What’s next for the TCOC Model?
CRISP Summit – 04/19/2022
Total Cost of Care Model
Successes and Challenges under the TCOC Model
April 2022
Maryland’s Unique Healthcare Payment System

Strengths of the Maryland Health Model:

- Slows the growth of health care costs and enables cost containment for all payers
- Funds investments in population health and primary care
- Establishes Maryland as a leader in linking quality and payment
- Provides support for state healthcare infrastructure and subject matter expertise
- Ensures hospital charges correlate with costs
- Guarantees equitable funding of Uncompensated Care
- Creates a stable system for hospitals
- Incentivizes care transformation across all settings of care
Successes under the Maryland Health Model

**Strategies**

**Engaging Non-Hospital Providers**
- Episode Quality Improvement Program (EQIP)
- Care Transformation Initiatives (CTIs)
- Maryland Primary Care Program (MDPCP)

**Investing in Population Health and Health Equity**
- Statewide Integrated Health Improvement Strategy (SIHIS) and Regional Partnership Catalyst Program
- Outcomes-Based Credits

**Results**

**Healthcare spending**
- $2.5 billion+ in Medicare hospital savings (2014 – 2020)
- $1.6 billion+ in Medicare TCOC savings (2014 – 2020)
- 54.4% slower Medicare hospital spending growth than the nation (2014 – June 2021)

**Quality**
- Below than the national Medicare readmission rate (2014 – 2020)
- 50% Reduction in complications (2014 – 2020)
CMMI Priorities: Population Health and Health Equity

CMMI’s 2021 strategy refresh outlined the following vision and five objectives to achieve that vision:

“A health system that achieves equitable outcomes through high quality, affordable, person-centered care.”

“Consider model tests that address issues of specific concern to underserved populations... [and] models that seek to remedy upstream, community-level SDoH.”

“Strengthen data collection and intersectional analyses for populations defined by demographic factors such as race, ethnicity, ...[and] geography...”

Source: “Innovation Center Strategy Refresh” white paper.
The Maryland Total Cost of Care Model State Agreement states:

“Under this Model, CMS and the State will test whether statewide healthcare delivery transformation, in conjunction with Population-Based Payments, improves population health and care outcomes for individuals, while controlling the growth of Medicare Total Cost of Care.”

The agreement includes:

- **An 8-year performance period**
  - Model Year 1 (2019)
  - Model Year 2 (2020)
  - Model Year 3 (2021): CMS releases first evaluation report
  - Model Year 4 (2022): State submits proposal for the Compounded Savings Target
  - Model Year 5 (2023):
    - CMS assesses SIHIS
    - CMS releases second evaluation report
    - CMS clears Compounded Savings Target
  - Model Year 6 (2024):
    - State submits proposal for next Model iteration
    - CMS decides whether to expand the Model

- **A 2-year transition period**
  - Model Year 7 (2025)
  - Model Year 8 (2026)
  - Model Year 9 (2027)
  - Model Year 10 (2028)
TCOC Model: What’s Next?

To show success in the TCOC Model, Maryland must demonstrate progress in the following areas:

- Sustain and improve high quality care under the hospital finance model
- Achieve annual cost saving targets
- Achieve progress on SIHIS targets and demonstrate community impact of the Model
- Demonstrate healthcare transformation