Community Health Care Investment and Consumer Involvement

Health Policy Commission

Committee Meeting
May 21, 2014

Agenda

- Approval of the minutes from April 2, 2014 meeting
- Overview of Phase 2 Framework
- Phase 2 Core Activities
- Phase 2 Application Process
- Phase 2 Budgeting Process and Disbursement Scheme
- Phase 2 Review and Selection
- Community Hospital Study
- Timeline and Next Steps
- Schedule of next committee meeting (June 4, 2014)

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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 April 2, 2014, as presented.

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Proposed framework for CHART Phase 2 investments

Robust public development process balanced diverse perspectives

- Reflects learning from many stakeholders, including:
  - market participants, including payers, providers, and purchasers
  - local and national content experts
  - diverse array of investors (private sector grant making/investment entities, other states and federal government, payers, etc)
  - HPC Advisory Council members
  - Extensive HPC Committee and Commission deliberation
- Reflects a strong basis in accountability with an early focus on evaluation
- Reflects the feedback of hospitals for precision of aims while allowing implementation flexibility
- Provides flexibility to optimize impact
- Promotes innovation and incentivizes regional partnerships, both among hospitals and with community based organizations

Key design elements for CHART Phase 2

1	**Size of total opportunity**	• **$50-60 million** total opportunity • Tiered, multi-year opportunities with awards stratified across hospitals
2	**Structure of tier(s) & caps**	• Hospital award cap of **$6M/2 years** tied to factors such as **community need, hospital financial status, financial impact, and patient impact**
3	**Specificity of project focus**	• **3 outcome-oriented project domains; behavioral health emphasized** • Required technology innovation and targeted strategic planning efforts
4	**Funding model(s)**	• **Initiation payment ($100K);** ongoing base payments for **milestones (at least 50%);** bonus payments for **achievement (up to 50%); required system contribution** where pertinent
5	**Ensuring accountability**	• **Standardized metrics** and streamlined reporting framework; strong continuation of **leadership/management/culture** development focus
6	**Leveraging partnerships**	• Appropriate **community partnerships** required (e.g., SNFs, CBOs, provider organizations, etc); **Joint hospital proposals** encouraged
7	**Requisite Activities**	• All awardees must engage in a series of **participation requirements** (joining Mass HIWay, participating in TA, evaluation, etc.)

Proposed CHART Phase 2 combines standardized aims with implementation flexibility

Goal: Supporting sustainable achievement of **health care cost growth benchmark**

CHART Phase 2: Driving transformation to accountable care

Aligned outcomes; flexible implementation	Emerging technologies	Strategic planning
• **Three standardized outcome-oriented aims** drive deep impact across the Commonwealth, with flexibility in hospital-specific implementation approaches and the overarching goal of transformation toward accountable care	• Minimum requirement of joining and using **MassHIway** • Emphasis on using **emerging technologies** to support and enhance achievement of outcome-oriented aims	• **Strategic planning requirement** to facilitate CHART hospitals' efforts to advance their ability to provide efficient, effective care and meet community needs in an evolving healthcare environment

Academic Medical Center-based health systems will be required to provide contributions to support project implementation in their community hospitals

Proposals will include **mechanisms** to address the aim, the **value proposition** to the hospital and to the Commonwealth, and **estimate of impact**. The detailed implementation work plan will be developed in the first 90-120 days

In Phase 2, hospitals propose mechanisms to meet specified aims, with the overarching goal to drive transformation toward accountable care

CHART Phase 2: Driving transformation to accountable care

Support sustainability of outcomes-based aims

Enhance impact of outcome-based aims

Outcome-based aims

Each hospital chooses one or more

Maximize appropriate hospital use	Enhance behavioral health care	Improve hospital-wide processes to reduce waste and improve safety
Maximize appropriate use of community hospitals through strategies that retain appropriate volume (e.g., reduction of outmigration to tertiary care facilities), reduce avoidable use of hospitals (e.g., PHM, ED use and readmission reduction, etc), and right-size hospital capacity (e.g., reconfiguration or closure of services)	Improve care for patients with behavioral health needs (both mental health and substance use disorders) in communities served by CHART hospitals, including both hospital and community-based initiatives	Reduce hospital costs and improve reliability through approaches that maximize efficiency as well as those that enhance safety and harm reduction

Emerging technologies

Connected health	Maximize use of effective or emerging technologies and innovative application of lightweight tools to promote efficient, interconnected health care delivery

Strategic planning

Strategic planning	Empower CHART hospitals to engage in long term (5-10 year) planning initiatives to facilitate transformation of community hospitals to meet evolving community needs; enhance efforts to sustain CHART Phase 2 activities

In Proposed Phase 2 approach, hospitals propose mechanisms to meet specified aims, with the overarching goal to drive transformation toward accountable care

