarter survey for collecting data on Active Surveillance Testing (AST) for MRSA in All ICUs have been submitted by hospitals. It is important to note that this is a process measure that evaluates the rate of hospital screening (AST) for MRSA in all ICUs. It is not an outcome measure that evaluates the rate of MRSA colonization or infection in the hospital. The results of the survey have been reviewed for completeness and distributed to hospitals for review prior to public reporting. The staff is now preparing the Q1-3 survey results for public reporting on the Hospital Guide in January 2010.

Other Activities

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.

Specialized Services Policy and Planning

The State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services (COMAR 10.24.17) requires Maryland hospitals without on-site cardiac surgery to obtain a waiver to provide primary percutaneous coronary intervention (pPCI), which is the emergency use of catheter-based techniques, including balloon angioplasty, to relieve coronary vessel narrowing in patients with ST-segment elevation myocardial infarction (STEMI). The Commission published an updated schedule for receipt of pPCI waiver applications in the *Maryland Register* on January 4, 2010. The updated schedule is also available at: http://mhcc.maryland.gov/hospital_services/specialservices/cardiovascular/ppci.html.

Through a clinical registry established in January 2006, the Commission collects data on STEMI patients presenting at hospitals that have a pPCI waiver. This registry provides the audited data necessary to measure each pPCI program's compliance with certain regulatory requirements, including patient eligibility, door-to-balloon times, and institutional volume. Quarterly data reports for the period from January to September 2009 are available at: http://mhcc.maryland.gov/hospital_services/specialservices/cardiovascular/pci_data.html.

On July 16, 2009, the Commission took final action to amend COMAR 10.24.17 by requiring, effective January 1, 2010, that hospitals provide primary PCI with a door-to-balloon time within 90 minutes for at least 75 percent of appropriate patients. Notice of final action on the amendments was published in the *Maryland Register* on July 31, 2009.

<i>CENTER FOR HEALTH INFORMATION TECHNOLOGY</i>
--

Health Information Technology

Staff completed the final draft of the *Ambulatory Surgical Center Health Information Technology* report. The report focuses on a subset of freestanding ambulatory surgical centers (FASCs) that utilize health information technology (HIT) and identifies the extent of adoption and planning efforts. Among other things, the findings suggest that FASCs in the Baltimore metropolitan area lead the other regions in the state in HIT adoption. Questions related to HIT were incorporated into the 2009 annual *Freestanding Ambulatory Surgical Centers Survey*. These questions assessed the adoption of HIT in seven core areas, such as electronic health records (EHRs) and electronic prescribing. Staff received responses from about 325 FASCs. Next month, staff plans to ask for feedback on the draft from the Maryland Ambulatory Surgical Association. The final report will be released in March.

Staff completed its analysis of the responses to the *Hospital Health Information Technology Survey* (survey) from 47 Maryland acute care hospitals. This is the second year that the MHCC collected data on HIT from acute care hospitals in Maryland. Findings from the survey will be compiled in a report that provides an overview of hospital current HIT activities. The analysis takes into consideration hospital size, geographical location, and affiliation with other hospitals and health systems. The survey provides a detailed review of HIT adoption, implementation, and utilization that compares the present level of HIT adoption in the state with national activity over the last two years. Initial findings indicate that EHR adoption among hospitals increased by nearly four percent. This survey is unique in that it assesses hospital planning efforts that other national surveys do not take into account. Staff plans to review the preliminary findings with the hospital chief information officers (CIOs), and will release the aggregate findings in April.

House Bill 706 (HB 706), *Electronic Health Record – Regulation and Reimbursement*, requires state-regulated payers to provide incentives for the adoption of EHRs beginning in 2011. Staff completed an assessment of the payer's recommendations and in general, the payers agreed that EHR adoption

incentives should be related to consequential efforts to improve the quality of care, the use of nationally certified EHRs, and compliance with the meaningful use requirements under the *American Recovery and Reinvestment Act of 2009* (ARRA). The state's large payers have requested more time to fully consider the range of monetary incentives to offer in compliance with HB 706. Staff plans to meet with the large payers in January to continue discussing the incentives to include in the regulations. The regulations will focus on the six largest private payers, Aetna, CareFirst, CIGNA, Coventry, Kaiser, and United Healthcare, which account for more than 90 percent of the total premium volumes for all private payers in the state.

