MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

December 2010

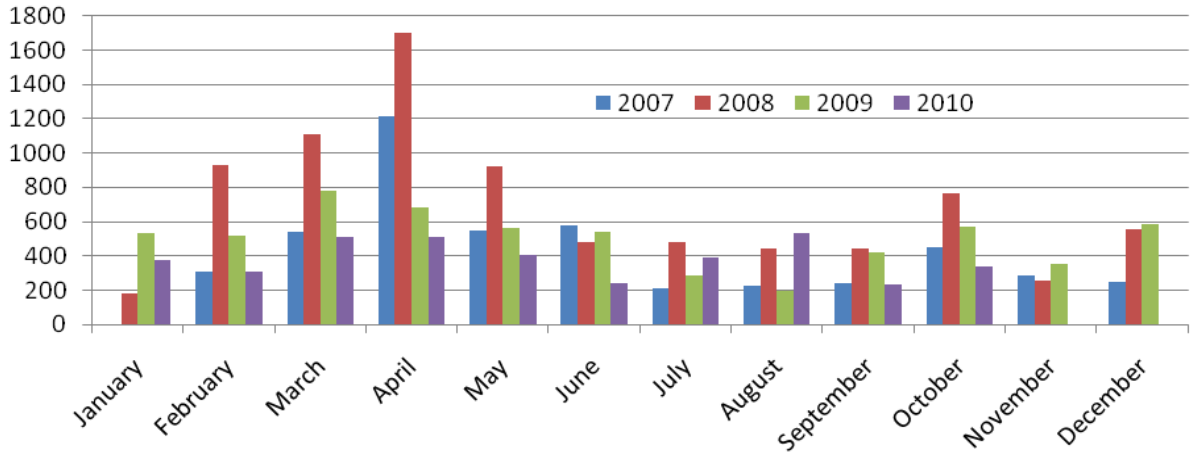
CENTER FOR INFORMATION SYSTEMS AND ANALYSIS

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 $237,482 in September and $335,111 in October. The monthly payments for uncompensated care since February 2007 are shown below in Figure 1.

Figure 1 – Trauma Fund Uncompensated Care Payments 2007-2010



Commission staff have been working with DHMH financial staff to finalize a new uncompensated care claims payment system which will decrease delays in payment to Trauma Fund physicians when it is instituted.

Patient Centered Medical Home Program

The Maryland Health Care Commission's Practice Selection Committee met three times in November and early December to finalize selection of the participating practices in the three-year pilot program. An announcement of the participating practices will be made later this month.

Kathleen White, PhD, RN, Chair of the Patient Centered Medical Home Workgroup, and Ben Steffen, Director of Information Systems and Analysis for the Commission, will update the Maryland Health Quality and Cost Council on the status of the PCMH program on December 10, 2010.

Development and planning of the Program's learning collaborative continues, as well as meetings with employers having self-insured health benefits programs for their employees regarding participation in the program. Information regarding the PCMH program is available on the Commission's website at: http://mhcc.maryland.gov/pcmh/.

Cost and Quality Analysis

Maryland Medical Care Data Base (MCDB)
As of December 8, 2010, the database vendor, Social & Scientific Systems (SSS), has received 2009 claims data from all submitting payers except Aetna. Aetna requested and was granted an additional extension of their submission deadline until December 15, 2010. Due to Aetna's inability to submit its 2009 data in a timely manner, the payer will be required to submit its 2010 Maryland claims data to SSS monthly during 2011.

Staff from the Center for Information Services and Analysis used the 2008 private insurer professional services data to fulfill an information request from Delegate Peter Hammen. The request required staff to determine the average privately insured payment made to primary care physicians for each of the Evaluation and Management (E&M) services. These data were then given to staff at the Hilltop Institute, who used the information to determine how much it would cost the Maryland Medicaid program to raise its current payment rates to primary care physicians for E&M services to the privately insured average payments, compared to raising the Medicaid payment rates to the Medicare payment rates.

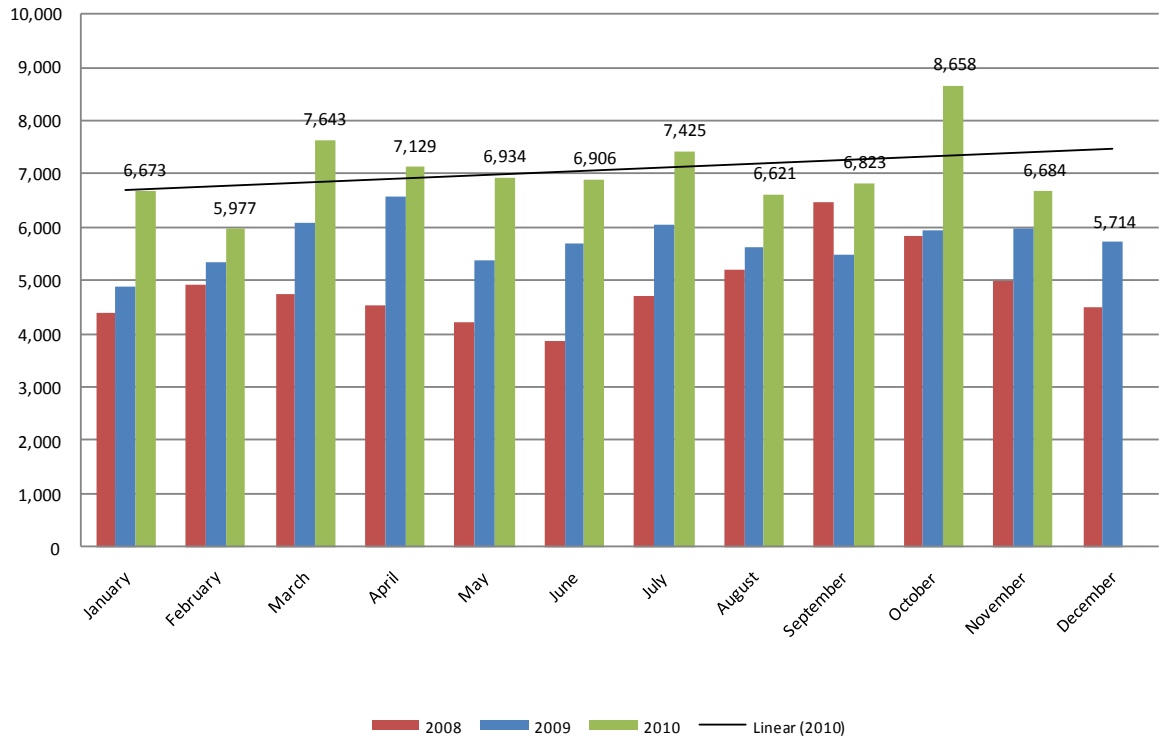
Other MCDB Contract Activities
The design plan for the Commission's 2011 report on professional utilization by Maryland residents has been completed. This legislatively mandated annual report will describe the use of professional health care services by privately insured Maryland residents less than 65 years of age, during calendar year 2009, and the payments made to health care professionals for these services by insurance companies and patients. The measures and analytical methods used in this report will be the same as those utilized in last year's report, with the addition of a new chapter that will define measures for assessing the impact of Maryland's new Assignment of Benefits and Reimbursement of Non-preferred Providers (AOB) law (Senate Bill 314). The report will also provide the 2009 values for these measures. The AOB law assigned MHCC—in consultation with the Maryland Insurance Administration and the Office of the Attorney General—responsibility for assessing the impact of the new law.