CHART Phase 2: Driving transformation to accountable care

Support sustainability of outcomes-based aims

Enhance impact of outcome-based aims

Outcome-based aims

Each hospital chooses one or more

Maximize appropriate hospital use

- Hot-spotting and population health management approaches to reduce acute care hospital utilization (emergency department and inpatient)
- Targeted reduction of readmissions after hospital -> SNF/Home Health care transition
- Conversion of acute hospital to satellite emergency facility and outpatient services

Enhance behavioral health care

- Reduce emergency department boarding of patients with mental health and substance use disorders
- Integrate inpatient behavioral and physical health workflows
- Build hospital - community networks for maximizing coordination of BH services

Improve hospital-wide processes to reduce waste and improve safety

- Reduce costs through improved efficiency (e.g., Lean management applied on a system-wide basis)
- Improve safety and reliability of clinical processes (e.g., implementation of checklists)
- Reduce costs through improved financial management (e.g., cost accounting)

Emerging technologies

Connected health

- Connect to and use the Mass HIway *(required minimum element)*
- Increase specialty capacity at lower-cost sites of care through telemedicine to reduce preventable outmigration and maximize care in the community
- Use mobile technologies to facilitate achievement of outcome-based aims (e.g., ADT, home based monitoring, etc)

Strategic planning

Strategic planning

- CHART hospitals must propose efforts to engage in strategic and operational planning to advance their ability to provide efficient, effective care and meet community need in an evolving healthcare environment

Examples

Example 1: Hospital combines programs to reduce unnecessary utilization with efforts to improve behavioral health and information connectivity

Each hospital's proposal for CHART Phase 2 is comprised of:

Hospital specific proposal activities
(Covers one or more CHART defined domains)

- **A** Maximize appropriate hospital use
- **A** Enhance behavioral health care
- *Improve hospital-wide processes to reduce waste and improve safety*
- **B** Connected health
- **C** Strategic planning

ILLUSTRATIVE PROPOSAL

A
- *Intervention:* Emergency Department-based High Risk Care Team links patients to community based providers (including PCMHs, behavioral health and other supportive services)
- *Target Population:* patients with 3 or more ED visits or hospitalizations in the last 12 months
- *Outcome:* reduced avoidable ED use and readmissions by 20% among served patients

B
- Development of Mass HIway use cases for exchange of info with local PCMH & PAC
- High need patients tagged in EHR
- Cloud based individualized care plan available to cross-continuum providers

C
- Strategic planning initiative to: 1) build sustainable community-based infrastructure to reduce ED use by high need patients and 2) address the fixed and variable cost impact of volume reduction on the hospital

Common activities
(All hospitals complete these)

- Awardees must complete a common set of requisite activities, supporting many domains of transformation, including, e.g.:
  - Operational Key Performance Indicator (KPI) Benchmarking
  - Mass HIway connection and use
  - Deep engagement in Executive Leadership Academy, management practice and culture-oriented activities, and potential learning collaboratives

Example

Example 2: Hospital focused on improving operational efficiency, quality, and connectivity

Each hospital's proposal for CHART Phase 2 is comprised of:

Hospital specific proposal activities
(Covers one or more CHART defined domains)

Maximize appropriate hospital use

Enhance behavioral health care

A Improve hospital-wide processes to reduce waste and improve safety

B Connected health

C Strategic planning

ILLUSTRATIVE PROPOSAL

A

- *Intervention:* Development of a regional supply-chain group purchasing consortium and hospital-specific cost accounting processes to reduce operating expenses
- *Target Population:* Hospital-wide
- *Outcome:* Reduction in total hospital OpEx by #%

B

- N/A (only Mass Hiway minimum requirement)

C

- Strategic planning initiative to: 1) build sustainable community-based infrastructure to reduce ED use by high need patients and 2) address the fixed and variable cost impact of volume reduction on the hospital

Common activities
(All hospitals complete these)

- Awardees must complete a common set of requisite activities, supporting many domains of transformation, including, e.g.:
  - Operational Key Performance Indicator (KPI) Benchmarking
  - Mass HIway connection and use
  - Deep engagement in Executive Leadership Academy, management practice and culture-oriented activities, and potential learning collaboratives

Example

Example 3: Hospital combines programs to reduce enhance behavioral health and reduce preventable harm

Each hospital's proposal for CHART Phase 2 is comprised of:

Hospital specific proposal activities
(Covers one or more CHART defined domains)

- *Maximize appropriate hospital use*
- A **Enhance behavioral health care**
- A **Improve hospital-wide processes to reduce waste and improve safety**
- B **Connected health**
- C **Strategic planning**

ILLUSTRATIVE PROPOSAL

A
- *Intervention: 1)* Lean management initiative championed by CEO to reduce sepsis, CAUTI, and CLABSI; 2) Co-locating behavioral health case managers in emergency department
- *Target Population:* 1) All patients in ED/Obs/and inpatient medical/surgical units; 2) All patients w/ BH comorbidity w/ more than three ED visits OR one ED stay of 12+ hours
- *Outcome:* 1) Reduce HAIs by 40%; reduce sepsis mortality by 20%; 2) Reduce ED boarding by 50%

