

February 15, 2024

The Honorable Pamela Beidle
Chair, Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen St., Annapolis, MD 21401

RE: Senate Bill 332 - Hospitals and Urgent Care Centers - Sepsis Protocol (Lochlin's Law) – Letter of Information

Dear Chair Beidle and Committee Members:

The Health Services Cost Review Commission (HSCRC) submits this letter of information for Senate Bill 332 titled, "Hospitals and Urgent Care Centers - Sepsis Protocol (Lochlin's Law)." HSCRC incentivizes improved treatment of sepsis through hospital pay-for-performance programs and the sepsis bundled payment in the voluntary Episode Quality Improvement Program (EQIP) for specialty physicians. These programs complement SB 332's focus on sepsis prevention.

Maryland hospitals perform well on a key national measure of sepsis treatment. According to CMS, among the 52 States and Territories that reported data to CMS in CY2022, Maryland was ranked 9th from the top. This performance is likely attributable, at least in part, to HSCRC's hospital quality pay-for-performance program, which holds hospitals accountable for their performance on quality measures related to sepsis. This program financially penalizes or rewards hospitals based on their performance compared to other Maryland hospitals and the nation. The resulting payment adjustments to hospital global budgets on revenue (GBRs) are applied on an all-payer basis. The sepsis-related measures used by HSCRC are described below.

- **Hospital acquired sepsis:** HSCRC uses two measures of hospital-acquired sepsis that are included in payment programs. These measures incentivize hospital processes that minimize the chance that a patient admitted to the hospital will develop sepsis during their admission.
- **Hospital readmissions and mortality:** HSCRC uses all-payer, all-condition readmission and mortality measures in our payment programs. This means that hospital readmissions and deaths due to sepsis are included in the measures. In comparison, the federal Centers for Medicare and Medicaid Services (CMS) hospital payment programs use measures of readmissions or mortality for only a limited number of specific conditions such as heart attack, stroke, and chronic obstructive pulmonary disease (COPD) and the CMS measures are applicable to Medicare patients only.

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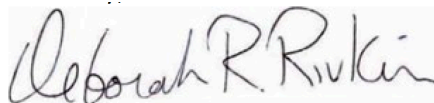
Claudine Williams
Director
Healthcare Data Management & Integrity

In addition, the most recent Quality-Based Reimbursement policy approved by HSCRC includes approval for HSCRC staff to develop and implement a Sepsis dashboard for monitoring of statewide and hospital-specific sepsis measures (including measures that are not included in the current hospital quality pay-for-performance program). The HSCRC plans to develop this dashboard over the coming year.

Additionally, the Episode Quality Improvement Program (EQIP) allows specialty physicians to choose to participate in a payment incentive program based on their treatment of episodes of sepsis experienced by patients.

The HSCRC remains committed to using payment incentives to improve outcomes for patients that develop sepsis. SB 332's focus on sepsis prevention complements these efforts to improve outcomes for patients. If you have any questions or if I may provide you with any further information, please do not hesitate to contact me at 410-991-7422 or deborah.rivkin@maryland.gov, or Jon Kromm, Executive Director, at jon.kromm@maryland.gov.

Sincerely,

A handwritten signature in black ink that reads "Deborah R. Rivkin". The signature is written in a cursive style and is positioned above the typed name and title.

Deborah Rivkin
Director, Government Affairs