



Priority Order and Timeline of State Health Plan Chapter Review and Revision

**Maryland Health Care Commission
February 20, 2020**

Current Statutory Guidance on the SHP (Health-General § 19-118)

- Consistency with All Payor Model Contract
- Include methodologies, standards, and criteria for CON review
- Prioritize conversion of “acute capacity” to alternative uses
- Annually (or upon petition):
 - Assess each Chapter
 - Determine chapters needing review and revision
 - **Establish priorities and timelines for review and revision of chapters**
 - Publish changes considered necessary
- Ensure broad public input – public hearings and local health plans
- Address availability, accessibility, cost, and quality of care
- Review and revise periodically to reflect new developments in planning, delivery, and technology
- Recognize, but do not apply, develop, or duplicate standards or requirements related to quality which have been adopted and enforced by national or State licensing or accrediting authorities

Modernizing CON Regulation – December 2018 Report

- ❑ Limitation on the number of standards – Requires focus on key factors that should guide an up or down decision on a capital project
- ❑ Simplification of standards – Requires clarity and measurability
- ❑ Criteria – for use in standards development and, more generally, in project review
 - Need for the project
 - Viability of the project
 - Impact of the project on costs/charges and on access to care
 - Applicant qualifications

Current State of the State Health Plan

Old and Significantly Outdated

COMAR 10.24.07: Psychiatric Hospital Services (1997) (*Currently under revision*)

COMAR 10.24.12: Inpatient Obstetrical Services (2002)

COMAR 10.24.14: Alcoholism and Drug Abuse Intermediate Care Facility Treatment Services (2002/2013)

Old But Not Largely Outdated

COMAR 10.24.18: Neonatal Intensive Care Services (1998/2006)

COMAR 10.24.10: General Hospital Services (2009)

Updated in Last Ten Years

COMAR 10.24.09: Rehabilitation Hospital Services (2013)

COMAR 10.24.13: General Hospice Services (2013)

Updated in Last Five Years

COMAR 10.24.16: Home Health Agency Services (2016)

COMAR 10.24.15: Organ Transplant Services (2017)

COMAR 10.24.11: General Surgical Services (2018)

COMAR 10.24.17: Cardiac Surgery and Percutaneous Coronary Intervention Services (2019)

COMAR 10.24.20: Comprehensive Care Facility (Nursing Home) Services (2019)

Newly Established in Last Five Years

COMAR 10.24.19: Freestanding Medical Facility Services (2017)

Underdeveloped

COMAR 10.24.07: Residential Treatment Center Services (1997)

COMAR 10.24.08: Chronic Care Hospital Services (2007)

Final Action on CON Applications - Frequency

Since 2011, the primary SHP Chapters guiding the review of CON applications for which final decisions (or application withdrawals) have been made are:

	<u>Projects</u>
56%	
COMAR 10.24.11: General Surgical Services (2018)	16
COMAR 10.24.20: Comprehensive Care Facility (Nursing Home) Services (2019)	15
COMAR 10.24.13: General Hospice Services (2013)	14
30%	
COMAR 10.24.16: Home Health Agency Services (2016)	10
COMAR 10.24.10: General Hospital Services (2009)	7
COMAR 10.24.14: Alcoholism and Drug Abuse ICF Treatment Services (2002/13)	7
14%	
COMAR 10.24.07: Psychiatric Hospital Services (1997)	4
COMAR 10.24.09: Rehabilitation Hospital Services (2013)	3
COMAR 10.24.07: Residential Treatment Center Services (1997)	2
COMAR 10.24.17: Cardiac Surgery and PCI Services (2019)	2

CON Applications In the Pipeline – February 2019

	<u>Projects</u>
COMAR 10.24.15: Organ Transplantation Surgery (2017)	3
COMAR 10.24.10: General Hospital Services (2009)	3
COMAR 10.24.09: Rehabilitation Hospital Services (2013)	2
COMAR 10.24.07: Psychiatric Hospital Services (1997)	1
COMAR 10.24.07: Residential Treatment Center Services (1997)	1
COMAR 10.24.14: Alcoholism and Drug Abuse ICF Treatment Services (2002/13)	1

Active Letters of Intent

COMAR 10.24.11: General Surgical Services (2018)	2
COMAR 10.24.14: Alcoholism and Drug Abuse ICF Treatment Services (2002)	2
COMAR 10.24.12: Inpatient Obstetrical Services (2002)	1

Recommended Priorities for SHP Redevelopment – High Priority

1. COMAR 10.24.07: Psychiatric Hospital Services (1997)

- Work group review underway - oldest SHP regulations - significantly outdated – statute mandates update
- Relatively low frequency use
- A problematic facility category
 - Patients “board” in EDs awaiting admission – exceed needed hospital stay awaiting discharge
 - Questions with respect to availability and accessibility of bed capacity
 - The “blockage” problem appears to be particularly acute for certain types of patients and requires development of unregulated facilities and programs
 - For these reasons, updating the SHP is unlikely to directly address key needed system reforms

