MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

September 2011

CENTER FOR INFORMATION SYSTEMS AND ANALYSIS

Patient Centered Medical Home Program

PCMH Advisory Panel
The Commission convened the first meeting of the PCMH MMPP Advisory Panel (a representative group of program participants and stakeholders) on August 15, 2011. The Commission's staff and PCMH program contractors updated the Advisory Panel on the program's status.

Attribution of Patients
The MMPP program completed attribution of patients, carriers, and Medicaid MCOs to determine that a combined investment of approximately $3 million would be paid to participating practices for the first biannual Fixed Transformation Payment ("FTP"). The commercial carriers account for approximately $2.1 million, as follows: CareFirst $1.4 million; United 431,000, Aetna $140,000; and Coventry $33,800, which have already been paid to practices. Of the $2.1 million in commercial payments, approximately $100,000 was due to investment by non-government self-funded employers. Medicaid released special payments to the MCOs the week of September 6th and approximately $900,000 in FTP payments will be paid by Medicaid MCOs to practices.

Maryland Learning Collaborative (MLC)
Practice transformation activities continue with intensive effort devoted to NCQA recognition. Four regional collaborative meetings were conducted during the first week of August, with 32 practices and 114 representatives from those practices. NCQA provided a key staff person to present at each meeting and is also making staff available for practice-specific coaching on completion of the NCQA recognition process. The next major meeting of all practices will be November 11-12.

Commission staff joined with staff from the Maryland Community Health Resources Commission, Maryland Learning Collaborative, Maryland Department of Behavioral Health and Disabilities, and ValueOptions to explore integration of behavioral health services with advanced primary care services.

An MLC Steering Committee meeting was held on September 8th focused on quality measures and care management in addition to standard items such as operations.

Program Evaluation
Two potential vendors responded to the revised RFP for PCMH Program Evaluation. The Evaluation Review Committee, composed of Dr. Kathi White, former chair of the Maryland Quality and Cost Council's PCMH Workgroup, Dr. Howard Haft of Shah Associates (an MMPP participating practice), Grace Zaczek of Maryland Medicaid, Ben Steffen, Linda Bartnyska, Susan Myers, Karen Rezabek, and Sharon M. Wiggins (Commission staff) recommended that the Commission award a contract to one of the vendors. Commission staff will request approval by the Maryland Board of Public Works on September 21st for the Commission to enter into a five year contract with the vendor recommended by the Evaluation Review Committee. For further information, please contact the Commission's Procurement Officer, Sharon M. Wiggins at swiggins@mhcc.state.md.us.

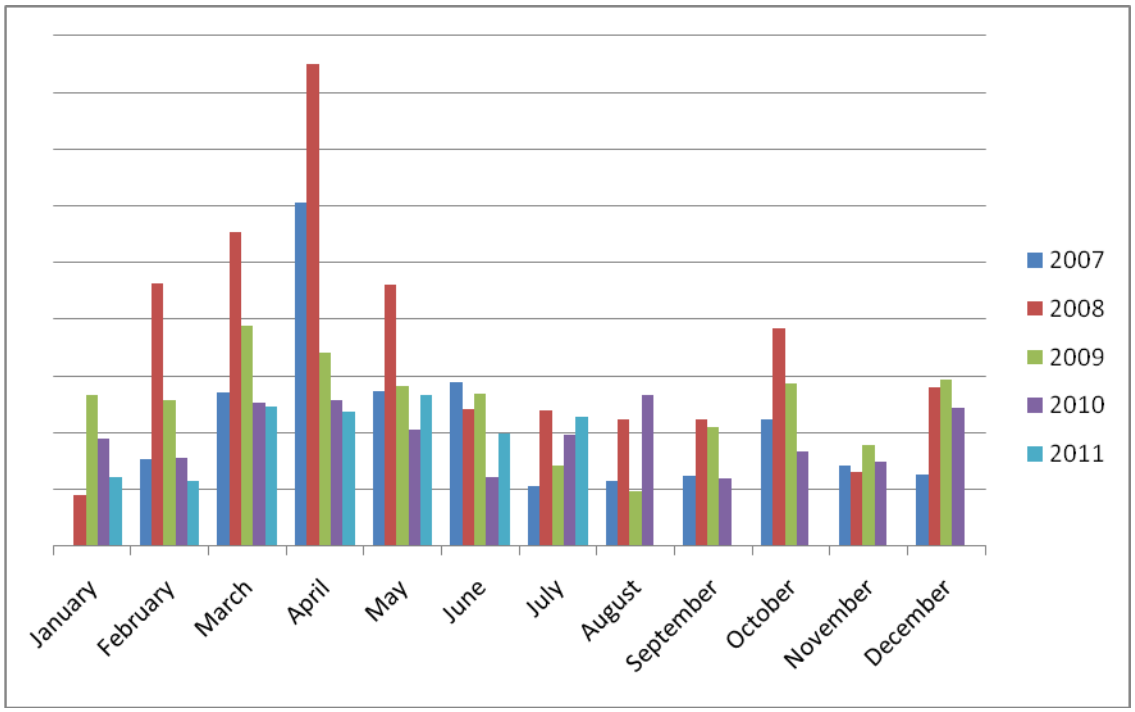
Information regarding the PCMH program is available on the Commission's website at: http://mhcc.maryland.gov/pcmh/.