The AOB law, which will take effect in July 2011, requires an insurer to recognize an assignment of benefits and to send insurance payments directly to physicians who accept the AOB. Only physicians who do not participate in an insurer's PPO network are affected, and physicians are not required to accept AOB. Two types of physicians will be affected by the law in particular: hospital-based physicians and on-call physicians. These two types of physicians will not be allowed to balance bill patients but will be reimbursed at a legislatively stipulated rate if they elect to receive AOB. All other non-participating physicians who elect to receive AOB will not be limited in the amount of their bill but must provide a disclosure to the patient giving an estimate of the costs of the services to be provided.

Health Insurance Coverage Report
Staff has been working on the biennial health insurance coverage report since the beginning of September. Staff created analysis files from the Census Bureau's Current Population Survey, Annual Social and Economic Supplements, added new variables for use in the report, analyzed the files, conducted statistical testing of the results, and is almost finished with the report text. The design firm of Anne Likes Red is providing design services for the report. The report will be presented at the January 2010 Commission Meeting, at which time the Commissioners will receive printed color copies of the report. The presentation will not attempt to summarize all the information in the report, but instead will provide Commissioners with an orientation to the information contained in the report. This orientation will cover the types of information contained in the different sections of the report, how to interpret the numbers, in particular graphs and tables, and important caveats. In addition to being available on the web, printed copies of the report will be distributed to State legislators and DHMH staff in January. Others will be able to obtain printed copies by contacting the Commission.

Data and Software Development

Figure 2 -- Unique Visitors to the MHCC Web Site



Internet Activities

Number of unique visitors to the MHCC website returned to the level seen in historical trend for 2010 after a dramatic increase in October 2010 (Figure 2). In a month-to-month comparison, November visits fell by nearly 23 percentage points from October visits. Despite the month to month decline, the number of visitors in November 2010 was 12 percentage points higher than those in November 2009.

Typically visitors to the MHCC website arrive directly, by entering an MHCC URL or referencing our saved URL, via a search engine such as Google, or from a referral through another State site. Visitors who arrive directly are typically aware of MHCC, but visitors arriving via search engines and referrals are more likely to be new users.

Nearly 42 percent of unique visitors arrived via a search engine. The share of unique visitors who arrived directly accounted for nearly 37 percent of unique visitors. These shares fluctuate up and down 3 to 4 percent from month to month. Google remains the dominant search engine directing 27 percent of all visitors to the MHCC site. Among the most common search keywords in November:

- "Maryland Health Care Commission"
- "mhcc"
- "assisted living facilities in Maryland"
- "nursing homes in Maryland"
- "mhcc.maryland.gov"

The remaining visitors were again referred from sites such as other state agencies. This share also shifts 3 to 4 percent month-to-month with no consistent upward or downward trend. Among top referrers were the DHMH website, the Maryland Web Portal (Maryland.gov), crisphealth.org, dhmh.maryland.gov. and consumerhealthratings.com.

Web Development for Internal Applications

Table 1 presents the status of development for internal applications and for the health occupation boards. 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 contractual resources will be used for this effort.

Table 1– Web Applications Under Development

Board	Anticipated Start Development/Renewal	Start of Next Renewal Cycle
Board of Physicians – Physician Renewal	Complete	July 2011
Nursing Home Quality Site	Complete	Start of Project: February 2010
Health Insurance Compare	Underway	Start of Project: July 2010
Physician Portal/PCMH	Complete	Start of Project: April 2010
Hospital Quality Redesign	Planning	Start of Project: Fall 2010
PCMH Employer Outreach	Complete	Start of Project: October 2010

CENTERS FOR HEALTH CARE FINANCING AND LONG-TERM CARE AND COMMUNITY BASED SERVICES

Health Plan Quality and Performance

The 2010 Health Plan report series is nearly complete, the *Consumer* Guide was released in mid-October 2010 and the *Comprehensive Guide* was released in mid-November 2010. Due to the State transition from offering HMO plans to offering exclusive provider organization (EPO) plans (EPOs are a hybrid somewhere between HMOs and PPOs) health plan reporting in the *State Employee Guide* has become complicated. In conjunction with the Department of Budget and Management we have determined to discontinue producing an independent *State Employee Guide* and have incorporated information targeted toward state employees in the *Consumer Guide*.

We are preparing for the 2011 reports and hosted a kick-off meeting with health plans in early December. 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. While eValue8 data was not represented in the 2010 reports we have been working with the Mid-Atlantic Business Group on Health (MABGH) to ensure this information will be provided in the 2011 reports. Staff presented at the November 18 annual meeting of the MABGH. The theme this year is quality.

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)
Benefitfocus continues to work on the development of the web portal (VIRTUAL COMPARE) with mid-January as the operational target date. An end-user review of the web portal was conducted last week which identified several areas that need modification along with other errors and omissions. Staff is preparing an article on VIRTUAL COMPARE for the Insurance & Financial Advisor website in January, along with a brief article for the print publication in February.

