

Summary of Key Comments Regarding Revised Application for Modernization of All-payer Model

The State received comments on the revised draft application from numerous organizations and individuals, and we appreciate the instructive input from those diverse interested parties. We are encouraged by the support that was expressed, and we look forward to continuing the dialogue throughout the implementation process. The comments can be summarized in 4 categories: (1) technical changes to the revised application; (2) a suggestion for the inclusion of a loan forgiveness program for physicians; (3) suggestions for consumer and other stakeholder input and communication; and (4) HSCRC policy changes.

1. Technical Changes to Application

Specific changes to the application were suggested. Among the suggestions were:

- Change the term “per capita” to “per beneficiary” in describing the Medicare savings target;
- Clarify that should Maryland have to transition the national Medicare payment system, Maryland would not be subject to penalties under the current waiver at §1814(b)(3).

Response: Most of the suggested technical changes have been included in the revised application. Where not, it was determined that additional clarity was not needed in the application.

2. Include a Loan Forgiveness Program for Physicians in the Application

MedChi requested that the application include a specific request to permit implementation of a physician Loan Assistance Repayment Program (LARP) in Maryland.

Response: The application was revised to cite the request from Maryland’s physician community for an avenue to receive Medicare approval for Maryland to implement a targeted LARP program to encourage physician recruitment and retention in underserved areas of the state.

3. Suggestions for Consumer, Provider and other Stakeholder Input and Representation during Implementation Process

Several commenters requested opportunity for input and communication with consumer, provider, and other stakeholder groups as the implementation process commences. Comments ranged from participating on Work Groups to establishing separate advisory committees for consumer input.

Response: The Commission deems it essential that consumer and provider groups have ample opportunity for input into the process. At its October 9, 2013 Commission meeting, the HSCRC approved the creation of an Advisory Council with broad representation which will begin meeting in early November.

In addition to the Advisory Council, the Commission will be convening a series of Work Groups that are charged with addressing the key issues for successful implementation of the tools, models, and incentives to achieve the goals and benchmarks outlined in the revised application. The Commission will be

soliciting participation on these Work Groups over the next few months and will include representation from consumer and non-hospital providers. The Work Groups are as follows: (1) Physician Alignment and Engagement; (2) Performance and Improvement and Measurement; (3) Payment Models; and (4) Data and Infrastructure.

The Advisory Council and the Work Groups will conduct their work in public and will provide opportunity for comment on the issues being discussed. In addition, the Commission will solicit calls for white papers on some of the key technical issues where suggestions can be made on appropriate strategies. All activities of the Advisory Council and Work Groups will be available on a separate page of the Commission's website.

4. HSCRC Policy Issues and Changes

There were several comments on the Commission's policies pertaining to volume change and restricting cost shifting among payers. Others suggested rapid consideration of gain sharing proposals.

Response: Over the course of the next several months, the Commission will be developing recommendations on how rates will be set beginning on January 1, 2014, since, in accordance with current Commission policy, the rates have been formally set through December. The Commission will conduct a "Bridge Process" to begin the transition from the current "per-case" based payment structure to a "per-capita" approach and issue rates effective January 1. Draft recommendations on the interim approach are expected to be proposed to the Commission at its November Public Commission Meeting. These recommendations will be developed in consultation with key stakeholders. The Commission, pursuant to its policy, will allow approximately 60 days for any interested party to comment.

As for consideration of gain sharing approaches, the Commission shares the desire to begin work on this issue early, starting with convening the Physician Alignment and Engagement Work Group.