Community Health Care Investment and Consumer Involvement

Health Policy Commission

Committee Meeting
August 6, 2014

Agenda

- Approval of the minutes from June 4, 2014 meeting
- Discussion of Cost Trends Reports
- Update on CHART Investment Program
- Discussion of HPC's Community Hospital Study
- 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 4, 2014, as presented.

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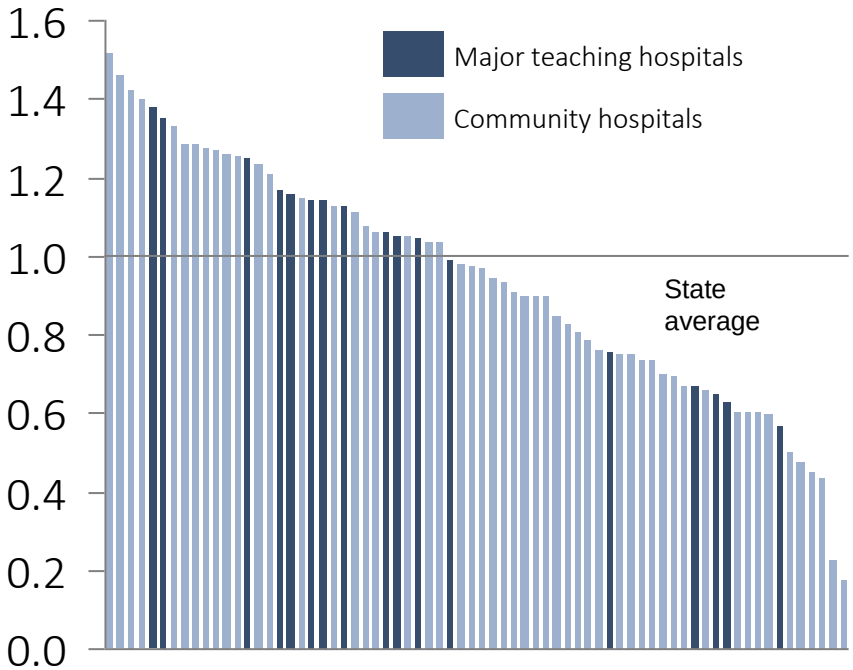
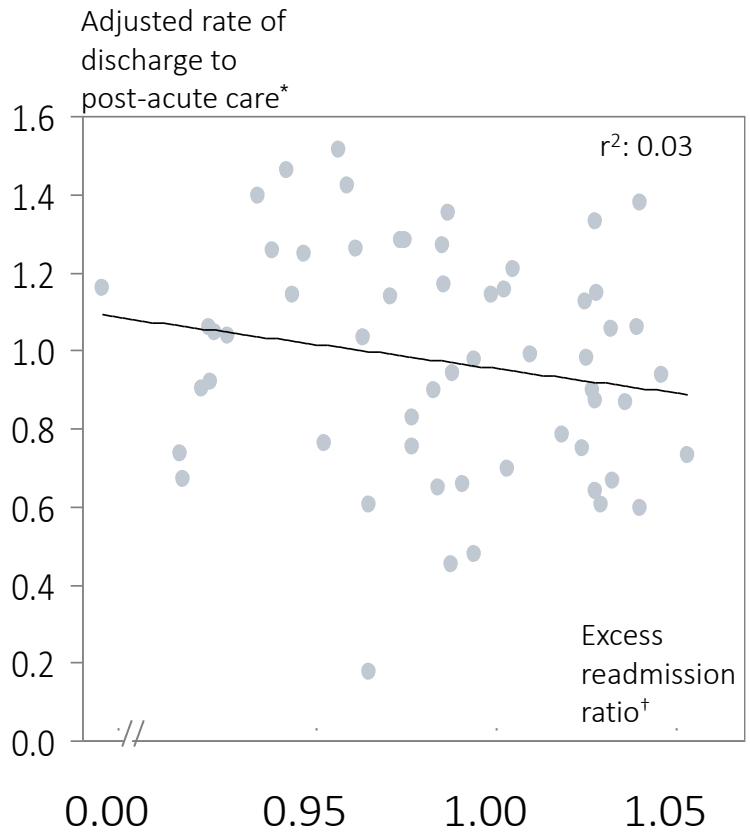
Recommendations from July Report and HPC's Plans to Address Them

	Recommendations in July 2014 Cost Trends Supplement	HPC plans for remainder of 2014
Value-based market	• **HPC** will study impact of new insurance products and increased cost-sharing	• HPC December cost trends report and October hearing
	• If **providers** grow, they should pursue lower cost settings	• HPC cost and market impact reviews
	• **HPC** will examine flows to AMCs and identify policy solutions	• HPC community hospital study and October cost trends hearing
Efficient, high-quality, patient centered delivery system	• **Hospitals** should work to optimize PAC, including care coordination and transitions for BH patients • Where applicable. **HPC** will support via CHART	• CHART Phase 2 • HPC December cost trends report and October hearing
	• **Payers and providers** should continue to pursue BH integration • **HPC** will support via its certification programs	• CHART Phase 2 • HPC PCMH and ACO work • HPC December cost trends report and October hearing
Advancing APMs	• **HPC** will study APMs to evaluate effectiveness and identify opportunities for improvement	• CHART Phase 2 • HPC December cost trends report and October hearing
	• **Payers** should review, improve, and align attribution • **HPC** will explore opportunities to accelerate progress	• October cost trends hearing • HPC working together with CHIA and market participants on this topic
Transparency and data	• **CHIA** should convene state agencies to strengthen transparency, data, and measurement for behavioral health	• HPC December cost trends report • Registration of provider organizations (RPO) program
	• **CHIA** should extend TME measurement to PPO populations, using an agreed-upon method for attribution • **HPC** will seek to work with CHIA to design measures of contribution to spending growth for additional provider types	• HPC October cost trends hearing • HPC working together with CHIA and market participants on this topic