The MHCC has invited approximately 30 stakeholders to participate on an Advisory Panel to develop criteria for state designation of management service organizations (MSOs). The Advisory Panel is scheduled to meet in January to discuss criteria for MSOs to achieve state designation. HB 706 requires the MHCC to designate one or more MSOs by October 2012. The Advisory Panel is expected to make final recommendations for state designation around July; the MHCC expects to begin accepting applications from MSOs that seek state designation in the fall of 2010. MSOs are considered a viable alternative to the traditional EHR client-server model where the technology is maintained at the provider site. These organizations are capable of supporting multiple EHR products at reduced costs through economies of scale with bulk purchasing. Technical support usually extends beyond the standard business hours and in some instances is available on a 24/7 basis.

Staff finalized the *Electronic Health Record Assessment of Maryland Nursing Homes* environmental scan brief. This scan assessed the adoption of EHRs among approximately 51 independent nursing homes in Maryland. Nursing homes with an affiliation to an organization were excluded from the assessment as they tend to be more technologically advanced and have greater access to funding for technology adoption. The questions focused on four areas: computerized functions, EHR implementation, adoption barriers, and importance. Independent nursing homes overwhelmingly identified concerns about the cost of the technology, lack of technical staff, problems integrating EHRs with existing legacy systems, and difficulty in training qualified staff as the leading barriers to adoption. Staff has scheduled a meeting with independent nursing home administrators in February to discuss potential collaboration on an EHR adoption approach that includes an Application Services Provider (ASP) model as a low cost alternative to the standalone client server-based approach and the possibility of using an MSO.

Staff continues to provide support to the Centers for Medicare and Medicaid Services (CMS) on their EHR Demonstration Project (project), which has been underway since June for nearly 120 physician practices in Maryland. Staff provided EHR educational material to approximately 60 physician practices that currently do not have an EHR. The educational material included information on soliciting responses to a request for proposal, evaluating the responses, making the final decision, and key components to consider during contract negotiations. Physician practices participating in the project can earn up to \$290,000 over five years by demonstrating adoption of EHRs and reporting select quality measures to CMS. Physician practices must implement an EHR system by May 2011 to remain in the project. This project is limited to four states: Maryland, Louisiana, Pittsburgh, and South Dakota.

Health Information Exchange

Staff participated in several health information exchange (HIE) Advisory Board meetings with the Chesapeake Regional Information System for our Patients (CRISP). The Technology Committee met on two occasions and completed an initial assessment of the Request for Proposals (RFPs) responses for the Master Patient Index (MPI) and the Core Infrastructure. Both RFPs were released by CRISP in the fall, vendors interested in responding to the RFPs were asked to submit a proposal at the end of November. CRISP plans to select the MPI provider in February and the Core Infrastructure vendor in March. The Technology Committee (Committee) is also assessing the viability of the Medication History Use Case. The Committee plans to make a recommendation to the Advisory Board in January. CRISP also plans to convene a meeting of the Finance Committee in January.

The HIE Policy Board, which consists of about 20 members, met for the first time in December. The Policy Board has general oversight of the state's HIE. Policy Board members were selected based upon their expertise and the MHCC's goal of achieving both broad stakeholder representation and a strong consumer orientation. The existence of the Policy Board that is separate from the administration of CRISP assures participation by the public in both policy development and operational oversight. The Policy Board's responsibilities will include, although are not limited to, the development of policies for privacy and security, which the MHCC will adopt and the HIE will implement. In particular, the Policy Board will establish policies regarding consumer authorization and consent, user authentication, role-based authorization, security requirements, and audit trail requirements. In addition, further policies may include the architecture of the exchange, use case priorities and implementation, consumer access and control, provider access, financing, and the secondary uses of data. The Policy Board will meet approximately eight times in 2010.