To comply with the various reform initiatives under federal health reform (The Affordable Care Act) that became effective on September 23rd, several changes to the CSHBP regulations (COMAR 31.11.06) were necessary. Commission staff updated the regulations in cooperation with the MIA and the Commission approved the regulations as both emergency and proposed permanent during the August 19th conference call meeting. The emergency regulations were approved by AELR (Administrative, Executive and Legislative Review) effective September 23rd and expire on February 20, 2011. The proposed permanent regulations were published in the Maryland Register on October 8th, followed by the required public comment period, which ended on November 8th. At the meeting, staff will recommend that the Commission adopt the regulations as final. Upon approval, the regulations become effective on January 13, 2011.

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 December 7, 2010 enrollment in the Partnership was as follows: 312 businesses; 887 enrolled employees; 1,452 covered lives. The average annual subsidy per enrolled employee is $2,385; the average age of all enrolled employees is 39; the group average wage is $28,300; the average number of employees per policy is 4.0. The 3rd annual report on the implementation of the Partnership is due to the General Assembly by January 1, 2011.

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. The 2010 annual mandated benefits report will include evaluations of the following issues:

- Coverage for habilitative services to individuals up to age 25
- Coverage of preventive physical therapy services for patients diagnosed with Multiple Sclerosis
- Spinal Muscular Atrophy – coverage for private duty nursing services
- Cost sharing equity for cancer chemotherapy
- Prescription drug cost sharing obligations

Two conference calls were held so that Commission and Mercer staff could discuss the proposed mandates with the medical directors and chief pharmacists from each of the major carriers. On December 10th, Commission staff will be meeting with the Legislators and the advocates to discuss the prescription drug cost sharing proposals. A draft report on the five proposed mandates will be presented at the meeting. The mandate report is due to the General Assembly by January 1, 2011.

Long Term Care Policy and Planning

Hospice Data

All Maryland hospice programs completed data submission for both Parts I and II of the Fiscal Year 2009 Maryland Hospice Survey. The Fiscal Year 2009 public use data set has been posted on the Commission's website. In addition the *Guide to Maryland Hospice Survey Trend Report, FY 2006-2009,* as well as the *Trend Report FY 2006-2009 Hospice Data* have also been posted on the Commission's website. Work is now underway on development of the FY 2010 Maryland Hospice Survey.

Home Health Agency Advisory Group

The second and final meeting of the Home Health Agency (HHA) Advisory Group was held on October 28, 2010. Staff presented a conceptual framework for HHA regional expansion using a two-phased approach for implementing new standards and criteria in the HHA Chapter of the State Health Plan and Certificate of Need (CON) regulations. Proposed is a transition from the current jurisdictional (county) to a regional approach. Based on preliminary analyses of historical utilization patterns and a statistical clustering method, staff considered realigning Maryland's 24 jurisdictions into six geographic regions. The first phase would focus on creating expansion opportunities for an existing agency within its designated region using a streamlined CON review process. Procedural rules would also be established for HHAs not serving a minimum number of clients/visits within a jurisdiction over a specified period of time. Such procedural rules would implement the concept of "use it or lose it" and staff would give advanced notice to such agencies and remove from the inventory those jurisdictions from the HHA's authority, if volume and quality standards were not met over a set period of time.

Following Phase I, it is anticipated that the HHA inventory would be updated. HHA need projections would be published and used to govern CON reviews as part of Phase II. The second phase focuses on the next iteration of the HHA Chapter, which would include new regulations for CON review to allow gradual entry of new HHA entrants if need were projected. CON review criteria and standards for the second phase would be more extensive than that for existing HHAs in Maryland in Phase I. A condition of the CON for new entrants would include agreeing to meet volume and quality standards; otherwise they would agree to relinquish their authority.

The Advisory Group appeared to generally support staff's conceptual approach for creating expansion opportunities for certain existing HHAs with the underlying principle of enhancing consumer access to quality HHA providers and promoting consumer choice. However the details and implications of this new regional approach still remain to be worked out. As the Commission moves forward with the regulatory process for updating the HHA Chapter, and before new regulations governing the CON review process for HHAs are adopted, Commission staff will be seeking additional feedback through an informal public comment period.

Home Health Agency Survey

In November, staff updated the home health survey application for Fiscal Year 2010 Home Health Agency Survey. Updates were tested and changes were made where applicable. Phase 1 of the Home Health Agency Survey was available on the Commission's website for data entry on November 18, 2010. A notice letter was sent to agency staff by both email and mail, informing them of the 2010 Home Health Agency Survey commencement date of November 18, 2010 and the due date of February 17, 2011. During the survey collection period, staff will provide technical assistance as well as user support on survey content.

Long-Term Care Survey

Staff has completed the cleaning of the 2009 Long Term Care Survey data. All changes found from the review of the frequency runs and validation by facility staff have been updated to the programs. Staff is in the process of creating reports from the survey data. The Public Use Data Sets will be available on the Commission website within the week. The other programs from which reports are created are awaiting further updates. Staff continues to work with the programmers from the Center for Information Services

and Analysis to document the programs, and create the reports for staff use. Staff anticipates that all the reports will be completed by the end of this week.

Chronic Hospital Occupancy Report
As required under COMAR 10.24.08, a notice was published in the December 3, 2010 *Maryland Register* to update Chronic Hospital Occupancy for FY 2009. This report is required to be updated annually. It reports data on occupancy for both private and state-operated chronic hospitals. The private chronic hospitals include James Lawrence Kernan Hospital; Johns Hopkins Bayview Medical Center; Levindale Hebrew Geriatric Center and Hospital; University Specialty Hospital; and Gladys Spellman Specialty Hospital and Nursing Center. The state-operated chronic hospitals include Western Maryland Center and Deer's Head Hospital Center.

Long Term Care Quality Initiative

LTC Website Expansion
Extensive testing of the Consumer Guide to Long Term Care took place during November to verify functionality and accuracy of content. The Guide was launched on December. Staff presented to the Maryland legislative Health and Government Operations Committee on November 16, 2010 to introduce the features in the Guide; the members of the committee were complimentary of both Guide content and format.

Nursing Home Experience of Care Surveys
Data collection has ended for the family and short stay surveys. MHCC staff is working with the new contractor to produce user friendly reports. Preliminary analysis of data is expected by the end of the month. Preliminary response rates using the new contractor are slightly below previous years (53%vs.58%).

