



To: The Honorable Joseline A. Pena-Melnyk, Chair
Health and Government Operations Committee

From: Scott Klein, MD, MHSA
President and CEO, Mt. Washington Pediatric Hospital

Date: March 7, 2024

Re: HB1376: Maryland Medical Assistance Program, Maryland Children's Health Program,
and Health Insurance – Special Pediatric Hospitals

Mt. Washington Pediatric Hospital urges a **FAVORABLE** report on **House Bill 1376:
Maryland Medical Assistance Program, Maryland Children's Health Program, and Health
Insurance – Special Pediatric Hospitals**

Background

Maryland's families depend on the state's pediatric specialty hospitals for the care of children with serious, chronic and/or complex medical conditions. This post-acute care includes state-of-the art, family-centered clinical services and the extensive parent/caregiver training that is often needed for a safe discharge to home or other placement. These specialty hospitals also reduce the need for intensive care and general pediatric beds, providing a lower-cost option once the children no longer need acute care.

For the past 101 years, Mt. Washington Pediatric hospital has been treating children who need post-acute care for complications of premature birth, severe birth defects, multi-system chronic illnesses, and rehabilitation due to accident or injury. Owned jointly by Johns Hopkins Medicine and the University of Maryland Medical System, it is uniquely suited to meet the needs of these children as a bridge between hospital and home. The hospital has an average inpatient daily census of 45, with 75% of inpatients covered by Maryland Medical Assistance. It also provides over 60,000 outpatient visits per year, including rehabilitation therapies, specialty clinics, and much-needed behavioral health services.

Mt. Washington is facing a variety of operational and financial obstacles that can delay needed care and threaten the institutions' financial sustainability. In order to ensure the care needed by this small but vulnerable group of children, we support passage of this bill.

HB 1376 would make three important changes to current regulations:

1. **Provide payment for inpatient days where pediatric inpatient specialty care is no longer deemed “medically necessary,” but no other safe alternative is available.**

Pediatric specialty hospitals are keeping patients for days, weeks and even months after payers have denied coverage, out of concern for children’s safety. These delays occur as families are trained for home care responsibilities; out-of-home placements are sought; surgical or other acute care services are scheduled; or other critical needs are met.

Payers typically paid only a low “administrative day” rate for these extended stays. But at pediatric specialty hospitals, the care provided goes well beyond custodial care, and can include extensive respiratory, rehabilitation, wound care, and other services. These cares could theoretically be provided outside the hospital setting, and therefore this level of care is not deemed “medically necessary.” But without an actual alternative placement, they are in fact medically essential and must be provided by the hospital.

For these reasons, pediatric specialty hospitals should be paid for both the daily nursing and room and board they are providing (at the administrative day rate) and for all medically necessary ancillary services provided.

2. **Remove payers’ requirement for prior authorization before transfer for to a pediatric specialty hospital.** This typically takes several days, delaying the progression of care and exacerbating shortages of staffed beds in acute care institutions. These delays are particularly acute when nurses are in short supply, and/or when pediatric illness is surging in the community.

The requirement forces hospitals to delay admissions, or risk non-payment for the entire inpatient stay, typically averaging 30+ days. And it creates obstacles for moving to lower-cost post-acute care, when a move from a NICU or PICU to a pediatric floor in the same hospital does not require a new authorization.

These prior authorization requirements were temporarily suspended during the Covid surge, speeding transfers from acute care. This suspension resulted in more efficient use of the state’s valuable healthcare resources, moving patients to the right place, at the right time, for the right care. Permanently removing these requirements would further these efficiencies.

3. **Identify a process for pediatric specialty hospitals to appeal Medicaid medical necessity denials.** Currently pediatric specialty hospitals have no right to appeal a denial based on medical necessity, even when they believe that continued hospital care is crucial for a child’s health and safety. While acute care hospitals have a process for these appeals, pediatric specialty hospitals do not. This change would not guarantee success in these appeals; it would only assure that the providers caring for these medically fragile children have an opportunity to present their case.

Mt. Washington Pediatric Hospital and the Care of Medically Fragile Children in Maryland



Mt. Washington
Pediatric Hospital

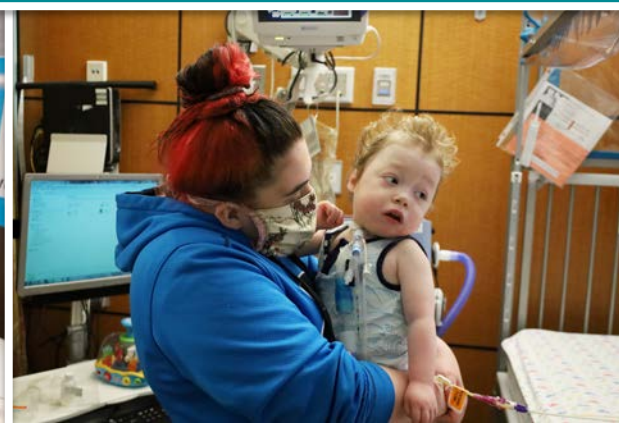
Where Children Go to Heal and Grow

— Est. 1922

An affiliate of University of Maryland Medical System and Johns Hopkins Medicine

Our Mission

Mt. Washington Pediatric Hospital is dedicated to maximizing the health and independence of the children we serve.