The Office of the National Coordinator for Health Information Technology (ONC) released two HIT funding opportunity announcements in August. ONC notified all applicants that the award announcement for the *Health Information Technology Extension Programs: Regional Centers Cooperative Agreement Program* (REC) was postponed to January 21st. ONC also provided CRISP, the leading organization in this application, with a summary briefing of the proposal's strengths and weaknesses. As part of the briefing, ONC encouraged all applicants to resubmit their application and address the reviewer's comments on weaknesses in the second round of applications due by January 29th. ONC expects to make a funding decision for the second round of applications in March. Staff also received notification that its application for the *State Health Information Exchange Cooperative Agreement* passed the first round of review by ONC and that a Grant Specialist will be in contact in January to discuss any questions they have on the approach and budget.

Staff discussed with several stakeholder groups the possibility of collaborating on an approach to the recently announced ONC *Beacon Community Cooperative Agreement* grant application. This grant will provide funding to a few communities that already have an HIT infrastructure in place to build and strengthen their HIT infrastructure; demonstrate where hospitals, clinicians and patients are meaningful users of HIT; and to achieve measurable improvements in health care quality, safety, efficiency, and population health. ONC plans to make approximately 15 awards with an average funding amount of \$15M. Stakeholder groups that meet the minimum qualifications outlined in the grant application must submit a letter of intent by January 8th, with the completed application due by February 2nd.

Staff is in the early stages of drafting the *HIT Planning Advanced Planning Document* (HIT P-APD) for the Maryland Medical Assistance Program (Medicaid). CMS has funding available for planning activities that will lead to the development of the State Medicaid HIT Plan (SMHP). CMS's approval of Medicaid's HIT P-APD application could secure 90 percent of federal financial participation (FFP) funds for these planning activities, or roughly \$1.5M. The funds can be used for such things as administering incentive payments necessary to support the implementation of certified EHRs by eligible Medicaid providers, as well as the procedures the state will use to oversee *American Recovery and Reinvestment Act of 2009* (ARRA) incentive payments made to eligible Medicaid providers. The objective of the HIT P-APD is to describe how the state will develop a high-level management statement of the state's vision, needs, purposes/objectives, plans, and estimated costs, which will result in the development of the SMHP. The focus of the HIT P-APD is to describe how the plan will be accomplished and to demonstrate that the state has established a plan that is reasonable for the project's level of effort. Staff anticipates completing the application in January.

Electronic Health Networks & Electronic Data Interchange

The MHCC certification candidacy status was granted to Office Ally and CareMedic in compliance with COMAR 10.25.07, *Certification of Electronic Networks and Medical Claims Clearinghouses*. The number of certified networks is currently around 44. Staff completed a preliminary assessment of pharmacy intermediaries that may need MHCC certification in order for pharmacies to comply with the

Board of Pharmacy's recent modification to COMAR 10.34.20, *Format of Prescription Transmission*. Staff has arranged a virtual town hall meeting for pharmacy intermediaries with the Executive Director of the Electronic Healthcare Network Accreditation Commission (EHNAC) in January to discuss the value of EHNAC accreditation. Networks interested in obtaining MHCC certification must first be accredited by EHNAC.

COMAR 10.25.09, *Requirements for Payers to Designate Electronic Health Networks*, mandates payers with a premium volume of over \$1M to annually report the volume of administrative health care transactions. Approximately 44 payers that include Medicare, Medicaid, and seven Medicaid Managed Care Organizations were notified in the fall of their requirement to submit an *EDI Progress Report* in June of 2010. Staff expects to complete changes to the web-based application and the instructional material for payers to use in the 2010 submission in January. Instructional material will be sent along with the reminder letter to the payers in February. This will be the third year that payers have submitted their EDI Progress Report online.

National Networking

Staff participated in two webinars hosted by the eHealth Initiative. The first, entitled *Regional Extension Centers: The Key to Meaningful Use?*, included a presentation from the Massachusetts eHealth Collaborative (MAEHC), GE Healthcare, and the American College of Physicians regarding EHR implementation and the challenges that an EHR is trying to solve; transforming care to improve quality; and providing a meaningful use opportunity. The second webinar, entitled *Trends in State and Regional HIT Initiatives*, presented a case study on e-prescribing by the Texas Medical Association and Tennessee's initiative for e-prescribing and adoption. Specific points included: how these statewide initiatives were developed and the approaches that have proved most successful; how e-prescribing initiatives are positioned for success under the ARRA to improve health care quality, coordination, and accountability; and which approaches have been most effective in promoting physician adoption including what is necessary to help them achieve meaningful use.