CENTER FOR HOSPITAL SERVICES

Hospital Services Planning and Policy

Certificate of Need ("CON")

Modified CONs Approved

St. Agnes Hospital – Docket No. 07-24-2188 – (Baltimore City)
Change in the scope and cost of the approved expansion/renovation project and a change in the financing mechanism (all cash/no debt financing)
Modified Project Cost: $167,067,122 (a reduction in the approved cost of $47,863,878 or 22.3%)

Approved CON's Relinquished by Applicant

Solomons Nursing Center – Docket No. 08-04-2283 (Calvert County)
Addition of 17 comprehensive care facility ("CCF") beds to an existing CCF
Approved Cost: $1,878,549

CON Letters of Intent

Paul J. MacKoul, M.D.

Establish a freestanding ambulatory surgical facility at 3206 Tower Oaks Boulevard in Rockville (Montgomery Co.)
October 1, 2010

Women's Surgery Center, P.C.
Establish a freestanding ambulatory surgical facility at 3206 Tower Oaks Boulevard in Rockville (Montgomery Co.)
October 1, 2010

Pre-Application Conference

Paul J. MacKoul, M.D./Women's Surgery Center, P.C.
Establish a Freestanding Ambulatory Surgical Facility in Rockville (Montgomery Co.)
October 12, 2010

Pre-Licensure/First Use Approval Issued (Completion of CON-Approved Projects)

Meritus Medical Center (formerly known as Washington County Hospital) – Docket No. 04-21-2146 - (Washington County)
Construction of a replacement hospital in Washington County

Determinations of Coverage

- **Ambulatory Surgery Centers**

SurgCenter of White Marsh, L.L.C. (Baltimore Co.)
Establish an ambulatory surgical center ("ASC") with one sterile operating room and two non-sterile procedure rooms to be located at 11605 Crossroads Circle, in Baltimore

The Ambulatory Surgery Center Development Company, L.L.C. (Charles Co.)
Establish an ASC with two non-sterile procedure rooms to be located at 3460 Old Washington Road, Suite 300, in Waldorf

Surgery Center of Potomac (Montgomery Co.)
Addition of staff to a freestanding ambulatory surgical facility

Downtown Baltimore Surgery Center, L.L.C. (Baltimore City)
Establish an ASC with one non-sterile procedure room to be located at 20 W. West Street, in Baltimore (replaces ASC at 8 W West Street)

College Park Surgery Center, L.L.C. (Prince George's County)
Establish an ASC with one non-sterile procedure room to be located at 12200 Annapolis Road, Suite 220, in Glen Dale

- **Acquisitions**

Surgical Center of Greater Annapolis (Anne Arundel Co.)
Change in ownership structure

Ten Maryland Comprehensive Care Facilities (as listed below)
Cammeby Equity Holdings, L.L.C. will replace the current managers of SVCare Holdings, L.L.C. SVCare Holdings, L.L.C. is the owner of SavaSenior Care, L.L.C., which, in turn, owns Submaster

Holdings, L.L.C., which, in turn, owns ten separate L.L.C.s which are the ownership entities of the following CCFs:

Arcola Health and Rehabilitation Center
Montgomery Co.
Owner: SSC Silver Spring Operating Co., L.L.C.

Bel Air Health and Rehabilitation Center
Harford Co.
Owner: SSC Bel Air Operating Co., L.L.C.

Bethesda Health and Rehabilitation Center
Montgomery Co.
Owner: SSC Bethesda Operating Co., L.L.C.

Forest Hill Health and Rehabilitation Center
Harford Co.
Owner: SSC Forest Hill Operating Co., L.L.C.

Glen Burnie Health and Rehabilitation Center
Anne Arundel Co.
Owner: SSC Glen Burnie Operating Co.,

Heritage Harbour Health and Rehabilitation Center
Anne Arundel Co.
Owner: SSC Annapolis Operating Co., L.L.C.

North Arundel Health and Rehabilitation Center
Anne Arundel Co.
Owner: SSC Glen Burnie North Arundel Operating Co., L.L.C.

Overlea Health and Rehabilitation Center
Baltimore City
Owner: SSC Baltimore Operating Co., L.L.C.

Patuxent River Health and Rehabilitation Center
Prince George's Co.
Owner: SSC Laurel Operating Co., L.L.C.

Summit Park Health and Rehabilitation Center
Baltimore Co.
Owner: SSC Catonsville Operating Co., L.L.C.

Six Maryland Comprehensive Care Facilities (as listed below)
Subsidiaries of Genesis HealthCare Corporation will acquire six CCFs from Adventist HealthCare. The facilities and the name of the acquiring entity are as follows:

Bradford Oaks Nursing & Rehabilitation Center
Prince George's County
7520 Surratts Road Operations, L.L.C.

Fairland Nursing & Rehabilitation Center
Montgomery County
2101 Fairland Road Operations, L.L.C.
(acknowledgement subject to voluntary surrender of CON involving this facility's bed capacity)

Glade Valley Nursing & Rehabilitation Center
Frederick County
56 West Frederick Street Operations, L.L.C.

Shady Grove Nursing & Rehabilitation Center
Montgomery County
9701 Medical Center Drive Operations, L.L.C.

Sligo Creek Nursing & Rehabilitation Center
Montgomery County
7525 Carroll Avenue Operations, L.L.C.

Springbrook Nursing & Rehabilitation Center
Montgomery County
12325 New Hampshire Avenue Operations, L.L.C.
(acknowledgement subject to voluntary surrender of CON involving this facility's bed capacity)

Twenty-three Maryland Comprehensive Care Facilities (as listed below)
A corporate reorganization of FC-GEN Investment, L.L.C. and Genesis HealthCare Corporation will result in the establishment of new licensee or owner/licensee entities for the following CCFs. The facility name and the name of the new licensee entity is listed.

Brightwood Center
Baltimore County
515 Brightfield Road Operations, L.L.C.

Catonsville Commons Center
Baltimore County
16 Fursting Avenue Operations, L.L.C.

Chesapeake Woods Center
Dorchester County
525 Glenburn Avenue Operations, L.L.C.

Corsica Hills Center
Queen Anne's County
205 Armstrong Avenue Operations, L.L.C.

Cromwell Center
Baltimore County
8710 Emge Road Operations, L.L.C.

Franklin Wood Center
Baltimore County
Franklin Woods JV, L.L.C.