Figure A.11: Relative likelihood of discharge to post-acute care by hospital

Adjusted rate of discharge to nursing facilities and home health*, 2012



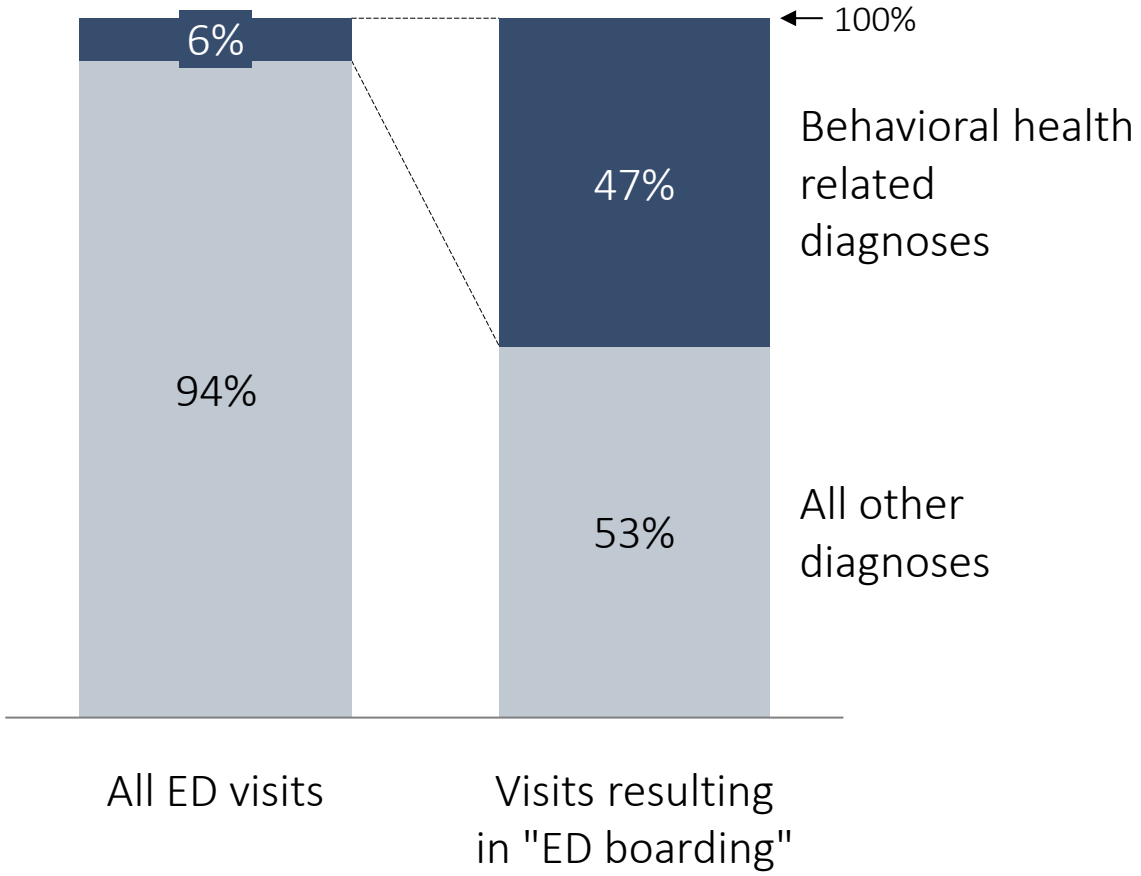


* Rates for each hospital were estimated using a logistic regression model that adjusted for the following: age, sex, payer group, income, admit source of the patient, length of stay, and DRG. Our sample included patients who were at least 18 years of age and had a routine discharge, a discharge to a skilled nursing facility, or a discharge to a home healthcare provider. Specialty hospitals are excluded from figure and from displayed state average. Rates are normalized with the statewide average equal to 1.0.

SOURCE: Center for Health Information and Analysis; HPC analysis

Figure A.18: ED visits and boarding by diagnosis type

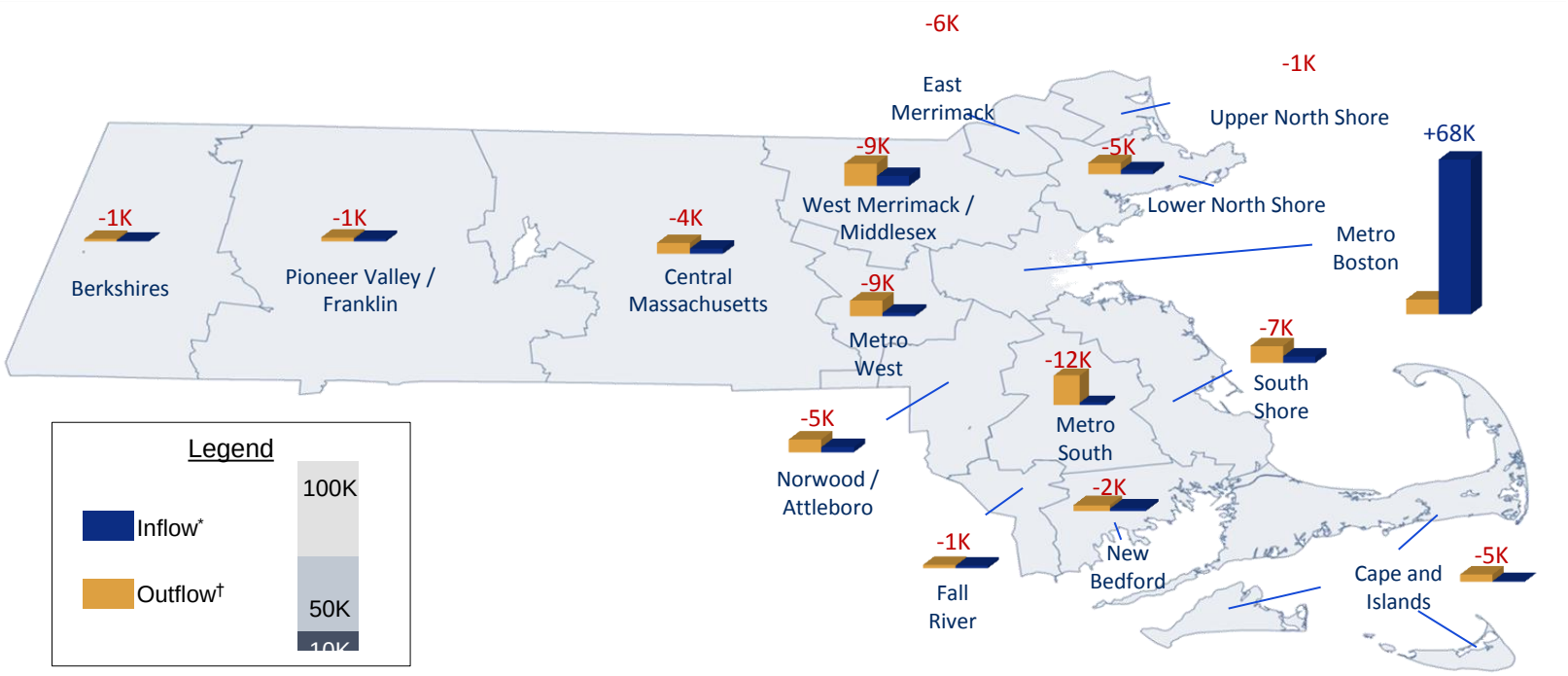
Percent of visits, 2012



SOURCE: Centers for Medicare & Medicaid Services; HPC analysis

Figure B.4: Inflow and outflow of inpatient discharges across regions in Massachusetts

