



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

Larry Hogan, Governor - Boyd Rutherford, Lt. Governor - Van Mitchell, Secretary

MEMORANDUM

TO: Hospital CFOs and Population Health Representatives

FROM: HSCRC and DHMH

DATE: June 22, 2015

RE: Key Activities related to Improving Care Coordination, Chronic Care, Provider Alignment and Related Infrastructure

The Department of Health and Mental Hygiene (“DHMH”) and the Health Services Cost Review Commission (“HSCRC”) are both focused on improving care coordination, chronic care, provider alignment, and supporting infrastructure. HSCRC and DHMH envision a health care system in which multi-disciplinary teams can work with high need/high-resource patients to manage chronic and complex conditions in order to improve outcomes, lower costs, and enhance patient experience. Through collaboration at the regional and state levels, regional partnerships can work together to improve the health and well-being of the population. Implementing global budgets was the first step toward creating incentives toward population health enhancement.

We are writing this memo to inform you of several opportunities sponsored by the Department and the Commission to improve population health, including the availability of technical assistance and educational events relative to care coordination and provider alignment, and an opportunity to apply for competitive transformation implementation funding in FY 2016 (described below). This memo is also intended to inform you of a series of Commission required reports due December 2015 that ask hospitals to share data and information on their investments to-date and planned strategies aimed at improving care coordination and population health in their hospital service area, region, and across the State.

Summary of Support for Care Coordination Investment

In Fiscal Years 2014 and 2015, the Commission, recognizing the need for seed funding to invest in best practices to improve care coordination activities, increased most GBR hospital's rates by a total of 0.65%, with the intent of it being used to invest in infrastructure that promotes the improvement of care delivery and reductions of potentially avoidable utilization. This funding was approved by the Commission to support the transformation with the expectation that the real return on investment will occur if projects are focused and well executed. TPR hospitals have been provided even higher levels of funding on a proportional basis. On September 30, 2015, all hospitals are required to submit a GBR Investment Report to HSCRC on the amounts and types of investments they have made and will make to improve population health, and how

effective these investments are in reducing potentially avoidable utilization and improving population health.

In accordance with the provisions of the State Budget Reconciliation and Financing Act of 2014 (BRFA), earlier this year, the Commission increased rates (in FY 2015) effective May 1, 2015 to provide up to \$15 million for the purpose of funding the planning of regional partnerships throughout the State; and statewide infrastructure to support care management, coordination, and planning. In preparation for this funding, in February 2015, DHMH and HSCRC released an RFP to all hospitals offering funding to support the planning and development of *Regional Partnerships for Health System Transformation*. A portion of the BRFA funding (\$2.5 million) was awarded to hospitals who applied for the funding to support regional planning and development initiatives with key community partners. A multi-stakeholder review committee selected 8 of 11 proposals; funding ranged from \$200,000 to \$400,000. Those grantees are required to submit a final Regional Transformation Plan to DHMH and HSCRC on December 1, 2015.

During its June 2015 public meeting, the Commission approved additional increases to the global budgets of GBR hospitals for FY 2016 to continue successful investments in infrastructure. All global budgets of GBR hospitals will receive an increase of 0.4% for infrastructure investments. Separately, an additional 0.25% in competitive transformation implementation awards will be available to hospitals, working in collaboration with other hospitals, physicians, post acute providers and other community based providers. Hospitals interested in applying will be required to submit proposals describing how they will use these additional funds for implementation of developed strategies to improve care coordination and population health. The Commission intends to release a Request for Proposals (RFP) later this summer; it is anticipated that proposals will be due in December 2015.

The Commission also approved a recommendation that will require all hospitals to submit multi-year strategic plans for improving care coordination, chronic care, and provider alignment. These plans will be due on December 1, 2015. The strategic plan should draw from the other required reports and demonstrate how strategies are aligned. All hospitals will be required to submit their own strategic plan; however, in areas where hospitals are working with one another through a Regional Partnership or other collaborations, they should reference their Regional Partnership Transformation Plan.