Hammonds Lane Center
Anne Arundel County
613 Hammonds Lane Operations, L.L.C.

Heritage Center
Baltimore County
7232 German Hill Road Operations, L.L.C.

Homewood Center
Baltimore City
6000 Bellona Avenue Operations, L.L.C.

Knollwood Manor
Anne Arundel County
899 Cecil Avenue Operations, L.L.C.

LaPlata Center
Charles County
1 Magnolia Drive Operations, L.L.C.

Layhill Center
Montgomery County
3227 Bel Pre Road Operations, L.L.C.

Loch Raven Center
Baltimore County
8720 Emge Road Operations, L.L.C.

Long Green Center
Baltimore City
115 East Melrose Operations, L.L.C.

Magnolia Center
Prince George's County
Magnolia JV, LLC

Multi-Medical Center
Baltimore County
7700 York Road Operations, L.L.C.

Perring Parkway Center
Baltimore County
1801 Wentworth Road Operations, L.L.C.

Salisbury Rehabilitation and Nursing Center
Wicomico County
Salisbury JV, L.L.C.

Severna Park Center
Anne Arundel County
24 Truckhouse Road Operations, L.L.C.

Spa Creek Center
Anne Arundel County
35 Milkshake Lane Operations, L.L.C.

The Pines
Talbot County
610 Dutchman's Lane Operations, L.L.C.

Waldorf Center
Charles County
4140 Old Washington Highway Operations, L.L.C.

Woodside Center
Montgomery County
9101 Second Avenue Operations, LLC

- **Other**

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

John Hopkins Bayview Care Center (Baltimore City)
Temporary delicensure of 92 CCF beds

FutureCare – Old Court (Baltimore Co.)
Temporary delicensure of 12 CCF beds

Moran Manor Health Care Center (Allegany Co.)
Temporary delicensure of 10 CCF beds

Brighton Gardens Tuckerman Lane (Montgomery Co.
Temporary delicensure of 2 CCF beds

Bethesda Health &Rehabilitation Center (Montgomery County)
Temporary delicensure of 7 CCF beds

Renaissance Gardens at Charlestown (Baltimore County)
Temporary delicensure of 1 CCF bed

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

FutureCare – Chesapeake (Anne Arundel Co.)
Approval of specific plan for relicensure of 2 temporarily delicensed CCF beds

Mid Atlantic of Cumberland. L.L.C. (Allegany Co.)
Relicensure of 13 temporarily delicensed CCF beds

Stella Maris (Baltimore Co.)
Relicensure of 36 temporarily delicensed CCF beds

Milford Manor Nursing & Rehabilitation Center (Baltimore County)
Relicensure of 16 temporarily delicensed CCF beds

Catonsville Commons Center (Baltimore County)
Relicensure of 3 temporarily delicensed CCF beds

LaPlata Center (Charles County)
Relicensure of 3 temporarily delicensed CCF beds

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

Johns Hopkins Bayview Medical Center (Baltimore City)
Permanent delicensure of 22 special hospital beds

Milford Manor Nursing & Rehabilitation Center (Baltimore County)
Permanent delicensure of 3 temporarily delicensed CCF beds

The Pines (Talbot County)
Permanent delicensure of 5 temporarily delicensed CCF beds

Loch Raven Center (Baltimore County)
Permanent delicensure of 3 temporarily delicensed CCF beds

LaPlata Center (Charles County)
Permanent delicensure of 7 temporarily delicensed CCF beds

Homewood Center (Baltimore City)
Permanent delicensure of 4 temporarily delicensed CCF beds

- **Miscellaneous**

Milford Manor Nursing & Rehabilitation Center (Baltimore County)
Denial of request for extension of temporary delicensure status for 16 temporarily delicensed CCF beds

Hospice of the Chesapeake (Anne Arundel County)
Establish an 8-bed general inpatient hospital facility at the John & Arloine Mandrin Chesapeake Hospice House located at 3675 Solomon's Island Road in Harwood (Determined to require CON review and approval. Grandfathered on the basis of obligations incurred in good faith under previous regulatory interpretations.)

Perring Parkway Center (Baltimore County)
Relinquishment of 1990 authorization for 10 CCF "waiver" beds

Woodside Center (Montgomery County)
Relinquishment of 1996 authorization for 10 CCF "waiver" beds

Cromwell Center (Baltimore County)
Relinquishment of 1989 authorization for 10 CCF "waiver" beds

Loch Raven Center (Baltimore County)
Relinquishment of 1989 authorization for 10 CCF "waiver" beds

Multi-Medical Center (Baltimore County)
Relinquishment of 1996 authorization for 10 CCF "waiver" beds

- **Waiver Beds**

Julia Manor Health Care Center (Washington County)
Addition of 1 CCF waiver bed

Fahrney Keedy Home & Village (Washington County)
Addition of 9 CCF waiver beds

Planning and Policy

On October 6, 2010, Center for Hospital Services Planning and Policy ("CHSPP") staff presented at the Annual Institute of the Maryland Chapter of the Health Care Financial Management Association in Cambridge. The attendees were given an update on the current work, priorities, and planned activities of CHS in the coming year.

On October 14, 2010, CHSPP staff visited Homewood of Williamsport, a CCF with a pending modification request, and Meritus Medical Center ("MMC"), the replacement Washington County Hospital, both in Washington County. MMC had a pending application for first use approval.

On October 20, 2010, the *Annual Report on Selected Acute Care and Special Hospital Services for Fiscal Year 2011* was published on the MHCC web site. This annual report, prepared by CHSPP staff, provides a range of information on the facility and service capacity of Maryland's hospitals.

On October 22, 2010, CHSPP staff participated in a work group of the Health Services Cost Review Commission ("HSCRC") providing input on proposed changes in the way in which HSCRC recognizes capital cost in rates following "major" capital projects of hospitals.

On October 26, 2010, CHS convened a general meeting of interested hospice providers to review and answer questions concerning changes in the interpretation of the CON law with respect to the regulation of changes in inpatient hospice bed capacity. This meeting was attended by representatives of 12 general hospice programs and representatives of the Hospice Network of Maryland.

On October 28, 2010, CHSPP staff participated in a meeting of a Home Health Agency Work Group convened by the Center for Long-Term and Community-Based Care to provide input on new approaches to planning and regulating home health agencies.