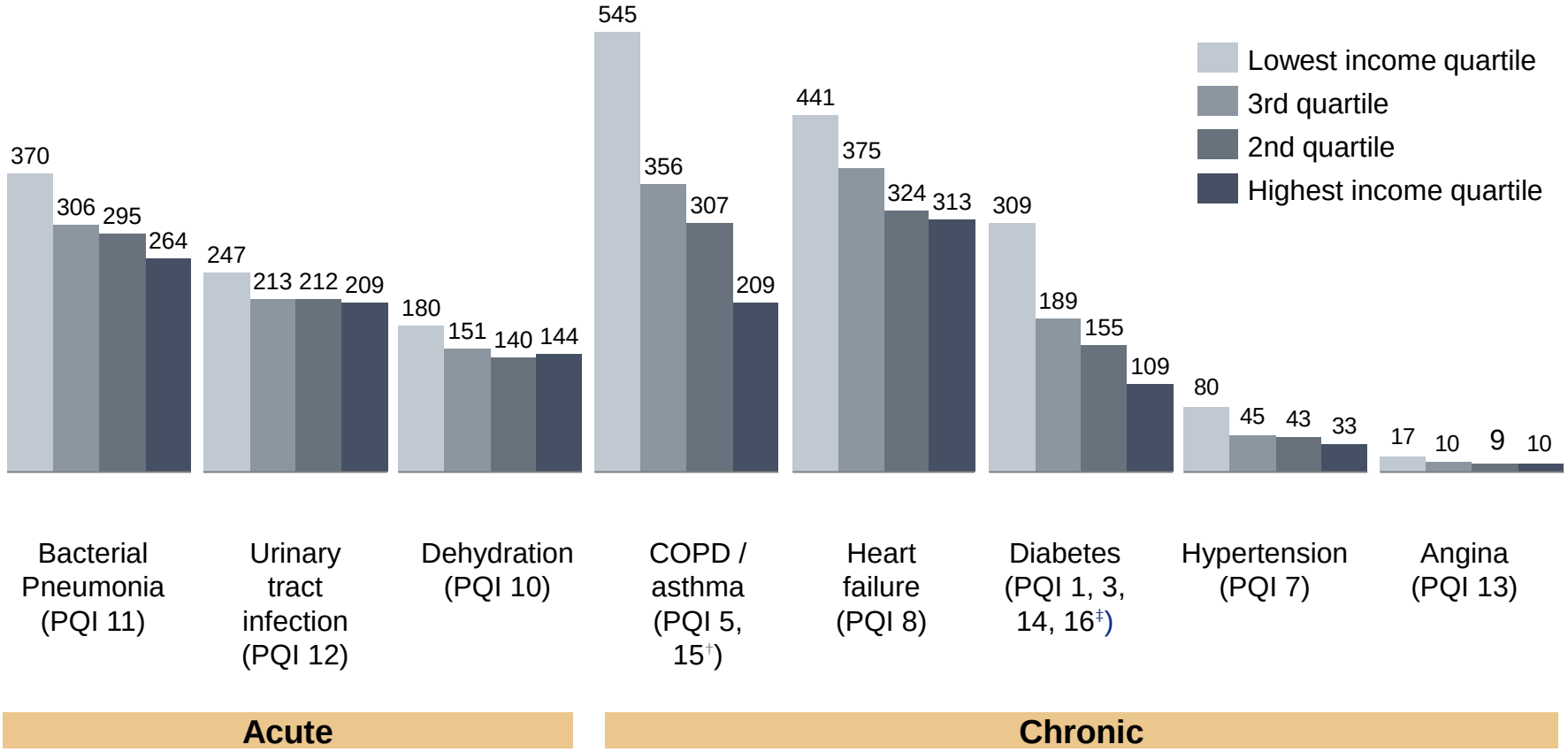
Number of inpatient discharges for non-transfer, non-emergency volume, 2012



* Discharges at hospitals in region for patients who reside outside of region
† Discharges at hospitals outside of region for patients who reside in region
SOURCE: Center for Health Information and Analysis; HPC analysis

Figure C.2: Rates of preventable hospitalization for acute and chronic conditions by income quartile*