As outlined above, on December 1, 2015 there will be a culmination of activities related to partnerships, strategies, progress, and vision for care coordination in the State. The collective goal of these activities is to help support delivery system change with a focus on:

- Chronic disease supports
- Long term and post-acute care integration and coordination
- Physical and behavioral health integration and coordination
- Primary care supports, including support of Medicare Chronic Care Management fee requirements
- Case management and other supports for high needs and complex patients
- Episode improvements, including quality and efficiency improvements
- Clinical consolidation and modernization to improve quality and efficiency

- Integration of community resources relative to social determinants of health and activities of daily living

Summary of HSCRC Required Reports:

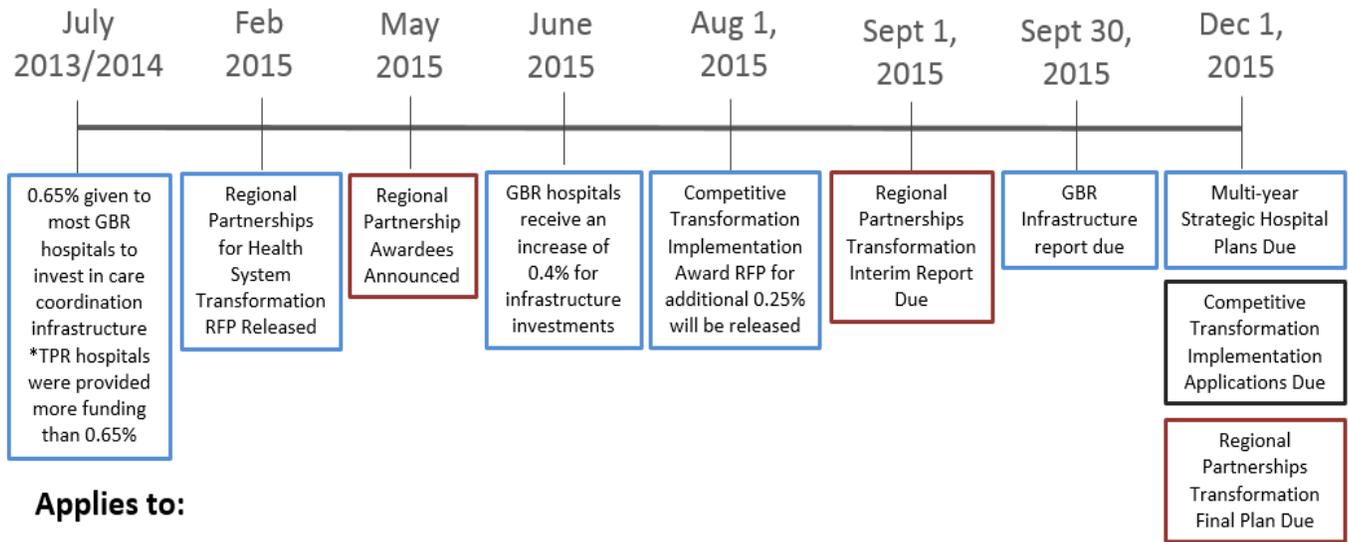
| Submission | Associated Funding | Report Due Date | Requirements/ Scope | Who |
|--|--|--------------------|--|--|
| Interim Regional Transformation Report from Regional Partnerships | \$2.5 million (BRFA funding) | September 1, 2015 | Interim Regional Transformation Plan Template (draft shared with grantees) | Regional Partnership Grantees |
| Global Budget Infrastructure Report | 0.65% given to most GBR hospitals in July 2013/2014 *TPR hospitals were provided additional funding | September 30, 2015 | GBR Infrastructure Report Template available on HSCRC website | All Hospitals |
| | 0.4% increases approved for FY2016 for all GBR hospitals | | | |
| Final Regional Transformation Report from Regional Partnerships | \$2.5 million (BRFA funding) | December 1, 2015 | Regional Transformation Plan Template (draft shared with grantees) | Regional Partnership Grantees *Partnering hospitals will collaborate on one final report |
| Multi-Year Strategic Hospital Plan for Improving Care | N/A | December 1, 2015 | Similar template as Regional Transformation Plan only broader and more comprehensive in scope *Template forthcoming | All Hospitals *Plans should refer to and align with GBR Infrastructure Report, Regional Partnership Plan (if applicable), Community Benefit Report and Community Health Needs Assessments |

