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# The Maryland All-Payer Model Progression Plan

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Proposal to the Centers for Medicare & Medicaid Services

Submitted by the Maryland Department of Health and Mental Hygiene

**November 18, 2016 - Draft for Public Comment**

## Table of Contents

<b>Executive Summary .....</b>	<b>1</b>
<b>I. Introduction.....</b>	<b>4</b>
<b>II. Background.....</b>	<b>5</b>
A. Current Status and Challenges of Maryland All-Payer Model Agreement.....	5
1. <i>Payment and Delivery System Transformation Efforts Underway and the Tools That Support Them .....</i>	<i>5</i>
2. <i>Overview of the State of Maryland’s Health Care Administration and Agencies Referenced in the Progression Plan .....</i>	<i>6</i>
3. <i>Maryland’s Health Information Exchange: Foundation for Supporting Transformation.....</i>	<i>6</i>
4. <i>Creation of Value .....</i>	<i>8</i>
5. <i>Next Steps: Aligning Providers across the Continuum of Care.....</i>	<i>9</i>
B. First Step Toward Provider Alignment Approved: Care Redesign Amendment .....	10
C. Accelerated Pace of Change.....	11
<b>III. Plan Overview.....</b>	<b>12</b>
A. Vision.....	12
B. Scope of Progression Plan .....	13
C. Plan Accountability Structures .....	13
D. Plan Development Process.....	14
<b>IV. Theory of Action .....</b>	<b>14</b>
A. Logic Model .....	14
B. Driver Diagram .....	15
C. Potentially Avoidable Utilization: Cost Drivers & Progression Strategies.....	17
<b>V. Proposed Plan.....</b>	<b>18</b>
A. Introduction and Strategy Overview .....	18
B. Theme One: Foster Accountability.....	19
<i>Strategy 1: Leverage Existing Provider and Payer Accountability Structures.....</i>	<i>20</i>
<i>Strategy 2: Implement Local Accountability for Population Health and Medicare Total Cost of Care through the Geographic Value-Based Incentive.....</i>	<i>21</i>
<i>Strategy 3: Establish a Dual Eligible Accountable Care Organization (D-ACO) .....</i>	<i>22</i>
C. Theme Two: Align Measures and Incentives.....	24
<i>Strategy 4: Reorient Hospital Measures to Align with New Model Goals .....</i>	<i>24</i>
<i>Strategy 5: Align Measures across Providers and Programs.....</i>	<i>25</i>
<i>Strategy 6: Engage Physicians and Other Professionals by Leveraging MACRA .....</i>	<i>26</i>
D. Theme Three: Encourage and Develop Payment and Delivery System Transformation .....	27
<i>Strategy 7: Develop a Maryland Comprehensive Primary Care Model .....</i>	<i>27</i>
<i>Strategy 8: Develop Initiatives Focused on Post-Acute and Long-Term Care.....</i>	<i>28</i>
<i>Strategy 9: Explore Initiatives to Include Additional Physicians and Providers and Services in Care Transformation.....</i>	<i>29</i>
<i>Strategy 10: Improve the Financing and Organization of the Behavioral Health Delivery System .....</i>	<i>30</i>
<i>Strategy 11: Promote Investments in Innovation, Technology and Education.....</i>	<i>32</i>
E. Theme Four: Ensure Availability of Tools to Support All Types of Providers in Achieving Transformation Goals .....	32

*Strategy 12: Enable and Support the Health Care Community to Appropriately Share Data in order to Improve Care* ..... 33

F. Theme Five: Devote Resources to Increasing Consumer Engagement..... 33

*Strategy 13: Transform the Health Care Delivery System with Consumer-Driven and Person-Centered Approaches*..... 34

*Strategy 14: Engage, Educate, and Activate Patients, Providers, and All Stakeholders*..... 34

**VI. Federal Requests**..... 35

**VII. Timeline** ..... 37

**VIII. Key Implementation Considerations** ..... 38

Governance..... 39

Financial Accountability ..... 39

Workforce Development ..... 40

Transformation Tools..... 40

**IX. Conclusion** ..... 41

**X. Appendix** ..... 42

A. Figure 10: Summary of Proposed Themes, Strategies, and Actions ..... 42

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## Executive Summary

Maryland, under agreement with the Centers for Medicare & Medicaid Services (CMS), launched the All-Payer Model (“Model”) in 2014 to transform the health care delivery system and improve care while moderating cost growth. The Model changed the way Maryland hospitals provide care, shifting away from a financing system based on volume of services to a system based on hospital-specific global revenues with overlying value-based incentives. While still in the early stages of transformation, Maryland is already demonstrating that an all-payer system accountable for the total cost of hospital care on a per capita basis is an effective model for advancing the goals of delivering better care, better health, and lower cost. In the first two and one-half years of implementation, Maryland met or exceeded the key agreement measures for limiting hospital cost growth on an all-payer basis, providing savings to Medicare and improving quality.

The hospital sector has achieved some success in transforming the delivery system, shifting its efforts to focus on providing care coordination, improving quality of care, and providing care management and supports for complex and high needs patients. Initial efforts of providers and payers to organize beyond hospitals to participate in taking responsibility for the Model’s goals are evidenced in mature medical homes of commercial payers, recently initiated chronic health homes of Medicaid, and Accountable Care Organizations (ACOs) that will encompass about one-third of Maryland’s Medicare beneficiaries by 2017.

The All-Payer Model Agreement (“Agreement”) between CMS and the State of Maryland called for Maryland to submit its plans to extend the Model to limit the growth in total cost of care for Medicare beneficiaries in a second term that will begin on January 1, 2019. With this document, Maryland is submitting its “Progression Plan” outlining its proposal to accomplish the expanded system-wide goals and also to address the State’s goal of including the Medicaid costs for “dual eligibles” in the next iteration of the All-Payer Model.

Maryland’s vision for the next term of the Model is to achieve person-centered care, foster clinical innovation and excellence in care, improve population health, and moderate the growth in costs, on a statewide basis and in the all-payer environment through the transformation of the health care delivery system.

The State—with a robust stakeholder process—designed the Progression Plan (“Plan”) to improve care and outcomes for all 6 million Marylanders. Implementation will first focus on a targeted subset of approximately 800,000 Medicare fee-for-service beneficiaries (including dual eligible), many of whom would benefit from more robust care management structures.

With its focus on hospitals, the All-Payer Model creates a foundation for health care payment and delivery transformation for all patients and payers. Sustaining and expanding the success of the current All-Payer Model, which starts with hospital global revenues and value-based incentives, are central goals of the Plan. As Maryland moves to the second term of the All-Payer Model in January 2019, providers will take on increased responsibility for health of the population, care outcomes, and total cost of care for Medicare beneficiaries and dual eligibles. Hospitals cannot accomplish this alone. The All-Payer Model must increase collaboration with physicians, other providers of care, payers, and consumers.

The Plan lays out strategies to expand beyond the current Model to:

- **Foster accountability by supporting hospitals, physicians, and other providers as they organize to take responsibility for groups of patients or populations within a geographic area.** Accountability structures enable groups of providers to take increasing responsibility for care delivery and health outcomes as well as the Medicare total cost of care over time.

- **Align measures and incentives for all providers with the goals of the All-Payer Model.** The Progression Plan intends to create a system of cooperation and aligned efforts in which physicians, hospitals and all types of providers work together, along with payers and health care consumers, to improve care and provide supports for all Marylanders, particularly those with serious medical and chronic conditions. Streamlined measures and incentives will be developed to help providers clearly focus on common goals.
- **Encourage and develop payment and delivery system transformation to drive coordinated efforts and system-wide goals.** The All-Payer Model must build in increased collaboration with physicians and other providers of care. New delivery approaches supported with aligned payment models and incentive structures will help accomplish this.
- **Ensure availability of tools to support all types of providers in achieving transformation goals.** Maryland will use private resources and public-private resources where implementation is facilitated through cooperation to support transformation.
- **Devote resources to increasing consumer engagement.** Maryland will support the development of the Model to transform its health care delivery system with consumer-driven and person-centered approaches.

The Plan also lays out **continued development and scaling of efforts underway to support complex and high needs patients, new efforts to support chronic care management and prevention, and further payment and delivery system transformation to help drive coordinated efforts and system-wide goals** of better care and health outcomes, all of which are also designed to reduce potentially avoidable utilization in higher acuity settings. These include:

- Increasing the scale and scope of efforts to coordinate care for complex and high needs patients who are already using high acuity resources;
- Increasing efforts to provide high quality efficient episodes of care, including care provided in post-acute settings;
- Using resources and flexibility provided in the recently approved Care Redesign Amendment, Medicare Access and CHIP Reauthorization Act (MACRA), along with newly requested flexibility to engage the broader care delivery system in aligned efforts;
- Extending chronic care management and prevention to Medicare beneficiaries through a Maryland Comprehensive Primary Care Model, based on the CMS's Comprehensive Primary Care Plus (CPC+) model and designed to work with Maryland's delivery system and also support the needs of dual eligible individuals; and
- Evaluating and implementing payment models and incentives for post-acute and long-term care that optimize these resources and use them in more flexible ways to improve care for Medicare and dual eligible beneficiaries.

Maryland has a strong base to achieve this, building on the accountability and care transformation initiated under the hospital global revenue system and developing in the broader system. Maryland also has advanced tools through its unique Health Information Exchange, the Chesapeake Regional Information System for Our Patients (CRISP), which provides **a foundation for providing increased information at the point of care, leveraging investments in Electronic Health Records, and supporting better care coordination**. CRISP, designated as the State's Health Information Exchange, is a private not-for-profit organization. CRISP focuses on supporting infrastructure needs that can best be accomplished cooperatively, augmenting resources of payers, health systems, and providers.

The 2014 Agreement required Maryland to meet certain performance metrics, including limiting all-payer growth to an annual target of 3.58% over five years and achieving \$330 million in Medicare savings over five years, as well as other quality performance measures. Under the Progression Plan,

Maryland will continue to limit the growth in hospital revenues on an all-payer basis, recognizing that the specific targets will need to be revisited periodically based on environmental factors. Maryland and CMS will need to agree on savings targets relative to Medicare's system-wide costs for the second term of the Agreement. Maryland and CMS will also address outcomes goals that will be incorporated into value-based payments. The State will need to work closely with its partners at CMS to finalize the terms of the Agreement and carefully craft the federal tools and flexibilities that will be critical to success.

This Progression Plan outlines ambitious goals for transforming Maryland's delivery system. The different strategies are designed to complement one another and rely on efforts from different parts of the delivery system. As Maryland moves from planning to implementation, a number of key topics need to be more fully developed. The implementation timeline must balance the challenges that the delivery system will face during significant transformation and the need to meet the demands of a changing environment such as the aging of the population and Model performance requirements. The Progression Plan proposes potential dates by which each initiative will be further developed. The ability to fully implement and scale the proposed strategies will take time. At all stages, implementation of the Progression Plan will be guided by the desire to better serve Marylanders.

Maryland's All-Payer Model Progression Plan outlines Maryland's overall model for extending the current Model to encompass its approach to limit the growth in Medicare total cost of care and Medicaid costs for dual eligibles. The Progression Plan provides an overview of strategies and components that will be developed and implemented to accomplish these goals. Each component of the Plan will contribute to the management of total cost of care growth and transforming care delivery. Details regarding specific components, such as the Maryland Comprehensive Primary Care Model and the Dual Eligible Accountable Care Organization, will be submitted in concept outlines and other supporting documents.

Redesigning primary care to achieve better overall population health outcomes, in concert with targeting the State's current high needs and rising-needs patients with specialists and community providers, prepares Maryland for success in the second term of the All-Payer Model; it prepares primary care and other physicians and practitioners for success in the era of new physician payment systems associated with changes in the Medicare Access and CHIP Reauthorization Act (MACRA); and most importantly, it builds needed supports for patients. The Maryland primary care transformation, along with the hospital global revenues and the planned care redesign programs, will create a unique laboratory of alignment across physicians, hospitals, other providers, and care managers implemented in an all-payer environment.

## I. Introduction

On January 1, 2014, the State of Maryland permanently shifted away from its 35-year-old statutory hospital waiver of Medicare’s prospective payment systems in exchange for a five-year agreement with the Centers for Medicare & Medicaid Services (CMS). This new agreement—referred to as the All-Payer Model Agreement (“Agreement”)—has been focused initially on the total cost of hospital care on a per capita basis. Its goal was to transform the delivery system to improve care. Maryland made this change because it believed that the volume incentives created by the old waiver test—which had focused on limiting growth in Medicare cost per admission—deterred State efforts to redesign its delivery system to achieve the goals of delivering better care, better health, and lower cost. The new All-Payer Model (“Model”) effectively changed the way Maryland hospitals do business. While still in the early stages of transformation, Maryland is already demonstrating that an all-payer system accountable for the total cost of hospital care on a per capita basis is an effective model for advancing its goals.

*At the heart of the Progression Plan is the goal of improving prevention, care and support for Marylanders with complex and chronic conditions, by building a system of cooperation and aligned efforts in which physicians, hospitals and patients work together.*

Even in 2014, Maryland and CMS understood that more changes in health care payment and delivery would be needed to align hospitals, physicians, and other providers in order to further improve care for Marylanders. Accordingly, and as a required part of the Agreement, Maryland stakeholders have developed this document, the “Progression Plan,” which updates and advances Maryland’s strategies to improve care and health outcomes while limiting spending growth over time. The Progression Plan describes the State’s system-wide transformation with implementation beginning in 2017, leading up to a second term and additional progression in 2019 and beyond.

At the heart of this Progression Plan is the desire to better serve Marylanders—those who bear the weight of navigating a complex health care delivery system. It also aims to improve care in the community to prevent and manage chronic conditions. To support the health and well-being of individuals as they move across care settings, collaboration across the spectrum of health care delivery is necessary. The Progression Plan, therefore, expands beyond hospitals to address other parts of the

*This Progression Plan expands Maryland’s All-Payer Model beyond hospitals to achieve system-wide transformation of health care delivery with physicians as well as other providers.*

health care system that must be involved in changes to achieve meaningful system-wide transformation. The Progression Plan leverages and builds on the hospital per capita model by expanding efforts to support hospitals, physicians and other providers as they organize to engage patients and take on increasing responsibility for system-wide goals.

The Progression Plan will involve Maryland residents as participants in the proposed system changes. It aims to engage Maryland hospitals, physicians, other providers, patients, communities, payers, public health professionals and state policymakers in its innovation efforts and payment and delivery

system transformation. While the Progression Plan will start with a stronger focus on Medicare beneficiaries, including dual eligibles who could benefit from additional supports, the design process will also prepare for applicability on an all-payer basis.

The key themes of the State’s Progression Plan are to: (1) foster accountability for system-wide and patient-level goals; (2) align measures and incentives for providers across the continuum of care; (3)

encourage and develop payment and delivery system transformation;(4) ensure availability of tools to support all types of providers in achieving transformation goals; and (5) devote resources to increasing consumer engagement. The Progression Plan themes and strategies will build on the strong foundation of the hospital global revenues, and also be designed to work in concert with one another and with other critical innovations under way in the State.

By proposing an overall strategy for organizing, incentivizing, and supporting all types of providers in health care transformation, this Progression Plan provides CMS with an opportunity to use Maryland as a unique statewide testing ground for implementing synergistic, value-based strategies that encompass hospitals, physicians and other providers in an all-payer environment. Maryland believes this Progression Plan will permit CMS to evaluate the effectiveness of particular strategies and to assess the potential for replicating them in other states. Further, the process by which public payers work with others to achieve greater progress in long-term care transformation, cost and population health in Maryland could serve as a national model.

