Community Health Care Investment and Community Involvement

Health Policy Commission

Committee Meeting

July 10, 2013

Agenda

- Approval of minutes from June 17, 2013 meeting
- Update on the One-Time Assessment
- Update on Proposed Regulations for the Distressed Hospital Trust Fund Grant Program
- Hospital Eligibility
- Discussion of Framework for the Distressed Hospital Trust Fund Grant Program
- Schedule of next Committee meeting

Agenda

- **Approval of minutes from June 17, 2013 meeting**
- Update on the One-Time Assessment
- Update on Proposed Regulations for the Distressed Hospital Trust Fund Grant Program
- Hospital Eligibility
- Discussion of Framework for the Distressed Hospital Trust Fund Grant Program
- Schedule of next Committee meeting

Vote: Approving minutes

Motion: That the Community Health Care Investment and Consumer Involvement Committee hereby approves the minutes of the Committee meeting held on June 17, 2013, as presented.

Agenda

- Approval of minutes from June 17, 2013 meeting
- **Update on the One-Time Assessment**
- Update on Proposed Regulations for the Distressed Hospital Trust Fund Grant Program
- Hospital Eligibility
- Discussion of Framework for the Distressed Hospital Trust Fund Grant Program
- Schedule of next Committee meeting

Fund overview – FY13 and FY14

- The one-time assessment is expected to generate approximately $74.2 million by June 30, 2013
  - The amount to be deposited into the Fund is $39.9 million, representing approximately 1/3 of the four-year total, as many surcharge payers opted for the “one lump sum” payment option
- This is the total amount that will be available for distribution until the second year of the assessment is collected (June 30, 2014)
- The amounts in years 2-4 will be $26.3 million annually
- Unexpended funds may be rolled over to the following year and do not revert to General Fund

Agenda

- Approval of minutes from June 17, 2013 meeting
- Update on the One-Time Assessment
- **Update on Proposed Regulations for the Distressed Hospital Trust Fund Grant Program**
- Hospital Eligibility
- Discussion of Framework for the Distressed Hospital Trust Fund Grant Program
- Schedule of next Committee meeting

Overview of the Fund

Establishment of the Fund

- Section 2GGG of Chapter 224
- Funded by one-time assessment
- **Total amount of $119.08 million**
  - $128.25M, less $9.17M provided in mitigation to qualifying acute hospitals
- Unexpended funds may be rolled-over to following year and do not revert to General Fund
- Competitive grant process to distribute funds
- Statutory eligibility criteria

Purposes of the Fund

1. Improve and enhance the ability of community hospitals to **serve populations efficiently and effectively**
2. Advance the adoption of **health information technology**
3. Accelerate the ability to **electronically exchange information** with other providers in the community to ensure continuity of care
4. Support infrastructure investments necessary for the **transition to alternative payment methodologies**
5. Aid in the development of care practices and other operational standards necessary for **certification as an ACO**
6. Improve the **affordability and quality of care**

Overview of 958 CMR 5.00: Grant administration

- *Establishes Key Definitions to Guide Administration of the Fund*
  - Defines **eligibility criteria** based upon statute
- *Establishes Grant Application Requirements and a Process for Development of RFPs*
  - Adopts **statutory requirements** and establishes structure for **further program development**
  - Delegates authority to Executive Director to **issue RFPs**
- *Establishes a framework for grant application, review and selection, and contractual requirements*
  - Adopts **statutory criteria** and confers authority to Executive Director to refine further criteria in RFPs
  - Establishes a **process for review and selection** as well as contract execution

958 CMR 5.00 Establishes program operating structure and process

RFP Development and Grant Application

- Program framework approved by the Commission
- Executive Director develops and releases RFP(s)
  - Eligibility lists developed and released at time of RFP issuance
- Applications received and reviewed for completeness
- Complete applications from qualified applicants directed to staff review committee