Recommended Priorities for SHP Redevelopment – High Priority

2. COMAR 10.24.10: General Hospital Services (2009)

- Old but only moderately outdated
- Medium frequency use
- Important to improve alignment with TCOC payment model
- Focus on
 - Align with TCOC payment model and new HSCRC policies and processes
 - Scale back number of standards
 - Simplify charity care standard, shell space standard, cost and space-related standards

Recommended Priorities for SHP Redevelopment - High Priority

3. COMAR 10.24.14: Alcoholism and Drug Abuse ICF Services (2002/2013)

- Most of plan is old and outdated
- Medium frequency use
- A poor fit for the CON regulatory model – additions of bed capacity by existing facilities deregulated in 2019
- Governor's Opioid Command Center is recommending removing from the scope of CON

4. COMAR 10.24.13: General Hospice Services (2013)

- Seven years old but only implemented in 2017/19 - needs significant streamlining based on recent experience
- Relatively high frequency use
- Key reforms – create opportunities for reducing jurisdictions with a single hospice and simplifying charity care requirements
- A facility identified in the CON Modernization Report as a poor fit for the CON regulatory model – bed additions deregulated in 2019

5. COMAR 10.24.16: Home Health Agency Services (2016)

- Only four years old but in need of significant streamlining based on recent experience
- Medium frequency use
- Scale back charity care requirements and eliminate other standards – look for ways to align with TCOC payment model
- A facility identified in the CON Modernization Report as a poor fit for the CON regulatory model

Recommended Priorities for SHP Redevelopment – Medium Priority

1. COMAR 10.24.11: General Surgical Services (2018)

- Only two years since last update but bypassed by 2019 law changes.
- High frequency use
- Update could be limited to conforming to 2019 changes in scope of CON regulation and review of charity care standard

2. COMAR 10.24.19: Freestanding Medical Facility Services (2017) Medium frequency

- Chapter will be used at least five times for review of hospital conversions by the end of 2020
- Review and revision will be informed by that experience – need to clarify guidance on observation beds

3. COMAR 10.24.09: Rehabilitation Hospital Services (2013)

- Seven years old
- Low frequency use
- Reconsider how we address high variability in use in bed need model - simplify charity care standards

Recommended Priorities for SHP Redevelopment – Low Priority

COMAR 10.24.18: Neonatal Intensive Care Services (1998/2006)

- Old but not largely outdated – MDH perinatal system standards incorporated by reference need to be replaced
- Very low frequency use (no projects in last 10 years)

COMAR 10.24.12: Obstetric Services (2002)

- Very old and moderately outdated
- Very low frequency use – only used in review of one project since establishment in 2002 –one LOI

COMAR 10.24.15: Organ Transplant Services (2017) Low frequency – recent update

COMAR 10.24.17: Cardiac Surgery and PCI Services (2019) Low frequency – recent update

Future COMAR 10.24.08: Chronic Hospital Services (CCF regulations became COMAR 10.24.20 in 2019)

- These regulations are a “rump” section of the former nursing home chapter, COMAR 10.24.08
- Very low frequency use – no basis for projecting policy direction likely to be largely negative with respect to any new development

Recommended Timeline for SHP Redevelopment*

Targeted Completion of Update in early FY 2021

1. COMAR 10.24.07: Psychiatric Hospital Services

Targeted Completion of Update in middle-late FY 2021

2. COMAR 10.24.10: General Hospital Services
3. COMAR 10.24.13: General Hospice Services
4. COMAR 10.24.11: General Surgical Services

Targeted Completion in FY 2022

5. COMAR 10.24.14: Alcoholism and Drug Abuse ICF Services (if not deregulated)
6. COMAR 10.24.16: Home Health Agency Services
7. COMAR 10.24.12: Obstetric Services
8. COMAR 10.24.18: Neonatal Intensive Care Services

**subject to reconsideration based on any statutory reforms implemented*

Recommended Timeline for SHP Redevelopment*

Targeted Completion of Update in FY 2023

9. COMAR 10.24.09: Rehabilitation Hospital Services
10. COMAR 10.24.19: Freestanding Medical Facility Services
11. New chapter: Residential Treatment Center Services
12. COMAR 10.24.08: Chronic Care Hospital Services

No Priority and Timeline for Revision at this Time

- COMAR 10.24.15: Organ Transplantation Services
- COMAR 10.24.17: Cardiac Surgery/PCI Services
- COMAR 10.24.20: CCF (Nursing Home) Services

**subject to reconsideration based on any statutory reforms implemented*

Resources

Insufficient staff resources for acute care service work

- 9 of the 12 prioritized chapters
- Current staff of 2 FTEs in Division with a third staff position in recruitment. Only 1.5 to 2.0 FTEs available to concentrate on SHP, given regulatory process responsibilities in cardiac services created for in recent years.
- Will require contract consultants. Recommend this approach for:
 - COMAR 10.24.10: General Hospital Services
 - COMAR 10.24.14: Alcoholism and Drug Abuse ICF Services (if not deregulated)
 - New chapter: Residential Treatment Center Services

Staff resources for 3 prioritized long-term care services should be sufficient