Maryland Trauma Physician Services Fund

On-Call Applications
All of Maryland Trauma Centers filed Applications for on-call stipends for reimbursement of on-call expenses for January 1 through June 30, 2011.

Uncompensated Care Processing
CoreSource, Inc., the third party administrator (TPA) for the Trauma Fund, adjudicated claims with a total paid value of approximately $455,486 in July 2011. The monthly payments for uncompensated care from March 2007 through July 2011 are shown below in Figure 1.

Figure 1 – Trauma Fund Uncompensated Care Payments 2007-2011



Cost and Quality Analysis

Construction of the 2010 Data for the Maryland Medical Care Data Base (MCDB)
The Commission is still waiting for three payer units that are CareFirst companies to submit their 2010 data. So far, CareFirst has not provided the Commission with an expected delivery date. In addition, seven payer units need to resubmit all or some of their 2010 data files. The reasons for resubmission include incorrectly formatted files, incorrectly formatted fields, and problems with the encrypted patient ID. These problems will delay the construction of the complete 2010 MCDB. This delay is disappointing because staff was hoping to have the 2010 MCDB—which, for the first time, includes a patient eligibility file— ready early so that it could be used to generate *per enrollee* spending data for use in planning Maryland's Health Insurance Exchange.

Report on Utilization of Privately Insured Services by the Nonelderly in Maryland
Data processing for this report is nearing completion. One of the purposes of this report is to provide information that will be useful to those planning Maryland's Health Insurance Exchange. To further this

goal, staff recently shared the preliminary data tables that have been generated for the report with Mila Kofman, Associate Research Professor at Georgetown University's Health Policy Institute, to get advice on what information would be most useful for Maryland's Health Insurance Exchange contractors. Dr. Kofman is a technical expert in health insurance exchanges; her assistance is provided to Maryland without cost due to Maryland's inclusion in the Robert Wood Johnson Foundation program, *State Health Reform Assistance Network* (the State Network).
Dr. Kofman was very pleased with the detail on annual spending by different segments of the insurance market, including the individual market, MHIP, and the CSHBP (small employers), broken out by age and region of the State. She suggested revising the age categories and providing information by household income within the different geographic regions.

Discussion with CMS/CCIIO Regarding Risk Adjustment in State Health Insurance Exchanges
Last month, staff had a conference call with Sharon Arnold of the Centers for Medicare and Medicaid Services' Consumer Information and Insurance Oversight (CCIIO). Dr. Arnold is CCIIO's lead in Financial Management of Health Benefits Exchanges. The purpose of the call was to discuss CMS's plans for risk adjustment in the Exchanges. As part of the discussion, Ben Steffen offered to make Maryland's MCDB privately insured data available to CMS for testing of their (as yet undetermined) risk adjustment software, and Dr. Arnold expressed interest in using Maryland's data for this purpose.

Census Bureau Release of Current Population Survey (CPS) Data on Insurance Coverage by State
The U.S. Census Bureau will release health insurance estimates from the 2011 CPS, reflecting calendar year 2010, on September 13, 2011. Staff uses the CPS data to produce the Commission's reports on health insurance coverage in Maryland. The CPS data files will become available to states shortly after the release of the health insurance estimates. Staff will obtain and process the CPS data as quickly as possible, and will report on the coverage rates for Maryland in 2009-2010 at the either the October or November Commission meeting.

