2021 SESSION UPDATE

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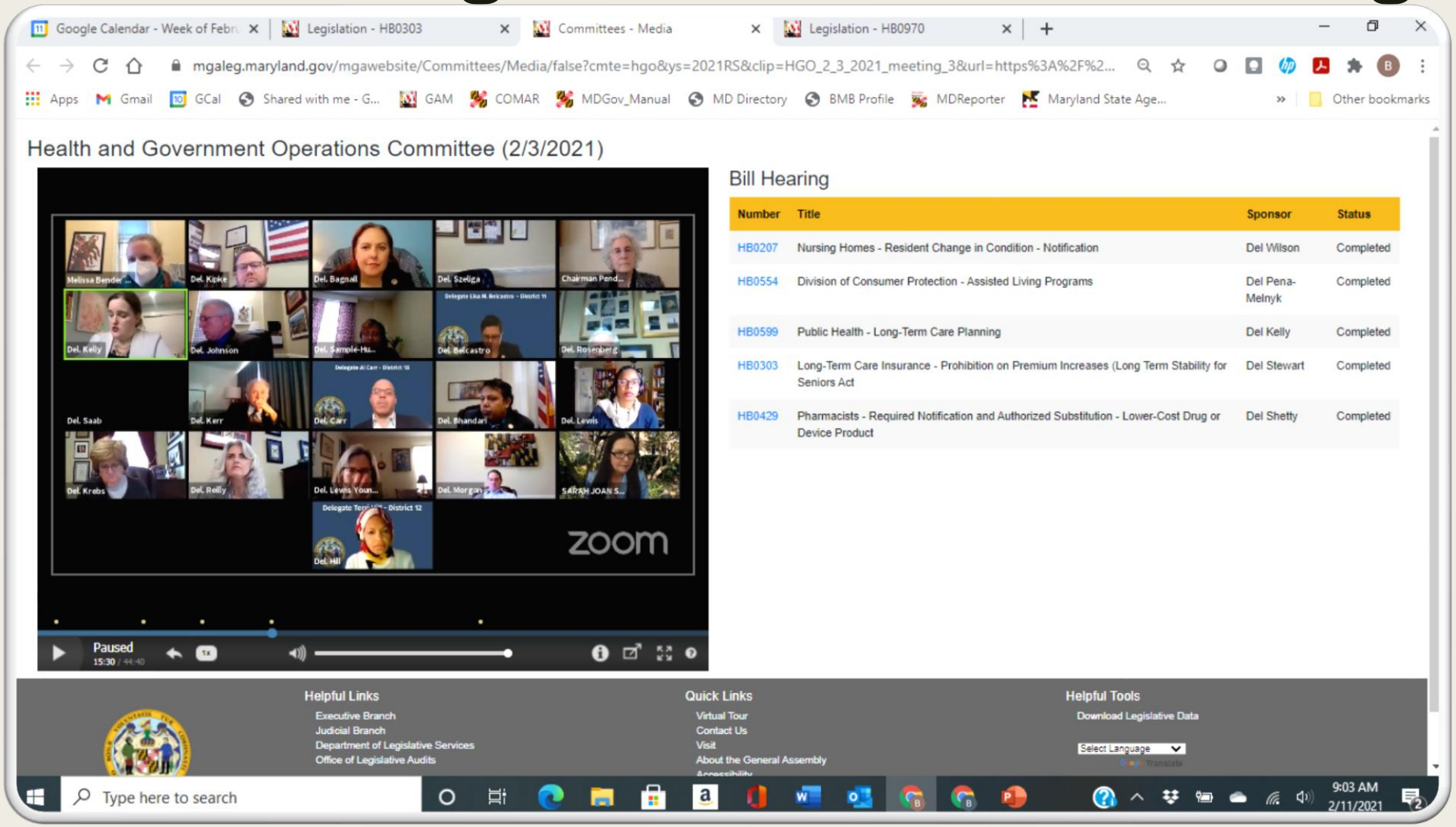
The 2021 Session
A New Landscape

Testimony – New Rules for 2021

- The House and Senate Implemented a number of new rules regarding testimony during the 2021 Session.
- All testimony must be submitted online via MyMGA, paper copies of testimony are no longer accepted.
- All testimony must be submitted between 8:00am – 3:00pm 2 business days in advance of the scheduled hearing.
- The House is limiting oral testimony to 5 proponents and 5 opponents.
- The Senate is limiting oral testimony to 4 proponents and 4 opponents.