Preventable admissions per 100,000 residents, 2012



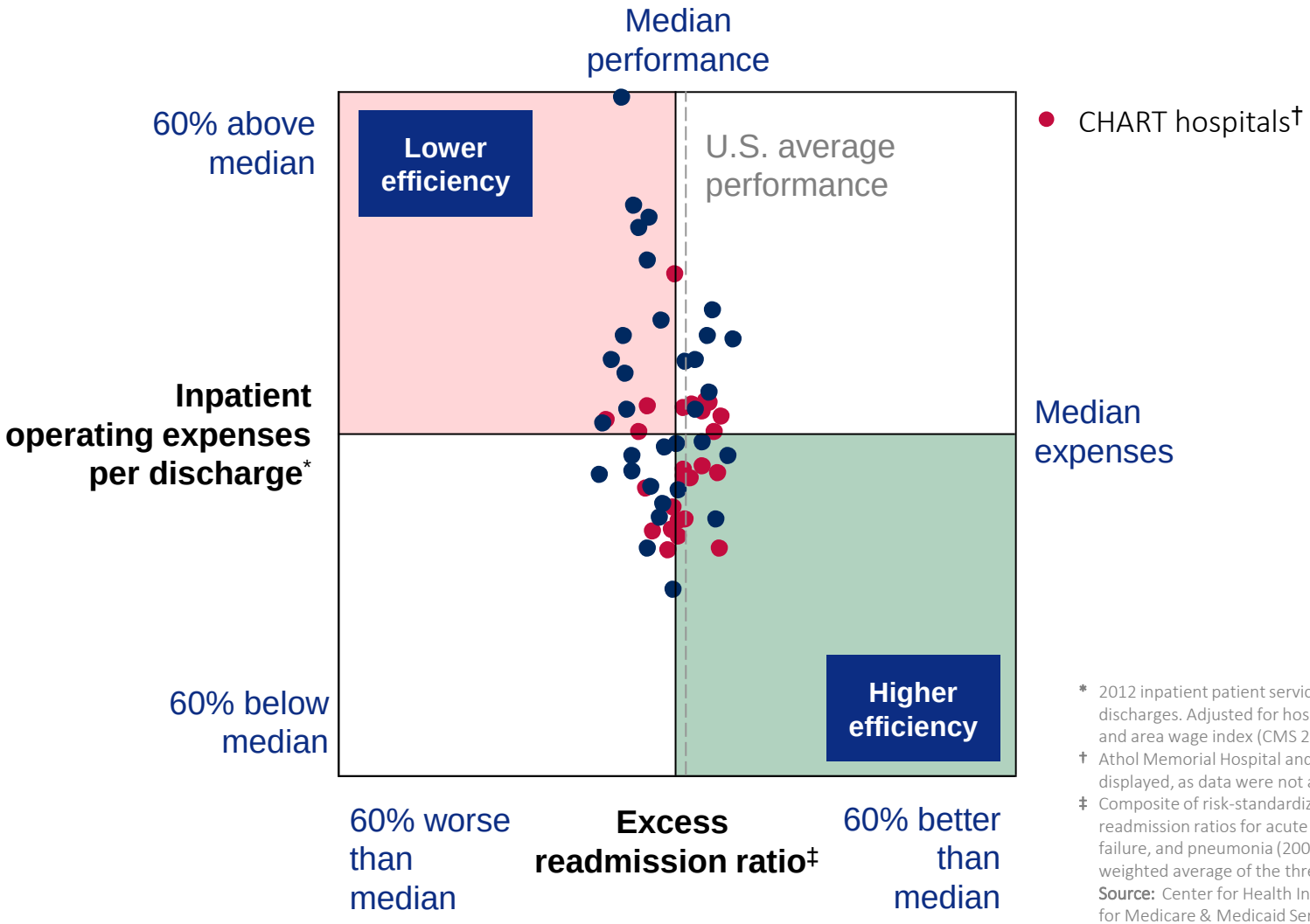
* Income was estimated using the median household income for the patient's zip code. Preventable hospitalizations were calculated using AHRQ's prevention quality indicator (PQI) measures. All figures are age- and sex-adjusted.

† Composite of PQI 5 (COPD or asthma in older adults) and PQI 15 (asthma in younger adults)

‡ Composite of PQI 1 (short-term complications for diabetes), PQI 3 (long-term complications for diabetes), PQI 14 (uncontrolled diabetes), and PQI 16 (amputation among diabetes)

Figure 2.3: Quality performance relative to inpatient operating expenses per admission: excess readmission ratio

Excess readmission ratio versus dollars per case mix-adjusted discharge*



* 2012 inpatient patient service expenses divided by inpatient discharges. Adjusted for hospital case mix index (CHIA 2011) and area wage index (CMS 2012).

† Athol Memorial Hospital and Shriners Hospital are not displayed, as data were not available for measures shown.

‡ Composite of risk-standardized 30-day Medicare excess readmission ratios for acute myocardial infarction, heart failure, and pneumonia (2009-2011). The composite rate is a weighted average of the three condition-specific rates.

Source: Center for Health Information and Analysis; Center for Medicare & Medicaid Services; HPC analysis

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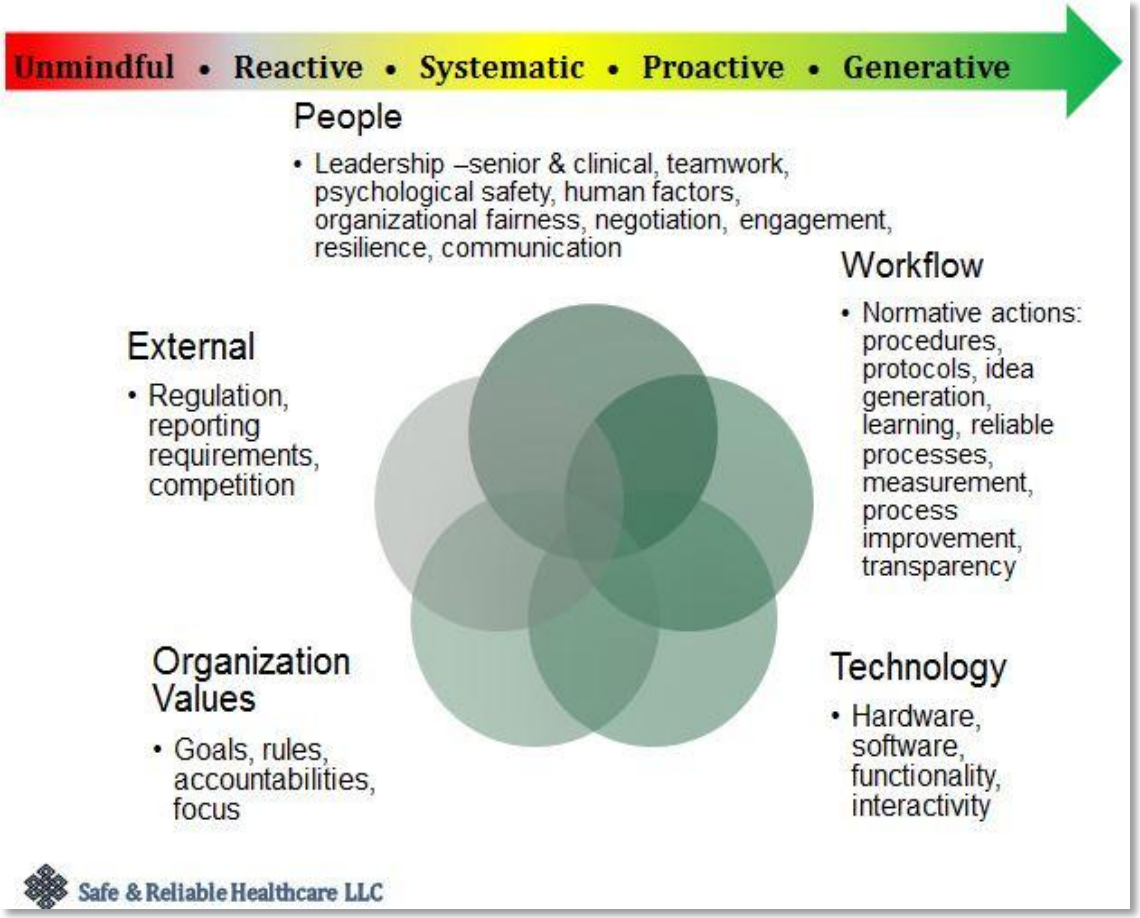
CHART Phase 1 Projects are Underway