B
- Telepsychiatry pilot in collaboration with other CHART hospitals
- Integrate CLABSI/CAUTI/Sepsis decision support into EHR

C
- Strategic planning initiative focused on reducing inpatient radiology capacity and shifting infrastructure to urgent care center

Common activities
(All hospitals complete these)

- Awardees must complete a common set of requisite activities, supporting many domains of transformation, including, e.g.:
  - Operational Key Performance Indicator (KPI) Benchmarking
  - Mass HIway connection and use
  - Deep engagement in Executive Leadership Academy, management practice and culture-oriented activities, and potential learning collaboratives

Example

The RFP will include examples of potentially out of scope Phase 2 projects

Some projects that were funded in CHART Phase 1 may be out of scope for Phase 2

In scope for Phase 1

Likely in scope for Phase 2		Likely out of scope for Phase 2
• **Example:** Implementation of a smaller EHR module to support care transitions.	***Significant stand-alone IT projects***	• **Example**: A large system-wide EHR implementation. While important to the CHART Hospital, this is insufficiently transformative to be funded through Phase 2 CHART. • **Example**: A proposal to upgrade to ICD-10.
• **Example:** Lean training for a cohort of staff who would use acquired skills to implement process improvement projects as a core element of Phase 2	***Training without implementation of work using trained competencies***	• **Example:** Lean training without implementation of learned skills within the period of performance
• **Example:** Project focusing mainly on one payer due to hospital's payer mix	***Payer specific projects (e.g. Medicare only, Medicaid only)***	• **Example:** A readmissions projects aiming to prevent readmissions for CHF, pneumonia, and AMI for only Medicare patients is out of scope. With limited exceptions (e.g., driven by a hospital's payer mix or a special population) the HPC is interested in all-payer approaches to transformation.
• **Example:** Projects within the context of a large repurposing of hospital services or capacity for a community-oriented purpose	***Bricks and mortar/capital projects***	• **Example**: Operating Room upgrades may be valuable for a community, but are not in scope for CHART Phase 2 funding.

These projects are mostly out of scope for Phase 2

ILLUSTRATIVE DIAGRAM

PROPORTION OF PROJECTS IN AND OUT OF SCOPE NOT TO SCALE

Example

Community collaboration will be a strong emphasis of all Phase 2 projects

Substantial selection preference will be given to applicants that partner with community-based organizations (CBOs) to provide appropriate services across the continuum of care. Partnerships may be formal or informal, financial or in-kind, new or a strengthening of an existing partnership

Partner Characteristics

Potential community-based partners will depend on the nature of the project, but may include: SNFs, home health agencies, ASAPs, office practices, community mental health centers, faith-based organizations, etc.

Key Characteristics

- Partners should be those entities with the most overlap with the hospital in caring for the target patient population (e.g., most common senders/receivers of patients)
- Partners should represent an opportunity for close collaboration between a CHART hospital and community providers caring for the patients it serves
- Partnerships should be established early to allow shared development of applications/intervention approaches

Partnership Examples

There are many examples in care delivery transformation models in which hospital-community collaboration is a critical factor (e.g., 3026 Community-based care transitions programs, STAAR, etc)

Examples

- Referring post-treatment chemo patients to community-based chronic disease services
- Using community-based patient navigators to identify and support high-risk patients (hotspotting)
- Making pharmacists available at the worksite to provide employees with medication therapy management,
- Linking elder services with clinical care providers to enhance care transitions

Hospital-hospital collaborative proposals are strongly encouraged

CHART hospital

Each CHART hospital may participate in up to 2 proposals (up to one of each type below)

Joint Applications

- Proposals with other hospitals (whether otherwise affiliated or non-affiliated)
- The joint application pathway is intended to facilitate collaboration across both affiliated and non-affiliated CHART hospitals. Joint applications may be an opportunity to maximize impact of community oriented projects or achieve efficiency through coordinated acquisition of tools/trainings, etc. One hospital should serve as the **primary applicant**
- **Examples**
  - A regional collaborative approach to identification and management of high-risk, high-cost patients
  - A coordinated approach to Lean Management through a shared training and support model that optimizes impact through shared analytics capacity
  - A regional or statewide bulk-purchasing collaborative that optimize impact through scale
  - A statewide approach to telemedicine in low-access settings that optimizes impact

Hospital-Specific Proposals

- One hospital
- The hospital-specific proposal allows an applicant to focus on unique needs of an individual institution, whether or not that hospital is also participating in a collaborative model.