Data and Software Development

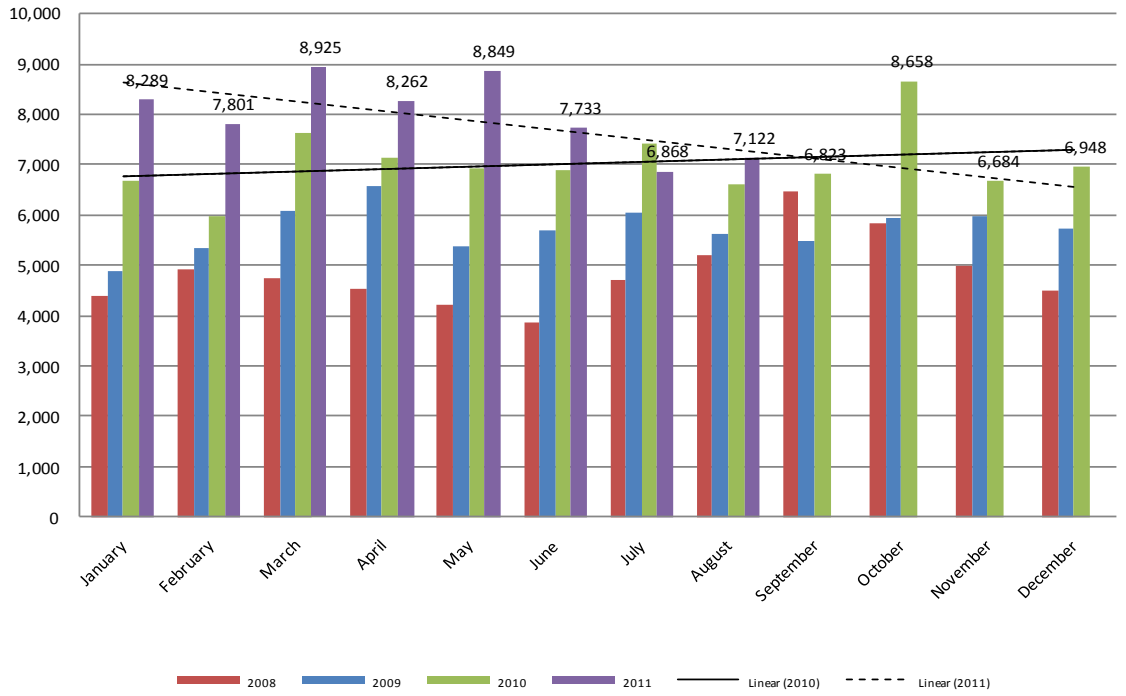
Internet Activities
The number of unique visitors to the MHCC website increased in August 2011 (as shown on Figure 2, below) for the first time since May 2011. While that number increased by approximately 3.7%, the number of visitors is still 8% below June's number of unique visitors; however, when August 2011 is compared to August 2010, the number of visitors increased approximately 7.6%.

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 through a referral from 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.

The number of visitors from all traffic sources to the MHCC websites also increased in August 2011, but did not return to the level of June, 2011. The percentages by traffic sources for overall unique visitors increased by nearly 3%, with 46% arriving via search engines, 36% directly, and 18% by referring sites, which is less than a1% variance over the past couple of months. Typically, these shares fluctuate up and down 3 to 4 percent from month to month. Google remains the dominant search engine, with an increase from July 2011 of .76% for a total of 30.78% of all visitors to the MHCC site, one of the highest levels in 2011. Among the most common search keywords in August:

- "maryland health care commission"
- "maryland healthcare commission"
- "mhcc"
- "pcmh"
- "legislative reports"

Figure 2 -- Unique Visitors to the MHCC Web Site



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

Web Development

Table 1 presents the status of development for internal applications and for the health occupation boards. Planning continues for several new projects. A combination of internal and contractual staffing resources is being used for these efforts.

Table 1– Web Applications Under Development

Board/Project	Anticipated Start of Development/Renewal	Start of Next Renewal Cycle
Board of Physicians – Physician Renewal	Released July 2011	July 2012
Nursing Home Quality Site	Underway	Start of Project: February 2010
Health Insurance Compare	Underway	Start of Project: July 2010
Physician Portal/PCMH	On-going	Start of Project: April 2010
Hospital Quality Redesign	Planning	Start of Project: Fall 2010
User Fee Assessments	Underway	August 1, 2011
Long Term Care Survey	Complete	July 2011
Board of Chiropractors – License Renewal	Released on July 17, 2011	July 2013
Hospice Online Survey	Completed July 29, 2011	January 2012

Maryland Telemedicine Task Force Financial and Business Model Advisory Group

The Maryland Telemedicine Task Force, Financial and Business Model Advisory Group, met on August 26th and on September 7th. Commissioners Lyles and Weinstein have agreed to serve on this advisory group as well as consumers and representatives from Maryland hospitals, payers, not for profit groups, and Maryland Medicaid. Each chair of a telemedicine advisory group—Ben Steffen and David Sharp of the Commission staff and Robert Bass M.D., Executive Director of the Maryland Institute for Emergency Medical Services Systems (MIEMSS) — will present a report on the status of the Maryland Telemedicine Task Force and its advisory groups' work to the Maryland Quality and Cost Council at its September 26th meeting. The next meeting of the Financial and Business Model Advisory Group will be held on September 27, 2011 from 1:00 to 3:00 p.m. in Room 100 at the offices of the Maryland Health Care Commission, 4160 Patterson Avenue, Baltimore, Maryland 21215. Additional information on the Advisory Groups' work is available on the Commission's website at this link: http://mhcc.maryland.gov/electronichealth/telemedicine/index.html and on the Quality and Cost Council's website at this link: http://www.dhmh.state.md.us/mhqcc/telemedicine.html.

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

Health Plan Quality and Performance

Health Plan Quality & Performance
The procurement processes to select vendors to provide services for the HEDIS Audit of Commercial Health Plans and the Survey of Commercially Insured Health Plan Members described last month are not completed as yet. There is still active dialogue with the low bidder as to what the actual cost is of their proposal.

The Health Plan Performance Report for HMOs and PPOs is in final review for an anticipated release in mid-October.

The Commission did not receive any comments during the 30-day comment period on regulations COMAR 10.25.08, Evaluation of Quality and Performance of Health Benefit Plans. The regulations will be presented to the Commission for final action at the September meeting.