Vision

Mt. Washington Pediatric Hospital will be a premier leader in providing specialty health care for children. We will be distinguished by our:

- Quality of Care
- Service Excellence
- Innovation
- Multi-Disciplinary Approach
- Family Focus
- Outstanding Workforce

Specialty Inpatient Populations

- Typical inpatients include three major categories:
 - **Neonatal**: former premature infants transferred from NICUs
 - **Pediatric Chronic Care**: multi-system medical challenges from PICU or Cardiac intensive care
 - **Rehabilitation**: Post-trauma; burn or wound care; complex rehabilitation and/or orthopedic management



MWPH is Jointly Owned by JHM and UMMS



Johns
Hopkins
Medicine

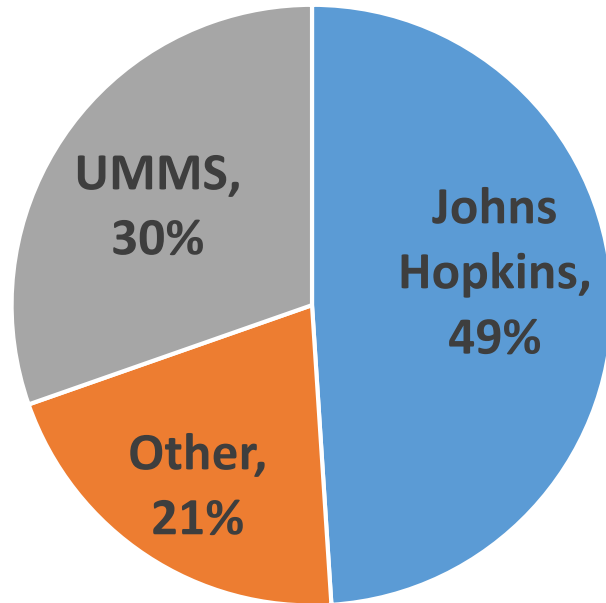
University
of
Maryland
Medical
System

MWPH and Maryland's Children

- Acute care hospitals and patient families depend on MWPH for:
 - State-of-the-art, family-centered care
 - Post-acute beds that reduce demand for acute NICU, PICU and general pediatric beds
 - Comprehensive discharge planning
 - Therapies that advance children's medical progress
 - Caregiver training as the final step towards a successful transition to home



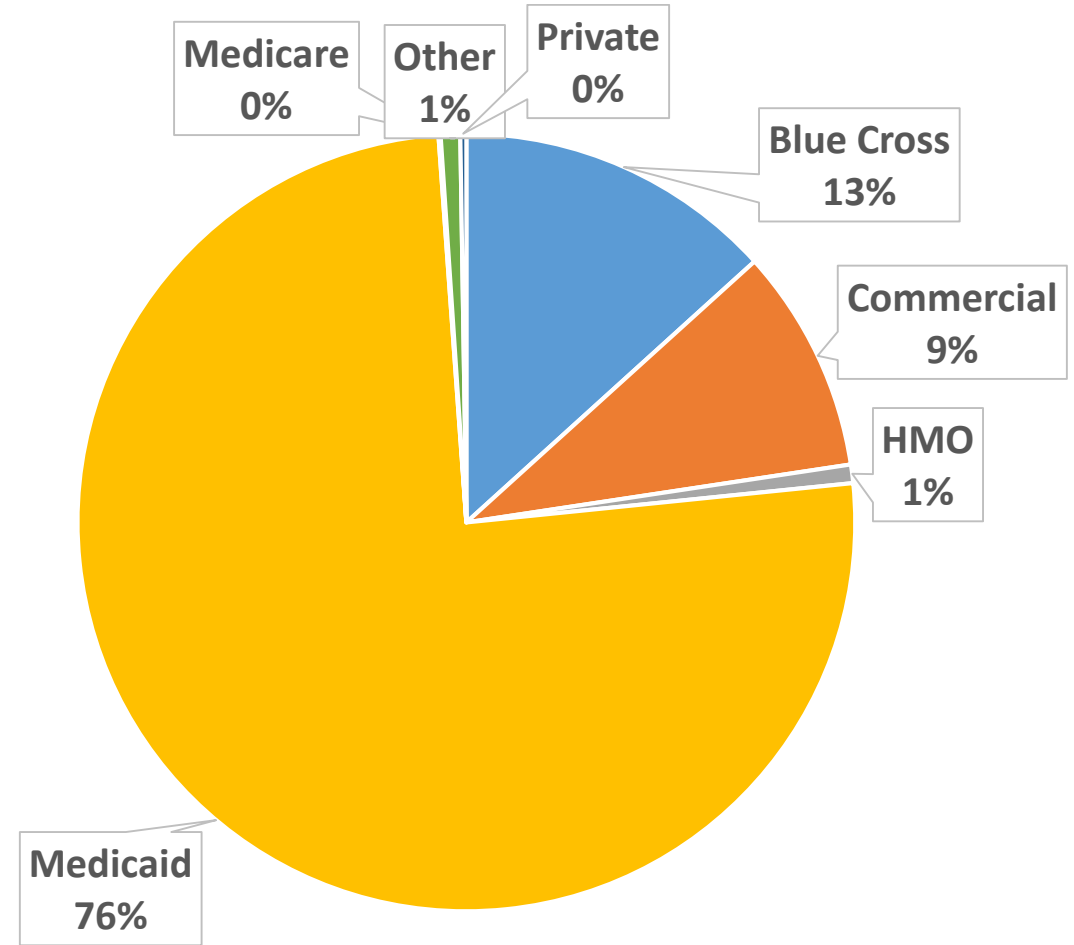
Inpatient Referral Sources



Inpatient Volumes

Average Daily Census: 45
Inpatient Admissions: 425
Average Length of Stay: 30 days

Inpatient Payer Mix



HB1376



- 1. Removes MCO payer authorization requirements/delays**
- 2. Provides payment for days not medically necessary, but no safe discharge or placement**
- 3. Allows appeal process for Medicaid medical necessity determinations**

Thank you