The per hospital cap on grants of $6M will be cumulative across both proposals

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Core Activities – join and transact on the Mass HIWay

"Each Awardee will be responsible for joining and transacting patient information on the Mass HIway. Milestones for this core activity will be stratified by hospital according to their baseline connectivity. During the Period of Performance, each Awardee will be responsible for achieving both Direct Messaging and Query & Retrieve services. Awardees will support community physicians in joining the HIway"

- Lack of clinical information flow substantially inhibits care delivery reforms, especially care coordination and transitions.
- The Mass HIway has two main areas of service:
  - **Direct Messaging:** The Mass HIway's Direct Messaging contains a Direct Gateway to enable providers to transmit clinical information to other providers.
  - **Query & Retrieve services**: Query & Retrieve allows providers to see if there are medical records at other organizations available for request based on patient consent.
- Within **9 months of award**, all CHART hospitals must have Direct Messaging capacity and meet minimum use requirements. During CHART Phase 2, all hospitals must utilize Query & Retrieve services (*hospital-specific timelines*).

SOURCE: http://mehi.masstech.org/health-information-exchange-0/mass-hiway

Core Activities – strategic planning

"CHART hospitals may propose efforts to engage in strategic and operational planning to advance their ability to provide efficient, effective care and meet community need in an evolving healthcare environment"

- Phase 2 strategic planning will empower CHART hospitals to engage in long term (5-10 year) planning initiatives to facilitate revisioning the pathway necessary for transformation of community hospital to meet evolving community needs
  - Planning may be as limited as sustainability planning of CHART-funded activities
  - Planning may be bold and visionary, including:
    - shifting (increasing, decreasing, or changing) hospital service availability to meet community need
    - developing community-based approaches to care
    - developing models and partnerships to support accountability/bearing risk

Core Activities – Key Performance Indicator benchmarking

"Participate in a consortium-like key performance indicator benchmarking program facilitated by the HPC. Key Performance Indicators will include CHART-specific and general metrics. The HPC will support benchmarking and data feedback activities."

- Phase 1 identified an opportunity for engaging in benchmarking of key performance indicators across CHART hospitals and reporting on such data to Awardees.
- Intended to facilitate adoption of best practices regarding use of data to drive improvement.
- The HPC anticipates that key performance data would include metrics describing: labor, supply/equipment infrastructure, financing, volume/utilization, as well as quality and safety. *A final list of metrics will be identified by the HPC in conjunction with Awardees during the Operational Planning Period.*
- KPI benchmarking will, where possible, draw upon public data from sources such as CHIA, CMS, etc

Core Activities – coordinated use of tools, platforms, and approaches

"During the Operational Planning Period, the HPC may identify or acquire tools or platforms that align well with the programmatic activities of CHART hospitals. The HPC will coordinate with CHART hospitals to ensure use of coordinated and aligned tools, platforms, and approaches where possible."

- Phase 1 identified an opportunity for use of certain tools for enhancing the impact and efficiency of CHART hospitals' projects. These tools, especially related to information exchange across sites, cross setting care management, and data analytics should be aligned across hospitals where possible.
  - *Care Management:* In Phase 1, a series of tools was proposed, acquired, or discussed to promote information exchange (e.g., Mass HIWay and proprietary tools), to provide notification of cross-setting patient flow (e.g., ADT push feeds), or cross-setting coordination of care management. At a minimum, cohort alignment would enhance both evaluation and cost effectiveness
  - *Data Analytics:* In Phase 1, a consistent theme of feedback from CHART hospitals was the need for enhanced data availability and analytics. The HPC anticipates working to provide coordinated data extracts that enhance CHART hospitals' ability to effectively engage in operational planning. Additionally, an opportunity may exist for a centralized analytics engine to support CHART hospitals

Core Activities – learning, improvement, and diffusion

"CHART hospitals must participate in a continuation of the executive leadership program (e.g. attendance at a series of events organized by HPC and focused on achieving rapid, effective performance improvements) – participants from Awardee institutions may include a representative of the Board of Directors, Executive Officers, Clinical Leadership, and Operational Leadership as specified by the HPC."

The CHART Executive Leadership Program aims to provide

- Access to expert support and tools to enhance use of data from the management / leadership assessment and culture survey to help drive improvement
- Opportunities for skill development around change-management to support transformation in an era of rapidly evolving health reform
- A forum for ongoing engagement as the HPC develops future CHART Phases
- A forum for hospital feedback/input into the CHART program as well shared learning and partnership across CHART leaders

Core Activities – learning, improvement, and diffusion

"Participate in periodic activities and meetings with HPC Staff, other Awardees, or content experts to provide updates, share lessons learned, develop skills, and receive feedback."

- These activities will be heavily dependent on the types of projects proposed and funded, and as such details will be informed by the cohort of Awardees.
- The HPC intends such activities to
  - Facilitate communication between Awardees and the HPC,
  - Provide opportunities for resources in areas of mutual challenge for Awardees, and
  - Enable best practice sharing within Awardee cohort

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Phase 2 application process

Approximate timeline		Application step	Parties involved
Jun 2014	1	RFP Release	CHART team
Jul 2014	2	Letter of Intent (Prospectus) Due	Interested Hospitals
Sep 2014	3	Full Proposal Due	
Oct 2014	4	Review & Selection	CHART team*
Oct 2014	5	Health Policy Commission Vote	HPC board
Nov 2014	6	Contracts Executed	CHART team
Dec 2014	7	90-120 Day Planning Period Begins	Grantees and CHART team
Feb 2015 – *Jun 2017*	8	Full Implementation begins (~2 years)	Grantees and CHART team

*Review & Selection includes Chair-designated Commissioners, HPC staff, and key content experts

Working framework for Phase 2 application process

The application process will occur in two steps, a short prospectus followed by a full proposal

Prospectus

The prospectus is intended to a be a brief (5-7 pages), directional and non-binding proposal giving the HPC insight into the applicant's proposed intervention, and allowing early feedback.