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)
VIRTUAL COMPARE, the information-only web portal developed for use by small businesses, was released on May 3rd. Over the past 30 days, we have seen consistency across the number of people visiting the site, the number of pages viewed per visit, and the amount of time spent on the site which we are told exceeds national standards.

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 September 6, 2011 enrollment in the Partnership was as follows: 348 businesses; 1,012 enrolled employees; 1,707 covered lives. The average annual subsidy per enrolled employee is about $2,400; the average age of all enrolled employees is 39; the group average wage is about $28,000; the average number of employees per policy is 4.1.

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. For the 2011 report, due by December 31st, Mercer will evaluate coverage for the treatment of bleeding disorders.

As required under Insurance Article § 15-1502, Annotated Code of Maryland, every four years, the Commission is required to conduct an analysis on each existing mandated health insurance service in Maryland, including a comparison of Maryland's mandates to those in Delaware, Pennsylvania, Virginia, and the District of Columbia. Mercer will be conducting this analysis later in the year. The report is due to the General Assembly by January 1, 2012.

Long Term Care Policy and Planning

Hospice Survey
The official start of the FY 2010 Maryland Hospice Survey was May 23, 2011 with a due date of July 25, 2011. All 30 Maryland hospice programs have now completed the survey. Staff has reviewed and edited the data as needed with follow-up calls to the agencies as needed for data corrections. Staff is now working to complete the public use data set, which will be posted on the Commission's website.

Home Health Agency (HHA) Survey Data
Staff is currently in the process of cleaning the HHA data for fiscal year 2010 obtained by the Commission's Annual Home Health Agency Survey to create reports and public use data sets.

Long Term Care Survey
The 2010 Long Term Care (LTC) Survey data collection period began on March 28, 2011 with a due date of May 26, 2011. Using a $100 per day penalty for failure to submit, the Commission achieved a 100% submission rate. A total of 691 facilities completed the Long Term Care Survey including: 234 nursing homes; 330 assisted living facilities with 10 beds or more; 120 adult day care centers; and 7 chronic hospitals. Staff is currently in the process of cleaning the data which includes merging the LTC data with Medicaid Cost Report data. After the data has been cleaned staff will create reports and public use data sets.

Minimum Data Set Project
Commission staff are working with Myers and Stauffer (contractor) via bi-weekly phone conference calls to make the transition from the federal minimum data set (MDS 2.0) to MDS 3.0 as well as to convert the program from FoxPro to SAS programming language so that it is supported by and consistent with other programs at the Commission. The initial focus has been on reviewing and updating variables and programs from MDS 2.0 to 3.0.

Long Term Care Quality Initiative

Nursing Home Experience of Care Surveys
A new RFP to secure a vendor to administer the surveys is at the Department of Budget and Management for addition of revised MBE requirements.

Influenza Vaccination Rate for LTC
Reminders were sent to nursing homes and assisted living residences of the survey requirements. Staff communicated with LifeSpan and HFAM that the influenza vaccination rates for nursing homes will be reported along with the hospital rates and will possibly be included on Secretary Sharfstein's dashboard. The individual nursing home immunization rates will be posted on the Guide to LTC. Both responded that

they will encourage their members to increase their immunization rate which hopefully will help to improve the rates for all nursing homes.

CENTER FOR HOSPITAL SERVICES

Hospital Quality Initiatives

Hospital Performance Evaluation Guide (HPEG) Update

The next update to the Hospital Performance Evaluation Guide will occur in October 2011. In preparation for each update, the staff performs data quality reviews and prepares preview reports designed to enable hospitals to view their data before it is publicly reported. That process is underway as we also prepare for the upcoming release of CY2010 central line associated bloodstream infections data on the Guide.

Healthcare Associated Infections (HAI) Data

Maryland hospitals are required to use the CDC National Healthcare Safety Network (NHSN) surveillance system to report data to the Commission on Central Line-Associated Blood Stream Infections (CLABSI) in any ICU and surgical site infections related to Hip, Knee and CABG surgeries. On July 6th, the Board of Public Works approved MHCC's request to enter into a 5-year contract with Advanta Government Services, Inc to provide HAI data quality review and on-site medical chart audits to verify the accuracy and completeness of the HAI data submitted by hospitals. The contract officially began on August 1, 2011. The staff held the initial kick-off meeting with the new contractor on August 2nd and is in the process of moving the project forward towards completion of the first round of on-site audits of CY2010 CLABSI data by the end of this calendar year.

Specialized Services Policy and Planning

On June 16, 2011, the Commission took action to amend COMAR 10.24.05, Continuation of Non-Primary Research Waivers Through Participation in the Follow-On C-PORT E Registry, by changing the requirement for patient follow-up from 6 weeks post-procedure to the time of hospital discharge. The proposed amendment was published in the *Maryland Register* on July 29, 2011; the Commission received no public comments during the formal comment period, which ended on August 29, 2011. The Commission will consider final action on the proposed amendment at its public meeting on September 15th.