In summary, this document provides background on the existing Model and the challenges faced by the Maryland health care system, and describes the strategies Maryland proposes to move forward in a public/private partnership aimed at bettering the lives of Marylanders. Maryland submits this Progression Plan to CMS to build on the successes of the current Agreement and to broaden the scope of health care delivery transformation in the State beyond hospitals. This Progression Plan proposes to enter into a second term of agreement with CMS effective January 1, 2019. Efforts to prepare for this second term will begin even earlier, owing to the opportunities presented by the Medicare Access and CHIP Reauthorization Act (MACRA), which provides new and attractive methods of physician engagement and go into effect in 2017.

## **II. Background**

### **A. Current Status and Challenges of Maryland All-Payer Model Agreement**

Prior to January 1, 2014, Maryland's waiver of Medicare's hospital prospective payment systems was based on limiting growth in Medicare's cost per admission. On January 1, 2014, Maryland entered into a new five-year Agreement with CMS that broadened the range of accountability to include the total cost of hospital care for all payers on a *per capita* basis. Under the new Model, the hospital financing system in Maryland has moved almost entirely away from one based on volume of services to a system based on hospital-specific global revenues with overlying value-based incentives. Under this new approach, hospitals are responsible for costs within a global revenue cap, and can make investments in care transformations that improve care and prevent potentially avoidable utilization without concerns about revenue decline. Major achievements of the Model include transformation of payment and delivery systems, and the creation of demonstrable value, as described below.

#### **1. Payment and Delivery System Transformation Efforts Underway and the Tools That Support Them**

Fragmentation within the United States health care delivery system is a widely recognized problem. The Agreement has addressed this challenge by beginning to fund hospital initiatives to strengthen care coordination and care transitions with the goal of providing better support for patients before and after hospitalizations. For example, Maryland hospitals have taken responsibility for managing patient care beyond the hospital stay through the development of 90-day post-discharge programs. Many of these programs include social services that are needed for patients' well-being, such as transportation assistance, access to food, and other home supports.



Maryland hospitals, physicians and other providers are coming together to transform delivery systems. These partnerships are designed to meet the needs of their shared patients, particularly those who are vulnerable, and reduce potentially avoidable utilization. Partnerships have focused their current initiatives and collaboration on strategies to support complex and high needs patients who already use extensive healthcare resources. Most of these current efforts are in early stages of implementation and must continue to mature. The pool of high needs patients will increase with the aging population unless the State focuses on preventing the escalation of chronic conditions and better community-based access and supports for individuals with chronic conditions. As described in this document, system-wide care redesign that incentivizes the right care to be given at the right time and place is necessary to accomplish this effort, resulting in better health outcomes and cost performance for Maryland. Clearly this effort must move beyond the hospitals and into the greater community of care in order to create sustainable success.

## **2. Overview of the State of Maryland’s Health Care Administration and Agencies Referenced in the Progression Plan**

The Progression Plan was developed through a collaborative effort with stakeholders and advisors by the Department of Health and Mental Hygiene (DHMH), the Health Services Cost Review Commission (HSCRC), and the Maryland Health Care Commission (MHCC). These agencies will also lead the oversight of ongoing implementation and monitoring as health systems, payers, providers, and other supporting entities transform the delivery system.

- The Department of Health and Mental Hygiene (DHMH) is the State’s public health agency, with the mission to promote and improve the health and safety of all Marylanders through disease prevention, access to care, quality management, and community engagement. DHMH is divided into four major divisions: Public Health Services, Behavioral Health, Developmental Disabilities, and Health Care Financing, which includes the State’s Medicaid program.
- The Health Services Cost Review Commission (HSCRC) is an independent State entity of the Department with statutory authority for maintaining the hospital all-payer system and setting hospital rates and global revenues under that system. The HSCRC is governed by a group of seven volunteer Commissioners appointed by the Governor and has 37-member staff.
- The Maryland Health Care Commission (MHCC) is an independent regulatory agency whose mission is to plan for health system needs, promote informed decision-making, increase accountability, and improve access to cost effective services. MHCC pursues their mission through information gathering and dissemination, health policy analyses, regulatory authority, and health planning. Its 15 Commissioners are appointed by the Governor with legislative input.

## **3. Maryland’s Health Information Exchange: Foundation for Supporting Transformation**

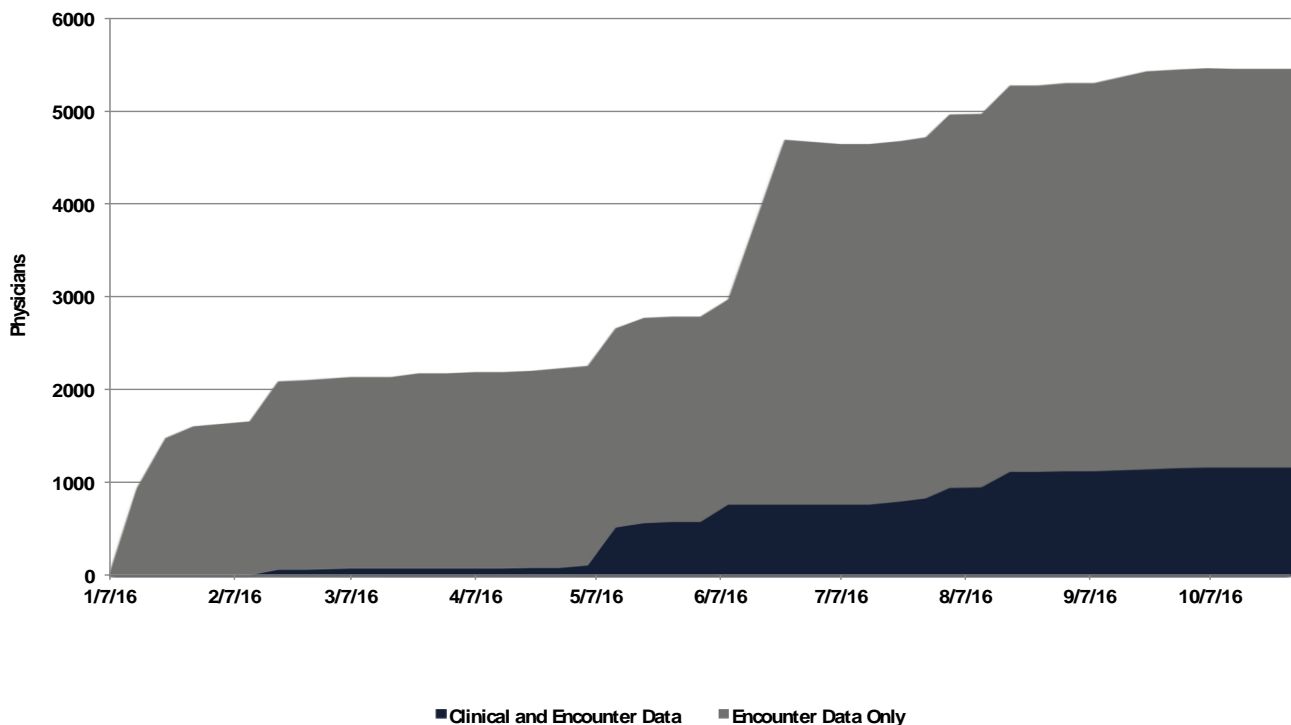
Maryland’s Health Information Exchange, the Chesapeake Regional Information System for Our Patients (CRISP), is uniquely positioned as a tool to support delivery system transformation. CRISP, designated as the State’s Health Information Exchange, is a private not-for-profit enterprise governed by a volunteer board. CRISP focuses on supporting infrastructure needs that can best be accomplished cooperatively, augmenting resources of payers, health systems, and providers.

Hospitals in Maryland and Washington, DC submit near real time admission, discharge, and encounter information to CRISP. CRISP receives and exchanges information with several other facilities in states that border Maryland. CRISP’s functions extend beyond those of a traditional information exchange.

CRISP’s Encounter Notification Service, which notifies physicians, other providers and care managers when patients are hospitalized, has become a critical coordination service in the State. A new web-based capability to proactively manage patient transitions allows a care manager to quickly and efficiently detect recent inpatient and emergency department admissions and recent discharges. High needs individuals and their care team members can also be identified through the new capabilities. More than one million Encounter Notifications are being sent and received, steadily growing over 2016.

A key CRISP initiative is increased connectivity of ambulatory practices. New ambulatory integration capabilities allow physicians to view clinical data and receive hospitalization alerts. This helps to coordinate follow-up with patients who have had an acute episode and to reach out to attending physicians; monitor the prescribing and dispensing of drugs that contain controlled dangerous substances; and view more comprehensive patient information including treatments with other physicians and providers to make more informed treatment plans. In addition, new automated reports allow physicians and other providers to monitor and improve quality performance, reduce redundant testing and treatment, and easily communicate treatments delivered. New capabilities automate physician and other providers’ workflow, reducing unnecessary manual work. Figure 1 shows increases in ambulatory connectivity. As of the end of October 2016, over 1,100 physicians are sharing clinical and encounter data with CRISP and 4,200 more physicians are sharing encounter data only. This represents a rapid increase in ambulatory connectivity over the past year, incorporating approximately one-third of Maryland’s 15,000 physicians.

Figure 1: Ambulatory Connectivity: Number of Physicians Sharing Data with CRISP



CRISP is currently piloting two key strategies: (1) offering basic care management software as a shared platform; and (2) supporting hospital-selected care management software with data feeds. Both of these programs will help to create an environment where risk assessments, care plans, care plan updates and other important information and tools can be shared among hospitals, care managers, physicians and other providers involved in the coordinated care of an enrolled patient.

CRISP also provides reporting and analytics resources to inform decision-making. These efforts fulfill several different functions, including guiding care coordination, identifying populations; and providing metrics for care monitoring. Analytics data draw from multiple sources including Medicare data, HSCRC case mix data, Census and population data, and CRISP reported data and provider panels. These data are enriched with analytics and methodologies such as geocoding.

These investments continually improve the richness of clinical information available at the point-of-care and the tools that are used for care coordination, both of which are critical to the success of Maryland's progression efforts.

#### 4. Creation of Value

The Model has created value for CMS and other payers along with Maryland's hospitals and health care consumers. In the first two and one-half years of the All-Payer Model (Calendar Year (CY) 2014, CY 2015, and through mid-year CY 2016), Maryland met or exceeded the key Agreement measures for limiting hospital cost growth on an all-payer basis while improving quality. Despite unusually slow growth in national Medicare expenditures per beneficiary, Maryland has kept Medicare hospital and total cost per beneficiary growth below national levels since the Agreement's base year (CY 2013). In its first two years, relative to national growth, the Agreement saved Medicare \$251 million of the \$330 million in hospital costs that is required over the five-year demonstration. Maryland also kept the growth in hospital spending on an all-payer basis well below the ceilings established in the Agreement, which were tied to the long term growth of the economy. Maryland achieved cost savings while also improving several key quality indicators. For example, in CY 2014 and CY 2015, hospital-acquired conditions for all

*The hospital sector has achieved success in shifting from volume to value. Progression towards the same shift to value is now needed across the health care system.*

payers as well as the gap between Maryland and national Medicare readmission rates both decreased. Figure 2 summarizes Maryland's performance on key metrics.

Despite these improvements in cost control and quality, more work needs to be done in Maryland. In CY 2015, non-hospital spending for Medicare rose faster in Maryland than in the nation, relative to the prior year. Some of the increases in non-hospital spending might be expected in

transitioning care to lower-cost settings. While Maryland is ahead of its hospital savings requirements and its cumulative total Medicare spending per beneficiary growth rate is below the national trend since 2013, the non-hospital spending trend reinforces the need to increasingly focus on the total cost of care in the remaining years of the current term, as well as the second term of the Agreement. The Progression Plan lays out an approach that is designed to build on the Model's early achievements by expanding transformation to include many types of providers, implementing new and better data and tools to support efforts, and adding financial incentives, programs, and accountabilities that will be structured to meet these challenges. Maintaining the pace of improvement under the All-Payer Model will be challenging since improvements will increasingly rely on complex delivery system transformation and coordinated efforts beyond hospitals.

Figure 2. Maryland All-Payer Model Performance, Year 1 & 2

Performance Measures	Targets	2014 Results	2015 Results (preliminary)
All-Payer Revenue Growth	≤ 3.58% per capita annually	1.47% growth per capita	2.31% growth per capita
Medicare Savings in Hospital Expenditures	≥ \$330m over 5 years (Lower than national average growth rate)	\$116m (2.15% below national average)	\$135m \$251m cumulative (2.22% below national average cumulative)
Medicare Savings in Total Cost of Care	Lower than the national average growth rate for total cost of care	\$133m (1.53% below national average)	\$80m \$213m cumulative (0.85% below national average cumulative)
All-Payer Quality Improvement Reductions in PPCs under MHAC Program	30% reduction over 5 years	25.6% reduction	7.3% reduction 35.4% cumulative reduction
Readmissions Reductions for Medicare	≤ National average over 5 years	20% reduction in gap above nation	45% reduction in gap above nation 57% cumulative reduction in gap above nation
Hospital Revenue to Global or Population-Based	≥ 80% by year 5	95% by CY14	96% by CY15

## 5. Next Steps: Aligning Providers across the Continuum of Care

Since the start of the Model in CY 2014, Maryland hospitals have been paid under a global revenue system that is designed to limit total hospital spending per capita. Maryland has achieved hospital sector gains by putting strong incentives in place to redesign care delivery. However, the rest of the health care system in Maryland (e.g., physicians, post-acute providers, etc.) continues to operate mostly on a fee-for-service basis with financial incentives tied to volume, as opposed to value. Health care services are still often characterized by fragmented care delivery, insufficient integration, and a lack of team-based care. Accountable Care Organizations (ACOs) and Patient-Centered Medical Home (PCMH) programs are making some progress in ameliorating these problems, but ACOs and PCMHs currently include less than 30 percent of the Maryland Medicare fee-for-service population.

Additionally, new Medicare Advantage plans have formed and entered the Maryland market. Next, Maryland needs to transform the delivery of primary, specialty, post-acute, and long-term care. Further refinement of hospital global revenues, along with strategic alignment of the rest of the system, should yield better outcomes and lower total spending.

The Progression Plan’s efforts to incorporate providers across the continuum of care and all residents in Maryland will start with Medicare and dual eligible beneficiaries, but are designed to facilitate inclusion

of other patients and payers over time. A commitment to all payer principles will be maintained through a focus on implementing initiatives and performance measures that can be applied across payers and accountable entities, at an appropriate time, with the right conditions. This is important to help drive system transformation, increase administrative efficiency, and reduce hassle for providers.

Maintaining the integrity of the current hospital model is critical to the ongoing success of Maryland's health care system. Each of the strategies proposed in the Progression Plan is designed to build on the current hospital model and work together to meet Maryland's objectives. Maryland's overall goal is to ensure that all Marylanders benefit from delivery system transformation through improved quality of care, better population health, and greater cost efficiency.

## **B. First Step Toward Provider Alignment Approved: Care Redesign Amendment**

Maryland stakeholders recognized that greater alignment with physicians and other providers and transformation tools are needed under the All-Payer Model to better serve patients. The State proposed, and CMS approved, a Care Redesign Amendment ("Amendment") to the Agreement in September 2016. The Amendment aims to modify the All-Payer Model by:

- Implementing effective care management and chronic care management;
- Incentivizing efforts to provide high quality, efficient, and well-coordinated episodes of care; and
- Supporting hospitals' ability, in collaboration with their non-hospital care partners, to monitor and control Medicare beneficiaries' total cost of care growth.

The Amendment gives Maryland hospitals the opportunity to implement Care Redesign Programs, intended to improve health outcomes. Care Redesign Programs will allow hospitals to access comprehensive Medicare data, share resources, and offer incentives to community physicians and practitioners, physicians that practice at hospitals and other providers, collectively known as care partners. Maryland hospitals will be able to share incentives for these programs as long as care is improved, hospital-level total cost of care growth benchmarks are not exceeded, and other requirements are met. Hospitals and their care partners can leverage Medicare data for implementing, monitoring, and improving their Care Redesign Programs.