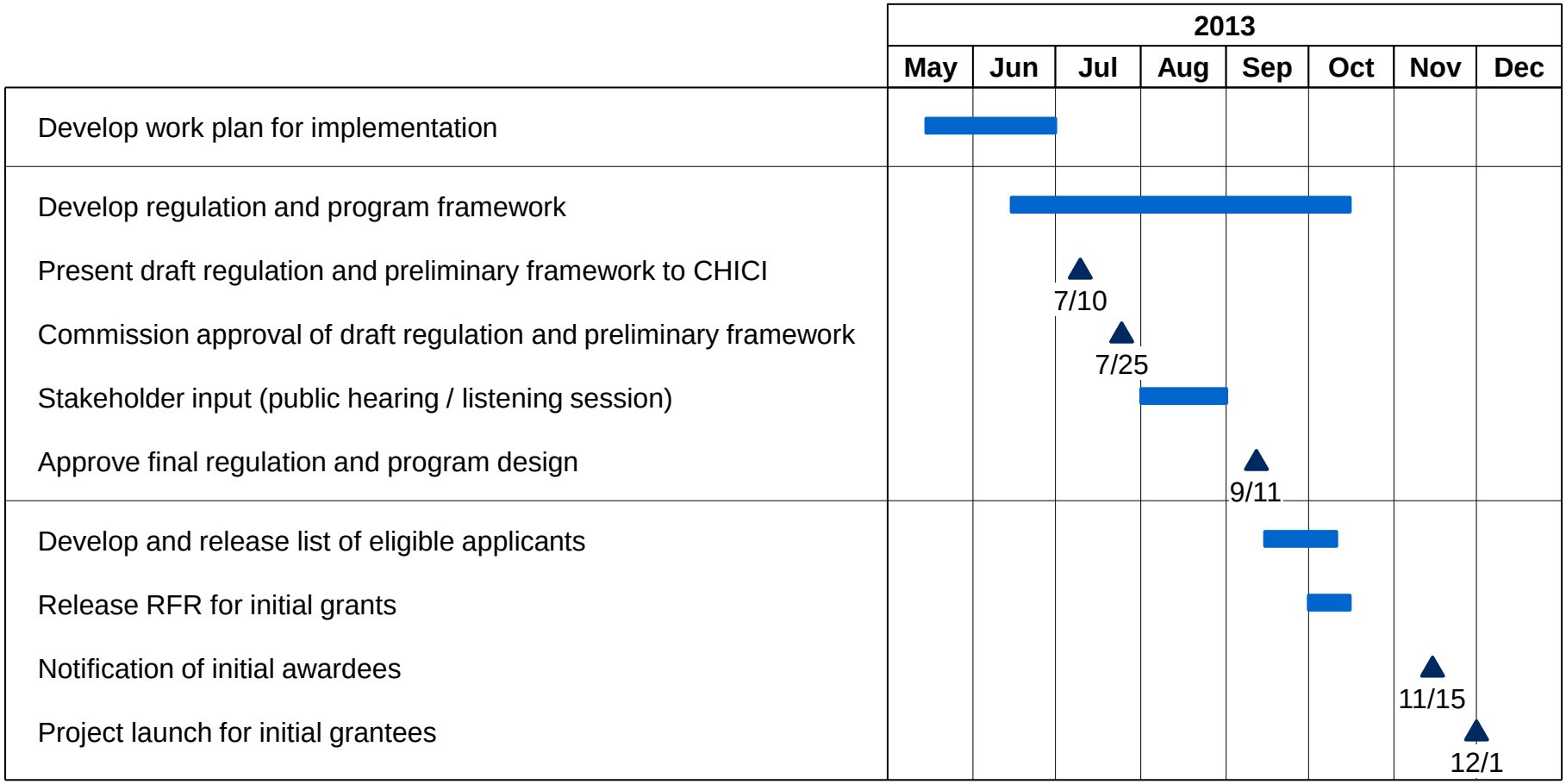
Review, Selection, and Award

- All accepted applications reviewed by staff against criteria established in regulation and RFP
- Executive Director recommends grant recipients for approval by Commission
- Executive Director executes contract with selected awardees
- Award period begins

Monitoring, and Evaluation

- HPC staff monitor for contractual compliance
  - termination or amendment requires Commission action.
- HPC provides framework and oversight for evaluation

Anticipated six month timeline



Agenda

- Approval of minutes from June 17, 2013 meeting
- Update on the One-Time Assessment
- Update on Proposed Regulations for the Distressed Hospital Trust Fund Grant Program
- **Hospital Eligibility**
- Discussion of Framework for the Distressed Hospital Trust Fund Grant Program
- Schedule of next Committee meeting

Hospital eligibility criteria

Teaching Hospital

Acute care teaching hospitals, as defined by CHIA[1]

Baystate Medical Center
Berkshire Medical Center
Beth Israel Deaconess Medical Center
Boston Medical Center
Brigham and Women's Hospital
Cambridge Health Alliance
Children's Hospital Boston
Dana-Farber Cancer Institute
Faulkner Hospital
Lahey Clinic
Massachusetts Eye and Ear Infirmary
Massachusetts General Hospital
Mount Auburn Hospitals
Saint Vincent Hospital
Steward Carney Hospital
Steward St. Elizabeth's Medical Center
Tufts Medical Center
Umass Memorial Medical Center

For-profit Status

Acute care hospital or health system with for-profit status[2]

Steward Health System Hospitals
Vanguard Metro West Medical Center[3]
Vanguard St. Vincent's Hospital

Relative Price Above Median

- Aggregate relative price index (hospital's prices as multiple of payer's network average, where network average = 1.0)
- Average across payers **weighted by hospital's payer mix** (revenue)
- Include if ≤ 1.0
- Excludes:

Cape Cod Hospital
Clinton Hospital
Cooley Dickinson Hospital
Fairview Hospital
Falmouth Hospital
Martha's Vineyard Hospital
Nantucket Cottage Hospital
Newton-Wellesley Hospital
North Adams Regional Hospital
North Shore Medical Center
South Shore Hospital
Sturdy Memorial Hospital

1 Using fiscal year 2011 CHIA 403 Cost Reports
2 As confirmed through MDPH licensure
3 Leonard Morse and Framingham Union Campuses