On September 15th, the Commission will take action on the application of Carroll Hospital Center (Docket No. 11-06-0059 WR) to renew its two-year waiver to provide primary percutaneous coronary intervention (PCI) services without on-site cardiac surgery services. Notice of the docketing of the hospital's application was published in the *Maryland Register* on July 29, 2011.

The Technical Advisory Group on Oversight of Percutaneous Coronary Intervention Services will hold its second meeting on Tuesday, September 13, 2011, from 6:00 p.m. to 8:00 p.m., at 4160 Patterson Avenue, Baltimore, Maryland 21215. Representatives of the Office of Health Care Quality, Health Services Cost Review Commission, Board of Physicians, and the Maryland Institute for Emergency Medical Services Systems will discuss their authority for oversight of PCI services and potential limitations in this oversight.

Certificate of Need ("CON")

CON Letters of Intent

ManorCare Health Services, LLC – (Prince George's County)
Construct a new comprehensive care facility ("CCF") with 110 beds to be located on Fairwood Parkway near Church Road in Bowie

Waldorf Nursing & Rehabilitation Center – (Charles County)
Relocation of a previously approved Certificate of Need D.N. 10-08-2309, to establish a 67 bed CCF, from 3735 Leonardtown Road, Waldorf to a new site located on a seven acre parcel of land known as Lot 1, Part of Parcel A in St. Charles Communities on Demarr Road near the intersection of St. Charles Parkway in Waldorf

Fort Washington Medical Center – (Prince George's County)
New construction and renovation at the hospital to expand acute care capacity and emergency department ("ED") capacity

Ashley, Inc. d/b/a Father Martin's Ashley – (Harford County)
Construction of a new building on the existing campus for both clinical and non-clinical services and the addition of 15 intermediate care facility/alcoholism and drug abuse beds

Pre-Application Conference

Fort Washington Medical Center – (Prince George's County)
New construction and renovation at the hospital to expand acute care capacity and ED capacity
August 17, 2011

Ashley, Inc. d/b/a Father Martin's Ashley – (Harford County)
Construction of a new building on the existing campus for both clinical and non-clinical services and the addition of 15 intermediate care facility/alcoholism and drug abuse beds
August 23, 2011

Evidentiary Hearing

Washington Adventist Hospital – Docket No. 09-15-2295 - (Montgomery County)
Replacement and relocation of a general acute care hospital contested by three interested parties
August 8 – August 12, 2011 (hearing to be reconvened and concluded on September 8, 2011)

CON Applications Filed

The Village at Rockville – Matter No. 11-15-2319 (Montgomery County)
Expansion and renovation of a CCF, including a 140 bed reduction in bed capacity and the addition of assisted living facilities. Cost: $21,754,268 (CCF Cost Only)

Johns Hopkins Hospital-Wilmer Eye Institute – Matter No. 11-24-2320 – (Baltimore City)
Addition of two outpatient special-purpose operating rooms at the Bendann Outpatient Surgical Center
Cost: $1,430,037

Johns Hopkins Bayview Medical Center – Matter No. 11-24-2321 – (Baltimore City)
Expansion of the emergency department and replacement of the pediatric unit, and expansion of obstetric facilities.
Cost: $39,771,248

Johns Hopkins Bayview Medical Center – Matter No. 11-24-2322 – (Baltimore City)
Creation of a comprehensive cancer program at the hospital, including radiation therapy.
Cost: $25,844,525

Determinations of Coverage

- **Ambulatory Surgery Centers**

Leonardtown Surgery Center, LLC – (St. Mary's County)
Establish an ambulatory surgery center with one sterile operating room and one non-sterile procedure room to be located at 40900 Merchants Lane, Leonardtown

Greenspring Surgery Center, LLC – Baltimore County)
Updated information on ownership of the surgery center

Piney Orchard Surgery Center, LLC (Anne Arundel County)
Change of ownership of the surgery center

- **Acquisitions/Change of Ownership**

MHCC declines to issue a determinations of coverage for the acquisition of ten comprehensive care facilities by Cammeby Equity Holdings, LLC to replace the current owners of SVCare Holdings, LLC, because of pending litigation with respect to control of the entities.

Arcola Health & Rehabilitation Center Center
Montgomery County

Bel Air Health & Rehabilitation Center
Harford County

Bethesda Health & Rehabilitation Center
Montgomery County

Forest Hill Health & Rehabilitation Center
Harford County

Glen Burnie Health & Rehabilitation Center
Anne Arundel County

Heritage Harbour Health & Rehabilitation

Anne Arundel County

North Arundel Health & Rehabilitation Center
Anne Arundel County

Overlea Health & Rehabilitation Center
Baltimore City

Patuxent River Health & Rehabilitation Center
Prince George's County

Summit Park Health & Rehabilitation Center
Baltimore County

Blue Point Nursing, LLC – (Baltimore City)
White Pine Holdings II, LCC plans to acquire the assets of PV Realty-Blue Point, LLC and the Blue Point SNF, LLC d/b/a Blue Point Nursing & Rehabilitation Center plans to acquire the assets and liabilities of Blue Point Nursing, LLC the current operator and licensee. Cost: $9,500,000