Phase 1 status report

- HPC staff have conducted site visits with all **27 CHART hospitals**.
- 19 hospitals requested **no-cost extensions** for Phase 1.
  - 16 were awarded, and 3 remain under review. Most extensions were 2 months or less.
- CHART hospitals have expressed interest in **opportunities for shared learning** with other awardees engaged in similar activities – for example, standing up high-risk care teams.
  - A Learning Session conducted on July 7 received very high ratings from attendees
- CHART hospitals have also asked for the HPC to coordinate an event to **showcase CHART program work** with the full cohort – a culminating poster session or series of presentations.
- Staff are exploring options for pursuing such learning and dissemination activities as voluntary opportunities for interested CHART hospitals.
- There may additionally be opportunities for CHART hospitals to formally or informally **share, distribute, and publish** CHART-funded work. Staff will continue to work with hospitals to support them in identifying and pursuing such opportunities.
- The HPC final reports will be one venue for such sharing and dissemination.

Safe and Reliable Site Visits and Assessments

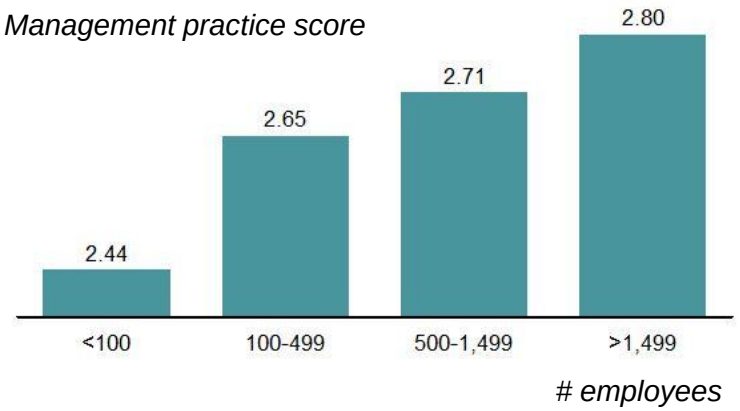
- Safe & Reliable (S&R) is engaging with hospitals to assess baseline culture survey data
  - Hospitals with sufficient data: data have submitted to S&R and are under analysis
  - Hospitals with insufficient data are being supported in best pathway (partial or complete data collection)
  - HPC and S&R staff are coordinating closely to develop an optimal approach to hospital-specific reports
- S&R has completed all hospital assessments
  - Hospital-specific and aggregate reports are in development



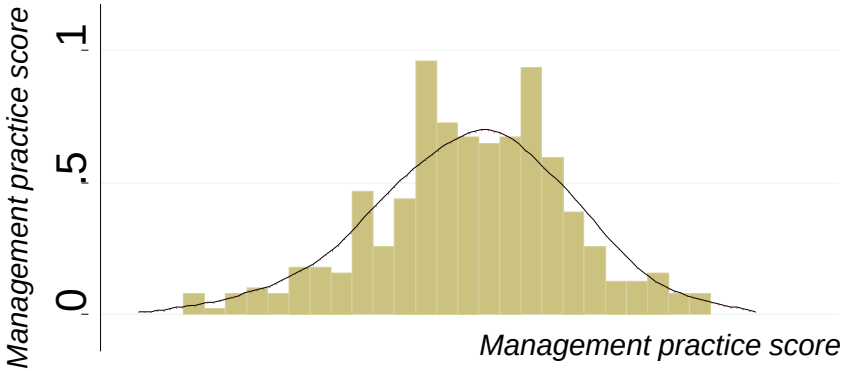
World Management Survey Implementation

- Professors Raffaella Sadun (Harvard Business School) and John VanReenen (London School of Economics) are conducting the World Management Survey across the CHART cohort – early feedback from hospitals has been positive
  - Participation is voluntary
  - HPC providing letter of support and encouraging hospitals to participate
  - WMS data will be used as a baseline for cohort-wide evaluation as well as to guide improvement efforts
- WMS has been implemented across thousands of hospitals in ~20 countries
  - Facilitates meaningful benchmarking
  - HBS/LSE team currently conducting a statewide assessment in another state also engaged in improvement activities
  - WMS will be benchmarked against available quality data