Eligible hospitals as of July 10, 2013

Example Eligibility List

- Addison Gilbert Hospital
- Anna Jaques Hospital
- Athol Memorial Hospital
- Baystate Franklin Medical Center
- Baystate Mary Lane Hospital
- Beth Israel Deaconess Hospital - Milton
- Beth Israel Deaconess Hospital - Needham
- Beverly Hospital
- Emerson Hospital
- Harrington Memorial Hospital
- HealthAlliance Leominster Hospital
- Heywood Hospital
- Holyoke Medical Center
- Jordan Hospital
- Lawrence General Hospital
- Lawrence Memorial Hospital
- Lowell General Hospital
- Marlborough Hospital
- Melrose Wakefield Hospital
- Mercy Medical Center
- Milford Regional Medical Center
- New England Baptist Hospital
- Noble Hospital
- Saints Medical Center[1]
- Signature Brockton Hospital
- Southcoast Charlton Hospital
- Southcoast St. Luke's Hospital
- Southcoast Tobey Hospital
- Winchester Hospital
- Wing Memorial Hospital

1 Data prior to merger with Lowell General Hospital

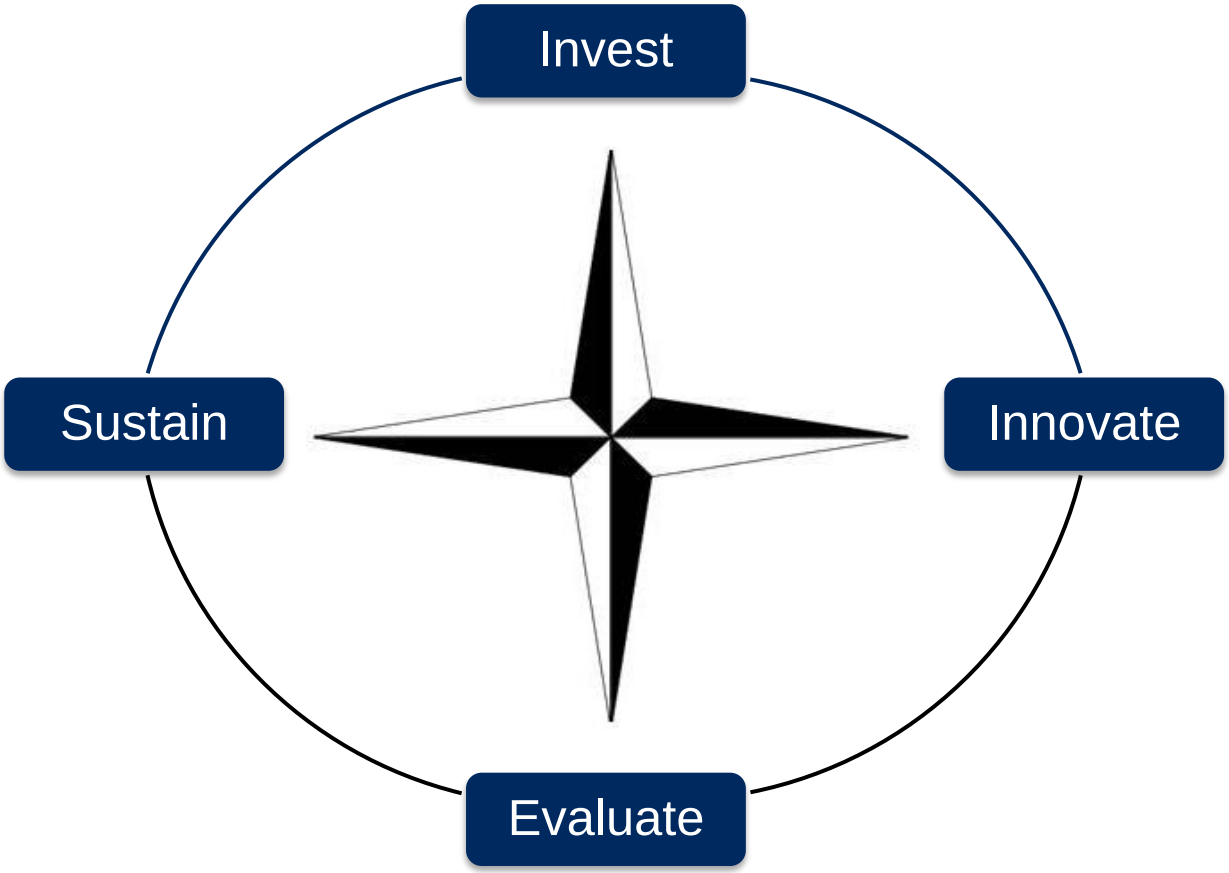
Agenda

- Approval of minutes from June 17, 2013 meeting
- Update on the One-Time Assessment
- Update on Proposed Regulations for the Distressed Hospital Trust Fund Grant Program
- Hospital Eligibility
- **Discussion of Framework for the Distressed Hospital Trust Fund Grant Program**
- Schedule of next Committee meeting

