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
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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.
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  - Update on Proposed Regulations for the Distressed Hospital Trust Fund Grant Program
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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
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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

<table>
<thead>
<tr>
<th>RFP Development and Grant Application</th>
<th>Review, Selection, and Award</th>
<th>Monitoring, and Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program framework approved by the Commission</td>
<td>All accepted applications reviewed by staff against criteria established in regulation and RFP</td>
<td>HPC staff monitor for contractual compliance</td>
</tr>
<tr>
<td>Executive Director develops and releases RFP(s)</td>
<td>Executive Director recommends grant recipients for approval by Commission</td>
<td>— termination or amendment requires Commission action.</td>
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<tr>
<td>Eligibility lists developed and released at time of RFP issuance</td>
<td>Executive Director executes contract with selected awardees</td>
<td>HPC provides framework and oversight for evaluation</td>
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<tr>
<td>Applications received and reviewed for completeness</td>
<td>Award period begins</td>
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<tr>
<td>Complete applications from qualified applicants directed to staff review committee</td>
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</table>
Anticipated six month timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<tbody>
<tr>
<td>Develop work plan for implementation</td>
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<tr>
<td>Develop regulation and program framework</td>
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<tr>
<td>Present draft regulation and preliminary framework to CHICI</td>
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<td>7/10</td>
<td>7/25</td>
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<tr>
<td>Commission approval of draft regulation and preliminary framework</td>
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<td>Stakeholder input (public hearing / listening session)</td>
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<td>9/11</td>
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<tr>
<td>Approve final regulation and program design</td>
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<tr>
<td>Develop and release list of eligible applicants</td>
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<td>Release RFR for initial grants</td>
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<tr>
<td>Notification of initial awardees</td>
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<td>Project launch for initial grantees</td>
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Key dates:
- 7/10
- 7/25
- 9/11
- 11/15
- 12/1
Agenda

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- 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

- Teaching Hospital

### For-profit Status

- For-profit Status

### 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

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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

<table>
<thead>
<tr>
<th>Example Eligibility List</th>
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</thead>
<tbody>
<tr>
<td>▪ Addison Gilbert Hospital</td>
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<tr>
<td>▪ Anna Jaques Hospital</td>
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<tr>
<td>▪ Athol Memorial Hospital</td>
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<tr>
<td>▪ Baystate Franklin Medical Center</td>
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<tr>
<td>▪ Baystate Mary Lane Hospital</td>
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<tr>
<td>▪ Beth Israel Deaconess Hospital - Milton</td>
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<tr>
<td>▪ Beth Israel Deaconess Hospital - Needham</td>
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<tr>
<td>▪ Beverly Hospital</td>
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<tr>
<td>▪ Emerson Hospital</td>
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<tr>
<td>▪ Harrington Memorial Hospital</td>
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<tr>
<td>▪ HealthAlliance Leominster Hospital</td>
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<tr>
<td>▪ Heywood Hospital</td>
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<tr>
<td>▪ Holyoke Medical Center</td>
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<tr>
<td>▪ Jordan Hospital</td>
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<tr>
<td>▪ Lawrence General Hospital</td>
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<tr>
<td>▪ Lawrence Memorial Hospital</td>
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<tr>
<td>▪ Lowell General Hospital</td>
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<tr>
<td>▪ Marlborough Hospital</td>
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<tr>
<td>▪ Melrose Wakefield Hospital</td>
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<tr>
<td>▪ Mercy Medical Center</td>
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<tr>
<td>▪ Milford Regional Medical Center</td>
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<tr>
<td>▪ New England Baptist Hospital</td>
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<tr>
<td>▪ Noble Hospital</td>
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<tr>
<td>▪ Saints Medical Center (^1)</td>
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<tr>
<td>▪ Signature Brockton Hospital</td>
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<tr>
<td>▪ Southcoast Charlton Hospital</td>
</tr>
<tr>
<td>▪ Southcoast St. Luke’s Hospital</td>
</tr>
<tr>
<td>▪ Southcoast Tobey Hospital</td>
</tr>
<tr>
<td>▪ Winchester Hospital</td>
</tr>
<tr>
<td>▪ Wing Memorial Hospital</td>
</tr>
</tbody>
</table>

1 Data prior to merger with Lowell General Hospital
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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

- Improve Provision of Efficient and Effective Care
- Advance HIT Adoption
- Accelerate HIE Spread
- Invest in Infrastructure to Increase APM Adoption
- Develop Capacity to Achieve ACO Certification
- Improve Affordability and Quality of Care
- Sustainable, Scalable Interventions that Foster Innovation and ROI
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
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)

- Executive Commitment to Change
- Meaningful Infrastructure Investment
- Innovative Approaches to Delivery
- Model for Sustainability
Necessary factors of change (2/4)
Necessary factors of change (3/4)
Executive Commitment to Change

Meaningful Infrastructure Investment

Innovative Approaches to Delivery

Model for Sustainability

System Transformation
Alignment with investments across agencies and programs

Maximizing Gain from Statewide Investments
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**

<table>
<thead>
<tr>
<th>Program Structure, Process, and Framework:</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Innovation and infrastructure investments - joint or separate RFPs?</td>
</tr>
<tr>
<td>▪ Timing of grant cycles - Annual? Biannual? As needed?</td>
</tr>
<tr>
<td>▪ Phased or concurrent innovation approach?</td>
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<tr>
<td>▪ Topic-specific RFPs or open submission within statutory goals?</td>
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<tr>
<td>▪ Weighting criteria for awards:</td>
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<table>
<thead>
<tr>
<th>Prioritization and Alignment</th>
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</thead>
<tbody>
<tr>
<td>▪ Prioritizing breadth versus depth in grant selection</td>
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<tr>
<td>▪ Preferentially selecting projects with previous (or current) investment, or gap-filling?</td>
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<tr>
<td>▪ Other strategies to maximize value?</td>
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<tr>
<td>▪ Strategies to optimally engage communities and key partners?</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Evaluation &amp; Fund Development</th>
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<tbody>
<tr>
<td>▪ Opportunity for requisite, comprehensive, strategic audits?</td>
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<tr>
<td>▪ Requirements for dissemination?</td>
</tr>
<tr>
<td>▪ Opportunities to build fund, either through development programming or HPC grant applications?</td>
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**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