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|---|------------------------------|------------------|--|---|
| Applications/ Proposals for Competitive Transformation Implementation Awards | 0.25% (approx. \$40 million) | December 1, 2015 | RFP will be posted in August 2015. *Applications should draw from multi-year strategic hospital plan; must demonstrate how investments build on one another | All Hospitals are Eligible to Apply *Collaboration among hospitals in a single application is encouraged and collaboration with physicians and other providers is required. RFP will provide more details when released. |
|---|------------------------------|------------------|--|---|

Other Required Reports:

| Submission | Associated Funding | Report Due Date | Requirements/Scope | Who |
|--|---------------------------|-----------------------------|---|---------------|
| Community Benefit Report | N/A | December 15, 2015 | Template available on the HSCRC website | All Hospitals |
| Community Health Needs Assessment | N/A | Hospitals on 1-3 year cycle | Hospitals should follow federal CHNA requirements | All Hospitals |

Timeline for RFPs and Reports



Applies to:

- Hospitals
- Regional Partnership Grantees
- Hospitals applying for Competitive Transformation Implementation RFP

DHMH and the Commission will provide more detailed information over the next few weeks on the format of the multi-year strategic hospital plans; plans will align with all above mentioned reports: Regional Partnership Transformation Plans (required of Regional Partnership Grantees); Global Budget Infrastructure Report; Community Benefit Report; and Community Health Needs Assessments.

Technical Assistance Available to All Hospitals

In an effort to support the Regional Partnership Grantees through the process of establishing their plans for regional partnerships, the State, in collaboration with the Chesapeake Regional Information System for our Patients (CRISP), has assembled technical resources and consultants with broad experience and expertise in similar initiatives around the country. A portion of the statewide infrastructure funding is being used to provide this technical assistance support to the planning grantees and all hospitals and their partners throughout the State as they work their way through essential delivery system transformation. While planning grantees may avail themselves of one-on-one consultation (up to 60 hours) all hospitals and their partners will be invited to participate in a series of bi-monthly, topic-specific webinars and an interactive Learning Collaborative on specific topics of interest that will be designed to assist hospitals and their partners as they endeavor to improve their care coordination with the goal of real delivery system reform. Specific webinar topics will be sent closer to the meeting date; your input into the content of these events is encouraged. Please refer to the DHMH website for an updated list of webinar topics and resource material:

<http://pophealth.dhmd.maryland.gov/transformation/SitePages/Home.aspx>

A schedule of these events and opportunities are as follows:

- Webinar on Performance Metrics: June 25, 9-10am EST
- Webinar on CRISP Resources: July 9, 9-10am EST
- Webinar: July 23, 9-10am EST
- Learning Collaborative: August 6, 9-10am EST
- Webinar: August 13, 9-10am EST
- Webinar: August 27, 9-10am EST
- Webinar: September 10, 9-10am EST
- Webinar: September 24, 9-10am EST
- Learning Collaborative: October 1, 9-10am EST
- Webinar: October 8, 9-10am EST
- Webinar: October 22, 9-10am EST
- Webinar: November 12, 9-10am EST

If you would like to be added to these events, or added to the Basecamp shared resource site that will send daily notifications of new materials and resources, please contact mkirkpatrick@healthmanagement.com. We suggest that your hospital and relevant community partners take advantage of these opportunities.

Care Coordination, provider alignment and regional partnerships between and among hospitals, community providers, and social service providers are key elements to success under the new all-payer model. As hospital administrators, population health officials, and ultimately as patients or family-members of patients, we all have a stake in ensuring that delivery system is designed in a person-centered and effective manner. We thank you for your focus and drive toward this goal and look forward to working with you and the technical assistance resources to meet this challenge.