

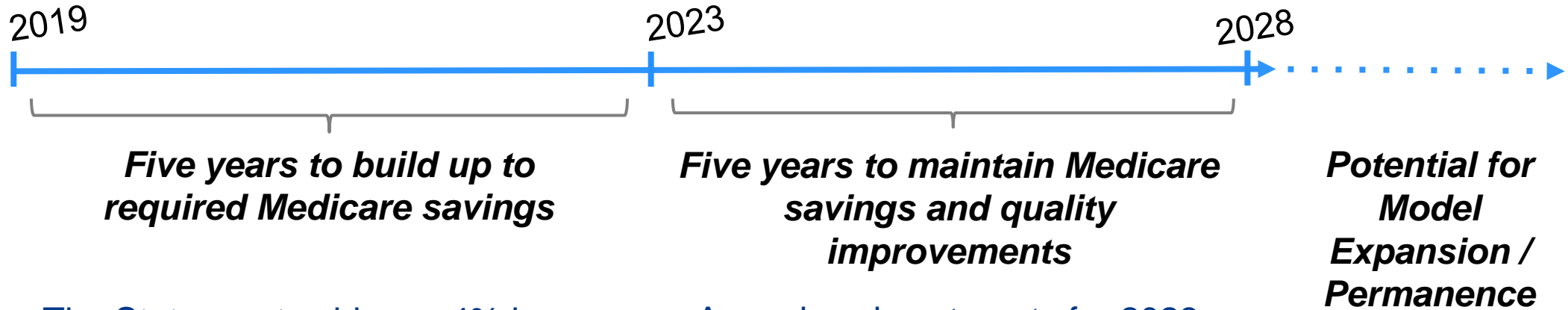


maryland  
**health services**  
cost review commission

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## Update on TCOC Model, Results and Next Steps

# TCOC Model Savings Targets



The State must achieve ~4% lower TCOC spending growth per beneficiary compared to the nation.

Annual savings targets for 2023-2028 will be set through discussions between CMMI and the State.

Annual Medicare TCOC Savings Targets (in millions)				
2019	2020	2021	2022	2023
\$120	\$156	\$222	\$267	\$300

TCOC Savings Targets include Medicare Parts A and B, relative to a 2013 base.

# TCOC Model Year 3 Performance – Exceeded Targets

Performance Measures	2021 Targets	2021 Results	Met
<b>Annual Medicare TCOC Savings</b>	\$222M in annual Maryland Medicare TCOC per Beneficiary of savings for MY3 (2021)	\$378.1million	✓
<b>TCOC Guardrail Test</b>	Cannot exceed growth in National Medicare TCOC per beneficiary by more than 1% per year and cannot exceed the National Medicare TCOC per beneficiary by any amount for 2+ consecutive years	0.6 percentage points above the National growth rate	✓
<b>All-Payer Revenue Limit</b>	All-payer growth $\leq$ 3.58% per capita	2.37% per capita (\$1.71 billion below the maximum revenue amount)	✓
<b>Improvement in All-Payer Potentially Preventable Conditions</b>	Exceed the CY 2018 PPC rates for 14 Potentially Preventable Conditions (PPCs) that comprise Maryland's Hospital Acquired Condition program (MHAC)	.013 percentage point reduction	✓
<b>Readmissions Reductions for Medicare</b>	Maryland's aggregate Medicare 30-day unadjusted all-cause, all-site readmission rate at regulated hospitals $\leq$ the National Readmission Rate for Medicare FFS beneficiaries	15.64% (above the national rate of 15.41%)	
<b>Hospital Population Based Payment</b>	$\geq$ 95% of all Regulated Revenue for Maryland residents paid according to a Population-Based Payment methodology	98% of Regulated Revenues are under Maryland's 'Rate Setting System'	✓

# Overview of Memorandum of Understanding & Cover Letter (2024 to 2026)

- Reaffirms CMMI's and State's mutual commitment to the continued success of the Model and lays foundation for expansion of current Model or new model test
- Memorializes annual savings targets for CY 2024 – 2026
  - MY6 (CY 2024): \$336 million
  - MY7 (CY 2025): \$372 million
  - MY8 (CY 2026): \$408 million
- Reiterates State's commitment to improve quality performance and advance other Model priorities
  - Hospital Quality Performance
  - Medicaid Alignment
  - Total Population Health
  - Health Equity
- MOU with cover letter can be found at <https://hscrc.maryland.gov/Pages/tcocmodel.aspx>, finalized on 8/17/22

# Beyond 2026: Model Expansion Planning

# Stakeholder Engagement Approach

- In order to create a broad stakeholder-informed vision for the expansion of the Model beyond 2026, HSCRC and State staff intend to conduct thorough stakeholder engagement meetings.
- Stakeholder engagement discussion will ultimately provide content for a written Progression Plan to be finalized by Fall 2023, with review by Secretary's Vision Group along the way.
- Small groups will meet on priority topics in order to provide feedback on the Model and future direction, October - April 2023.
  - These groups will utilize existing work structures and current staff activities.
  - New groups may be developed to incorporate additional subject matter expertise.
  - Additional consumer engagement will be incorporated into this work.
- Reports will be made on progress to Secretary's Vision Group, Fall 2022 – June 2023
- Public comment period on draft progression plan, Fall 2023
- Submit progression plan to CMS, December 2023