On November 22, 2010, CHSPP staff visited Mercy Medical Center, in Baltimore City. This hospital has a pending application for partial first use approval of a new hospital tower replacing most of the hospital's clinical facilities and services.

Hospital Quality Initiatives

Hospital Performance Evaluation Guide (HPEG) Advisory Committee

The HPEG Advisory Committee provides guidance and expertise on the various activities associated with the maintenance and expansion of the Hospital Performance Evaluation System and continues to meet on a monthly basis. Most recent accomplishments are highlighted below:

- ***Maryland Quality Measures Data Center Project***

The Maryland Quality Measures Data Center (QMDC) was established in 2009 under contract with the Iowa Foundation for Medical Care (IFMC). The 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. Hospitals have recently submitted 2nd quarter 2010 clinical and HCAHPS data through the Commission's new web-based system. In October, the Hospital Guide was updated to include twelve month data period ending March 2010.

The contract with IFMC also incorporates a data validation component that has now been completed for Quarters 1-4 of calendar year 2009 core measure data. The validation component includes an on-site review of a sample of patient medical records to ensure that the hospital record supports the quality measures data submitted to the MHCC. The auditing of the 1st quarter 2010 data is currently underway. The results of the calendar year 2009 audit have shown that the quality of the Maryland hospital clinical measures data is good as hospitals achieved an overall reliability rate of 94%. CMS uses a similar data quality review methodology and has established a passing rate for hospitals of 75%.

- ***Patient Experience Data***

During July 2010, the Commission added service-specific data (medical, surgical, and maternity services) on patient experience to the Hospital Guide to supplement overall patient experience data currently reported. The patient experience data reported on the Hospital Guide is from the HCAHPS *(Hospital Consumer Assessment of Healthcare Providers and Systems)* survey, a standardized, national survey of patients' perspectives of hospital care. Maryland was one of three states that participated in the development and testing of the HCAHPS survey. The survey asks discharged patients 27 questions about their recent hospital stay, including key aspects of their care: communication with nurses and doctors; responsiveness of hospital staff; cleanliness and quietness of the hospital environment; pain management; communication about medications; discharge information; overall rating of the hospital; and, if they would recommend the hospital. The ratings come from surveys completed by approximately 41,000 patients discharged from Maryland's 46 acute care hospitals during calendar year 2009, and for the first time include patients' ratings of the care they received for specific clinical services, including maternity, medical and surgical services.

For the 12- month period ending March 2010, 65% of patients indicate that they would definitely recommend the Maryland hospital where they received care. For maternity services, 69% of patients responded to the patient satisfaction survey by stating that they would definitely recommend the hospital to friends and family. Sixty-two percent (62%) of medical service patients indicate that they would definitely recommend the hospital; 67% of surgical service patients indicate that they would definitely recommend the hospital. The staff is currently working with the contractor to enhance the functionality of the Guide to allow users to compare two or more hospitals on patient experience data for the maternity, medical and surgical patient groups.

- ***Public Reporting of Central Line-Associated Bloodstream Infections (CLABSI) on the Hospital Guide***

On October 21st, the MHCC released information on Central-line associated bloodstream infections (CLABSIs) on the Hospital Guide. The release of the data occurred after lengthy review and discussion with hospital representatives, focus groups and other stakeholders on the best practices for publicly reporting this important outcome data. This new hospital data includes CLABSIs experienced in Maryland acute care hospital adult and pediatric ICUs and neonatal ICUs (NICUs) for the 12-month period, July 1, 2009 through June 30, 2010. During this period, hospitals reported 424 CLABSIs in ICUs and 29 CLABSIs in NICUs. Unfortunately, a comparison of Maryland hospitals to national data shows that our hospitals as a whole experienced more CLABSIs than would be predicted after adjusting for ICU type. The staff continues to work with the hospital industry to enhance the quality of the information provided on the Guide and to facilitate implementation of strategies designed to reduce CLABSIs in Maryland hospitals.

- ***Health Care Worker Influenza Vaccination Survey***

For the first time, data on the number of hospital health care workers who received seasonal influenza vaccinations during last year's seasonal flu season have been publicly reported on the Hospital Guide. The Centers for Disease Control and Prevention have long recommended annual influenza vaccinations for all health care workers. The National Quality Forum includes influenza vaccination of health care workers as one of its 34 safe practices that should be utilized universally to reduce risk to patients. For the 2009-2010 flu season, 78% of Maryland hospital health care workers received the seasonal influenza vaccination. The staff continues to identify ways to improve the survey and has release a revised 2010-2011 flu season survey to hospitals that will change the method for defining the denominator – health care workers. We will be using an average of the monthly count of employees during the survey period to address fluctuations in staffing that may artificially increase or decrease the employee count on a specific date. The 2009-2010 survey defined the denominator as the number of employees paid by the hospital on

April 16th. The staff plans to identify ways to examine the accuracy of the hospital reported data such as reviewing hospital vaccination policies, practices and employee documentation requirements.

- ***Surgical Site Infection Data Reporting***

Effective July 1, 2010, hospitals are required to collect data on Surgical Site Infections (SSI) for surgeries involving hip replacements, knee replacements, and CABG, using the CDCs National Healthcare Safety Network System (NHSN). To facilitate communication regarding this new initiative, the staff is working with the HAI Advisory Committee to develop supporting materials, including a Frequently Asked Questions (FAQ) document for posting to the Commission's HAI webpage. The staff also plans to establish an SSI workgroup to focus on this issue.

Specialized Services Policy and Planning

On April 14, 2010, Doctors Community Hospital (DCH) timely filed an application for a waiver to provide primary percutaneous coronary intervention (pPCI) services in a hospital without on-site cardiac surgery. Notice of the docketing of the application (Docket No. 10-16-0050 WN) was published in the *Maryland Register* on May 21, 2010. During June 2010, the hospital submitted information to supplement its application. In September 2010, Commission staff analyzed more recent discharge abstract and outpatient data through June 2010, as submitted by DCH to the Health Services Cost Review Commission. On November 1, 2010, the staff apprised DCH of those aspects of the hospital's application that appear to be inconsistent with the pPCI program requirements in the State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services (COMAR 10.24.17, Table A-1).