There is a strong relationship between hospital size and management practice



Hospital management practice shows a wide spread

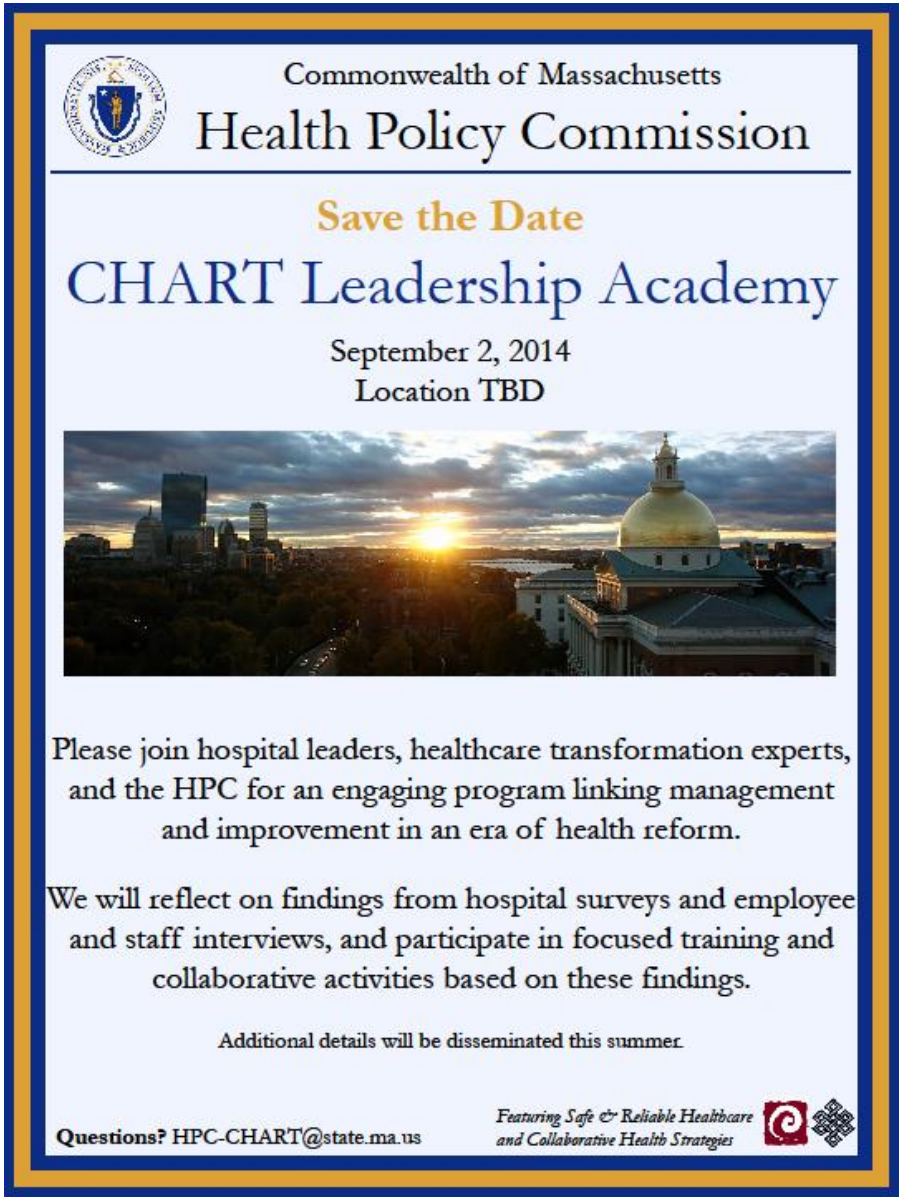


Note: Bars are the histogram of the actual density. The line is the smoothed (kernel) of the US density for comparison.

Source: www.worldmanagementsurvey.org

Leadership Academy

- Leadership Academy scheduled for **September 2, 2014**
- One day, high-yield event
- Curriculum development ongoing; HPC convening focus groups of hospitals to maximize benefit
- ~5-7 attendees will be present per hospital (clinical, operational, and board leadership)
- Key themes will include:
  - Review and discussion of Safe & Reliable assessments
  - Targeted education sessions on leadership/management skills; QI principles
- Oriented towards the 90-120 day planning period for CHART Phase 2 implementation and general approaches to safety, reliability, and community based care / PHM



Leadership Academy Event Details

What	Data-driven discussion of leadership, organizational culture, and the imperative for transformation of hospital safety, reliability, community-based care, and business approaches
Who	5-7 executive leaders from each CHART hospital: Including board members, CEO, CFO, COO, CQO, Chief Strategy Officer, CMO, CNO, CTO/CIO, head of ACO or physician group, service line chiefs, and proposed Phase 2 Investment Directors
Where	DCU Center, Worcester, MA
When	September 2, 2014 – *all day*
Why	To engage CHART hospital leaders in action-oriented dialogue about hospital transformation, providing relevant skills and approaches Leadership Academy attendance is required for Phase 1 awardees

Leadership Academy Draft Agenda - Overview

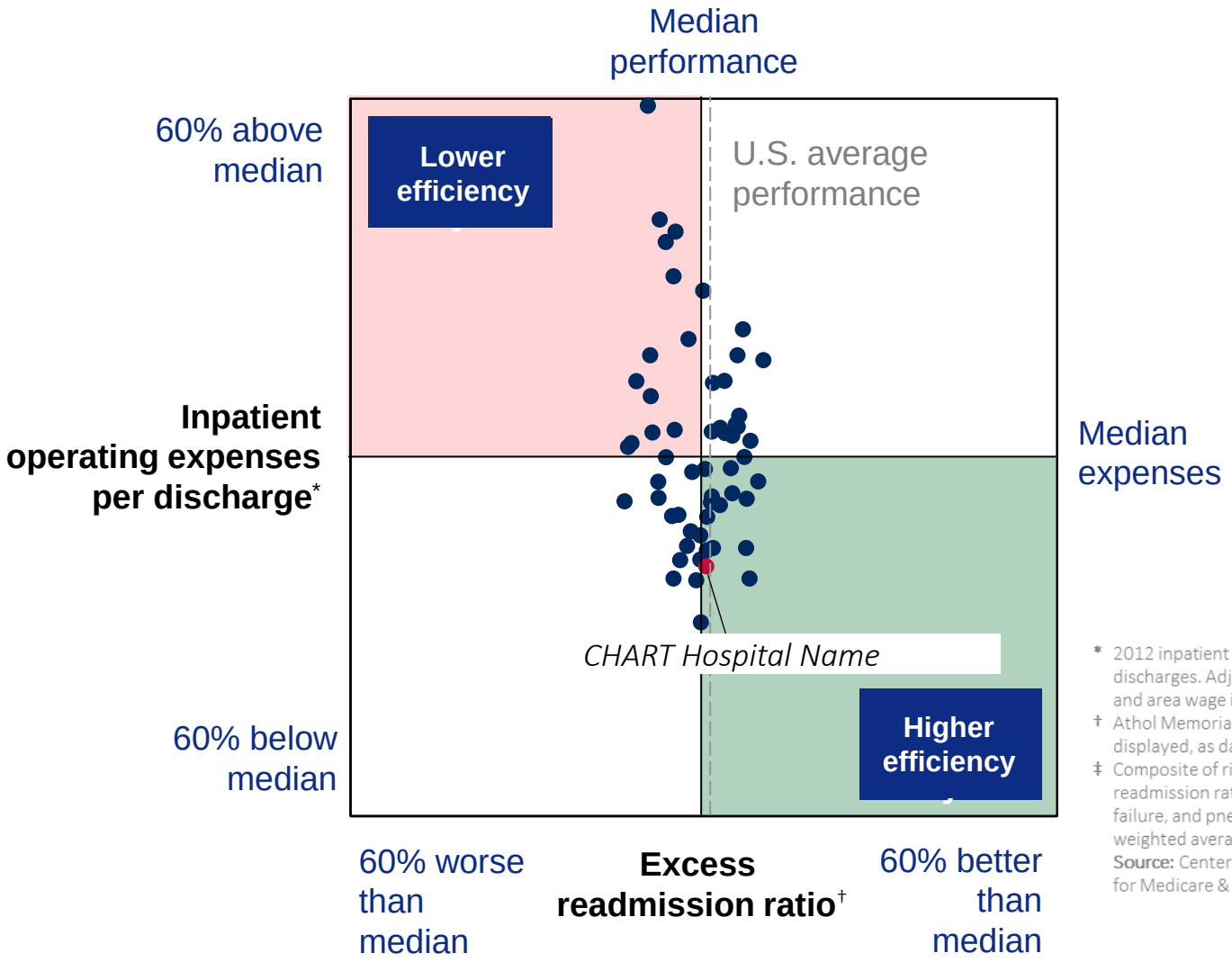
General topic	Presentation / session	Presenter / guest
Establishing a vision for transformation	From community hospitals to community health – community hospitals in a dynamic healthcare environment	HPC
	HPC's role in hospital transformation and the CHART Investment Program	HPC
Preparing for transformation	Understanding and deconstructing Massachusetts trends: utilization patterns and costs	HPC, Collaborative Healthcare Strategies, Cynosure
	Understanding and deconstructing Massachusetts trends: safety and reliability	Safe and Reliable Healthcare, Cynosure
	Hospital culture and management practices	
	Driving transformation: skills and principles of safety and reliability	Expert facilitators
	Driving transformation: skills and principles of population health management	
	Driving transformation: skills and principles of innovative business models and approaches	
Next steps toward transformation	Review conference proceedings, identify areas of support that HPC can provide, and specify next steps for participants	HPC