# Progression Plan Development Timeline

Oct 2022-April 2023

- Small Workgroups begin
- Progress Updates to Secretary's Vision Group (SVG)

April 2023

- Small Workgroups Conclude
- Written workgroup recommendations finalized by HSCRC and State staff

May-June 2023

- Draft Progression Plan finalized (May)
- Draft plan circulated to SVG for initial comment (June)

June - Sept 2023

- Draft Progression Plan circulated for public comment
- Socialize with other important stakeholders (elected officials, others as needed)

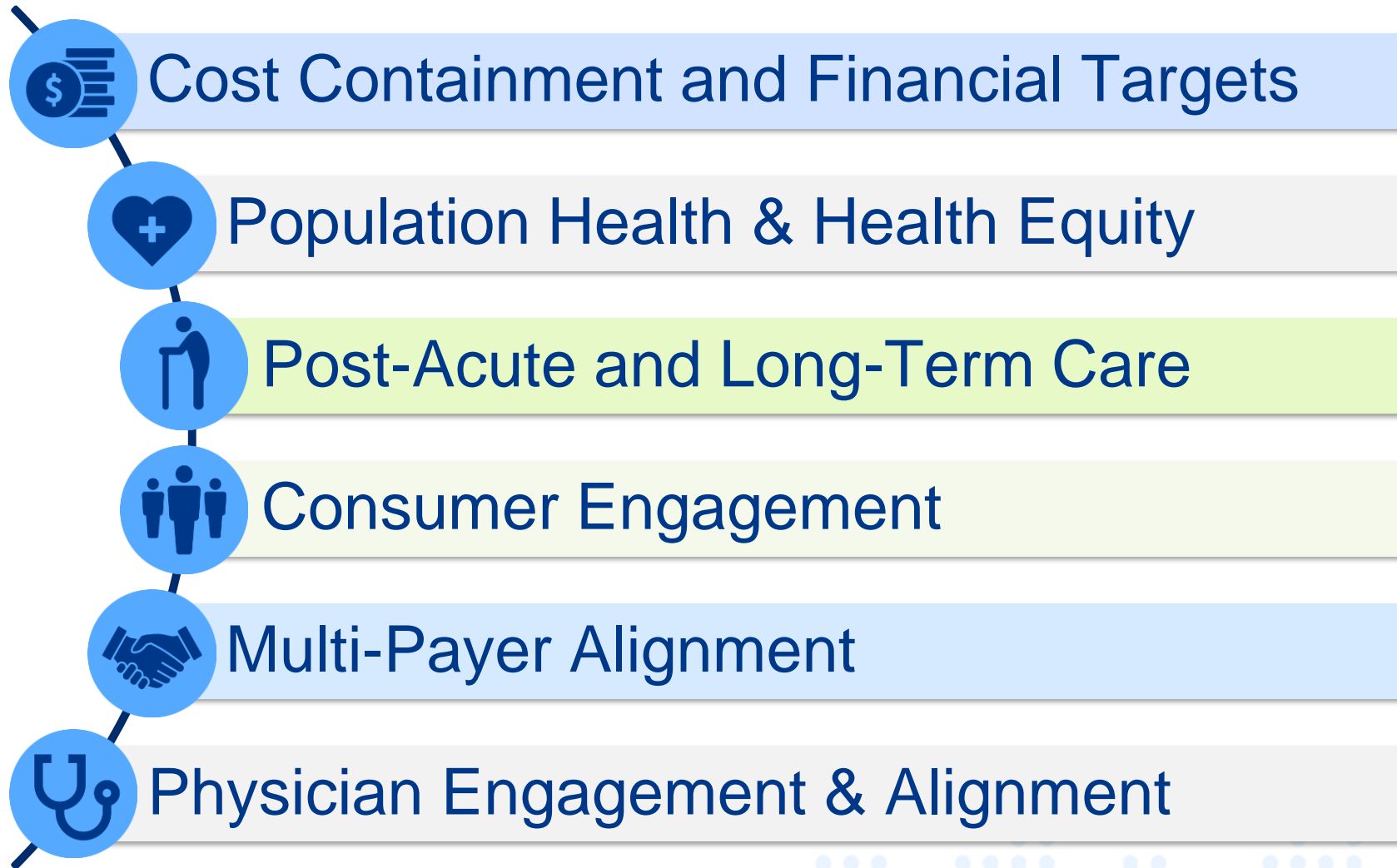
Oct - Dec 2023

- Public comments reviewed and integrated into final Progression Plan

Dec 2023

- Final Progression Plan submitted to CMMI

# Stakeholder Small Group Focus Areas





**THE END**