*The Care Redesign Amendment supports hospitals and their partners to achieve care improvements through sharing data, resources, and incentives.*

A portfolio of such programs will be developed over time. Starting in CY 2017, hospitals can choose to participate in the first of two Care Redesign Programs: The Hospital Care Improvement Program (HCIP) and the Complex and Chronic Care Improvement Program (CCIP):

- The HCIP will be implemented by hospitals and physicians with privileges to practice at a hospital. The HCIP strives to improve the efficiency and quality of inpatient episodes of care by encouraging effective care transitions; encouraging the effective management of inpatient resources; and promoting decreases in potentially avoidable utilization. All of these efforts should improve quality and patient satisfaction and reduce costs per acute care admission.
- The CCIP will be implemented by hospitals in collaboration with community physicians and practitioners. The CCIP strives to link the hospitals' efforts in managing the care of individuals with severe and ongoing health issues that require frequent hospitalizations with the primary care providers' efforts to care for the same populations, as well as patients with rising needs. The approach also aims to facilitate overall practice transformation towards more person-centered care.

Through the Amendment, Maryland hospitals can promote greater linkages with their care partners on key Model goals, including improving care management of complex and chronically ill patients, improving episodes of care, enhancing population health, and addressing the total cost of care.

The Care Redesign programs complement existing provider and payer led efforts and jumpstart the State's commitment to delivery system transformation by reaching more providers and patients than existing accountability approaches. As new payment and delivery approaches are introduced (e.g., Maryland Comprehensive Primary Care Model) and as high performing models attract new providers and consumers, the Care Redesign programs will also continue to evolve to meet the changing needs of Maryland. Stakeholders and the State may choose to modify or eliminate Care Redesign programs over time as they are replaced with more comprehensive delivery and payment approaches.

The Amendment gives Maryland the flexibility to expand and refine Care Redesign Programs, based on outcomes, learnings, and the changing level of sophistication of Maryland's health care system and the needs of health care consumers. The State will deploy a process by which providers and stakeholders make recommendations on enhancements to current programs or for the introduction of new programs to meet the unique needs of Maryland's patients, payers, and health care providers. This flexibility also improves the State's responsiveness to external changes brought on by the Medicare Access and CHIP Reauthorization Act (MACRA) and other new federal regulations and initiatives. Through this flexible framework, the Amendment will facilitate the State's ongoing progression towards addressing system-wide health care outcomes and costs.

### C. Accelerated Pace of Change

Demographic trends and a number of environmental factors increase the need to undertake the strategies proposed by this Progression Plan. Over the next ten years, Maryland will see a 37 percent increase in its population over age 65. The aging of the population will: drive up costs, because older persons use more health care services; change the nature of needed services to address chronic diseases; and create a greater need to have services accessible in convenient ways to persons with less mobility. These challenges will have profound impacts on the State's care delivery system, community and public health, and Medicare and Medicaid budgets. Moreover, these challenges are not unique to Maryland—they are on the horizon across the country. For example, primary care providers will need to increasingly focus on chronic care, including addressing medication management and social supports.

*The Progression Plan provides a clear path to address the pressures of an aging population, and works in concert with Maryland and federal policy priorities.*

The current Agreement calls for Maryland to provide CMS with its plans for limiting total cost of care growth for Medicare beneficiaries by the end of CY 2016. Several State initiatives are targeting different aspects of health care delivery in ways that are consistent with the goals of the Agreement, including the proposed Dual Eligible Accountable Care Organization and the Maryland Comprehensive Primary Care Model, as summarized in this document.

The federal policy environment encourages the types of strategies proposed under the Progression Plan. Congress authorized CMS to test a large portfolio of payment and service delivery models that aim to achieve better care for patients, smarter spending, and healthier communities. Many CMS innovation models are consistent with Progression Plan strategies to accelerate the development and testing of new payment and service delivery models, including: accountable care; episode-based payment initiatives; primary care transformation; initiatives focused on dual eligible individuals; and partnerships with local and regional stakeholders.



Following the inception of the Agreement, the Medicare Access and CHIP Reauthorization Act (MACRA) was enacted at the federal level and it has created a new framework by which physicians can be encouraged and incentivized to embrace value-based care delivery. Maryland's objective is to provide a pathway for all physicians and other providers subject to this legislation to participate in the Agreement, through the creation of care improvement programs. Recognizing that CMS only recently issued final regulations to implement MACRA, the Progression Plan includes preliminary concepts on how to accomplish this transition. Maryland will continue to work with CMS and stakeholders to develop and finalize its strategies.

### III. Plan Overview

#### A. Vision

Maryland's vision is to achieve person-centered care, foster clinical innovation and excellence in care, improve population health, and moderate the growth in costs, on a statewide basis and in the all-payer environment through the transformation of the health care delivery system.

Maryland plans to achieve its vision by working toward three key goals: (1) improve population health; (2) improve outcomes for individuals; and (3) control growth of total cost of care. These goals guided the development of the Agreement between Maryland and CMS, and they are reaffirmed in this Progression Plan.

##### **Goal 1: Improve population health**

- Ensure adequate access to appropriate community-based care in order to promote prevention and early detection of disease;
- Identify and provide additional resources (e.g. increased access to care and team-based supports, effective coordinated treatment, medication management, behavioral health services, and other services) for individuals with complex and chronic conditions to slow disease progression;
- Address upstream influences on health status, including personal health behaviors, behavioral health issues and environmental factors particularly for vulnerable populations; and
- Address social determinants of health status and access to care through case management, resources from community organizations, and public supports.

##### **Goal 2: Improve care outcomes for individuals**

- Enhance the delivery system's person-centered care approach. This approach tailors care based on individual needs and goals, engages patients and families in decision-making, and educates patients and caregivers on appropriate care and recovery;
- Improve episodes of care, reaching beyond individual events. Person-centered care uses state-of-the-art health information tools to make better information available at the point-of-care and to coordinate care across the system;
- Increase supports for complex and chronically ill patients to enable them to manage their conditions effectively in order to prevent avoidable utilization and complications of disease;
- Ensure adequate access to appropriate community based services so that individuals with complex and chronic health issues, including behavioral health, can continue living and receiving care in the community.
- Improve coordination of care across settings, reducing re-visits, medication errors, and negative health outcomes; and
- Reduce health care-acquired conditions and complications of care.

**Goal 3: Control growth of total cost of care**

- Strive to achieve the first two goals (i.e., improving population health and improving care outcomes) because the most effective strategy for reducing the need for high cost settings and interventions is to keep people healthy and well supported in the community;
- Provide an early and intense focus on fee-for-service Medicare and dual eligible beneficiaries, since these populations are rapidly growing, and, while their needs are higher, existing supports are underdeveloped;
- Transform and align payment and delivery systems around the core goals of improving outcomes and health, and thereby supporting high value care in appropriate settings;
- Support all types of providers in organizing to take increasing accountability for cost and care outcomes; and
- Align public health and community organizations to provide chronic illness management supports that enable vulnerable individuals and their families to function safely in their homes and in the community.

**B. Scope of Progression Plan**

The Progression Plan will engage Maryland hospitals, physicians, and other providers in transforming the way care is provided. The Progression Plan is designed to improve care and outcomes for all Marylanders. The immediate implementation focus will be a targeted subset of approximately 800,000 Medicare fee-for-service beneficiaries, many of whom would benefit from more robust care management structures. Among these, the dual eligible population and patients with chronic and complex conditions will be prioritized. While a subset of the population will be targeted for care management interventions, other efforts in the Progression Plan will seek to target the broader Maryland population, including more robust prevention and support that will help those with moderate risk to prevent future high utilization.

The Progression Plan will affect six million Marylanders and over \$20 billion in annual health spending. It includes strategies that address all-payer hospital revenues, Medicare spending outside of hospitals, and Medicaid costs for dual eligible (Figure 3).

*Figure 3: Costs Addressed by Progression Plan*

Approximate CY 2015 Figures For 6 million Marylanders, including ~800k Medicare FFS Beneficiaries	
All Payer Hospital Revenues (including Medicare) For Maryland Residents	\$14.8 billion
Medicare FFS Non-Hospital Spend and Other	\$4.4 billion
Medicaid Costs for Dual Eligible Patients	\$1.7 billion
<b>Total Costs to be Addressed in the Progression Plan</b>	<b>\$20.9 billion</b>

**C. Plan Accountability Structures**

As the Progression Plan is implemented, the State and CMS will need to carefully consider how the various initiatives and accountability structures will interact for all payers. Work must be done to



determine how the finances of multiple structures/programs with shared savings from payers operating in the same markets will be handled. It will be important to ensure that shared savings from payers are uniquely attributed to one accountability structure. Measures and monitoring systems will be created to understand the impact of initiatives on Medicare, Medicaid and Commercial patients, payers and providers. This will be facilitated by Maryland's strong data infrastructure and access to patient level data.

Incentives paid to providers within payment systems should reinforce Model goals and should support the goals of accountability structures. The financing of fee-for-service provider incentives are captured in the cost of care within their respective accountability structures. However, as new payment structures are introduced with prepaid components, such as the prepaid care management fees and prepaid evaluation management fees that are part of the CMS Comprehensive Primary Care Plus approach (which Maryland plans to propose as part of the Maryland Comprehensive Primary Care Model), it will be important to ensure that these payments are captured in the accountability structures.

#### **D. Plan Development Process**

Maryland's All-Payer Model Agreement has been supported by a robust stakeholder process, which started prior to implementation in 2014 and has continued through the development of this Progression Plan. The Department of Health and Mental Hygiene (DHMH) and the Health Services Cost Review Commission (HSCRC) convened an Advisory Council of the highest levels of leadership representing health care providers, payers, consumers, national experts, and State agencies. The Advisory Council has advised the HSCRC on initial implementation and progress of the Model and has been considering the key elements of this Progression Plan for approximately one year. The DHMH, HSCRC, and the Maryland Health Care Commission (MHCC), also convened several workgroups and sub-workgroups to formulate specific details of the Progression Plan. In addition, the State received input directly from a number of stakeholders. Furthermore, acting on a recommendation from its consumer advisors, DHMH and HSCRC are convening a new multi-agency Consumer Standing Advisory Committee to provide advice on the implementation and ongoing developments of the All-Payer Model. The Progression Plan was posted for public comments and input was received from over XXX people. In all, more than two-hundred people have been actively involved in the development and review of this Progression Plan.

### **IV. Theory of Action**

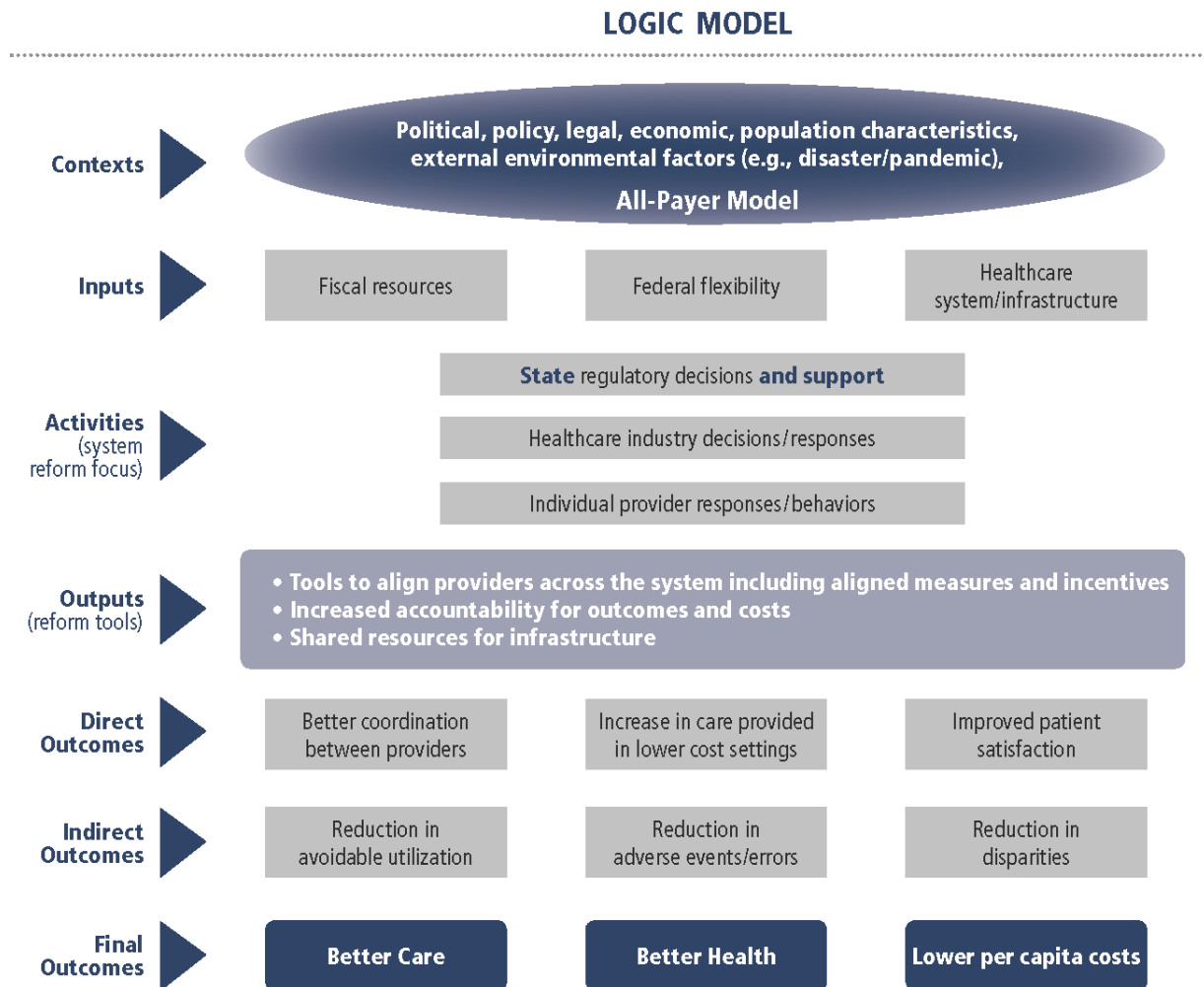
Maryland's All-Payer Model, while successful in limiting hospital cost growth and improving key quality indicators, does not have the tools needed to fully address total cost of care. In order to sustain the success of the All-Payer Model and leverage its success for the good of all Marylanders, particularly the aging population, more must be done to thoroughly address total cost of care and the factors that drive costs and quality across all providers. Maryland's plan of action is to improve the overall health of Maryland residents and to create coordinated, person-centered care that results in reductions in potentially avoidable utilization, moderated growth in total cost of care, and higher quality care across the continuum of providers in the health care system.

#### **A. Logic Model**

The logic model, shown in Figure 4 below, offers a visual representation of the context, inputs, activities, outputs, and outcomes expected from the All-Payer Model Progression Plan. This diagram was first used in the application submitted to CMS in September 2013 to depict how the State initially envisioned the All-Payer Model. The logic model has been updated to reflect the context and outputs associated with the Progression Plan, as depicted in blue.

An important part of the context for the Progression Plan is the All-Payer Model itself, which is the starting point for the Progression Plan. Federal flexibility is particularly critical for the Progression Plan as the Medicare Access and CHIP Reauthorization Act (MACRA) is implemented and system investments in infrastructure are brought to scale with their expected long-term return on investment. The outputs, which have been updated based on the progression of the Model, include alignment of incentives and measures across all providers, gradual increases in responsibility for outcomes and costs and infrastructure that is shared among providers. The ultimate outcomes continue to be better health, better care, and lower per capita costs.