The 2021 Session
Virtual Hearings and Committee Meetings



The Reality of Virtual Hearings

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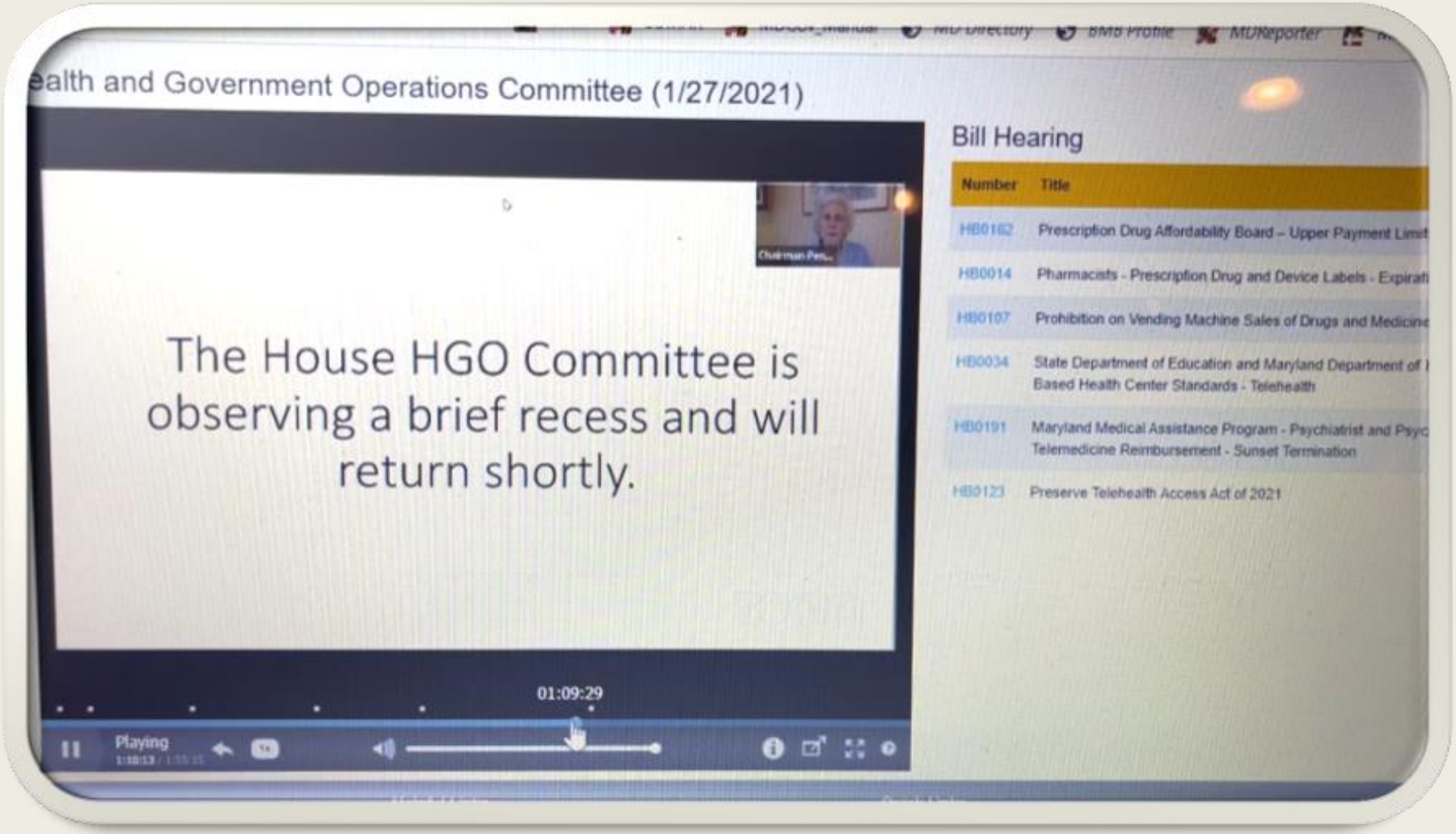

General Assembly Priorities Entering the 2021 Session

- Focused – Be prepared to get and get out
- COVID-19 Relief
- State Operating Budget – Fiscal outlook for FY22 and Beyond
- Education Funding – Kirwan Commission
- Social Justice and Police Reform
- Health Equity and Eliminating Disparities
- Telehealth and Access to Care

Governor's **MARYLAND RELIEF ACT Senate Bill 496**

- The RELIEF Act of 2021 is an emergency economic impact and tax relief package that will provide more than $1 billion for Maryland working families, small businesses, and those who have lost their jobs as a result of the COVID-19 pandemic.