Anchorage, LLC – (Wicomico County)
White Pine Holdings II, LCC plans to acquire the assets of PV Realty-Anchorage, LLC and the Anchorage SNF, LLC d/b/a Anchorage Nursing & Rehabilitation Center plans to acquire the assets and liabilities of Anchorage Nursing, LLC the current operator and licensee. Cost: $10,000,000

Kensington Nursing & Rehabilitation Center – (Montgomery County)
OHI Asset HUD WO, LLC c/o Omega Healthcare Investors, Inc. plans to acquire all the membership interest of PV Realty-Kensington MD, LLC. PV Realty is the current owner of certain real estate that is leased to Kensington Nursing, LLC d/b/a Kensington Nursing & Rehabilitation Center, Kensington will continue as the operator and licensee. Cost: $12,000,000

Clinton Nursing & Rehabilitation Center – (Montgomery County)
OHI Asset HUD WO, LLC c/o Omega Healthcare Investors, Inc. plans to acquire all the membership interest of PV Realty-Clinton MD, LLC. PV Realty is the current owner of certain real estate that is leased to Clinton Nursing, LLC d/b/a Clinton Nursing & Rehabilitation Center, Kensington will continue as the operator and licensee. Cost: $24,000,000

Collingswood Nursing & Rehabilitation Center – (Montgomery County)
Transfer of50% of the ownership interest in the license that is currently held by Jack Upchurch Sr. Revocable Trust to the beneficiaries of the trust; Jack A. Upchurch (21.4%), Jill M. Upchurch (21.4%) and Barc A. Upchurch (7.2%)

- **Capital Projects**

Frederick Memorial Hospital – (Frederick County)
Renovations to the existing building space to house medical/surgical rooms and beds and the relocation of the helicopter pad. Beds will be added consistent with aligning physical bed capacity with the hospital's currently licensed bed capacity.
Cost: $8,200,000

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

Caroline Nursing & Rehabilitation Center – (Caroline County)
Temporary delicensure of 8 CCF beds

Fayette Health & Rehabilitation Center – (Baltimore City)
Temporary delicensure of 29 CCF beds

Forestville Health & Rehabilitation Center – (Prince George's County)
Temporary delicensure of 8 CCF beds

Marley Neck Nursing & Rehabilitation Center – (Anne Arundel County)
Temporary delicensure of 4 CCF beds

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

Moran Manor Health Care Center – (Allegany County)
Relinquishment of 10 temporarily delicensed CCF beds leaving a total of 120 CCF beds

Bethesda Health & Rehabilitation Center – (Montgomery County)
Relinquishment of 7 temporarily delicense CCF beds leaving a total of 185 CCF beds

- **Miscellaneous**

Seasons Hospice and Palliative Care
Acknowledgement of authority to provide hospice services to residents of Prince George's County

Planning and Policy

Licensed Acute Care Hospital Beds

On August 19, 2011, MHCC posted a report, *Update: Licensed Acute Care Beds, Fiscal Year2012*, on the Acute Care Hospital page of the MHCC web site. This interim report profiles the changes in the licensed acute care bed inventory of Maryland general hospitals that became effective July 1, 2011. For the second consecutive year, the licensed bed inventory for the state declined, reflecting corresponding declines in acute care hospital census. Since FY 2010, the licensed acute bed inventory statewide has dropped from 10,880 to 10,583 beds. Nearly all of this decline, as reflected in hospital bed allocation choices, has occurred in the bed category of medical/surgical/gynecological/ addictions beds. It is anticipated that this interim report will be replaced by the more complete survey report of hospital bed and service inventories, the *Annual Report on Selected Maryland Acute Care and Special Hospital Services*, by the end of September.

CENTER FOR HEALTH INFORMATION TECHNOLOGY

Health Information Technology

The National Coordinator for Health Information Technology (ONC) conducted a site visit of the MHCC as it relates to the nearly $9.3M in grant funding its received to develop the statewide health information exchange (HIE), and the roughly $1.6M in funding for the long term care HIE demonstration project. The audit lasted two days and did not yield any material weaknesses. The auditors assessed internal accounting controls, progress of implementation in accordance with the approved State Health IT Plan, progress of the demonstration project, and discussed challenges to HIE adoption for hospitals and ambulatory providers. As part of the site visit, ONC reviewed the performance of the state designated HIE, the Chesapeake Regional Information for our Patients (CRISP) performance in developing the regional extension center (REC). CRISP received nearly $6.4M last year to develop the REC, which is focused on expanding electronic health record (EHRs) adoption. Policy challenges related to sustainability of HIEs was also discussed during the site visit.

Staff is in the preliminary stage of making revisions to the web-based EHR Product Portfolio (portfolio), and has invited nationally certified EHR vendors to participate in the portfolio. Currently, about 29 ambulatory EHR vendors are represented in the portfolio; staff is planning to expand the portfolio to include specialty EHR vendors. The portfolio is used as a resource by the physicians and has received national attention through federal agencies since its first release in September 2008. Participating vendors agree to provide a discount to Maryland physicians, supply information related to product privacy and security, pricing, functionality capabilities, case studies, and user references. The portfolio is updated bi-annually with the next release scheduled to occur in October.

