Beth Israel Deaconess
CARE ORGANIZATION

Affiliated with
Beth Israel Deaconess Medical Center
HARVARD MEDICAL SCHOOL TEACHING HOSPITAL

March 15, 2017

Mr. David M. Seltz
Executive Director
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

**RE: Proposed Regulation: 958 CMR 10.00 – Performance Improvement Plans**

Dear Mr. Seltz:

Thank you for the opportunity to respond to the Health Policy Commission's (HPC) proposed regulation 958 CMR 10.00 – Performance Improvement Plans (PIPs). Beth Israel Deaconess Care Organization (BIDCO) is a premier, independent Accountable Care Organization (ACO) focused on building communities of care with a network of diverse and highly skilled physicians and hospitals. Our mission is to move health care forward by engaging providers in their communities to achieve success in a value-based delivery system. We are committed to creating innovative, industry leading best practices in the clinical, administrative and financial aspects of health care.

BIDCO appreciates the approach used by the HPC in creating the proposed regulations governing the PIP process. There are several proposals BIDCO commends the HPC for incorporating into the proposed regulation. Specifically, BIDCO supports the opportunity to provide additional information during the notice identification stage, as set forth in section 958 CMR 10.03(2), because it affords entities an opportunity to address information that may be reflected in the list the Center for Health Information and Analysis (CHIA) sends to the Health Policy Commission. Additionally, we support a similar provision that allows an entity to provide information upon request to the HPC so that it may be reviewed prior to determining whether a PIP will be required (958 CMR 10.04(3)). The ability to provide supplemental information throughout the PIP process mitigates any perceived concerns regarding an entity's cost.

Furthermore, BIDCO recognizes the flexibility granted in section 958 CMR 10.04(1) which allows the HPC to require a PIP if it identifies "*significant concerns*" regarding an entity's cost after reviewing a set of factors further articulated in the proposed rule. However, BIDCO recommends the HPC consider more clearly specifying the threshold that triggers "*significant concerns*". As with the Cost and Market Impact Review (CMIR), the HPC cites evidence regarding its rationale to recommend initiating a review. However, to ensure that a threshold level for the PIP is clearly articulated and differentiated from the CMIR threshold, BIDCO suggests establishing some type of threshold, whether it is numerical or quantitative to provide greater clarity and consistency when initiating such reviews. We recognize the HPC should have

One University Avenue, North Entrance
Westwood, MA 02090

(617) 754-1000 Phone
(617) 754-1040 Fax
www.bidco.org

some latitude and should determine when a PIP or CMIR may be appropriate; but as a regulated party, BIDCO argues there is benefit to establishing brighter-lined rules.

BIDCO also encourages the HPC to take into consideration the potential regulatory environment that will be in effect when the PIP regulations are promulgated. Entities may be expected to adjust to changes in the market due to state health care policy reforms, such as potential rate growth caps or other reforms that may be implemented based on the Provider Price Variation Commission's report. As a result, such reforms may be beneficial to addressing price variation in the health care marketplace, but could result in an entity being designated as a "CHIA-identified entity." BIDCO respectfully requests that the HPC take into consideration such potential positive impacts of these policies or regulations when determining whether to require a PIP.

Additionally, BIDCO appreciates that notices will be sent to an entity if an extension to file a PIP is denied. However, we suggest that the Executive Director or Board include a reason as to why an extension has been denied, per section 958 CMR 10.08(7). This notification will help to ensure transparency in the Commission's decision-making process. The final recommendation is that entities are notified when a proposed PIP is determined unacceptable or incomplete using the same process identified in section 958 CMR 10.05(4). PIP notices that are deemed unacceptable or incomplete should be sent electronically and in hard copy to an officer of the PIP Entity.

Thank you for giving us the opportunity to provide comments. If you have any questions, please do not hesitate to contact Cecilia Ugarte Baldwin, Director of Public Payer Programs and Policy, at 617-754-1098.

Sincerely,

Jeffrey R. Hulburt
President & Chief Executive Officer