Figure 4: Logic Model Progression Plan Updates Depicted in Blue



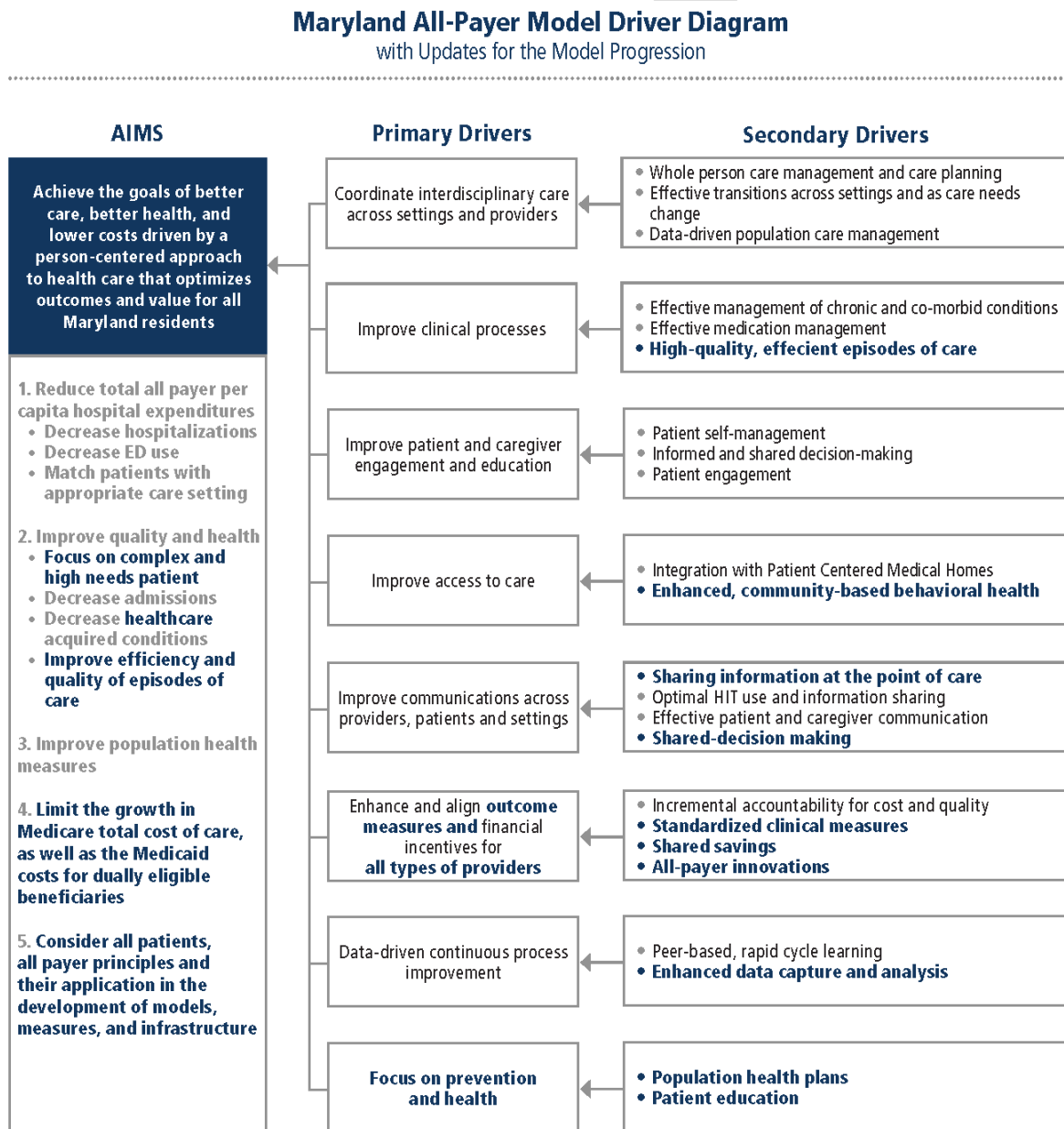
## B. Driver Diagram

The Driver Diagram in Figure 5, initially developed in 2013 for Maryland’s All-Payer Model application, depicts the system drivers that were identified to accomplish the specific aims of the current All-Payer Model. The Diagram depicted a statewide health care system that continuously achieves better health, better care, and lower expenditures based on the achievement of the primary and secondary drivers.

To reflect how the Progression Plan builds on the original framework and intent of the All-Payer Model, the Driver Diagram has been updated with new Aims to create incremental accountability for Medicare total cost of care as well as Medicaid costs for dual eligible beneficiaries. The overall Aim to achieve the goals of better care, better health, and lower costs driven by a person-centered approach to health care that optimizes outcomes and value for all Maryland residents was extended to ten years and acknowledges the context of the All-Payer Model environment.

Additional Primary and Secondary Drivers depict the efforts that will be made to further the success of the Model through programs that harmonize providers through aligned incentives and measures, the provision of more comprehensive data, greater focus on person-centered care, data-driven activities, and care management strategies, as well as a focus on prevention.

Figure 5: Driver Diagram Progression Plan Updates Depicted in Blue



### C. Potentially Avoidable Utilization: Cost Drivers & Progression Strategies

This document outlines the Progression Plan strategies that Maryland will use to create person-centered care and reduce potentially avoidable utilization. The strategies include core delivery system transformation components that address total cost of care, such as: (1) the global revenue system with new geographic value-based incentives and associated care redesign programs; (2) the Maryland Comprehensive Primary Care Model, (3) post-acute and long-term care initiatives; and (4) Dual Eligible Accountable Care Organizations. Core transformation components will be supported by accountability structures and also by strategies that will be applied to every component (e.g. leveraging the Medicare Access and CHIP Reauthorization Act (MACRA) incentives and aligning measures/incentives across components).

Figure 6 depicts the expected types of reductions in potentially avoidable utilization that will be driven by each of the core transformation components and accountability structures, shown in two major categories: complex and chronic care management/coordination and high quality, efficient coordinated episodes.

Figure 6: Reductions in Potentially Avoidable Utilization Driven by Components of Progression

Potentially Avoidable Utilization	Admissions	Readmissions	Hospital Care	Post-Acute Care	Emergency Visits	Other Part B Costs	Need for Long-Term Care
<b>Progression Components</b>							
<b>Complex and Chronic Care Management, Care Coordination</b>							
Global Revenue System with Geographic Value-Based Incentive	X	X		X	X	X	
Complex/Chronic Improvement Program	X	X			X		X
MD Primary Care Model	X	X			X	X	X
ACOs/Dual Eligible ACOs	X	X		X	X	X	X
Post-Acute and Long-Term Care Initiatives	X	X			X		
<b>High Quality Efficient Coordinated Episodes</b>							
Global Revenue System with Geographic Value-Based Incentive			X	X		X	
Hospital Care Improvement Program		X	X	X			
Post-Acute and Long-Term Care Initiatives		X		X			

Maryland believes that deploying the components of the Progression Plan and achieving wider adoption of improved clinical practices with supporting payment mechanisms will result in improved outcomes and give Maryland the opportunity to fully manage total cost of care through:

- Fewer potentially avoidable admissions and readmissions by managing chronic and complex conditions and delivering care in the best setting at the right time;
- Fewer unnecessary visits to the emergency department by creating alternative access and closely managing conditions so that emergencies are reduced;

- Higher quality and more efficient acute episodes of care;
- Reductions in healthcare acquired conditions;
- Less need for long-term care through improved health and functionality that facilitates independent living;
- Proactive management of the best setting for post-acute care;
- Better management of outpatient non-hospital costs, referred to as “Part B” costs through total cost of care accountability, a focus on prevention and proactive management of conditions; and
- Overall improvement in the health of Maryland consumers.

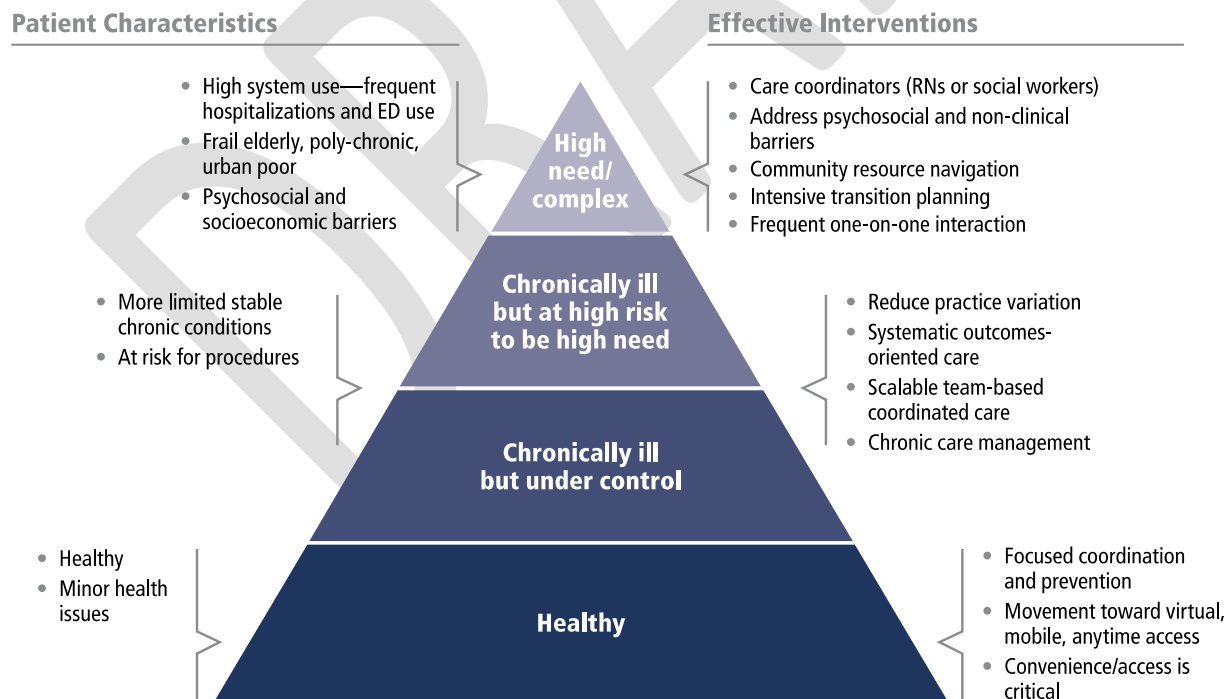
Maryland expects to rely on private resources of health systems, payers, and others as well as public-private partnerships, where cooperation is beneficial, to provide the infrastructure and transformation resources that will be needed to accomplish the Progression Plan.

## V. Proposed Plan

### A. Introduction and Strategy Overview

To achieve its person-centered vision and goals, Maryland intends to engage health care providers, patients, communities, payers, and public health professionals in its innovation efforts and payment and delivery system transformation (see Figure 7 below). The pyramid below illustrates the stratification of patients by relative need to help focus on those who can most benefit from care interventions.

Figure 7. Tailoring Interventions to Patients’ Needs



Most people do not remain in a static state. They may move up and down in the pyramid shown in Figure 7. System-wide alignment and collaboration of providers is key to achieve a person-centered

focus across potential changes in health status over time. Hospitals and physicians practicing at hospitals are working to meet the needs of complex and high needs patients, and are also increasing coordination with community-based physicians and other providers who manage chronically ill patients to prevent disease progression and the need for higher acuity care settings. The Progression Plan expands the scope of Maryland’s current hospital model to provide the tools and incentives for all providers to align efforts in helping patients stay within the lower levels of the pyramid.

The Progression Plan organizes strategies under five main themes:

- I. **Theme One: Foster accountability** by organizing hospitals, physicians, and other providers to take accountability for groups of patients or populations within a geographic area. This effort will build on the hospital accountability already in place under the All-Payer Model and will be accomplished through the following strategies:
  1. Leverage existing provider and payer accountability structures;
  2. Implement local accountability for population health and Medicare total cost of care through a geographic value-based incentive; and
  3. Establish a Dual Eligible Accountable Care Organization (D- ACO).
- II. **Theme Two: Align measures and incentives** for all providers with the goals of the All-Payer Model. This will be accomplished via the following strategies:
  4. Reorient hospital measures to align with new Model goals;
  5. Align measures across the continuum of providers and programs; and
  6. Engage physicians and other professionals by leveraging the incentives and requirements created by MACRA.
- III. **Theme Three: Encourage and develop payment and delivery system transformation** to drive coordinated efforts and system-wide goals. This will be accomplished via the following strategies:
  7. Develop a Maryland Comprehensive Primary Care Model;
  8. Develop initiatives focused on post-acute and long-term care;
  9. Explore initiatives to include additional physicians and providers and services in care transformation;
  10. Improve the financing and organization of the behavioral health delivery system; and
  11. Promote investments in innovation, technology, and education.
- IV. **Theme Four: Ensure availability of transformation tools** to support all types of providers in achieving transformation goals.
  12. Enable and support the healthcare community to appropriately share data in order to improve care.
- V. **Theme Five: Devote resources to increasing consumer engagement**
  13. Transform the health care delivery system with consumer-driven and person-centered approaches; and
  14. Engage, educate, and activate patients, providers, and all stakeholders.

## B. Theme One: Foster Accountability

Accountability structures, such as those represented in Figure 8, organize providers to take responsibility for quality, health, and cost. They introduce benefits for consumers and the larger health delivery system through a number of avenues. Accountability structures help providers to: (1) identify patients with high levels of need; (2) track health status, share information, and coordinate care across a patient’s care team; and (3) better manage chronic conditions. A major theme of Maryland’s Progression Plan is strengthening accountability structures to advance system-wide goals.

Hospital accountability will continue to serve as the cornerstone of Maryland’s All-Payer Model, given that hospital spending is a significant cost driver across payers. For Medicare in particular, hospitalizations, related physician fees, and post-acute costs comprise approximately three-fourths of Medicare health care expenditures in Maryland. While the current hospital Model continues to be essential, it is not sufficient. Maryland’s Progression Plan proposes new accountability approaches for providers who are caring for Marylanders, particularly the Medicare fee-for-service population, who are not currently served by the existing structures. Medicare Advantage is providing an accountability structure for approximately 80,000 Medicare beneficiaries. Hospitals are providing an accountability structure for all beneficiaries, but only for hospital services. Accountable Care Organizations (ACOs) and one Patient-centered Medical Home (PCMH) demonstration are currently the only system-wide accountability structures serving Medicare fee-for-service beneficiaries.

*Maryland’s plan proposes new accountability approaches for providers who are caring for consumers not currently served by existing structures.*

Figure 8 shows new and existing accountability structures that will be used to support the entire Medicare fee-for-service (FFS) population. Two important transitions will work together, over time: 1) Increasing numbers of Medicare beneficiaries will be included in accountability structures and

2) Accountability structures will take on increasing responsibility through incentives with both upside and downside potential. Figure 8 depicts both movements. The numbers do not necessarily add up since many ACOs have no downside accountability.

While Figure 8 focuses on the Medicare population, several of these structures are already incorporated into other payer-led or provider-led strategies for the non-Medicare population (e.g. the CareFirst Patient-Centered Medical Home). Over time, high performing structures may expand to incorporate additional providers and consumers. Ultimately, more of Maryland’s providers will be working collectively towards common goals.