Detailed Topics Will Include

- Developing a shared vision of community hospital transformation
- Understanding and discussing wide variation in readiness for transformation among CHART hospitals
  - CHART Phase 1 reflections
  - Key patterns and trends in publicly available cost, quality, and utilization metrics
  - Key patterns and trends in culture of safety
- Tactics to improve safety and reliability
- Tactics to optimize community-based care and population health management
- Considerations of community hospital business models – transforming in a FFS environment
- Understanding hospitals' strategies for change, best practices in existing change efforts, and barriers to transformation
- Exploring opportunities to for cross-hospital collaboration
- Discussing strategies for leveraging CHART Investments and related activities to drive transformation
- Understanding additional opportunities for HPC to accelerate transformation

Leadership Academy Sample Handout

Excess readmission ratio versus dollars per case mix-adjusted discharge*



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‡ Composite of risk-standardized 30-day Medicare excess readmission ratios for acute myocardial infarction, heart failure, and pneumonia (2009-2011). The composite rate is a weighted average of the three condition-specific rates.

Source: Center for Health Information and Analysis; Center for Medicare & Medicaid Services; HPC analysis

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CHART Phase 2 Hospital Eligibility

77 Massachusetts Acute Care Hospital Campuses

C. 224 excludes acute care hospital or health system with for-profit status

Non- Profit

Non-Teaching

C. 224 excludes major acute care teaching hospitals

C. 224 excludes hospitals whose relative prices are determined to be above the statewide median relative price[1]

Low Relative Price[1]

"…an acute care hospital that serves patients in a geographic area previously served by a qualified acute hospital that was a grantee…prior to its closure…"
Section 238, C. 165, Acts of 2014

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

[1]A weighted average of relative prices (by payer mix) was calculated using 2011 and 2012 data from the Center for Health Information and Analysis for all commercial payers, Medicare Advantage, and all MMCOs. This eligibility list is valid for Phase 2 only.

The Health Policy Commission Received 31 Prospectus Submissions from 30 Qualified Acute Hospitals

Total Funding Request
$153 million *24 Hospital-specific and 7 Joint Hospital*

Prospectus Submissions Generally Aligned with Primary Aims

Applicant	Appropriate Hospital Use	Behavioral Health Care	Improve Processes
Addison Gilbert Hospital	X	X	X
Anna Jaques Hospital	X	X	X
Baystate Franklin Medical Center	X	X	X
Baystate Mary Lane Hospital			X
Berkshire Medical Center	X	X	X
Beverly Hospital	X	X	X
BID – Milton	X	X	X
BID – Needham	X		X
BID – Plymouth	X	X	X
Emerson Hospital	X		X
Harrington Memorial Hospital	X	X	X
HealthAlliance Hospital		X	X
Holyoke Medical Center	X	X	X
Lawrence General Hospital	X	X	X
Lowell General Hospital	X	X	X
Marlborough Hospital	X		X
Mercy Medical Center	X	X	X
Milford Regional Medical Center	X	X	X
New England Baptist Hospital			X
Noble Hospital	X	X	
Signature Healthcare Brockton Hospital	X	X	X
Winchester Hospital	X		X
Wing Memorial Hospital	X		X
Anna Jaques and Lawrence General Hospitals	X	X	X
Athol Memorial and Heywood Hospitals		X	X
Athol Memorial, Heywood, and HealthAlliance		X	
(Baystate) Franklin, Mary Lane, and Wing	X	X	X
(Lahey) Beverly, Addison Gilbert, and Winchester	X	X	X
(BID) Milton, Needham, and Plymouth	X		X
(Hallmark) Lawrence Memorial and Melrose Wakefield	X	X	
(Southcoast) Charlton Memorial, St. Luke's, Tobey	X	X	X

Total Funding Request

$153 million

Prospectus Submissions Reflect Opportunity for Improvement in Proposals

CHART Phase 2 Prospectus Submissions

- Proposed Initiatives generally reflected the HPC's focus on care delivery models with a **community and population** orientation.
- Many Initiatives had a core **behavioral health** focus.
- Strong Proposals will more fully emphasize effective and appropriate **Community Partnerships** structured to optimally and cost-efficiently meet the needs of the communities served.
- Very few Joint Hospital Prospectus submissions were external to systems. HPC is emphasizing that strong **Joint Hospital Proposals** may include appropriate variation in the type and amount of activity by participating Hospitals to achieve maximum impact directed toward a single, unified Aim Statement.
- To the extent they could be evaluated, **budgets were high** compared with projected impact - 18 of 30 hospitals indicated intent to request the full $6 million. Strong budgets will align with the scale and projected impact of proposed Initiatives and should be cost-efficient and consistent with value-based models of care delivery.
- Prospectus submissions clarified the opportunity for the HPC to provide targeted Phase 2 Technical Assistance in additional domains.