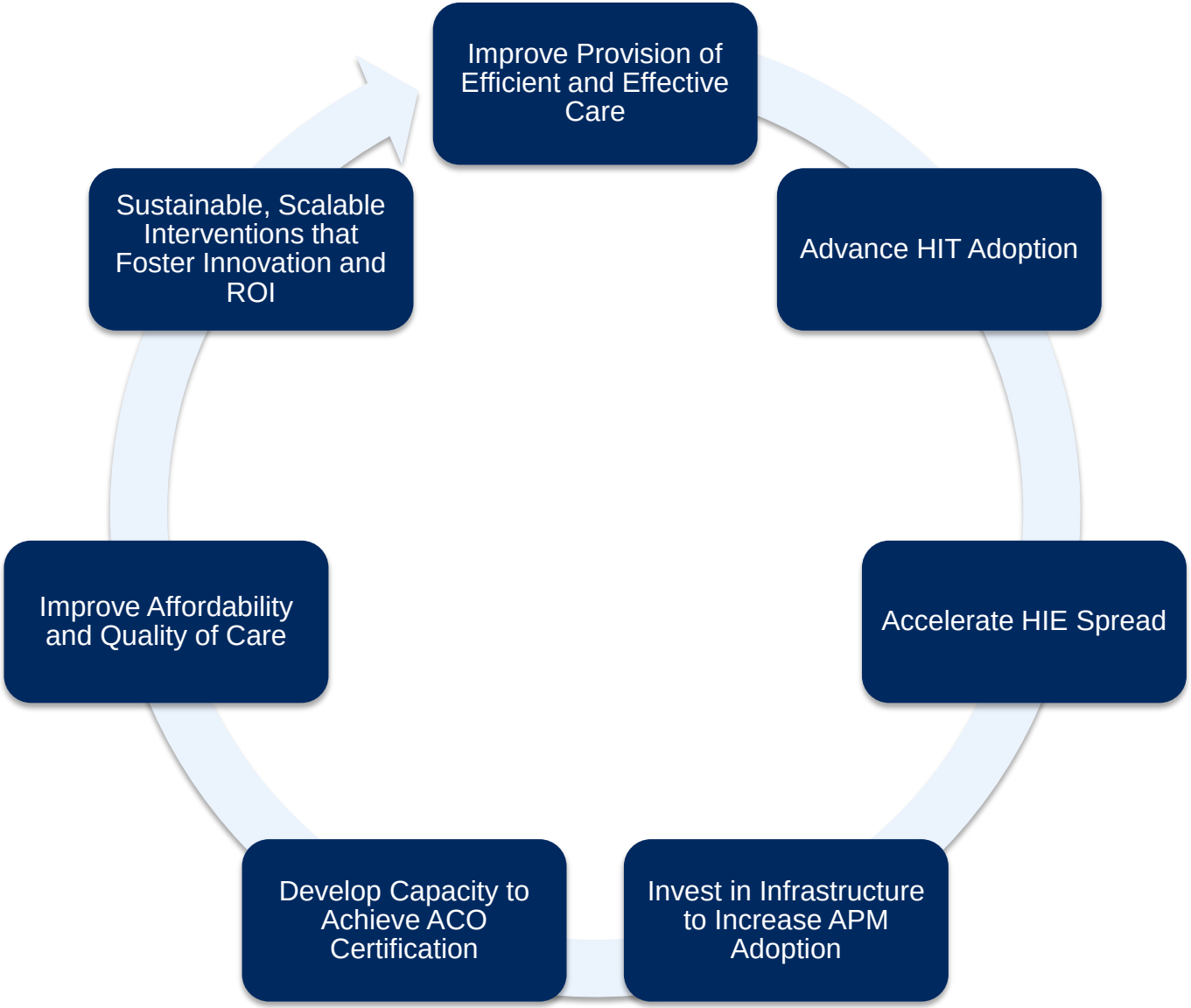
HPC CHART Grants

Community Hospital Acceleration, Revitalization, and Transformation

Charting a course for the right care at the right time in the right place



Statutory goals



Principles to guide program development

1. Be sensitive to variation in circumstance
2. Be timely, transparent, and evaluative in all that we do
3. Value the power of alignment
4. Value efforts to address complex challenges