On September 18, 2008, the Commission granted non-primary percutaneous coronary intervention (npPCI) waivers to the following hospitals to participate in a research project conducted by the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT): Anne Arundel Medical Center (Docket No. 08-02-0032 NPRW), Saint Agnes Hospital (Docket No. 08-24-0028 NPRW), Shady Grove Adventist Hospital (08-15-0027 NPRW), and Southern Maryland Hospital Center (08-16-0031 NPRW). The C-PORT Elective Angioplasty Study, known as C-PORT E, tests the hypothesis that outcomes of npPCI performed at hospitals without on-site cardiac surgery are not inferior to outcomes of PCI performed at hospitals with cardiac surgery services. The issuance of the approved two-year research waivers became effective on December 31, 2008; the term of the waivers expires on December 31, 2010. The Commission may extend a research waiver to provide npPCI services as part of the C-PORT E study. At the public meeting on December 16th, the Commission will take action on the time period of the research waivers issued to the above hospitals.

CENTER FOR HEALTH INFORMATION TECHNOLOGY

Health Information Technology

Staff finalized the annual Health IT Update report that is due to the legislature by the end of the year. This report is required under House Bill 706 (HB 706), *Electronic Health Records – Regulation and Reimbursement* that passed during the 2009 legislative session. HB 706 requires the MHCC to update the legislature annually through 2012. Each year the MHCC is required to address specific areas identified in the legislation, this year's report includes: 1) the development of a coordinated public-private approach to improve the state's health information infrastructure; 2) any changes in state laws necessary to protect the privacy and security of health information stored in electronic health records (EHRs) or exchanged through a health information exchange (HIE); 3) operation of an HIE; 4) any actions necessary to align

funding for any federal, state, or private sector initiatives; and 5) recommend language for the EHR incentive regulations. HB 706 also requires the MHCC to post the report on its website for comment before sending it to Governor Martin O'Malley, the Senate Finance Committee, and the House Health and Government Operations Committee; the legislature has 60 days to review and comment on the proposed EHR adoption incentive regulations. A notice will appear in the Maryland Register on December 3rd providing the MHCC website address for the report. The MHCC will accept written comments through December 16th.

Staff is in the process of collecting the *2010 Hospital Health Information Technology Survey* (survey) results. The survey assesses health information technology (HIT) adoption among Maryland's 46 acute care hospitals. The survey results will be used to develop an information brief that provides an in-depth assessment of the Maryland hospital HIT readiness. The information brief will provide current adoption information as it relates to computerized provider order entry, EHRs, electronic medication administration records, barcode medication administration, infection surveillance software, electronic prescribing, and electronic data exchange with providers. The information brief will also include a prior year comparison and compare the progress in Maryland acute care hospitals with hospitals nationally. This is the third year the MHCC has assessed hospital EHR adoption; it is scheduled for release in the spring of 2011.

Staff convened a meeting with the management service organizations (MSOs) in State Designation candidacy status. The purpose of the meeting was to review the State Designation requirements and address questions about the established criterion. MSOs that seek State Designation must offer a certified EHR, and receive national accreditation from the Electronic Healthcare Network Accreditation Commission (EHNAC). As part of the meeting, representatives from the Regional Extension Center (REC) of the Chesapeake Regional Information System for our Patients (CRISP) provided an overview of the milestones required for MSOs to receive incentive payments. MSOs have emerged as a way to address the financial and technical challenges associated with provider adoption of EHRs. Unlike the traditional EHRs that are hosted locally by the provider, MSOs offer EHRs hosted in a centralized secure data center. Since May 2010, approximately 20 organizations have submitted an application to become a State Designated MSO. The national accreditation requirements include more than 90 criteria related to a MSO's data center, and privacy and security. Staff is in the preliminary stage of developing an MSO Product Portfolio that will help physicians evaluate MSO products and services.

Staff continues to provide resources to primary care practices participating in the Centers for Medicare and Medicaid (CMS) EHR Demonstration Project (project). Each month, staff provides practices with information regarding EHR adoption, implementation, and the meaningful use criteria. Staff completed an analysis of the annual Office System Survey (survey) administered by CMS during the summer. The results of the analysis are being used to develop EHR education and awareness programs. The project is divided equally into two groups of about 114 practices: a treatment group and a control group. Practices in the treatment group will receive incentives from CMS for EHR adoption and reporting of select clinical quality measures; a similar number of practices participate in the control group and will receive a modest payment for completing an annual survey. Practices participating in the treatment group must adopt an EHR by May 2011 to remain in the project. The CMS Demonstration project is a five-year project that can provide participating primary care physician practices with up to $290,000 in incentives for EHR adoption. Maryland is one of four states participating in the demonstration project, along with Louisiana, Pennsylvania and South Dakota.

Staff continues to work with independent and small nursing home chains to increase EHR adoption. In July of this year, approximately 53 nursing homes completed a web-based environmental scan (scan) relating to EHR adoption. This is the second year that staff assessed EHR adoption among nursing homes. Staff completed the analysis and is expecting to release the final report in December. In general, the rate of EHR adoption by nursing homes is reported at about 30 percent, which is an increase of nearly four percentage points over the last year. Staff recently presented on EHRs at the annual Lifespan/Health Facilities Association of Maryland's October conference. Staff also conducted a site visit of the Pines

Nursing Home in Easton where they have implemented an EHR system. Staff has released the web-based Nursing Home EHR Product Portfolio (portfolio). Approximately eight vendors that offer nursing home EHR solutions are included in the portfolio. Vendor information in the portfolio includes a product overview, pricing models, case studies, reference checks, and privacy and security policies if they are an application service provider.

Staff continues to support the REC activities of CRISP, the state designated HIE. Currently, CRISP has executed 13 contracts with MSOs to provide education, outreach, and technical assistance to 1,000 priority primary care providers (PPCPs) in adopting and becoming meaningful users of EHRs. MSOs must be in State Designation candidacy status to participate as a sub-recipient with the REC. The REC will pay MSOs a subsidy for helping providers achieve three milestones: (1) a signed participation agreement between a provider and an MSO; (2) implementing certain functionality of the EHR (i.e., e-prescribing); and (3) meeting meaningful use that includes connecting to the HIE. Thus far, 87 PPCPs have signed a participation agreement with MSOs; nearly 48 percent of these PPCPs will be adopting EHRs for the first time. Last month, staff participated in three community education events aimed at informing providers about HIT, Medicaid and Medicare EHR Incentives, and services provided by MSOs.