Last month staff awarded management service organization (MSO) *State Designation – Candidacy Status* to Syndicus, Inc. Presently, about 10 MSOs are in *Candidacy Status* and approximately seven MSOs have achieved *State Designation*. To achieve *State Designation*, MSOs in *Candidacy Status* have 12 months to demonstrate they have met about 90 criteria related to privacy and confidentiality, technical performance, business practices, security, and operations in order to achieve *State Designation*. MSOs must offer at least one certified EHR hosted in a centralized secure data center. During the month, staff convened two MSO Advisory Panel Criteria Committee (committee) meetings to evaluate the existing

State Designation criteria. Modifications adopted by the committee to the criteria are expected to be adopted in next version of the criteria, which will likely be released in January 2012. The MHCC is in the beginning stages of developing an MSO performance assessment tool (MSOPAT). Once developed, CRISP will provide support through its REC in obtaining physician feedback on MSO performance. Staff anticipates finalizing the MSOPAT in October and the REC to begin collecting data in November. Performance information will be used by staff to help MSOs bolster physician services.

In July, staff invited nearly 233 nursing homes to take part in an EHR adoption environmental scan (scan). This year, the distribution of the scan included all nursing homes as opposed to last year where the focus was on independent nursing homes. The report will overview EHR adoption, functionalities in use, and identify leading adoption challenges other than financial. Findings from the scan will be used by staff and the two long term care associations: Health Facilities Association of Maryland and LifeSpan Network to develop strategies aimed at increasing EHR adoption and meaningful use. Staff received about an 81 percent response rate and is currently evaluating the data. Staff anticipates sharing preliminary findings with nursing home administrators during the annual Health Facilities Association of Maryland conference scheduled in October. Staff plans to release a report on its finding in December. Staff is also in the process of updating the Nursing Home EHR Product Portfolio (portfolio). The portfolio includes information to assist in the evaluation of EHRs such as a vendor product presentation, line item pricing and pricing projections, privacy and security policies, and consumer reference reports. Vendors included in the portfolio offer a discount to Maryland providers and the portfolio is updated semi-annually. Updates to the portfolio are expected to be released in October.

The public comment period for the proposed modifications to COMAR 10.25.16, *Electronic Health Record Incentives* expired on August 29, 2011. The proposed regulation require certain state-regulated payers to provide cash incentives to primary care practices for adopting an EHR unless an alternative incentive is agreed upon by the practice and includes hospital-owned primary care practices. Comments were received from CareFirst and MedChi, The State Medical Society. In general, commenter's requested clarification around the application period and cash as method of payment unless otherwise agreed upon by the provider. Staff plans to make changes to the proposed regulation and re-propose them as emergency regulations at the September Commission meeting. The incentive program is a result of legislation, House Bill 706, *Electronic Health Records - Regulation and Reimbursement,* that passed during the 2009 session. As part of the 2011 General Assembly, House Bill 736, *Electronic Health Records – Incentives for Health Care Providers – Regulations* was passed by the General Assembly that made changes to the type of incentives and physicians eligible to participate in the incentive program.

Effective August 1, 2011, the Centers for Medicare and Medicaid Services (CMS) discontinued its EHR Demonstration Project (project); Maryland and three other states that were selected to participate with CMS in this project roughly two years ago. CMS terminated the project due to significant decrease in the number of participants in the treatment group across the participating states. Select practices were eligible to receive up to $290,000 over a five-year period for adopting EHRs and reporting to CMS on select quality measures. CMS determined that there was not adequate participation to appropriately measure the effect of a financial incentive on the adoption and use of EHRs and the relationship between the use of specific EHR functionality and health care quality. Maryland originally had 127 practices that were participating in the treatment group; approximately 13 practices withdrew from the project over the two-year period. Around 114 practices will receive a payment in the fall based on their second year Office System Survey results. During the first project year, CMS paid about $2,032,569 to practices in the four states; Maryland practices received roughly $830,697. Staff is in the preliminary stages of developing a strategy to provide ongoing EHR support to practices that participated in the project.

The Telemedicine Technology Solutions and Standards Advisory Group (workgroup) continued to evaluate the standards around technology required to support interoperable telemedicine networks in Maryland. The workgroup finalized the key principles to guide the development of standards and supporting program criteria. During the month, the workgroup also developed draft specifications for a

technical infrastructure that would support multiple clinical services. Participants in the workgroup include hospital chief information officers, CRISP, physicians, local health departments, a representative from the American Telemedicine Association, and technology vendors. In 2010, the Telemedicine Task Force submitted a report to the Quality and Cost Council with recommendations related to expanding telemedicine for the treatment of stroke and other key clinical conditions. In November, former Secretary John Colmers requested that an Advisory Committee replace the Telemedicine Task Force and three subcommittees be established to make specific recommendations about the use cases, technology, and the financial and business model.