*Figure 8. New and Existing Medicare Fee-for-Service (FFS) System-wide Accountability Structures*

	ACOs	Payer-Supported Program	Dual Eligible ACO	Hospital Geographic Incentives	Medicare Fee for Service Beneficiaries ONLY in Hospital Global Revenue Accountable Structure	Medicare Fee for Service Beneficiaries in Additional Accountable Structure	
						With Upside Potential	With Upside & Downside Potential
<b>2016 (Actual)</b>	210k	40k	0	0	550k	220k	30k
<b>Short-Term Projection</b>	240k	40k	0	770k?	0	0	800k
<b>Long-Term Projection</b>	250k?	150k?	50k?	340k?	0	0	800k

*Note: This chart is for illustrative purposes only, and does not account for factors such as population growth and fluid movement of beneficiaries between approaches over time.*

### Strategy 1: Leverage Existing Provider and Payer Accountability Structures

The Progression Plan builds on provider and payer structures that are already in place, such as Accountable Care Organizations (ACOs), Patient-centered Medical Homes (PCMHs), and Clinically Integrated Networks (CINs), all of which bring providers together to work towards common outcomes.



Patients and payers alike, will benefit from a transformation that creates a high-performing delivery system. The delivery system has significant influence on quality and costs, regardless of the payer.

Action One: Explore flexibility regarding the ability of ACOs to accept more financial responsibility. Maryland's ACO environment is evolving. As of January 2016, twenty-one ACOs are operating in Maryland, with about 210,000 total beneficiaries. The ACO population is expected to grow to more than 250,000 in 2017, with the launch of one additional large ACO. Maryland's ACOs are an important foundation for advancing accountability goals.

*Action: Explore flexibility of Accountable Care Organizations to accept more financial responsibility.*

Currently, most of them are Medicare Shared Savings ACOs, with no downside financial risk. Over time, CMS is likely to require them to accept some downside risk or exit the program. Some ACOs have expressed an interest in accepting downside risk prior to the completion of their current timeframe as shared savings only entities. The State will explore this flexibility with CMS.

*Action: Adopt an approach in which a payer supports an accountability program for practices participating in Maryland's Comprehensive Primary Care Model.*

A second action of Strategy 1 is the role of a commercial payer in promoting accountability of Maryland's primary care practices in the proposed Maryland Comprehensive Primary Care Model described in Strategy 7, below. A PCMH structure with shared savings was tested by the Center for Medicare & Medicaid Innovation in Maryland under a grant to CareFirst. The grant ended and is no longer available to Medicare beneficiaries in Maryland, although CareFirst has continued to provide the infrastructure to practices. The State is interested

in adopting an approach in which a commercial payer that operates an accountability program for commercial beneficiaries will take on increasing responsibility for outcomes and cost of Medicare FFS patient populations over time. In this manner, Maryland would test whether extending well-developed PCMH tools and shared savings to Medicare beneficiaries is effective in transforming primary care practices and meeting the broader All-Payer Model goals when offered in conjunction with other payers.

## **Strategy 2: Implement Local Accountability for Population Health and Medicare Total Cost of Care through the Geographic Value-Based Incentive**

The current All-Payer Model Agreement creates full financial accountability for all-payer hospital services at each hospital and also includes a state-wide guardrail to evaluate cost growth for Medicare total cost of care. The Progression Plan proposes to provide additional tools and structures for hospitals and their care partners to control the growth in the total cost of care, inclusive of both spending for hospital and non-hospital services. The emphasis on total cost of care brings providers external to hospitals into accountability structures.

*Action: Develop value-based incentives based on total cost of care growth for Medicare patients in a hospital's service area.*

Currently, Medicare total cost of care spending is only evaluated on a statewide basis. The Progression Plan introduces a geographic value-based incentive as a vehicle to incorporate responsibility for Medicare total cost of care in provider payment systems. By shifting to geographic areas, the Progression Plan will begin to incorporate

accountability for all Medicare beneficiaries, as mentioned above in Figure 8.



The geographic value-based incentive creates local responsibility for care outcomes and population health, and provides a direct link to the Medicare total cost of care. Initially, the geographic value-based incentive will apply to hospital global revenues.

Administered similar to other value-based programs for hospitals in Maryland, if Medicare total cost of care growth in the service area is better than the target, a positive incentive will be applied to the global revenue. Conversely, if the TCOC exceeds the target, a negative adjustment will be applied to the hospital's global revenue.

*Action: Over time, incorporate incentives for improving population health and moderating growth in Medicare total cost of care.*

Through the application of the value-based incentive, which incorporates costs for all services including physician services, Maryland believes that hospitals operating under global revenues can qualify as Advanced Alternative Payment Model (AAPM) entities under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). Physicians can be linked to hospital global revenues through the Care Redesign Amendment or other avenues. This will align efforts of physicians with the goals of the All-Payer Model and give physicians a pathway for participation in an AAPM. Maryland will continue to discuss this approach with CMS as the final MACRA regulations are implemented.

Designing geographic accountability methods will be technically challenging. Careful consideration must be given to how geographic accountability structures interact with the other structures shown in Figure 8. Methods to determine how savings and costs will be attributed to each structure and ensure that savings are not double counted will need to be developed. Because it includes all Medicare beneficiaries, the geographic value-based incentive has the advantage of more easily relating to regional public health resources. It also facilitates opportunities for additional physicians and other providers to participate in an AAPM. A geographic approach may be particularly attractive in rural areas where provider service areas are discreet, or to regional partners in more populated areas.

The geographic value-based incentive concept may be modified and strengthened over time in a number of ways. Medicaid costs for dual eligible patients could be incorporated into the total cost of care calculations. The geographic value-based approach could incorporate incentives for improving population health and care delivery outcomes. Multiple regions could be defined across the State according to service patterns and cost variations. As new MACRA regulations are better understood, Maryland will continue to explore how to accomplish integration that aligns efforts of physicians with All-Payer Model goals while also qualifying them for participating in Advanced Alternative Payment Models and receiving MACRA bonuses. Strategies to include skilled nursing facilities, long-term care facilities, and others will also be developed incrementally.

### **Strategy 3: Establish a Dual Eligible Accountable Care Organization (D-ACO)**

The Department of Health and Mental Hygiene (DHMH) is developing a strategy to deploy new Accountable Care Organizations (ACOs) specifically for consumers who are eligible for both Medicaid and Medicare, called dual eligibles. The Dual Eligible ACOs (D-ACOs) are intended to be the pathway for the State to meet its goal of including the Medicare and Medicaid total cost of care for duals in the next iteration of the All-Payer Model. D-ACOs are designed to integrate Medicare and Medicaid service delivery for dual eligibles by creating a sustained care coordination intervention that bridges the divide between social determinants, long-term care, behavioral health, and physical health. D-ACOs will drive this integration by fully aligning financial incentives and creating accountability for improving beneficiaries' health outcomes.

The D-ACOs will be deployed initially in Baltimore City, Baltimore County, Montgomery County, and Prince George's County in 2019 and may be expanded in future years. The D-ACOs will only include

people who are eligible for full Medicaid benefits; they will not include people with partial Medicaid benefits or developmental delays. The population initially covered is estimated to be approximately 47,000. The total Medicare and Medicaid spending for these individuals approaches \$2 billion per year – roughly half Medicare and half Medicaid.

Dual eligible beneficiaries are widely recognized as a high-need, high-cost population. Many face complex physical, behavioral and social challenges that demand holistic care coordination efforts to generate favorable outcomes. Services, coverage policies, payment provisions and administrative rules are split between Medicare and Medicaid. This results in misalignment in care delivery as well as costly

*Action: Deploy new Dual Eligible ACOs to coordinate Medicare and Medicaid care, services and costs for a complex population with high levels of need.*

duplication of effort such as needs assessments and care coordination. Fragmentation frustrates the ability to coordinate care across service domains. Medicaid pays for 51 percent of expenditures for duals, but there is no good way to manage only half of a person's care.

Furthermore, D-ACOs alleviate the current split of Medicare and Medicaid into separate total cost of care pools that could lead to inappropriate cost shifts from Medicare to Medicaid, or vice versa when rolling out new payment innovations. For instance, as a

patient moves from acute care to post-acute care to long-term care, the primary payer shifts from Medicare to Medicaid. Long-term care, especially if it requires permanent placement in a nursing facility rather than home-and community-based alternatives, is very costly for the State. D-ACOs ensure that providers are financially aligned across the range of Medicare and Medicaid services to minimize cost shifts.

D-ACOs will receive a monthly per beneficiary care coordination fee to help fund the extensive care coordination needed for dual eligible patients. D-ACOs will also participate in a shared savings payment model, based on the total cost of care for a combination of Medicaid and Medicare costs, with potential rewards for generating savings and some downside risk for losses. Quality will also be featured prominently in the incentive structure. D-ACOs will be required to share any savings earned with the providers in their network through meaningful incentives. Thus, all providers in the D-ACO will have the opportunity to earn incentives by achieving better health outcomes and moderated cost growth for the beneficiaries across their total spectrum of services.

Central to the D-ACO care model is the Person-Centered Health Home (PCHH). The PCHH blends elements of a chronic health home and a patient-centered medical home, and is intended to serve as a person's constant care coordination resource. An array of providers—including primary care, behavioral health, and long-term care providers, among others—will be eligible to serve as PCHHs. The beneficiary will designate his or her PCHH. The patient designated provider and supporting care team will lead in coordinating all of the individual's care and services. The D-ACO will supply care management support, maintain a network and linkages in that network between Medicare and Medicaid providers, provide data exchange infrastructure and data analytics, and generally ensure that beneficiary needs are met across the health care continuum, including social supports and long-term services and supports.

The D-ACO strategy fully embraces the need to integrate Medicaid and Medicare services by operationally and financially joining the programs. It folds in Medicaid spending on long-term services and supports (LTSS), creating accountability and responsibility for those benefits and linking LTSS delivery to the delivery of traditional health care services in a coordinated manner. It represents a major step forward in addressing the social determinants of health in concert with the provision of health care. The D-ACO concept is essential to the All-Payer Model progression in its ability to provide a scalable and

manageable way to link Medicaid and Medicare services and accountability for dual eligible beneficiaries.

### C. Theme Two: Align Measures and Incentives

At the heart of the Progression Plan is the goal of creating a system of cooperation and aligned efforts in which physicians, hospitals, and all types of providers work together, along with health care consumers, to better care and provide supports for patients with serious medical and chronic conditions. Establishing formal communication, processes, and infrastructure will be steps to achieve this goal. To support the alignment of efforts across the care continuum, Maryland will need to address the measures and incentives that are used.

Maryland's Progression Plan develops and uses consistent performance metrics for health, care delivery, and efficiency across providers and programs. The State envisions that this streamlined approach will align efforts and increase synergies, which will lead to improvements. It will also optimize infrastructure investments and lessen administrative burden, which may improve provider satisfaction and engagement. For example, if Maryland uses the same measure sets for Accountable Care Organizations (ACOs), the Maryland Comprehensive Primary Care Model described below, the Care Redesign Amendment, and hospital quality programs, data collection will be less burdensome, investments to collect data will be lowered, and providers will be focused on and rewarded for common or closely related outcomes, increasing the likelihood of achieving desired outcomes through aligned efforts and more rapid transformation. Ultimately, the same metrics for health, care delivery, and efficiency will be applied across the continuum of physicians and providers, as well as across payers. This metric alignment will need to be facilitated by alignment of payment models and value-based incentives over time.

#### Strategy 4: Reorient Hospital Measures to Align with New Model Goals

The Health Service Cost Review Commission (HSCRC) will continue to create value-based payment approaches that promote access to care, preventive services, high-quality effective delivery, and effective transitions. With the inception of the All-Payer Model in 2014, HSCRC began the process of adjusting its value-based programs to align efforts and incentives for better care and for lower costs resulting from reduced avoidable utilization at the hospital level.

HSCRC has increasingly focused on potentially avoidable utilization, which is influenced by outpatient and community care. HSCRC's FY 2017 changes to value-based programs emphasize potentially avoidable utilization, increasing the alignment of hospitals' incentives with those of Accountable Care Organizations (ACOs), Patient-Centered Medical Homes (PCMHs), and other accountability structures. Measures incorporating potentially avoidable utilization encourage hospitals to strengthen investments in improving care transitions and collaborating with community providers. Optimally managed and coordinated outpatient care can potentially prevent the need for hospitalization, or early intervention can prevent complications or more severe disease.

*Action: Increase focus on reducing potentially avoidable utilization by encouraging hospitals to improve care transitions and collaborate with community providers.*

HSCRC is also beginning the process of reorienting hospital measures to focus on episodes of care. This builds on the hospital inpatient measures currently in place, and extends to incorporate outpatient activity. For example, a percutaneous coronary intervention (PCI) episode would align measures along

*Action: Reorient hospital value-based measures to episodes of care. This approach incorporates both inpatient and outpatient care, and provides a more meaningful assessment of how care is delivered and experienced.*

multiple aspects of care, including readmission rates, infection rates, complications, and costs, including post-acute care costs. Focusing at the episode level has several important advantages. From a patient perspective, it is more meaningful in terms of how care is delivered and experienced. In addition, measures of care episodes can engage a range of providers, including specialty physicians and post-acute care providers. These are important aspects of the Progression Plan. HSCRC working in partnership with stakeholders will update its value-based payment

approaches to be more meaningful to consumers and more useful in engaging physicians and other providers across the system, and across payers and settings.

As HSCRC updates its value-based incentive programs for hospitals for FY 2018 and beyond, it will focus on measures of prevention, care management and care coordination, care outcomes, and care transitions, with the objective of assuring better care supports for complex and chronic conditions, improving health, and reducing potentially avoidable utilization.

### Strategy 5: Align Measures across Providers and Programs

A key effort of the Progression Plan consists of aligning measures and their related incentives across the delivery system. To align efforts and reduce reporting burdens for providers, the State will streamline assessment of care improvement by building on existing patient-level data collection and measurement capabilities. Maryland is aligning its measures across State initiatives as well as with federal efforts. CMS has begun to initiate standard measures for outcomes and value, and that effort is anticipated to expand under the Medicare and CHIP Reauthorization Act (MACRA). For example, CMS has standardized patient level reporting for ACOs.

*Action: Align measures across State initiatives as well as with federal efforts.*

CMS' Comprehensive Primary Care Plus (CPC+) model uses a set of standardized measures that are closely related to the ACO measures. In Maryland, the Complex and Chronic Care Improvement Program (CCIP), described above, uses a subset of

CPC+/ACO measures. ACOs, CPC+, and CCIP all promote prevention, care coordination, and chronic care management to reduce potentially avoidable utilization. As described above, Maryland's value-based incentive programs for hospitals utilize measures of potentially avoidable utilization in multiple incentive components.

At the population level, the geographic value-based incentive for hospitals (described above) will make inroads to aligning hospitals and their care partners. Hospital-level Medicare total cost of care goals will help the hospitals and their partners understand cost of care drivers within an entire service area. This will help them prioritize care redesign interventions, evaluate interventions, and take on increasing levels of accountability over time. All of the providers together will need to achieve savings for a geographic area and individual physicians and practitioners will receive incentives for improving care. These population level incentives will constitute a part of each provider's incentive payments, linking all providers to a consistent set of performance goals at a system level. Population level health and care outcome goals will be established as the Progression Plan unfolds, and will be incorporated into value-based payment programs. In 2019, the HSCRC will incorporate incentives for population health based on

priorities established in Maryland’s health improvement plan. As the Progression Plan begins to incorporate population health measures it will be important for the State to support these goals with complementary public policy that can help achieve the desired outcome.

### Strategy 6: Engage Physicians and Other Professionals by Leveraging MACRA

To achieve the Model goals, payments for physicians, other health professionals, and institutional providers must evolve from rewarding volume to promoting value. In the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), Congress overwhelmingly affirmed the approach by consolidating an array of Medicare pay-for-performance mechanisms into a single Merit-based Incentive Payment System (MIPS) and creating strong incentives for physician participation in alternative payment models (APMs).