Key Elements

- Selected aim(s): *appropriate hospital use, behavioral health, process improvement*
- A description of nature and size of target population(s)
- A description of nature and scope of proposed intervention(s)
- A description of proposed partners
- An estimate of investment request and an estimate of net impact

HPC feedback

Full Proposal

The full proposal will include expanded details described in the prospectus, as well as select additional information.

Key Elements

- Qualitative and/or quantitative description of community or organizational need for intervention
- Description of target population, including numbers of patients, utilization patterns
- Description of intervention(s) for each aim and target population, estimated impact of strategy and a driver diagram describing the relation of interventions to aim (s)
- Impact/investment template with narrative detail

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Budget model

- Chart Phase 2 Investment proposals will be required to describe how the investment funding will result in a net reduction of health care costs
- A template will be provided to applicants to facilitate demonstration of net cost savings
- Templates will be customized for each aim, and will include savings projections potential based both on direct delivery savings (e.g., TME) and societal savings (e.g., reduced interactions with the criminal justice system)

EXAMPLE FOR ILLUSTRATION ONLY	Project 1	Project 2	Project 3	Total
Target population strategy will serve	2,000	500	750	3,250
# admissions each strategy will serve	2,000	375	600	2,975
# avoidable admissions among target population	800	113	150	1,063
Estimated impact of strategy in reducing admits	30%	40%	30%	-----
# admissions avoided	240	45	45	330
Average revenue per admission	$10,000	$8,000	$12,500	-----
Estimated savings of each project	$2,400,000	$360,000	$562,500	**$3,322,500**
Estimate cost of implementing each project*	$350,000	$250,000	$400,000	**$1,000,000**
Net savings				**$2,322,500**

Example

* Hospitals will propose a budget in similar form to Phase 1 (i.e., segmented equipment costs, labor costs, consulting costs, overhead, fringe, etc)

CHART Phase 2 award disbursement model (1/2)

Funding model	▪ **Initiation** payment; ongoing base payments for **milestones**; segment of payments for **achievement** (e.g., process and outcomes)
Award caps	▪ Hospitals may apply for **up to $6M** ▪ Hospital-specific awards tied to factors such as **community need, hospital financial status, financial impact, and patient impact** ▪ Hospitals may apply for **up to $100,000** over two years to support meeting **HIWay implementation requirements** ▪ Hospitals may apply for up to **$250,000** to support **Strategic Planning requirements**. – Scope expectations will be commensurate with award size
Initiation Payment	▪ Hospitals will receive a **flat $100,000 initiation payment** at the time of contract execution for the 90-120 day Operational Planning Period
Strategy Payment	▪ Hospitals will receive strategic planning payments in **two lump sums,** 50% upon initiation of planning and 50% upon completion
Gate Payments	▪ **At least 50% of the balance** of each hospital's award will be segmented equally for quarterly milestone based **'gate' payments**
Achievement Payments	▪ **Up to 50% of the balance of each hospital's award** will be segmented equally for biennial **achievement payments** (processes and outcomes); **level of risk will vary with size and impact of award**

CHART Phase 2 award disbursement model (2/2)

Year 1

Planning period	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Initiation payment ($100,000)	**Gate payment** (6.25% of balance)	**Gate payment** (6.25% of balance)	**Gate payment** (6.25% of balance) **Achievement payment** (12.5% of balance)	**Gate payment** (6.25% of balance)

Year 2

Initiation Payment:
$100,000

Gate Payments:
50% of balance, disbursed quarterly

Achievement Payments:
50% of balance, disbursed biennially

Quarter 1	Quarter 2	Quarter 3	Quarter 4
Gate payment (6.25% of balance) **Achievement payment** (12.5% of balance)	**Gate payment** (6.25% of balance)	**Gate payment** (6.25% of balance) **Achievement payment** (12.5% of balance)	**Gate payment** (6.25% of balance) **Achievement payment** (12.5% of balance) *Paid at end of Phase 2*

Example

CHART Phase 2 budget development (1/2)

Award example: Reducing Readmission through Hospital <-> SNF <-> Home Health Cross Continuum Teams
Total award: $5M over 2 years

Type of Payment	Payment Amounts	Number of Payments	Cumulative	Description
Initiation Payment	$100,000	1	$100,000	Funding for 90-120 day Operational Planning Period
Milestone Payments	$293,750	8	$2,350,000	Continued progression in project implementation
Achievement Payments	$587,500	4	$2,350,000	Meeting Process & Outcome Measurement Goals
Strategic Planning	$50,000	2	$100,000	Initiation & Completion
Award total			**$5,000,000**	

