MINUTES OF THE CARE DELIVERY AND PAYMENT SYSTEM REFORM COMMITTEE

Meeting of January 30, 2013

MASSACHUSETTS HEALTH POLICY COMMISSION

THE CARE DELIVERY AND PAYMENT SYSTEM REFORM COMMITTEE OF THE MASSACHUSETTS HEALTH POLICY COMMISSION
Center for Health Information and Analysis
2 Boylston Street, 5th Floor
Boston, MA 02116

Docket: Wednesday, January 30, 2013, 9:00 AM – 10:30 AM

PROCEEDINGS

The first meeting of the Massachusetts Health Policy Commission's Care Delivery and Payment System Reform Committee was held on Wednesday, January 30, 2013 at the Center for Health Information and Analysis located at 2 Boylston Street, 5th Floor, Boston, MA.

Members present were Dr. Carole Allen (via phone), Dr. David Cutler, Ms. Marylou Sudders, and Ms. Jean Yang.

Member absent was Mr. John Polanowicz, Secretary, Executive Office of Health and Human Services.

Dr. Wendy Everett, Vice Chair, Health Policy Commission, was also present.

Ms. Sudders called the meeting to order at 9:00 AM. Each commissioners introduced his or herself, as did Executive Director David Seltz.

ITEM 1: Election of Chair

Ms. Sudders made the motion to nominate Dr. Allen as committee chair. After consideration, upon motion made and duly seconded, it was voted unanimously to approve the nomination.

Ms. Sudders agreed to facilitate the meeting while Chair Allen participated via phone.

ITEM 2: Review of Committee Responsibilities

Mr. Seltz provided an overview of Chapter 224 of the Acts of 2012 by stating that the general goal of the legislation is to promote the payment delivery system transition from fee-for-service to alternative payment methodologies. Another principle of the legislation relates to changing the care delivery system to promote patient centeredness.

<u>Provider Organizations and Risk Based Provider Organizations</u>

Mr. Seltz stated that on the issue of Risk Based Provider Organizations ("RBPOs"), HPC staff will coordinate with the Division of Insurance ("DOI") in developing RBPO rules. The law requires that any Provider Organization ("PO") which takes downside risk must be certified by DOI as having the necessary resources to manage that risk. The HPC will be responsible for the registration of POs. However, he stated that not all POs will need a risk certificate from DOI. The PO registration will last for two years. HPC will request information for the purpose of registration.

Ms. Yang asked about the definition of a PO and whether it would be based on shared assets or shared contractual relationship with a payer. Mr. Seltz responded by saying that the definition is currently broad and that the staff would seek information from the organizations. Ms. Yang stressed that this registration process is important because we, collectively, want to know more about these organizations and better understand how they operate. Mr. Seltz agreed and stated that the reason for this law is to start gathering information on these types of organizations.

Dr. Cutler discussed the notion of reducing duplication of government requests and suggested the Committee emphasize the creation of Patient Centered Medical Homes ("PCMHs") and Accountable Care Organizations ("ACOs"), and advance alternative payment methodologies. Chair Allen and Dr. Everett seconded Dr. Cutler's suggestions.

Mr. Seltz noted that DOI has already received information regarding RBPOs and the HPC can learn from their experience and share in their information. He added that the biggest challenge is that definitions need to be clearly and carefully constructed.

Patent Center Medial Homes and Accountable Care Organizations

Mr. Seltz began a conversation about PCMHs and ACOs. Specifically, he informed the Committee that the development of PCMHs and its regulations must be completed by January 1, 2014. The regulations must start with NCQA and other national models as the baseline, but it is not necessary to follow those standards. He added that in addition to the national models, the HPC must consult with stakeholders working on national models and that Chapter 224 envisions the creation of behavioral health homes.

Mr. Seltz then stated that Chapter 224 gives the HPC broad discretion to promulgate ACO guidelines. Specifically, the standards include the goals of reducing growth, improving quality, ensuring patient access, promoting APMs, increasing primary care access, helping vulnerable populations, integrating behavioral health, and promoting patient centeredness. He further clarified that HPC may add any of these goals to the ACO registrations, but there is no time period required to promulgate those regulations.

Ms. Sudders discussed the creation of the Behavioral Health Task Force under Chapter 224. Chair Allen noted that the HPC should always keep the "triple aim" in mind.

Dr. Cutler and Mr. Seltz discussed setting up internal tracking timelines. Mr. Seltz stated that certain items have legislative timelines already built in; for example, PO registration

must move quickly because DOI has been moving quickly with its certification of RBPOs. He stated that the registration process is important because it will provide baseline data for the mandated HPC reports and may have bearing on whether any proposed merger or acquisition in the health care market affects cost.

Ms. Sudders invited stakeholders to provide comments or definitions for any given topic to add to the discussion.

Mr. Seltz highlighted a competitive grant program the HPC will be administering. He conceded that the HPC must first wait for the issuance of a gambling license and that one license would net the HPC at much as $20 million. He noted these grant programs would be similar to those offered by the CMS Innovation Center.

ITEM 3: Agenda for next Committee meeting

Dr. Cutler reiterated the need for a timeline of events and decisions to be made by the Committee. Ms. Yang concurred.

ITEM 4: Public Comment

Ms. Sudders opened the meeting to public comment.

Pat Gray, a health consumer and advocate, who encouraged the HPC to work with DOI in the solicitation of information from providers. She stated that multiple contractual relationships sometimes have a detrimental effect on consumers.

Eric Linzer, of the Massachusetts Association for Health Plans, said the HPC should think about working with folks from CHIA in obtaining information. He highlighted a speech by the Attorney General last week before the Chamber of Commerce.

Kathy Keough, of Atrius Health, suggested the HPC should ask for written comments about how to develop PCMHs and ACOs in advance of the listening sessions.

Joe Alviani, of Partners Health Care, urged the HPC to appoint principals to the HPC Advisory Council rather than appointing persons from industry trade groups.

Gloria Craven, representing Fresenius Health Care and the Massachusetts Coalition of Nurse Practitioners, stated that health resource planning is important; and the community needs to know the ability for people to have access.

Kathy Keough, of Atrius Health, stated that some physician groups did not get notice of the DOI hearings. Dr. Cutler and Mr. Seltz asked for follow up information.

Jennifer Gallop, an attorney from Krokidas and Bluestein, commented on notices of material change.

Eric Linzer stated that trade associations are important to the Advisory Council because they represent multiple views rather than a singular view of any provider or carrier. Pat Gray responded that there should be objective members on the council and that there should be strong conflict of interest prohibitions. Mr. Seltz added that the Commission has some of the strongest conflict of interest prohibitions in the state.

Gloria Craven asked if there is a central matrix of what is going on with the implementation of Chapter 224 and the work that is going on at DPH and EOHHS. Mr. Seltz responded by saying that the HPC is one part of the law, but this Commission is going to be a very close partner with every other agency. He said that the HPC will be the face of Chapter 224 and that its mission is the same as the overarching mission of the law, which is to contain costs.

Karen Granoff, of the Massachusetts Hospital Association, requested a central location on the website for notifications.

ITEM 5: Adjournment

Ms. Sudders saw no more people wishing to comment and adjourned the meeting at 10:30AM.