Maryland initiated that evolution for hospitals by moving hospital payment away from a volume-based system to global revenues tied to a population, and by incorporating value-based incentives aimed at improving care delivery and reducing potentially avoidable utilization for all patients. Several preliminary concepts, which are meant to link physicians and other professionals to the All-Payer Model, are being

*Action: Leverage MACRA, ensuring that programs that advance the All-Payer Model also qualify for Advanced Alternative Payment Model status.*

initiated in Maryland in recognition of the fact that CMS has recently issued final MACRA regulations. Maryland will need to continue to work with CMS and stakeholders to refine and finalize its strategies. Leveraging MACRA is essential to the ongoing success of the All-Payer Model. Maryland will need to work closely with CMS to create attractive pathways for physicians and other providers to join forces in the All-Payer Model as participants in a MACRA eligible Advanced Alternative Payment Model (AAPM).

Maryland envisions that several programs discussed in this Progression Plan can qualify for AAPM status under MACRA. The most significant of these, the proposed Maryland Comprehensive Primary Care Model, would extend comprehensive primary care services to Medicare beneficiaries. It would be designed to qualify as an AAPM and would encompass up to one-fourth of Maryland’s physicians and other providers out of the more than 15,000 practicing in Maryland. This is discussed further below in Strategy 7. CMS has special rules for practices that participate as part of an Accountable Care Organization (ACO) and Maryland will need to pay special attention to ensure that these practices also receive AAPM status qualification under MACRA.

Other Maryland programs aimed at qualifying for AAPM status under MACRA include the initial two programs developed under the Care Redesign Amendment, which focus on physicians who practice at hospitals and primary care community providers. Additional programs will be developed under the Care Redesign Amendment. Maryland will need to work with stakeholders to develop programs that can be deployed for other community physicians and practitioners, such as radiologists and community oncologists, among others. Participation of these physicians could be accomplished through an accountability approach (e.g. ACO, Patient-centered Medical Home (PCMH), or geographic program). Further discussion will need to take place to determine the State’s role in development.

*Action: With stakeholders, develop programs that engage hospital and community-based specialty physicians.*

One of the considerations for Maryland’s Progression Plan is how to tie financial results for physicians and other professional providers to the population level goals of the All-Payer Model. The Care Redesign Programs initiated under the Amendment are structured to accommodate incentives based on patient



level quality indicators and hospital level savings. The proposed Maryland Comprehensive Primary Care Model incorporates both utilization and quality measures. However, these programs do not explicitly tie incentives to total cost of care performance. Maryland will continue to work with CMS on how to structure incentives and align efforts under the All-Payer Model that also meet requirements as a qualified participant in an AAPM under MACRA.

## D. Theme Three: Encourage and Develop Payment and Delivery System Transformation

With its focus on hospitals, the All-Payer Model creates a foundation for payment and delivery transformation for all patients and payers. As Maryland moves to the second term of the All-Payer Model in January 2019, providers will take on increased responsibility for health, care outcomes, and total cost of care for Medicare fee-for-service beneficiaries. Hospitals cannot accomplish this alone. The All-Payer Model must build in increased collaboration with physicians and other providers of care. New delivery approaches supported with aligned payment models and incentive structures will help accomplish this. The rapid aging of the population and related increase in the number of patients with chronic conditions spur transformation to begin as soon as possible.

### Strategy 7: Develop a Maryland Comprehensive Primary Care Model

Hospital-initiated programs are focused on complex and high need individuals who already are using extensive health care resources. While these programs are essential, they do not address the need for transforming primary care. Primary care is essential for patients with chronic diseases that progress over time, to prevent them from having to seek care in higher acuity care settings. However, primary care settings lack the resources to meet the full range of needs of the growing number of patients with multiple chronic conditions. Necessary resources include care management, care coordination, and connections to behavioral health and social services.

Nationwide, the CMS Comprehensive Primary Care Plus (CPC+) model is being promoted in selected regions to deploy resources to support primary care and to transform the payment and delivery system. The CMS CPC+ model offers primary care physicians more support to focus on patient panel management and improved outcomes.

Maryland, equipped with experience and expertise in primary care transformation, now proposes a Maryland-specific version of CPC+: The Maryland Comprehensive Primary Care Model. This foundational payment and delivery system reform is designed to integrate with every accountability system, ensuring that primary care providers share the same goals of the accountability structures described above in Strategy 1.

The Maryland Comprehensive Primary Care Model will offer practices robust transformation resources and technical assistance, as well as actionable patient-level cost and utilization data, to guide their decision making.

The Maryland Comprehensive Primary Care Model will create aligned incentives for enrolled providers, referred to as “Patient Designated Providers” to transform the delivery of care to individuals in the community, improving health and reducing avoidable utilization in higher acuity settings. The Maryland Comprehensive Primary Care Model relies on Care Transformation Organizations (CTOs), which will ensure robust comprehensive care management resources, care coordination, practice transformation

*Action: Maryland, equipped with experience and expertise in primary care transformation, now proposes its own version of a Comprehensive Primary Care Model. This foundational payment and delivery system reform is designed to be interoperable with every accountability structure.*

resources, risk stratification, and other services to address various levels of health risk and prevention. CTOs will deploy these resources to Patient Designated Providers based on their needs, supporting both flexibility for practices with more robust infrastructure and additional services for smaller practices with fewer in-house resources. As in CMS's CPC+ model, all providers will have care managers embedded in their practices to assist with care coordination and the fundamentals of practice transformation. The care managers may be directly employed by the practices or engaged from the CTOs.

The goals of the Maryland Comprehensive Primary Care Model are consistent with the vision for All-Payer Model progression:

- Align community primary care physicians and practitioners with hospitals and specialists to collaborate in the care of shared patients to improve care and reduce potentially avoidable utilization;
- Develop behavioral health resources for every practice;
- Provide 24/7 access to care and care management support;
- Create more timely access to appointments with physicians and care teams.
- Tailor care to patients' needs and goals;
- Engage patients and their caregivers in managing chronic conditions and improving health;
- Reduce preventable complications of chronic conditions through better management of all patients, through care coordination commensurate with each patient's level of need - medium-risk, rising-risk and high-risk;
- Reduce gaps in prevention and treatment, contributing to a reduction in the need for higher-cost settings, including both hospital and long-term care settings;
- Improve patient outcomes through effective medication reconciliation and optimize costs through attention to the use of lower-cost, highly effective medications;
- Align providers and public health resources to address priorities;
- Address social determinants of health by connecting patients to resources and programs such as the Supplemental Nutritional Assistance Program and the Low-Income Home Energy Program;
- Identify and reduce disparities in care delivery and health outcomes; and
- Encourage innovation in health care delivery, including increased use of non face-to-face visits.

Redesigning primary care to achieve better overall population health outcomes, in concert with implementing the Care Redesign Amendment programs targeting the State's current high and rising-risk patients: prepares hospitals for success in the second term of the All-Payer Model; prepares primary care physicians and other practitioners for success in the era of new physician rates associated with changes in the Medicare Access and CHIP Reauthorization Act (MACRA); and, most importantly, it builds needed supports to Medicare patients. The Maryland Comprehensive Primary Care Model, along with the All-Payer Model and the Care Redesign Amendment programs, will create a unique laboratory of alignment across physicians and other practitioners, hospitals, and care managers.

### **Strategy 8: Develop Initiatives Focused on Post-Acute and Long-Term Care**

Persons in long-term custodial and assisted living facilities suffer from multiple chronic conditions, dementia, and frailty, among others. Patients discharged to skilled nursing facilities (SNFs) rather than home are frequently complex or high needs patients that are a key focus of the All-Payer Model. Currently, there is little comprehensive care coordination that addresses the needs of these patients who have higher rates of potentially avoidable utilization.

Maryland's goals are to encourage optimal use of post-acute services and SNF services, reduce the need for long-term care, increase services in home settings, reduce hospital admissions and ER visits from long-term and custodial care, and reduce overall admissions. Capacity resulting from these changes

would be needed to meet future needs of a rapidly aging population and to serve some additional patients in SNFs.

As described above in the description of the D-ACO, long-term services and supports are split between Medicare and Medicaid, with the potential for misalignment in care delivery. A complex set of Medicare and Medicaid rules govern post-acute and long-term care. The rules exist to prevent Medicare from taking on the long-term services and supports that are the responsibility of states. The rules also govern eligibility for Medicaid that in turn is tied to need for long-term care and financial resources. As patients transition across settings, the delivery of hospital, post-acute, and long-term care must be considered together to fully assess the opportunity for improvements and incentives. The D-ACO, referenced earlier, will optimize services for long-term and community-based care of dual eligible beneficiaries, but additional initiatives need to focus on the larger Medicare population.

As part of the Progression Plan, Maryland will use the expertise of its long-term care and post-acute providers to develop new ways of addressing the increasing needs of an aging population and individuals with complex needs. The State will convene a Long-Term and Post-Acute Payment subgroup to make recommendations and develop approaches for Maryland's long-term and post-acute settings. A measured approach will be used, considering the fragile nature of this population.

*Action: Seek the expertise of long-term care and post-acute providers to develop new ways of addressing the increasing needs of an aging population and individuals with complex needs.*

The Care Redesign Amendment creates a vehicle to establish initiatives to align the financial incentives of post-acute providers and hospitals. The subgroup's work will need to integrate with the D-ACO plans, and explore interconnections to geographic value-based incentives for hospitals and the

Maryland Comprehensive Primary Care Model. One possible strategy for the subgroup to develop is the concept of bundled payments that have been implemented across the country, but have it more broadly applied and focused on acute and post-acute services, rather than all services. Another possible strategy is a controlled relaxation of the three-day rule within the context of a total cost of care accountability structure. Most surgical patients are discharged in three days or less, but some need rehabilitation in a skilled nursing or rehabilitation facility. Furthermore, some patients are admitted to hospitals from long-term care when they could have been served well with a higher level of service in the SNF. These types of patients could benefit from the relaxation of the three-day rule.

### **Strategy 9: Explore Initiatives to Include Additional Physicians and Providers and Services in Care Transformation**

The Care Redesign Amendment and Maryland's proposed Comprehensive Primary Care Model addresses physicians practicing at the hospital and some community providers, including the majority of primary care physicians. However, not all physician specialists and health professionals who work primarily in community settings are addressed by these approaches, and yet their care influences outcomes and cost of care. For example, oncology patients frequently need complex and chronic management supports to reduce development of preventable conditions and avoid preventable hospitalizations and emergency room visits. Additionally, other services that are provided in the community, such as radiology, laboratory, imaging dialysis, home health, durable medical equipment, could benefit from shared

*Action: Engage diverse specialty practices and other community providers in developing additional approaches for meeting All-Payer Model goals.*



information and coordination in order to improve efficiency. It is critical for Maryland to explore opportunities that deepen and develop care redesign with other providers and services over time. The State needs to engage diverse specialty practices and other community providers in developing additional approaches for meeting All-Payer Model goals.

### Strategy 10: Improve the Financing and Organization of the Behavioral Health Delivery System

Maryland recognizes that providing better behavioral health supports is critically important to improving health outcomes and reducing preventable utilization. Behavioral health is frequently “carved out” of health benefit packages and treated as if it were disconnected from other health conditions. Yet behavioral health, mental health, and substance use disorders are often inextricably intertwined with other health issues, each exacerbating the other.

According to Maryland data, substance-use related Emergency Department (ED) visits grew 46% from 2010-2014, and mental health-related ED visits grew 29% in this same period. Improved access to community-based behavioral health services and care coordination will reduce acute and short-term hospital utilization and readmissions related to mental and behavioral health. As patients with mental and behavioral health conditions continue to drive hospital admissions, readmissions, and emergency room visits, the Maryland delivery system and stakeholders are beginning to take action to address the alignment of behavioral health with other medical care and social services.

For example, in June 2015, the Maryland Hospital Association established a Behavioral Health Task Force to identify opportunities to strengthen Maryland’s behavioral health infrastructure. The task force recognized that development of a well-coordinated, accessible, affordable and accountable system for delivering behavioral health care must consider the local needs of the population and the available supply of physicians, other behavioral health providers and community supports in that area. Work is underway to ensure care is integrated not only within health care settings, but also with community partners, to identify where more access and supports are needed. However, this work continues to be challenged by care delivery silos, maldistribution of funding, and under-developed community resources.

The ideal care delivery system in Maryland will fully integrate care, with increased funding in the community. This includes smooth handoffs of patients among primary care, specialty, and behavioral health providers, recognizing the critical contribution that each makes to the health outcomes for patients. This also includes investing in more community-based behavioral health services to improve access to providers.

*Action: Continue to develop plans to improve the financing and organization of the behavioral health delivery system, particularly in the community setting.*

The Progression Plan lays out several strategies aimed at enhancing behavioral health services and integration. While these strategies are aimed in the right direction, they are not sufficient. The State will need to continue to develop plans to improve the financing and the organization of the behavioral health delivery system, particularly in the community setting.

Strategies included in the Progression Plan and existing efforts that address behavioral health include:

- The **Maryland Comprehensive Primary Care Model** referenced in Strategy 7, will give community behavioral health providers the opportunity to serve as the designated provider, allowing patients with serious mental illness or substance use disorders to receive all of the care

coordination and care management services they need at the provider location where they feel most comfortable.

- The **new Dual Eligible Accountable Care Organization (D-ACO) program**, referenced in Strategy 3, has been deliberately designed to respond to the needs of Medicare-Medicaid dual eligible beneficiaries with behavioral health and other conditions that require specialized resources. The Medicare-Medicaid dual eligible population in Maryland includes many individuals with serious mental illnesses and substance use disorders, as well as other neuro-degenerative diseases such as Alzheimer's. Person Centered Health Homes nested in the D-ACOS will create a locus of care, and all D-ACOs will be required to demonstrate an adequate number of behavioral health providers, long-term care providers, and supports across the continuum of care. Medicaid has made substantial progress in implementing home and community supports, and these efforts are helping keep more individuals in the community setting.
- **Medicaid is also testing a chronic health home, with an emphasis on patients with behavioral health needs.** These efforts will be leveraged through the development of the D-ACO and may also provide insights for additional development for other patient populations. Through one regional transformation initiative in 2016, Maryland hospitals and their community partners are beginning to test specific therapeutic interventions through a Behavioral Health Center by mental health professionals to reduce inpatient hospitalizations caused by mental illness. Highly structured individual and group-focused treatment, as well as comprehensive case management services, are available in an outpatient setting for a target of 60 to 90 days after hospital discharge, although there is not a hard limit on the number of days' post-discharge for the interventions. The Behavioral Health Center also serves as a resource to community physicians and practitioners and their patients.

A significant and immediate challenge to the care delivery system is access to community-based, behavioral health professionals. Even where there may be an adequate number of behavioral health providers in the aggregate, for instance, they are not easily accessed by people living in smaller towns or rural areas. Further, there are an increasing number of providers who do not accept insurance. According to the Mental Health Association of Maryland, in 2014, just 14 percent of the psychiatrists listed on Maryland's health benefit exchange were accepting new patients and were available for an appointment within 45 days. To help tackle this problem, Maryland will need to address barriers to widespread use of telehealth and facilitate additional opportunities to engage, organize, support, and build the workforce.

Through the Progression Plan, the Maryland delivery system, stakeholders, community-based organizations, and government will explore integrated care models proven effective in other states and consider opportunities to test innovative value-based payment arrangements that are aimed at improvement of access and overall health and well-being of each patient, including those with behavioral health needs.

Private inpatient psychiatric facilities play a critical role in providing care for behavioral health. However, the State's rate setting authority for these institutions does not extend to Medicare and there are currently limitations on use of these facilities for adult inpatient care for Medicaid patients. The State would like to continue to explore options for these facilities, as stakeholders continue to focus on efforts to integrate behavioral health and other health care for Marylanders.