Opportunity to maximize ROI and achieve system-wide, sustainable impacts

Principles of applicant selection

NECESSARY QUALIFICATION

meets minimum eligibility standards

+

SUFFICIENT ENGAGEMENT

commitment to system transformation

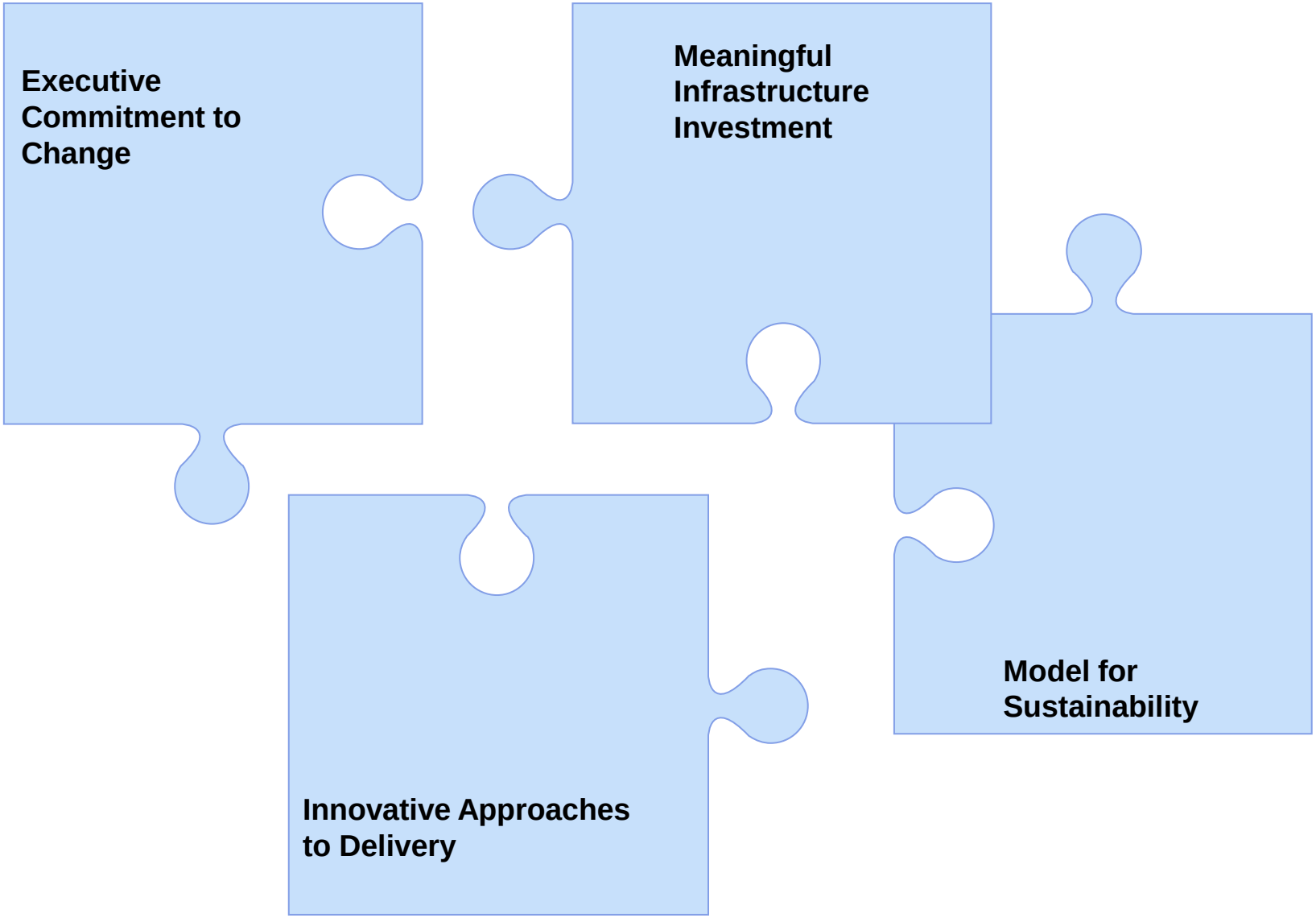
COMPETITIVE APPLICANT

Statutory factors

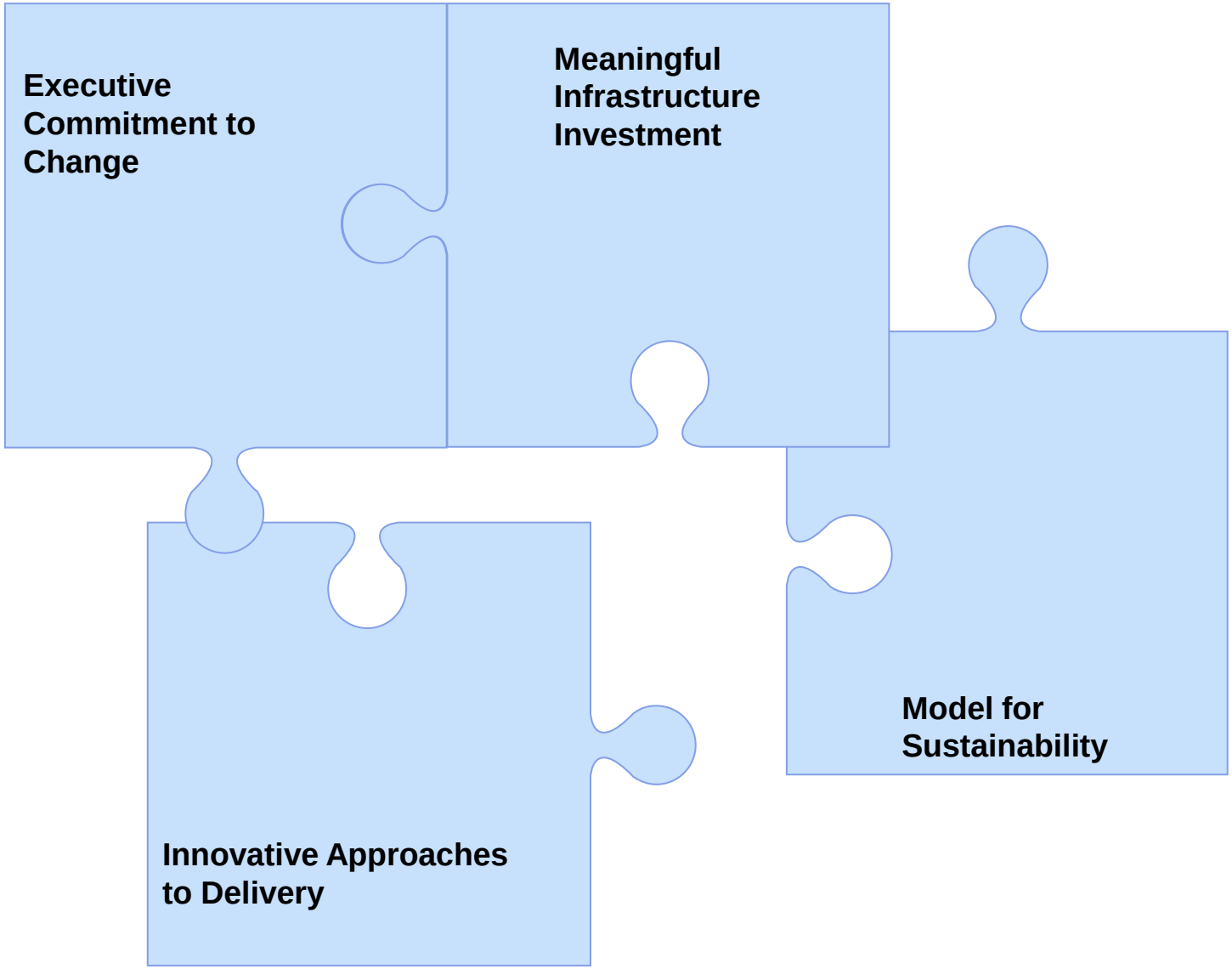
Selection and relative award of implementation grants should be tied to a variety of factors, including:

- Applicant's financial health and payer mix
- ROI of the investment
- Extent of innovation and potential for scaling up
- Affiliations of the applicant
- Extent to which the proposal meets an identified geographic/population need
- Extent to which the proposal demonstrates alignment and synergy with ongoing investments in the Commonwealth

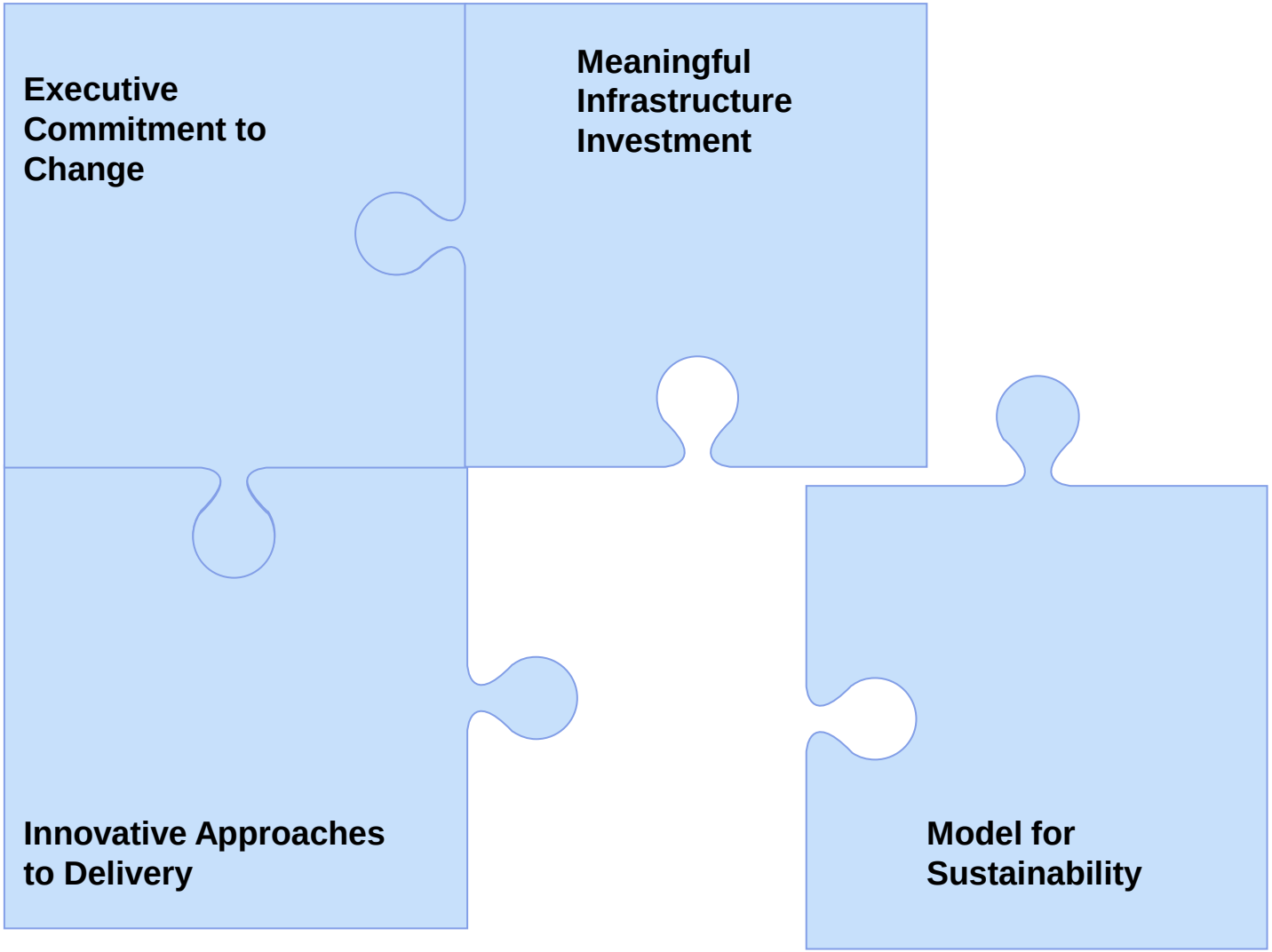
Necessary factors of change (1/4)