- On February 12, the Maryland General Assembly passed the RELIEF Act and on February 15, 2021, Governor Larry Hogan signed it into law.

- The RELIEF Act includes direct economic impact payments for low to moderate income Maryland taxpayers who filed for and received the Earned Income Tax Credit (EITC) on their 2019 Maryland State Tax Return. These economic impact payments will be issued by the Maryland Comptroller to all qualified taxpayers. No application is necessary to receive this relief.

Governor's **MARYLAND RELIEF ACT**

https://www.marylandtaxes.gov/reliefact/

- **Support for Small Businesses**

- Small businesses that collect less than $6,000 in sales tax per month can keep up to $3,000 for March, April, May. (Businesses should claim this benefit on their quarterly filings with the Comptroller.)
- Small businesses with 50 or fewer employees are eligible to postpone unemployment tax payments for 2021 until January 2022
- Small businesses which participated in state loan or grant programs do not have to pay taxes on that money
- Minority and Small Business Loans: up to $50,000 from the Equity Participation Programs loans become grants to support these important businesses

- **Other Support**
  The RELIEF Act provides other important financial assistance for programs that need our help to ensure we are taking care of our most vulnerable residents and preparing for a speedy economic recovery. These additional payments include:

- $150 million for school reopening and support
- $85 million for utility relief through the Office of Home Energy Programs
- $22 million for disability assistance
- $18 million for housing programs and legal assistance

State Budget Outlook
End of FY21 and FY22

- The Governor's spending plan leaves a closing balance of $265.3 million at the end of fiscal 2021 and $193.3 million at the end of fiscal 2022. The Rainy Day Fund ends fiscal 2022 with a balance of $991 million (5.0% of general fund revenues). Combined cash balances at the close of fiscal 2022 of $1.2 billion represent about 6.0% of general fund revenues.

- Overall spending declines in fiscal 2022 as temporary federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding is exhausted and federal Supplemental Nutrition Assistance Program (SNAP) expenditures decline as the economy recovers and benefit enhancements expire.

Legislation Acted on by MAND

- So far during the 2021 Session MAND has focused its attention issues that will seek to improve access to care and strengthen your voice in the public health sphere.

- This include bills that address
  - *Health Equity and Disparities*
  - *Telehealth*
  - *Scope of Practice*
  - *Food Security and Access to Healthy Food*

Social Equity and Health Disparities

- Senate Bill 5/ House Bill 28 – Implicit Bias Training
  - *This bill requires applicants for the renewal of a license or certificate issued by a health occupations board to attest to completion of an approved implicit bias training program the first time they renew their license or certificate after October 1, 2021.*

- Senate Bill 52/House Bill 78 – Maryland Commission on Health Equity – Support with Amendment
  - *This bill establishes the Maryland Commission on Health Equity to (1) employ a "health equity framework" in specified examinations; (2) provide advice on issues of racial, ethnic, cultural, or socioeconomic health disparities; (3) facilitate coordination of expertise and experience in developing a comprehensive health equity plan addressing the social determinants of health; and (4) set goals for health equity and prepare a plan for the State to achieve health equity in alignment with other statewide planning activities.*

- Senate Bill 172/House Bill 463 – Maryland Health Equity Act – Support with Amendments
  - *This bill establishes a process for designation of "Health Equity Resource Communities" (HERCs) to target State resources to specific areas of the State to reduce health disparities, improve health outcomes and access to primary care, promote prevention services, and reduce health care costs and hospital admissions and readmissions.*

Telehealth

- **Senate Bill 3/House Bill 123 – Preserve Telehealth Act of 2021**
  - *This bill requires Medicaid to (1) provide health care services appropriately delivered through "telehealth" to program recipients regardless of their location at the time telehealth services are provided and (2) allow a "distant site provider" to provide health care services to a recipient from any location at which the services may be appropriately delivered through telehealth. The bill expands the definitions of "telehealth" for both Medicaid and private insurance. Insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) must reimburse for a covered service appropriately provided through telehealth on the same basis and at the same rate as if delivered in person. A carrier may not impose as a condition of reimbursement for a telehealth service that the service be provided by a provider designated by the carrier.*