Example

CHART Phase 2 budget development (2/2)

Award example: Reducing hospital costs and improving quality through process reengineering (delivery room, operating room, emergency department, and intensive care units) and analytics engine

Total award: $2M over 2 years

Type of Payment	Payment Amounts	Number of Payments	Cumulative	Description
Initiation Payment	$100,000	1	$100,000	Funding for 90-120 day Operational Planning Period
Milestone Payments	$112,500	8	$900,000	Continued progression in project implementation
Achievement Payments	$225,000	4	$900,000	Meeting Process & Outcome Measurement Goals
Strategic Planning	$50,000	2	$100,000	Initiation & Completion
Award total			**$2,000,000**	

Example

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Selection factors – Qualified Acute Hospitals as of May 21, 2014

Phase 2 eligibility list

- Anna Jaques Hospital
- Athol Memorial Hospital
- Baystate Franklin Medical Center
- Baystate Mary Lane Hospital
- Beth Israel Deaconess Hospital - Milton
- Beth Israel Deaconess Hospital - Needham
- Beth Israel Deaconess Hospital - Plymouth
- Circle Health - Lowell General Hospital
- Emerson Hospital
- Harrington Memorial Hospital
- Hallmark Health – Lawrence Memorial Hospital
- Hallmark Health – Melrose Wakefield Hospital
- Heywood Hospital
- Holyoke Medical Center
- Lahey Health - Beverly Hospital
- Lahey Health - Addison Gilbert Hospital
- Lawrence General Hospital
- Mercy Medical Center
- Milford Regional Medical Center
- New England Baptist Hospital
- Noble Hospital
- Shriners Hospital - Boston
- Signature Brockton Hospital
- Southcoast Hospitals Group - Charlton Memorial Hospital
- Southcoast Hospitals Group - St. Luke's Hospital
- Southcoast Hospitals Group - Tobey Hospital
- UMass Memorial – HealthAlliance Hospital
- UMass Memorial - Marlborough Hospital
- UMass Memorial - Wing Memorial Hospital
- Winchester Hospital

[1] *As calculated from calendar year 2012 CHIA data*

Eligibility factors – changes during the period of performance

Implications of eligibility factors that may change during period of performance

- ***Scenario:*** Eligible hospital is acquired by or joins a for-profit system
  - *HPC action:* Varied by facts of a given scenario; consider claw-back authority to require repayment by acquiring organization
- ***Scenario:*** Eligible hospital is acquired by or joins a non-profit system
  - *HPC action:* Varied by financial status of system, considered opportunities for requisite contribution/matching funds by acquiring system; HPC retains discretion to amend or terminate award
- ***Scenario:*** Eligible hospital moves out of eligibility cohort due to shift in relative price
  - *HPC action:* Varied by facts of a given scenario; depending on the nature and level of RP shift, the HPC may allow continuation of award but retains discretion to amend or terminate award
- ***Scenario*:** Eligible hospital becomes a major teaching hospital
  - *HPC action:* Varied by facts of a given scenario; depending on the nature of the change, the HPC may allow continuation of award but holds discretion to amend or terminate award

Selection factors

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

- **Impact of the proposal (25 points)**
  - Measurable community/patient impact; alignment with hospital's aims for system transformation
  - Extent of potential for supporting future transformation activities (scale and sustainability)
  - Alignment and synergy with ongoing investments in the Commonwealth
- **Community need and engagement (25 points)**
  - Extent to which the proposal meets an identified geographic/population need
  - Relative community need (financial, socioeconomic, and health status)
  - Presence and strength of community collaborations (partnerships)
- **Hospital financial status and operational capacity (30 points)**
  - Applicant's financial health and payer mix, access to resources, and level of system contribution
  - Hospital Phase 1 performance, if applicable
  - Leadership and management (clinical and operational) engagement and capability
- **Financial return and cost efficiency of the proposal (20 points)**
  - Financial ROI of the proposal
  - Cost efficiency of the proposed budget

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- Phase 2 Review and Selection
- **Community Hospital Study**
- Timeline and Next Steps
- Schedule of next committee meeting (June 4, 2014)

HPC community hospital study - background

From Community Hospital to Community Health

- Hospitals and health systems in Massachusetts are facing an unprecedented impetus to transform care delivery structures and approaches
  - Shifts in reimbursement models and funding pressures
  - Shifting demographics of Commonwealth's residents
  - General trend from inpatient to outpatient care
- No comprehensive set of vetted approaches exists to guide hospital transformation.
- Community hospitals, as small organizations, can be particularly sensitive to such change.
- Massachusetts is at the cusp of delivery system transformation, and effective, action-oriented planning is necessary to ensure that hospital resources are distributed to meet current and future community need
- Such analysis will support the HPC in sustainable achievement of the health care cost growth benchmark and the CHART Investment program among other policy priorities; continued development of scope and approach of this study will be discussed at CHICI Committee, Commission, and Advisory Council meetings in coming months
- This study would be conducted in close coordination with the Secretary of EOHHS, Commissioner of DPH and the Health Planning Council to inform many areas of work in the Commonwealth, and will take into account feedback from stakeholders