Health Information Exchange

Staff continues to provide guidance to CRISP in implementing the statewide HIE and to its Advisory Board that consists of four committees: Finance, Technology, Clinical Excellence, and Small Practice Advisory Committee. Last month, staff participated in the Technology Advisory Committee meeting, where members discussed connectivity milestones and utilization. Staff also participated in the Clinical Excellence Advisory Committee meeting that discussed the strategies to increase ambulatory practice connectivity and results delivery to EHRs. Clifton Gunderson, LLP completed a preliminary review of CRISP's FY2012 financials; a technology audit is scheduled to begin in January. During the month, about nine additional acute care hospitals signed a participation agreement to connect with the statewide HIE. About 44 hospitals have signed participation agreements, around 11 hospitals are exchanging radiology data, nearly 13 hospitals are exchanging demographic information, and approximately 6 hospitals are exchanging laboratory data and transcribed reports.

During the month, the ONC approved the budget for the Challenge Theme grant; the MHCC was awarded approximately $1.6M from the ONC as a supplement to the *State Health Information Exchange Cooperative Agreement Program*. The goal of the Challenge Theme is to pilot the electronic exchange of clinical documents between pairs of nursing homes and proximate hospital emergency departments (ED). The pilot centers on six nursing homes owned by three chains across Maryland, with some services available to all nursing homes in the state: Erickson Retirement Communities, Lorien Health Systems and Genesis Healthcare. Each participating facility is paired with a hospital in its immediate medical service area, technology will be implemented to enable the exchange of electronic discharge summaries between the ED and nursing home. The project is aimed at reducing hospital readmission rates for the pilot population. The project will also ensure that advance directives are a component of the electronic discharge summary by developing the required framework for storing them electronically in Maryland.

The HIE Policy Board (board) is tasked with recommending policies to staff on the private and secure exchange of electronic health information through Maryland HIEs. The board is comprised of about 30 consumer-focused members who have identified roughly 27 policies for development and have recommended nine policies to staff. The workgroup met four times during the month to continue developing the *Secondary Data Use* and *Data Use and Disclosure* policies. The workgroup also finalized the *Audit* policy for a vote at the upcoming board meeting that is scheduled for September 27th. Staff plans to convene several workgroup meetings early in September in an effort to ready the *Secondary Data Use* and *Data Use and Disclosure* policies for discussion at the September HIE Policy Board meeting. Policy recommendations will become proposed regulations governing HIEs in Maryland. House Bill 784, *Medical Records – Health Information Exchange* that was signed into law on May 19, 2011, requires the MHCC to develop regulations for privacy and security of protected health information obtained or released through an HIE. Staff continues to draft proposed regulations and intends to seek informal public comments on them in November.

Several consumer focus groups were convened during the month to assess consumer awareness of electronic health information, trust in the electronic exchange of their information, and challenges related to consumer access and control in an environment where multiple HIEs exist. In general, participants were familiar with EHRs and are wary of them due to privacy concerns and the risk of electronic health information being erased or lost. Participants expressed a desire to control who has access to their

electronic health information and trust their physician with their EHR. Participants also noted searching the Internet for diseases and symptoms, medications, and natural treatments. Koss on Care, a consultant organization, is providing assistance in facilitating focus groups and in drafting the final report. As part of the work, the consultant will conduct an in-depth interview with HIEs and providers throughout the state and assess the consumer outreach and education efforts underway. A report on the findings is targeted for release in January 2012 and will include recommendations for strategies to address consumer-related health IT challenges.

Electronic Health Networks & Electronic Data Interchange

COMAR 10.25.09 – *Requirements for Payers to Designate Electronic Health Networks* requires payers with a premium volume of $1 million or more to submit an annual EDI Progress Report (report) by June 30th. Approximately 51 payers submitted a report, which includes census level information on administrative health care transactions for roughly eight transaction types identified under the *Health Insurance Portability and Accountability Act of 1996, Administrative Simplification Provisions*. Staff is in the preliminary stages of evaluating the data and working with payers to resolve reporting discrepancies. The final report is targeted for release in December.

COMAR 10.25.07, *Certification of Electronic Networks and Medical Claims Clearinghouses,* requires payers doing business in Maryland to accept electronic transactions from only administrative networks that are certified by the MHCC. Certification is awarded to administrative networks that have achieved accreditation by the Electronic Health Network Accreditation Commission; the MHCC certification is valid for two years. Roughly 42 administrative networks have been MHCC certified; last month staff recertified Capario and Emdeon Business Services.

National Networking

Last month, staff participated in several health IT webinars. The eHI presented: *Integrating HIE into Clinical Workflow*, which discussed the benefits and challenges that providers encounter as they begin to adopt health IT. The NeHC presented, *Secrets of HIE Success Revealed Lessons for the Leaders,* an in-depth study of successful and mature HIEs in diverse geographies and market types. Heath Care Finance presented *How Organizations Measure and Improve Workforce Wellness* that discussed the impact of behavioral risk factors on health care cost in employed populations.