Scope of Practice

- **House Bill 219 – Naturopathic Doctors – Formulary Council Membership, Formulary Content, and Scope of Practice**
  - *This bill expands the types of prescription drugs and devices that must be included on the formulary for naturopathic doctors to include any other prescription drugs and devices recommended by the Naturopathic Doctors Formulary Council and approved by the State Board of Physicians (MBP). The bill expands what a licensed naturopath is authorized to do to include (1) prescribing, dispensing, and administering prescription drugs listed in the formulary and **specified medical foods** by the most appropriate route of administration as recommended by the council and approved by MBP and (2) dispensing, ordering, or administering natural medicines, dietary supplements, and nonprescription drugs that use any route of administration as recommended by the council and approved by MBP.*

Food Security and Access

- House Bill 831/Senate Bill 723 – Maryland Food System Resiliency Council
  - *This emergency bill establishes the Maryland Food System Resiliency Council. The council must meet regularly for a period of at least two years to address food insecurity in the State. The bill establishes provisions governing the membership, procedures, and duties of the council and establishes related requirements for the Director of the Maryland Emergency Management Agency (MEMA). Council members may not receive compensation but are entitled to reimbursement for expenses. MEMA and the University of Maryland College of Agriculture and Natural Resources (UMCANR) must provide staff for the council, as deemed necessary by the council's co-chairs.*
- Senate Bill 365 – Neighborhood Business Development Program – Food Desert Project
  - *This bill (1) expands the purposes of the Neighborhood Business Development Program within the Department of Housing and Community Development (DHCD) to include retaining (in addition to creating) small businesses that provide access to healthy food in designated "food deserts"; (2) raises the cap on loans available under the program from $50,000 to $100,000; and (3) specifies that loans can be used to cover operating expenses incurred in providing access to healthy food in food deserts. It also requires DHCD to forgive a loan issued for operating costs after five years if the loan recipient maintains continuous operations at the same location during that time.*

Value- Based Care

- House Bill 1021/Senate Bill 758 - **Health Insurance - Incentive Arrangements – Authorization**
  - Authorizing certain bonus or incentive-based compensation to include a certain two-sided incentive arrangement;
  - authorizing a certain carrier to recoup funds paid to an eligible provider under a two-sided incentive arrangement that meets certain requirements and criteria;
  - providing that a certain primary care provider is not engaged in certain acts of an insurance business if certain requirements are met solely because the primary care provider enters into a certain contract that includes certain capitated payments…

Health Care Delivery Reform and Innovation in Maryland.

Health Care Delivery Reform in Maryland is driven by the Health Services Cost Review Commission and the Total Cost of Care Agreement between the State of Maryland and CMS-CMMI.

Total Cost of Care (TCOC) Model:

CMS approved a new 10-year model for Maryland:

- Began January 1, 2019
- Builds on the All-Payer Model
- Moves beyond hospitals to further improve health outcomes of individuals and the population, and to slow the growth of per capita healthcare spending
- Uses State flexibility to promote private-sector efforts
- By end of 2023, reach $300 million in annual savings to Medicare Parts A and B, including non-claims-based payments, through slower TCOC spending growth per beneficiary

Reflections on Phase 2 TCOC so far:

- Hospitals are meeting Medicare savings requirements, but it has been achieved through:
  - ✓ *Moving volumes outside the hospital and regulated settings*
  - ✓ *Employing physicians, providers and practice groups*
  - ✓ *Boosting revenues in unregulated settings*

- We are working to create opportunities for provider led innovations

- We are working to get more clearly delineated goals and designs for what "new" and "next" phases of the Total Cost of Care System will be.

Care Redesign Programs - Background:

- In 2017 the HSCRC finalized with CMS an amendment to the waiver establishing a Care Redesign Program (CRP) for hospitals and their "connected care partners".
- The CRP provides a framework to allow for the creation of specific programs to allow hospitals and their care partners to collaborate in new ways and allow for shared savings.
- **These are all Hospital-Anchored programs.**
- In programs where shared savings and incentive payments are allowed, it is at the discretion of the hospital whether that may occur.

Care Redesign Programs

1. HCIP – Hospital Care Improvement Program

"The HCIP will be implemented by Participant Hospitals and hospital-based providers. The HCIP aims to:

- Improve inpatient medical and surgical care delivery
- Provide effective transitions of care
- Ensure an effective delivery of care during acute care events, beyond hospital walls
- Encourage the effective management of inpatient resources
- Reduced potentially avoidable utilization with a byproduct of reduced cost per acute care event

Examples of categories of care redesign interventions in the HCIP include: care coordination, discharge planning, clinical care, patient safety, patient and caregiver experience, population health, and efficiency and cost reduction. Care Partners who choose to participate may receive incentive payments based on reducing internal costs through a reduction in unnecessary utilization and resources, efficient practice patterns, and improved quality."