Critical issues remain around coverage for outpatient behavioral health services and treatment for behavioral and mental health conditions, including chronic pain management. Further strategies to improve coverage and develop quality metrics to incentivize improved behavioral and mental health

outcomes among patients seen at acute care and inpatient hospitals will be developed through a re-convening of the Behavioral Health Task Force in 2017.

### **Strategy 11: Promote Investments in Innovation, Technology and Education**

Maryland's rich academic and research resources must be leveraged in the Progression Plan as a means to improve population health for both Maryland and the world by setting standards of clinical care, medical education, and research. Academic Health Systems are often the birthplace of innovative diagnostic and therapeutic interventions as well as care delivery, requiring significant investments in infrastructure, staff and technology. They are also uniquely positioned to train the next generation of physicians and health care providers that will embrace and expand upon the future of population health, community engagement, and disease management. Building and maintaining outstanding educational programs is of vital importance to the State.

In addition to the critical nature of discovery and innovation for patients and the ecosystem in the State at large, core operations of the State's academic medical centers are significantly different than many community-based hospitals with respect to both their patient catchment as a result of their urban settings and the cooperative relationship with care providers across a broad geography. Planning around reduction in total cost of care should create approaches that account for such fundamental differences.

*Action: Foster investments in innovation, technology and education.*

The Progression Plan should foster investments in innovation, technology, and education that offer the opportunity to reduce long-term health care costs and vastly improve the quality of care and patient outcomes. Academic Health Systems play a critical role in that work. There will always be a need for specialized research-intensive hospital services; the goals and metrics of this demonstration should value and not inhibit this need.

### **E. Theme Four: Ensure Availability of Tools to Support All Types of Providers in Achieving Transformation Goals**

Maryland policy makers and stakeholders have long believed that timely, accurate, and actionable information is a fundamental part of Maryland's success. Hospital payments across several years have explicitly provided funding for these infrastructure developments within hospitals. Additionally, regional partnerships were funded to implement collective care coordination strategies focused on high need populations.

Building upon an understanding that care coordination is an essential component of population health investment, the Department of Health and Mental Hygiene (DHMH) and Health Services Cost Review Commission (HSCRC) convened a Care Coordination Work Group to guide further investment in care coordination tools. In April 2015, the Care Coordination Work Group finalized its report, which outlined recommendations to achieve patient-centered care coordination. Many of the recommendations called on Chesapeake Regional Information System for our Patients (CRISP) to focus on care coordination and to expand its role beyond that of a traditional health information exchange.

These recommendations launched significant new investments in CRISP, to pay for and provide shared tools and resources to support care management, and to leverage individual hospital investments, connect ambulatory providers, and provide population-based reporting. CRISP's focus on care coordination infrastructure is a foundation for the transformation tools needed to support this Progression Plan.

## Strategy 12: Enable and Support the Health Care Community to Appropriately Share Data in order to Improve Care

As described above in the Background section, CRISP has enabled the healthcare community to securely share data to facilitate care and improve care delivery. Maryland is making significant strides in ambulatory connectivity and is at the cusp of realizing the benefits from its foundational investments in health information technology. These investments focus on providing innovative information at the point-of-care in support of care managers and for population health teams. Creating tools to support

*Action: CRISP will continue to build out capabilities and engage providers.*

care coordination and alignment between hospitals and physicians fits perfectly into CRISP's vision to advance health and wellness by deploying health information technology solutions adopted through cooperation and collaboration. CRISP will continue to build out capabilities and engage providers.

### F. Theme Five: Devote Resources to Increasing Consumer Engagement

Consumers have both an important stake and key role in achieving the goals of better care, better health, and lower spending. In Maryland, this transformation of the health care delivery system calls for a person-centered care model that prioritizes the impact on individuals. A multi-pronged approach is required to address that, and it must be one that actively engages Marylanders in both the design and implementation of this new model. Such an approach requires multi-stakeholder collaboration and commitment. The benefits of success will be seen in long-term savings to the system, but more importantly in the health and well-being of individuals and communities.

Examples of improvements that can be achieved with effective consumer engagement include:

- Improved levels of health literacy with consumers who understand their options for optimal care and how to navigate the health care system;
- Enhanced patient-provider relationships with better care coordination;
- Improved patient experience and satisfaction with care, with a personal sense of value and ownership;
- Higher-quality care and improved overall health outcomes; and
- A more informed, responsive, and efficient health care system.

In September 2015, the Health Services Cost Review Commission's (HSCRC) Consumer Engagement Task Force submitted a set of specific recommendations to advance consumer engagement to support the success of the All-Payer Model. All of these are relevant to the Progression Model and include:

- Establish and fully support a Consumer-Standing Advisory Committee;
- Develop a statewide public education campaign that is part of a broader campaign to promote health and wellness;
- Convene an interagency task force to include consumer participation and which would enhance the integration of all transformation efforts; and
- Provide options and opportunities to support regular, longitudinal, and effective consumer engagement in the development of policies, procedures, and programs by hospitals, health care providers, health care payers, and government.

In framing these recommendations, the Task Force highlighted two essential areas for consumer engagement: (1) policy; and (2) engagement, education, and activation. The Progression Plan recognizes the value of each of these and seeks to address them in its proposed strategies.

### Strategy 13: Transform the Health Care Delivery System with Consumer-Driven and Person-Centered Approaches

The State will continue to use its workgroup structure to bring the interests and expertise of consumers to its decision-making process. In addition, in 2016, HSCRC and Department of Health and Mental Hygiene (DHMH) first convened its new Consumer Standing Advisory Committee (C-SAC) representing a diverse cross-section of consumers, consumer advocates, relevant subject matter experts, and provider, payer, and other key stakeholders, to discuss developing State policies and initiatives. The State will continue to leverage this input structure to inform the establishment and implementation of its person-centered model. The C-SAC, together with other avenues, will be used to leverage the perspective of consumers, providers, and other stakeholders.

*Action: Provide a visible and ongoing role for consumers in the: (1) design and implementation of person-centered policies and procedures at all levels for both providers and health plans; and (2) evaluation of the Model as a whole, and its individual strategies, as it is implemented.*

### Strategy 14: Engage, Educate, and Activate Patients, Providers, and All Stakeholders

Consumers, both individually and collectively, must be fully engaged in managing their own health care. This will require that they have the information and resources required to make the best decisions for themselves and their families. That will include information on the value of preventive care, how to work most effectively with a primary care provider, and how best to understand, access and protect their rights as consumers. Positive action in these areas will, in turn, help to promote better outcomes for individuals and a more efficient and effective use of the health care system more broadly.

There are several paths for engagement under the Progression Plan- one for the consumer, one for the physician and others who intersect with the patient, and a third path for communication/engagement between the two. As demonstrated in the work of the Consumer Engagement Task Force and the Consumer Outreach Task Force, there are multiple touch points along these paths. To achieve successful engagement, it is critical that it is the *right* message that is being given by the *right* person at the *right* point in time. To address this, the Progression Plan relies upon the implementation of a cohesive, comprehensive and well-coordinated communications plan based upon the Task Force's Report. This will be the predicate for the integration of engagement strategies that intersect between the consumer and the provider.

*Action: Develop a cohesive, comprehensive, and well-coordinated communication plan to support the implementation of the Progression Plan.*

Person-centered care involves setting goals that are prioritized by the patient, educating patients on self-care and management, joint decisions between patients and their care teams, and engaging family and any designated or informal caregivers in care and decisions about care - including functional focus, planning, and social services.

In addition to the communications plan, the Progression Plan leverages additional opportunities. Team-based care management, including risk stratification, care plan development and longitudinal care for high-risk patients are standards in the Maryland Comprehensive Primary Care Model, referenced in Strategy 7 and in the Complex and Chronic Care Improvement Program (CCIP), referenced in the Care Redesign Amendment and in the care management models for Dual Eligible Accountable Care Organizations (D-ACOs), referenced in Strategy 3. These features are all designed to better engage patients.

The Progression Plan includes a number of Population Health Goals. Maryland will use a variety of existing sources to identify regional and community-level population health goals and will develop consumer engagement campaigns and population health initiatives around those goals in collaboration with regional/local hospitals, physicians and other providers, community partners, and public health

*Action: Provide consumers with information that they can use for a personal plan for their health and well-being and also to provide them with an understanding of the health care delivery system.*

entities. In addition, Maryland will evaluate what has been done and what has worked well under the State Health Improvement Process and the Local Health Improvement Coalitions to advance community health initiatives.

Maryland will continue and expand its strategies to educate consumers about the All-Payer Model with advice of the C-SAC and with an integrated and comprehensive communications plan as discussed above. The will include communicating the model's goals, implementation steps, and accomplishments in understandable terms that demonstrate the impact on consumers.

There are several projects currently underway that address education and activation. These include:

- In 2015 and 2016, the Maryland Citizens' Health Initiative, in collaboration with several key healthcare stakeholders (e.g., Health Services Cost Review Commission (HSCRC), Department of Health and Mental Hygiene (DHMH), Maryland Hospital Association (MHA), and others), held 15 regional public forums across the State. The forums, which were open to the public, brought together key stakeholders, including hospitals, to discuss the changes in Maryland's health care system and to foster a dialogue on expanding community involvement.
- Multiple organizations (MHA Maryland Faith Health Network, AARP Maryland, NAACP Maryland State Conference, Young Invincibles and Maryland Citizens' Health Initiative Education Fund, Inc.) partnered to launch a patient engagement campaign in 2016 entitled "A Breath of Fresh Care." The campaign aims to engage patients in their care by directing them to information on hospital wellness and chronic disease management initiatives, as well as other critical resources that can help patients get the care and support they need, when and where they need it. The MHA-maintained website provides resources in three areas: (1) patient bill of rights; compliments & concerns; (2) community health resources; and (3) resources for patients.

Under the Progression Plan, these programs will serve to inform the development of comprehensive and cohesive messaging with specific communications and programmatic strategies that underscore the potential to improve the lives of Marylanders through the State's ongoing healthcare transformation efforts.

## VI. Federal Requests

Maryland's current performance under the Agreement, which has involved the development of hospital global revenues and value-based incentives, has promoted the achievement of State and federal goals. The 2014 Agreement required Maryland to meet certain performance metrics, including limiting all-payer annual growth to a target of 3.58% over five years and achieving \$330 million in Medicare savings over five years, as well as other quality performance measures. Under the Progression Plan, Maryland will continue to limit the growth in hospital revenues on an all-payer basis, recognizing that the specific targets will need to be revisited periodically based on environmental factors.



Maryland and CMS will need to agree on system-wide savings targets for the second term of the Agreement, which will require Maryland to update or replace its Agreement with CMS. The new agreement will include updates and revisions for some of the terms, areas of outcomes measures used in value-based payment, reporting requirements, and other aspects of the Agreement. Several considerations are outlined below, but are not intended to be a comprehensive list.

The Progression Plan presents a strategy whereby Maryland and CMS can jointly test an advanced payment and delivery approach that extends beyond hospitals. The State and stakeholders will need flexibility to implement proposed strategies, and will need federal data and other resources to administer the All-Payer Model. The delivery system will need data to provide care coordination and care management, as well as planning and monitoring relative to the total cost of care. This means the State must work closely with its partners at CMS to finalize the details and carefully craft the federal tools that will be critical to success.

The implementation of Maryland's Progression Plan must:

1. **Maintain the strong foundation of Maryland's hospital all payer system**
  - The core of Maryland's Progression Plan continues to be all-payer hospital per capita growth parameters, which have been met with success in early implementation.
  - The Progression Plan will build upon this foundation to strengthen efforts to meet Maryland's system-wide goals without undermining the base model.
2. **Strengthen primary care as a fundamental part of delivery system reform**
  - Maryland's Comprehensive Primary Care Model is being designed to leverage federal payment reforms (Medicare Access and CHIP Reauthorization Act (MACRA) and Comprehensive Primary Care Plus (CPC+)) and ensure Maryland physicians are able to leverage new federal payment tools. This effort needs to be treated by CMS as an investment with a longer-term return - with near-term reductions in potentially avoidable utilization, but also longer-term savings through a focus on population health improvement and changing the model of care for the increasing numbers of patients with chronic conditions and polypharmacy.
3. **Rely on new federal flexibility to implement strategies**
  - Implementation of many of the strategies outlined in the Progression Plan will require additional federal flexibility. Maryland will work with CMS to identify the federal waivers that will be needed to implement the full range of strategies proposed in this Plan. Maryland expects to maintain federal waivers that are currently authorized under the All Payer Model Agreement and Care Redesign Amendments and will also need expanded flexibility in certain areas. Potential areas of expanded federal flexibility and waivers could include payment policies for post-acute, long term care facilities, and psychiatric hospitals; coverage policy for telehealth, patient incentives and post discharge home visits; flexibilities provided to Next Generation ACOs; or other federal policies.
4. **Maximize MACRA statewide**
  - Maryland will work with CMS to secure the support needed to link physicians to the All-Payer Model as a MACRA-eligible model and create synergy in approaches and incentives.
  - Maryland will work with stakeholders to align incentives for specialists with the incentives in the All-Payer system and initiatives in primary care.
5. **Account for investments with long-term returns or a different investment cycle**
  - As the State monitors total cost of care relative to targets, at both a statewide and local level, HSCRC will seek to monitor costs separately for preventative services to ensure

that the Model does not discourage spending for recommended services that are expected to have a future payoff of improved population health for consumers.

- As interventions are tested, some will prove to be unsuccessful. CMS and the State should terminate unsuccessful interventions without jeopardizing successful components of the Model.
- Assuring that innovation is not inadvertently stifled will be important. Because Maryland is a center for research and medical education, it may develop and adopt prevention and treatment innovations at an accelerated pace. If this happens, it will be important to evaluate the pace of adoption relative to other similar environments when evaluating success, recognizing that this is a timing issue rather than a system problem.

## VII. Timeline

This Progression Plan outlines ambitious goals for transforming Maryland’s delivery system. The different strategies are designed to complement one another and rely on efforts from different parts of the delivery system. Successfully deploying new initiatives and supporting technologies will be complex. For example, re-engineering workflows to support the use of Electronic Health Records to improve care, support care coordination and engage patients, families and communities will require extensive time and resources.

Transformation takes time, and the progression plan must reflect a pace of change that balances the ability of the delivery system and policy environment to act with the demands of a changing environment such as the aging of the population, and the need to keep pace with the All-Payer Model Agreement.