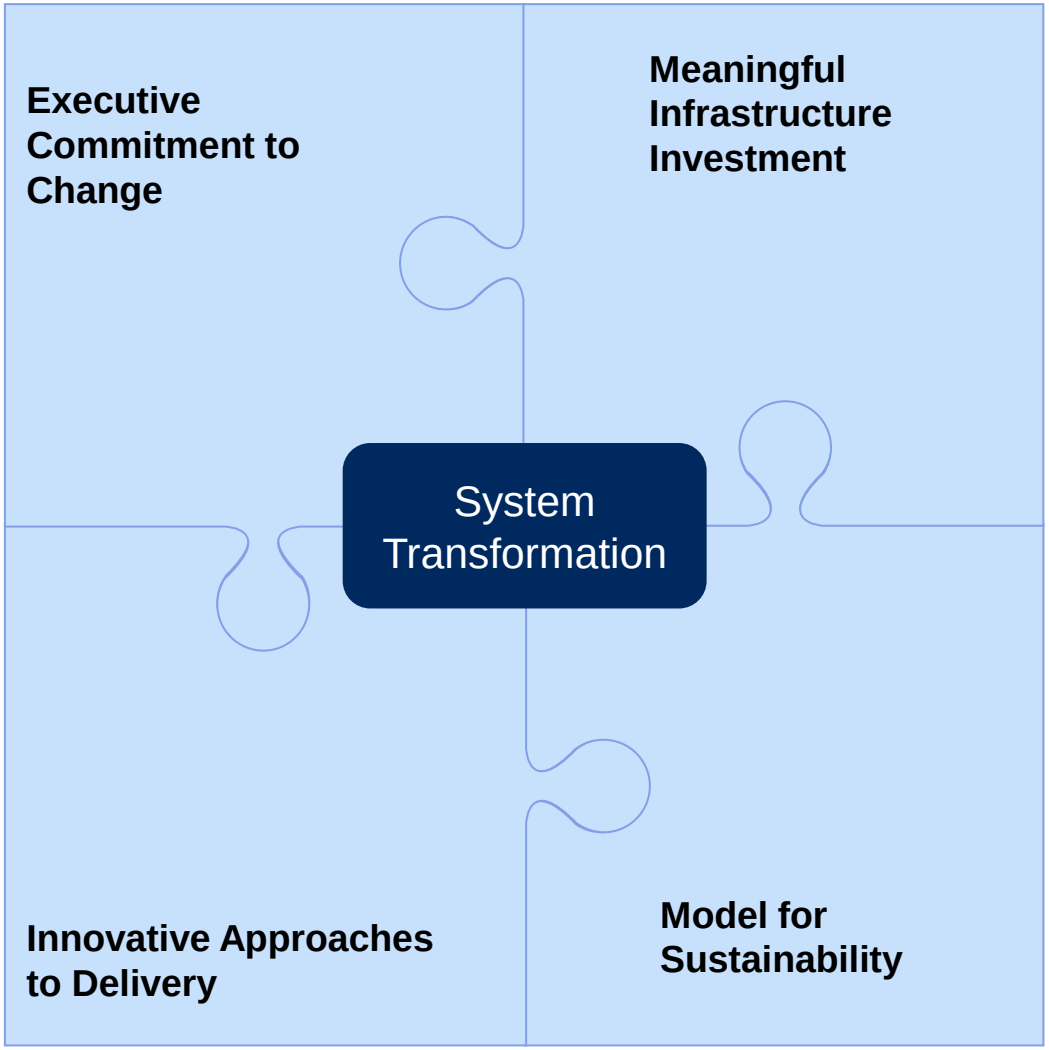
Necessary factors of change (2/4)



Necessary factors of change (3/4)