Staff met with representatives from the University of Maryland's School of Nursing (UMSN) to continue exploring options for using graduate students in various health IT initiatives. Staff initially met with a representative from UMSN in September to discuss ideas for collaboration. Staff expects to provide suggestions to UMSN around curriculum development related to health IT policy and technology; present on health IT topics during Grand Rounds; and participate in small policy-related focus group discussions. Staff also continues to provide support to the Johns Hopkins University (JHU) in their development of the health IT curriculum. JHU received funding under the *American Recovery and Reinvestment Act of 2009* (ARRA) in April for the development of health IT graduate and certificate education programs. JHU received approximately $1.8M for the *Curriculum Development Centers Program* to develop graduate level programs for health IT. Staff is also participating with the County College of Baltimore County Essex campus in their grant funding award to develop HIT training programs.

In July of this year, the Maryland Health Quality and Cost Council established a Telemedicine Task Force (Task Force) with the charge of identifying challenges and proposing solutions to expand telemedicine statewide. The Task Force agreed to structure recommendations around using telemedicine to improve stroke care. The Task Force consists of roughly 15 representatives selected by the Maryland Health Quality and Cost Council. Over the last several months, staff participated in these discussions and assisted in developing a draft report. In October, the Secretary of the Department of Health and Mental Hygiene requested the Task Force to expand its recommendations and address an interoperable approach to the many disease categories that could be supported by telemedicine. The following four committees have been established to consider the expanded scope of work: Clinical Advisory Group, Technical Solutions and Standards Advisory Group, Financial and Business Model Advisory Group, and Regulatory/Licensure/Credentialing Advisory Group; committees are expected to begin meeting in early 2011.

Health Information Exchange

The HIE Policy Board approved the first two policies of the HIE; *User Authorization* and *Participating Organization Access*. Staff convened a Policy Board workgroup to finalize the *Consumer Choice* and *User Authentication* policies. Staff has scheduled a workgroup meeting in early December to finalize the *Sensitive Health Information* policy. Staff plans to present final drafts of these policies at the January Policy Board meeting. The Policy Board has identified nearly 20 policies that need to be developed; staff continues to work on developing initial drafts for *Consumer Access* and *Audit* policies.

Staff completed a preliminary draft of the *State Medicaid Health Information Technology Plan* (plan), which has been distributed to Medicaid for review. Staff anticipates completing any revisions requested by Medicaid around the end of December. CMS requires each state to have sections of their plan

approved by them before they can develop a program to administer the ARRA EHR adoption and meaningful use incentives to eligible providers and hospitals. Last spring, CMS awarded Medicaid approximately $1.3M based on the approach defined in the approved Medicaid *HIT Planning Advanced Planning Document* (HIT P-APD). Staff continues to provide contractors guidance on two projects approved by CMS that will be used to inform the planning efforts in developing a program to administer the ARRA EHR incentives. These projects include a technical feasibility assessment regarding the challenges to Medicaid in implementing an EHR incentive program, and an EHR provider adoption assessment that will determine Medicaid providers' level of readiness to meet the meaningful use requirements. This work will serve as the foundation for a larger Request for Proposal (RFP) to identify a vendor that can develop and administer the ARRA EHR adoption incentives.

Staff continues to provide guidance to the CRISP Advisory Board, which consists of four committees: Finance, Technology, Clinical Excellence, and Small Practice Advisory Committee. During the month, the Finance Committee met to begin discussions on the financial model for ambulatory practices to connect to the HIE. The committee is responsible for providing guidance to CRISP around revenue models and pricing of the HIE. During the month, a kick-off meeting was held with Initiate Systems, the recently approved technology for the Master Patient Index (MPI), which will be used to perform patient matching during queries. Initiate Systems is a robust MPI that will support complex Use Cases. The statewide HIE anticipates completing the integration of the MPI into the core infrastructure in December of this year. Currently, all hospitals in Montgomery County have established a connection to the statewide HIE. Staff is currently discussing strategies with the statewide HIE for connecting ambulatory practices to the HIE. Last month, staff also continued to provide support to CRISP in updating their new website.

Electronic Health Networks & Electronic Data Interchange

Staff released the *2010 Annual EDI Progress Repo*rt. This year, approximately 60 payers, including the six large private payers (i.e., Aetna, CareFirst, CIGNA, Kaiser, MAMSI, and United Healthcare), Medicare, Medicaid and the seven Medicaid Managed Care Organizations submitted an EDI progress report. Payers with a premium volume of $1M or more are required to submit an annual EDI Progress report under COMAR 10.25.09, *Requirements for Payers to Designate Electronic Health Networks*, by June 30th. This information is used by health care associations and payers to develop strategies to increase the use of technology. Findings indicate that EDI increased roughly 3 percent from last year to about 83 percent overall. Staff has begun the planning process for the *2011 Annual EDI Progress Report*. Staff identified about 69 payers that will need to submit a census report on their administrative transactions by June 30th. Staff has also begun the review of the on-line application that payers use to report their census information for possible enhancements.

Electronic health networks (networks) operating in Maryland are required to be certified as defined in COMAR 10.25.07 – *Certification of Electronic Health Networks and Medical Care Electronic Claims Clearinghouses.* Payers that accept electronic health care transactions originating in Maryland must accept transactions from MHCC certified networks. During the month, staff completed the recertification of Navinet; currently the MHCC has certified approximately 45 networks. Staff also worked with the Electronic Health Network Accreditation Commission to finalize the accreditation process for e-prescribing intermediaries.

National Networking

Representatives from CRISP and staff participated in a conference call with the National Health Service's Connecting for Health (NHS CFH) initiative in the United Kingdom. The NHS CFH is responsible for developing a health IT infrastructure for the NHS. Participants engaged in a discussion around challenges and best practices in implementing and maintaining a large health information network; particularly regarding policy development and technology utilization. Staff plans to continue communications with the NHS CFH.

Staff participated in two eHI webinars. A webinar titled *Regional Extension Centers and Physicians - Working Together to Understand and Meet Physician Needs* that discussed how the RECs are working to understand and meet physician needs and assisting them in the adoption and meaningful use of certified EHRs. The second webinar titled *HIE Ecosystem-Perspectives of Care Across Community Stakeholders* presented how the state of New Jersey is solving HIE challenges.