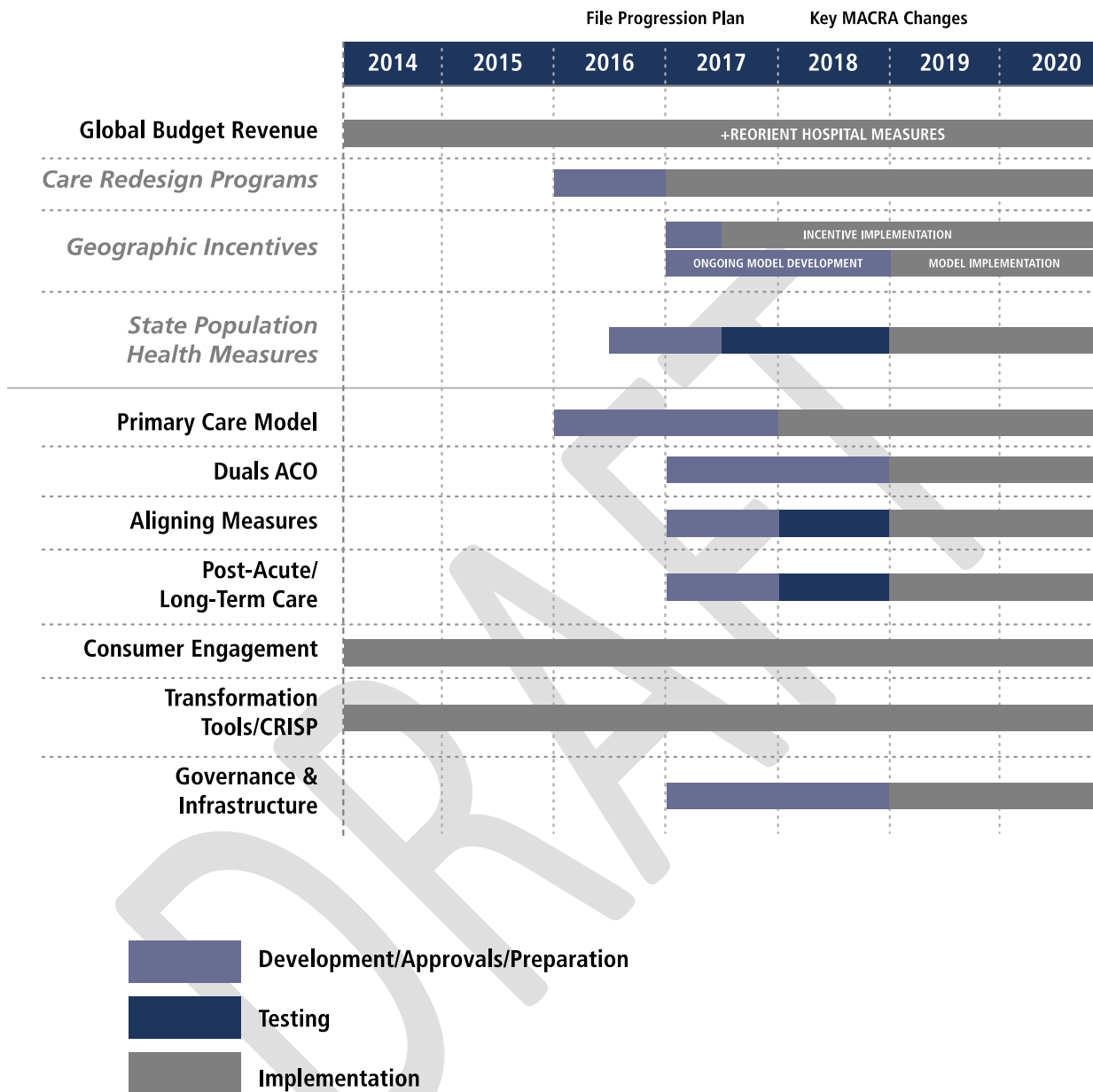
The following timeline (Figure 9) illustrates potential dates by which each initiative will be further developed. The implementation and transformation are expected to extend beyond five years and will require significant ongoing investments. It may take longer to develop and deploy initiatives. The federal policy environment and CMS payment capabilities are evolving. The Progression Plan will need to adapt to these changes. Progress is dependent on the ability of CMS to provide approvals, payment system changes, and data within planned timeframes. Recognizing this complexity, the timeline will need to be further detailed and adjusted as more plans are developed and there is a better understanding of the scope of the work required to deploy new delivery system and payment programs.

The ability to fully implement and scale the proposed strategies and components will take time. Demonstrating savings and improved care outcomes will also take time. Maryland will work with CMS to ensure that this is recognized when assessing responsibility for total cost of care and outcomes under the All-Payer Model. Maryland will also discuss the length of the second term of the agreement with CMS, recognizing the need to support extensive long term investments and reconfigurations that involve a large workforce.

The timeline for negotiation and clearance of an amended or new Agreement, as well as approval and clearance of model components such as the Maryland Comprehensive Primary Care Model, are critical to ongoing success. Maryland requests that CMS work with the State to develop a detailed timeline for the negotiation and clearance effort that supports the pace of implementation that is expected.



Figure 9. Timeline



### VIII. Key Implementation Considerations

As Maryland moves from planning to implementation, several key areas identified throughout the Progression Plan will need to be fully developed:

1. Governance
2. Financial Accountability
3. Workforce Development

#### 4. Transformation Tools

##### Governance

The All-Payer Model Agreement of 2014 began a significant evolution of Maryland’s historical hospital regulatory structure to a platform for broad system change. The strategic planning efforts that have resulted in this Progression Plan have been led by senior leaders of the delivery system, payers, consumers, policy organizations, and State agencies and leadership. The State sought input from the CMS State Innovation Group during this process.

Through the Progression Plan and the Care Redesign Amendment, Maryland is able to leverage the All-Payer Model to include additional services, physicians and other providers for the purpose of achieving the Model goals. While the Health Service Costs Review Commission (HSCRC) is the regulatory body for the Maryland hospitals and is positioned to support the State in negotiating changes to the All-Payer Model, the leadership and oversight for the Progression Plan must have a broader perspective than hospitals.

As physicians and other providers participate in achieving the goals of the All-Payer Model, the governance will require cooperation and decision-making beyond the current constructs in place. Physicians and other providers will want a stronger voice in providing advice and in decision-making and will not want the Progression Plan to be solely hospital-driven. Yet, this will need to be balanced with the hospitals’ continuing responsibilities under the All-Payer Model. Likewise, consumers and purchasers also have a pivotal role in achieving a responsive person-centered system. The State will place emphasis on using public-private partnerships and broad stakeholder advisory approaches in bringing new governance processes to bear.

Infrastructure will be needed to implement various elements of the Progression Plan, including the Care Redesign Amendment, the Maryland Comprehensive Primary Care Model, the Geographic Incentives, Dual Eligible Accountable Care Organizations (D-ACOs), Medicare Total Cost of Care oversight, and other progression elements. The State will place emphasis on using public-private partnerships and private resources in bringing this infrastructure to bear, similar to Chesapeake Regional Information System for our Patients (CRISP). Some of the infrastructure will be implemented through CRISP. Other aspects of the Progression Plan will require a reorientation of State resources to provide oversight.

The Department of Health and Mental Hygiene (DHMH), with input from stakeholders and guidance from the executive branch and legislative leaders, will lead efforts to establish the appropriate governance and infrastructure approach for the strategies proposed in the Progression Plan and potential new legislation to support the plan. An efficient governance and infrastructure approach should create transparency, represent the different perspectives, and maintain the flexibility needed to meet the changing demands of the policy and implementation tasks ahead.

##### Financial Accountability

As the Progression Plan is implemented, the State and CMS will need to carefully consider how the various initiatives and accountability structures will interact. Work must be done to determine how the finances of multiple models with shared savings will be handled. It will be important to ensure that shared savings are uniquely attributed to one accountability structure. Measures and monitoring systems will be created to understand the impact of initiatives on Medicare, Medicaid and Commercial patients, payers, and providers. This will be facilitated by Maryland’s strong data infrastructure and access to patient level data. Maryland moved away from a volume based payment system for hospitals when it developed a global revenue system for hospitals. The costs of this system are currently all captured within the revenue system and distributed through patients’ bills. However, CMS is introducing

new payment methods that move away from volume-based approaches, such as the CPC+ payment system. These approaches provide payments outside of patients' bills. It will be important to ensure early attention to accounting for the costs that are paid outside of patients' bills to ensure they are captured in related accountability systems.

The All-Payer Model aims to ensure that the statewide goals for total hospital cost of care, Medicare and Medicaid dual eligible total cost of care, and health and care outcomes are achieved. These goals must be driven down to appropriate levels within the State. The Progression Plan lays out a strategy to do that. The HSCRC already does this for hospitals through global revenues and value-based incentives. The State will need to continue to work with stakeholders and advisors to develop mechanisms to monitor and assure that new state-wide goals for total cost of care are also met.

## **Workforce Development**

As the Maryland delivery system is transformed, human capital will be needed to support the deployment of new initiatives and tools. There may be reduced needs for some resources in facility settings, but there are increased needs for resources in physicians' offices and in the community. Electronic Health Records, work flow technologies supporting care coordination, and team based care are examples of changes that require extensive workforce training and development. Maryland will need to identify approaches and investments in workforce training and development that can support system transformation with qualified personnel. Implementation will require an organized effort to incorporate workforce development opportunities and to connect them directly to population health outcomes, where possible. For example, existing healthcare staff or new workers may be trained to become community health workers or medical technologists in their home neighborhoods if chronic diseases are prevalent there. Workers with skills in analysis, information technology and performance management will be needed across the State. Nurses, pharmacists, social workers, and others will need to be trained to deliver care coordination and care management services. The delivery system has already identified major gaps in these area of expertise that will need to be filled quickly.

Maryland will need to devise strategies to meet these needs. It will need to start by convening stakeholders and advisors as well as secondary schools, colleges and universities, Area Health Education Centers, and other training resources to develop strategies to meet these needs.

## **Transformation Tools**

In addition to Chesapeake Regional Information System for our Patients (CRISP) Transformation tools, the Maryland Comprehensive Primary Care Model will deploy Transformation tools. Privately operated Care Transformation Organizations (CTOs) will be responsible for providing technical assistance and infrastructure support for practice transformation. For example, the CTOs will support primary care practices. Maryland has a number of sophisticated delivery systems and payers that have made and are continuing to make large investments in transformation resources. The State will engage stakeholders to provide advice on additional transformation support needs and how to effectively leverage resources, building on its initial efforts in 2015 with the ICN-Care Coordination Work Group. One area that has already been identified is a critical need for outreach and education of physicians, especially with the national implementation of the Medicare Access and CHIP Reauthorization Act (MACRA) and its implications for Maryland physicians and the All-Payer Model.

Additionally, Maryland should explore other resources that it could leverage, such as the Federally Funded Practice Transformation Networks. Leveraging CMS' Medicare Learning Networks and advisors will provide guidance for Maryland in further developing its plans.

## **IX. Conclusion**

Maryland has proposed the strategies in this Progression Plan as part of the State's continued efforts to redesign the health care delivery system to achieve common goals of delivering better care, better health, and lower cost – as designed in the original All-Payer Model. Approaching the end of year three of the All-Payer Model, the State has effectively changed the way hospitals do business; and while still in the early stages of transformation, Maryland is successfully demonstrating the effectiveness of an All-Payer system that is held accountable for the total cost care on a per capita basis.

From the beginning, Maryland and CMS expected that additional updates would be needed to the All-Payer Model to more effectively align hospitals, physicians, and other providers to further improve care for Marylanders. This Progression Plan leverages and builds on the hospital per capita model by expanding efforts to support all providers in organizing to engage patients and take on increasing responsibility for system-wide goals. It starts with a strong focus on Medicare beneficiaries, but sets the stage for applicability to all Maryland payers and all health care consumers, with expected improvements in outcomes and lower costs on an all-payer basis.

This Progression Plan has laid out five key themes: (1) foster accountability for system-wide and patient-level goals; (2) align measures and incentives for providers across the continuum of care; (3) encourage and develop payment and delivery system transformation; (4) ensure availability of transformation tools to support providers in achieving transformation goals; and (5) devote resources to increasing consumer engagement. By proposing an overall strategy for organizing, incentivizing, and supporting all types of providers in health care transformation, this Progression Plan creates an opportunity for Maryland to test a unique model for implementing synergistic, value-based strategies that encompass hospitals, physicians and other providers, and will enable both the State and CMS to evaluate the effectiveness of particular strategies and how they might be replicated as a national model.

The Plan provides Maryland's overall model for extending the current Model's to encompass its approach to limit the growth in Medicare total cost of care and Medicaid costs for dual eligibles. The Progression Plan provides an overview of strategies and components that will be developed and implemented to accomplish this. Each component will contribute to the management of total cost of care growth and transforming care delivery. Details regarding specific components, such as the Maryland Comprehensive Primary Care Model and the Dual Eligible Accountable Care Organization, will be submitted in concept outlines and other supporting documents.

## X. Appendix

### A. Figure 10: Summary of Proposed Themes, Strategies, and Actions

#### Theme One Foster Accountability

##### Strategy 1: Leverage Existing Provider and Payer Accountability Structures

**ACTION:**  
Explore flexibility of Accountable Care Organizations to accept more financial responsibility.

**ACTION:**  
Adopt an approach in which a payer supports an accountability program for practices participating in Maryland’s Comprehensive Primary Care Model.

##### Strategy 2: Implement Local Accountability for Population Health and Medicare Total Cost of Care through the Geographic Value-Based Incentive

**ACTION:**  
Develop value-based incentives based on total cost of care growth for Medicare patients in a hospital’s service area.

**ACTION:**  
Over time, incorporate incentives for improving population health and moderating the growth in Medicare total cost of care.

##### Strategy 3: Establish a Dual Eligible Accountable Care Organization (D-ACO)

**ACTION:**  
Action: Deploy new Dual Eligible ACOs to coordinate Medicare and Medicaid care, services and costs for a complex population with high levels of need.

#### Theme Two Align Measures and Incentives

##### Strategy 4: Reorient Hospital Measures to Align with New Model Goals

**ACTION:**  
Increase focus on reducing potentially avoidable utilization by encouraging hospitals to improve care transitions and collaborate with community providers

**ACTION:**  
Reorient hospital value-based measures to episodes of care. This approach incorporates both inpatient and outpatient care, and provides a more meaningful assessment of how care is delivered and experienced.

##### Strategy 5: Align Measures across Providers and Programs

**ACTION:**  
Align measures across State initiatives as well as with federal efforts.

##### Strategy 6: Engage Physicians and Other Professionals by Leveraging MACRA

**ACTION:**  
Leverage MACRA, ensuring that programs that advance the All-Payer Model also qualify for Advanced Alternative Payment Model status.

**ACTION:**  
With stakeholders, develop programs that engage hospital and community-based specialty physicians.

#### Theme Three

#### Encourage and Develop Payment and Delivery System Transformation

##### Strategy 7: Develop a Maryland Comprehensive Primary Care Model

**ACTION:**  
Maryland, equipped with experience and expertise in primary care transformation, now proposes its own version of a Comprehensive Primary Care Model. This foundational payment and delivery system reform is designed to be interoperable with every accountability structure.

##### Strategy 8: Develop Initiatives Focused on Post-Acute and Long-Term Care

**ACTION:**  
Seek the expertise of its long-term care and post-acute providers to develop new ways of addressing the increasing needs of an aging population and individuals with of complex needs.

##### Strategy 9: Explore Initiatives to Include Additional Physicians and Providers and Services in Care Transformation

**ACTION:**  
Engage diverse specialty practices and other community providers in developing additional approaches for meeting All-Payer Model goals.

##### Strategy 10: Improve the Financing and Organization of the Behavioral Health Delivery System

**ACTION:**  
Continue to develop plans to improve the financing and organization of the behavioral health delivery system, particularly in the community setting.

##### Strategy 11: Promote Investments in Innovation, Technology and Education

**ACTION:**  
Foster investments in innovation, technology and education.

#### Theme Four

#### Ensure Availability of Tools to Support All Types of Providers in Achieving Transformation Goals

##### Strategy 12: Enable and Support the Health Care Community to Appropriately Share Data in order to Improve Care

**ACTION:**  
CRISP will continue to build out capabilities and engage providers.

#### Theme Five

#### Devote Resources to Increasing Consumer Engagement

##### Strategy 13: Transform the Health Care Delivery System with Consumer-Driven and Person-Centered Approaches

**ACTION:**  
Provide a visible and ongoing role for consumers in the: (1) design and implementation of person-centered policies and procedures at all levels for both providers and health plans; and (2) evaluation of the Model as a whole, and its individual strategies, as it is implemented.

##### Strategy 14: Engage, Educate, and Activate Patients, Providers, and All Stakeholders

**ACTION:**  
Develop a cohesive, comprehensive, and well-coordinated communication plan to support the implementation of the Progression Plan.

**ACTION:**  
Provide consumers with information that they can use for a personal plan for their health and well-being and also to provide them with an understanding of the health care delivery system.