Care Redesign Programs (cont'd)

2. Episode Care Improvement Program (ECIP)

- The Episode Care Improvement Program (ECIP) is designed to allow a hospital to link payments across providers during an episode of care. Maryland modeled ECIP on CMS's Bundled Payments for Care Improvement Program Advanced.
- Episode payment models bundle payments to health care providers for certain items and services furnished during an episode of care. ECIP's bundled payment approach aligns incentives across hospitals, physicians, and post-acute care facilities to generate savings and improve quality through better care management during episodes, eliminating unnecessary care, and reducing post-discharge emergency department visits and hospital readmissions. ECIP provides hospitals with the opportunity to provide incentive payments to care partners that help achieve these goals.

ECIP intervention categories include: clinical care and care redesign; beneficiary and caregiver engagement; and care coordination and care transitions.

Care Redesign Programs (cont'd)

3. Care Transformation Initiatives (CTI) –

A Care Transformation Initiative (CTI) is any initiative undertaken by a hospital or group of hospitals to reduce the total cost of care (TCOC) of a defined population.

- Currently, this only includes the Medicare fee-for-service population. HSCRC Staff will include other payers as data becomes available
- Initiatives that cannot identify specific beneficiaries who are the target of the initiative will be classified as "population health" investments
- HSCRC is inviting hospitals to submit their CTIs so that Staff can assess their impact on TCOC and return those savings to the hospital

HSCRC Rationale for CTI:

- Hospitals should capture the returns from the interventions that they perform
- Under currently policy, a hospital does not capture non-hospital savings they produce and the savings from avoided hospitalizations are diffuse across many hospitals
- The CTI reconciliation payments will ensure that the hospital which produces the savings receives the rewards from those savings
- Hospitals individual level of effort is not well understood by the Commission or Staff
- The CTI process will create an inventory of each hospital's level of effort and success at reducing TCOC
- Understanding the savings produced through CTI has been a consideration in setting the Update Factor
- Staff is concerned about "free riders" that have not invested in care transformation but benefit from other hospital's success
- The level of effort has implications for revenue distribution (e.g. retained revenue)

Future Models:

Episode Quality Improvement Program (EQuIP) – *Coming in 2022*

A Care Redesign Program which would allow providers to develop care delivery programs without being "anchored" to a hospital, needs to be developed. This will require CMS approval and take approximately 18 months.

Overview:

- Maryland is developing a non-hospital convened episode-based payment program
- The State of Maryland will administer the program
- Program will be developed to have multiple tracks, each with specialty or clinical care specific grouped episodes
- Participants must accept downside-risk
- Examples of CMMI programs Maryland is considering for adaptation:
  - ✓ Bundled Payments for Care Improvement Advanced (BPCI-A)
  - ✓ Oncology Care Model (OCM)
  - ✓ Comprehensive ESRD Care (CEC) Model

Conveners will aggregate risk across engaged providers/episode initiators:

- Must take downside risk; risk pooling options available
- Could be responsible for some administrative costs after a year or two
- Targeted start date of January 2022
- At the outset: Physician Group Practices (PGPs) could partner with or be a convener
- Would begin with 3 episodes triggered in Hospital Outpatient Department (HOPD)mirroring BPCI Advanced
- Provider-led reform: Working with SIG and provider groups to determine what additional track and episodes may be added
- Risk levels may be adjusted for providers who control larger/smaller portions of TCOC for the selected populations

What's Next

- The State and federal government continue to maintain and operate under a State of Emergency status.
  - *Unclear how long designations will remain in effect.*
- Legislative Session is on track to go the full 90 days, barring any new developments with the COVID pandemic.
- All eyes on the President and Congress for any additional Federal relief to individuals and State and local governments.

Opportunities for MAND

- In your outreach and meetings to your legislators and all elected officials take the opportunity to share with them:
  - *Who you are*
  - *What you do as a dietician and nutritionist*
  - *How the COVID pandemic has brought to the fore the importance and value of the services you provide.*
- Offer to be an ongoing resource to them on all matters that pertain to the work you do.
- Legislators rely on the input and information they learn from their constituents to inform their policy positions and understanding on health care matters.

QUESTIONS & DISCUSSION