HPC community hospital study – broad concept *(in development)*

From Community Hospital to Community Health: Goals

- To develop an action-oriented report on the future of community hospitals in Massachusetts, including analysis of baseline status, community need, and opportunity for community hospital transformation (with a toolkit to support overcoming common barriers to change)
  - To identify **challenges to transformation** in community hospitals
  - To examine the **experience of key stakeholders** to inform solutions to these challenges and identify innovations that can work in the Commonwealth to help the **CHART program drive transformation** in an eligible community hospital
  - To identify and develop resources and approaches that support hospitals' **Phase 2 strategic planning efforts**
  - To support HPC funding prioritization and hospital proposals for **future phases of CHART**
  - To conduct an analysis of acute care supply and to **identify opportunities to right-size capacity** through the CHART program and other policy approaches

Agenda

- Approval of the minutes from April 2, 2014 meeting
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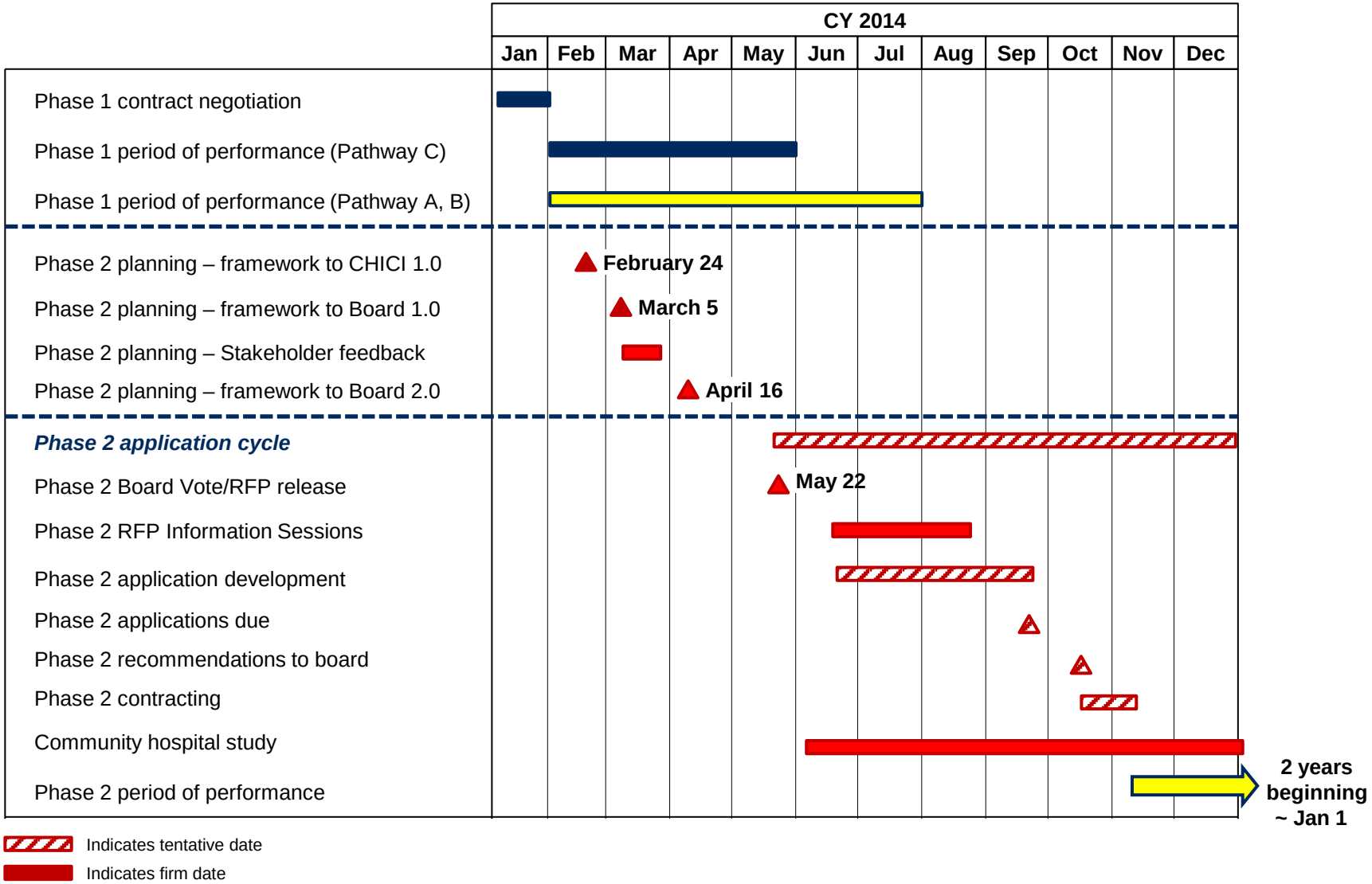
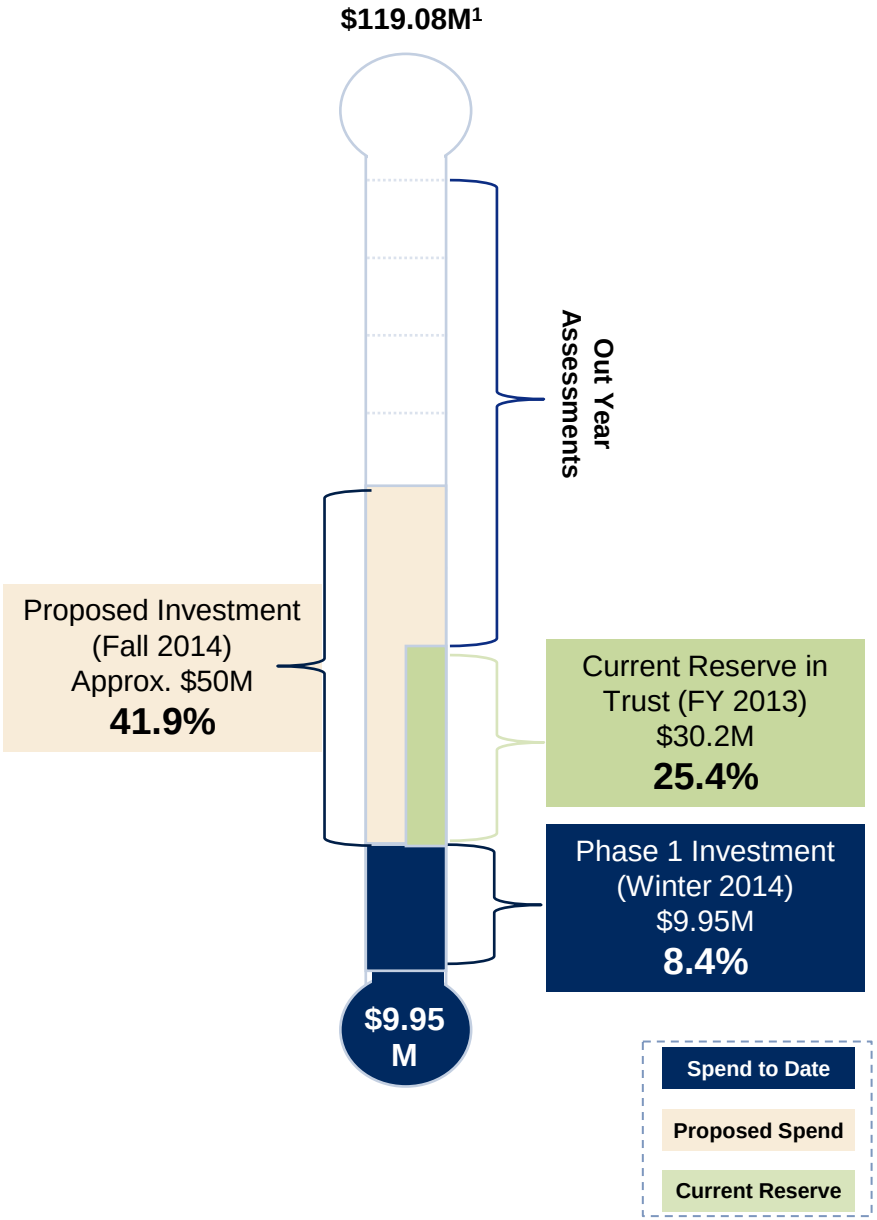
CHART Phase 1 and Phase 2 timeline



Next Steps

Staff activities and Committee engagement

- **Finalize RFP** and requisite application materials
- **Release RFP** in early June 2014
- **Finalize administrative protocols** for review and evaluation of applications
- Continue activities for engagement with applicants / awardees throughout the funding lifecycle and conclusion of Phase 1, to continue to **foster strong relationships** and **partnership**
- **Continue development of HPC capacity** to support operational implementation
- **Continue coordination of CHART activities with key partners** (e.g. Prevention and Wellness Trust Fund, Infrastructure and Capacity Building Grants, MeHI e-Health investments, SIM, etc.)
- Continued development of **community hospital study;** discussion at **next CHICI meeting**



[1]Distressed Hospital Trust funding pool after mitigation for select health systems

Vote: Endorsing the CHART Investment Program Phase 2

Motion: That the Committee hereby endorses the proposal for Phase 2 of the CHART Investment Program and recommends that the Commission authorize the Executive Director to issue a Request for Proposals (RFP) for the Community Hospital Acceleration, Revitalization, and Transformation Investment Program, consistent with the framework described to the Committee, pursuant to 958 CMR 5.04.

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Contact information

For more information about the Health Policy Commission:

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