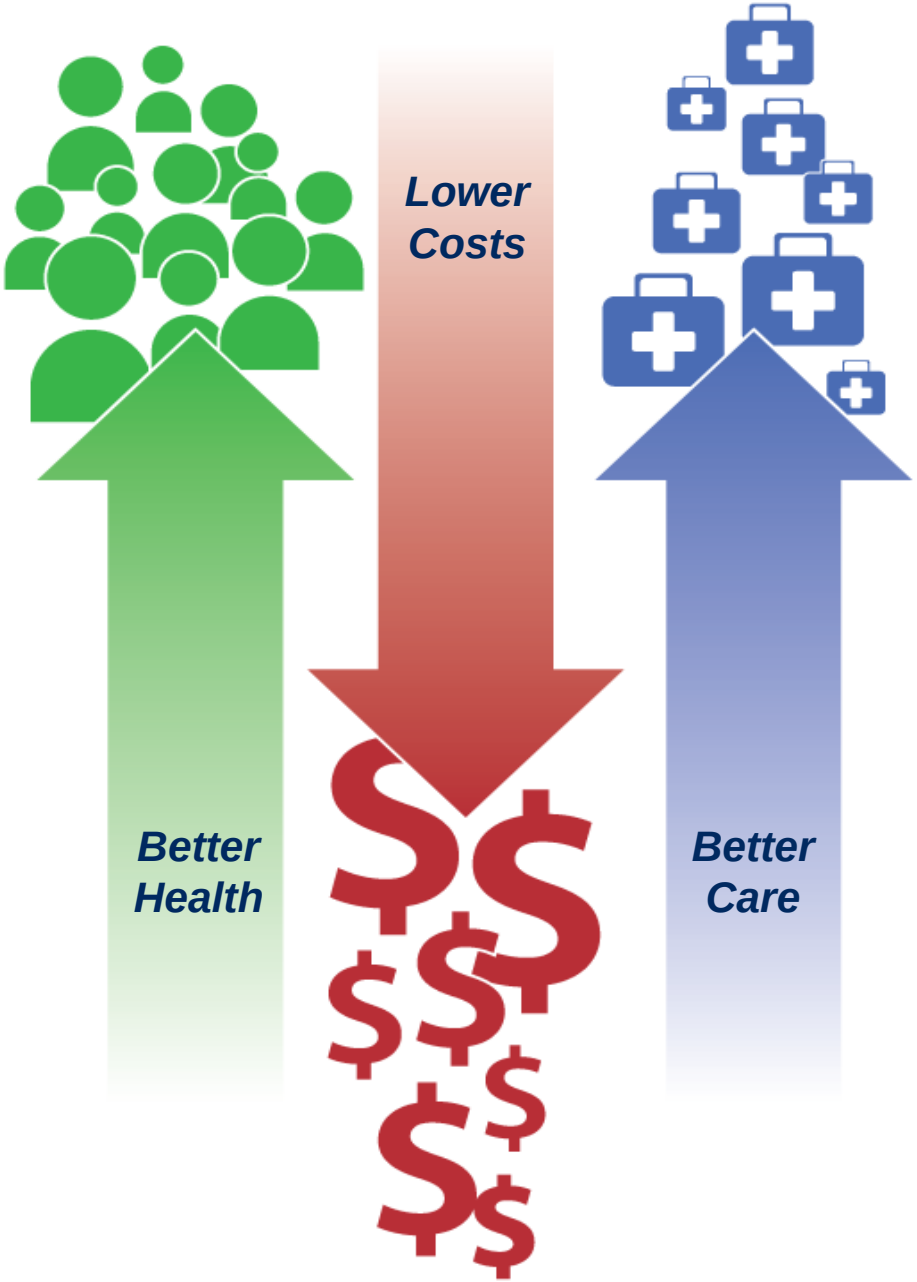
Necessary factors of change (4/4)



Alignment with investments across agencies and programs

Evaluating our success

- HPC is developing a comprehensive, cross-program, **unified evaluation framework**
- Our core goals in evaluating success will be achievement of our mission and vision – **effectively the Triple Aim**
- **Ongoing**, comprehensive monitoring, engagement, and **technical assistance** will be provided by program leadership



SOURCE: Adapted from the CMS Triple Aim; Image from *Maine Quality Counts*

Discussion – key areas of consideration

Program Structure, Process, and Framework:

- Innovation and infrastructure investments - joint or separate RFPs?
- Timing of grant cycles - Annual? Biannual? As needed?
- Phased or concurrent innovation approach?
  - Timing considerations?
- Topic-specific RFPs or open submission within statutory goals?
- Weighting criteria for awards:
  - Affiliation with large systems?
  - ROI?
  - Scalability?
  - Infrastructure?

Prioritization and Alignment

- Prioritizing breadth versus depth in grant selection
  - Maximum award size for innovation grants?
  - Infrastructure?
- Preferentially selecting projects with previous (or current) investment, or gap-filling?
- Other strategies to maximize value?
- Strategies to optimally engage communities and key partners?

Evaluation & Fund Development

- Opportunity for requisite, comprehensive, strategic audits?
- Requirements for dissemination?
- Opportunities to build fund, either through development programming or HPC grant applications?

Agenda

- Approval of minutes from June 17, 2013 meeting
- Update on the One-Time Assessment
- Update on Proposed Regulations for the Distressed Hospital Trust Fund Grant Program
- Hospital Eligibility
- Discussion of Framework for the Distressed Hospital Trust Fund Grant Program
- **Schedule of next Committee meeting**

Contact information

For more information about the Health Policy Commission:

- Visit us: http://www.mass.gov/hpc
- Follow us: @Mass_HPC
- E-mail us: HPC-Info@state.ma.us