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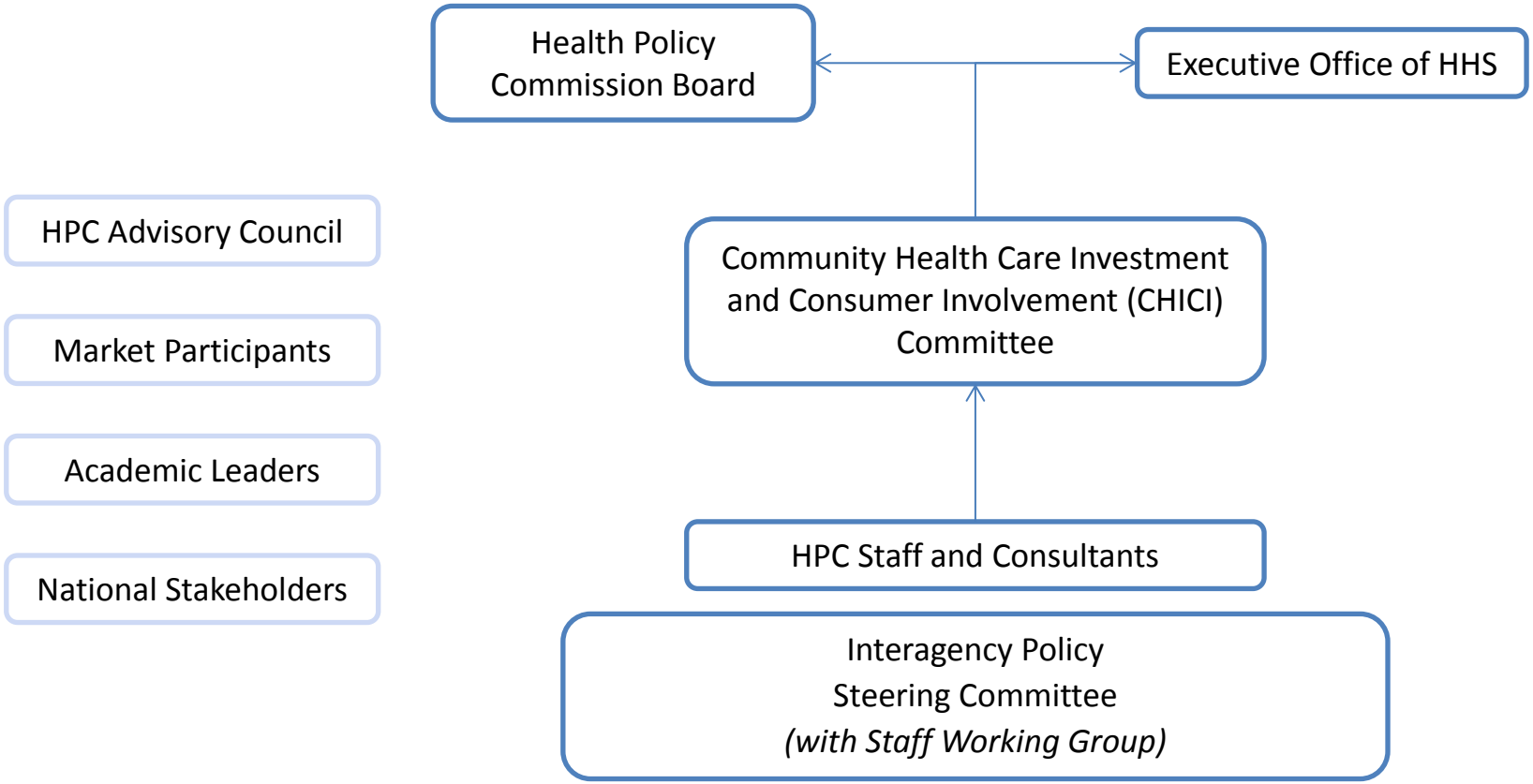
Discussion objectives

- Review work to date and early analytic approach
- Discuss approach to refining study scope
- Share scope questions
- Confirm study timeline and next steps

Community hospital team structure for policy development and advising



Health Policy Commission , Executive Director David Seltz or designee
Executive Office of Health & Human Services (EOHHS) , Secretary Polanowicz or designee
Department of Public Health, Commissioner Bartlett or designee
Center for Health Information & Analysis (CHIA) , Executive Director Áron Boros or designee
Office of the Attorney General (AGO), Health Care Division or Charities

Advisory

Policy Development

Analytic Approach

Aim 1
Analysis of Acute Care Supply & Identification of Opportunities to Align Capacity with Community Need

- Measure total capacity and need
- Map the current distribution of resources in select community-essential service lines
- Forecast the impact of changing demographics and other drivers of changing need
- Identify areas of misalignment in capacity and need and opportunities to address them that are consistent with the Commonwealth's policies

To support health systems' alignment of services with community needs

To support public and private sector health resource planning and investment

Aim 2
Identifying and Addressing Barriers to Structural Transformation in Massachusetts Community Hospitals

- Engage key leaders in Massachusetts and other states with experience in related efforts
- Examine potential barriers to structural change and a comparative analysis of policy approaches adopted nationally
- Recommend ways to support hospital decisions regarding potential reconfiguration of services that mitigate excess capacity or address unmet community need

To inform policy initiatives that address challenges to transformation

To support hospital strategic planning and engagement in transformation

Study Process

	Design	Data Collection	Analysis	Delivery
Aim 1 Aligning Supply Analysis and Capacity	**Today** Preliminary Expert respondent Interviews to inform analytic plan design (August – September)	5-10 yr trend in capacity & need Current capacity & need	Quantitative analyses (past, current, future)	Report on Mass. Community Hospitals Data Visualization
Aim 2 Addressing Barriers to Transformation		Expert respondent interviews; literature review; case studies State regulatory frameworks	Examination of hospital & community centered barriers to transformation Examination of policy barriers	Hospital Leadership Toolkit/ Case Studies

Early Concept of Deliverables

Report on Massachusetts Community Hospitals	A written report on study findings and policy recommendations authored by HPC and colleagues. An appendix of data tables and data books used in analyses
Data Visualization	A public-oriented interactive tool to allow flexible views of how changes in factors such as demographics, referral patterns, and service availability impact communities across MA
Case Studies / Toolkit	A series of case studies, tools, and approaches aimed at creating and supporting opportunities to overcome identified key barriers to transformation

Preliminary Expert Respondent Interviews

- Polled the HPC Advisory Council, the study's Interagency Working Group, and other key stakeholders to identify expert respondents to inform scope development

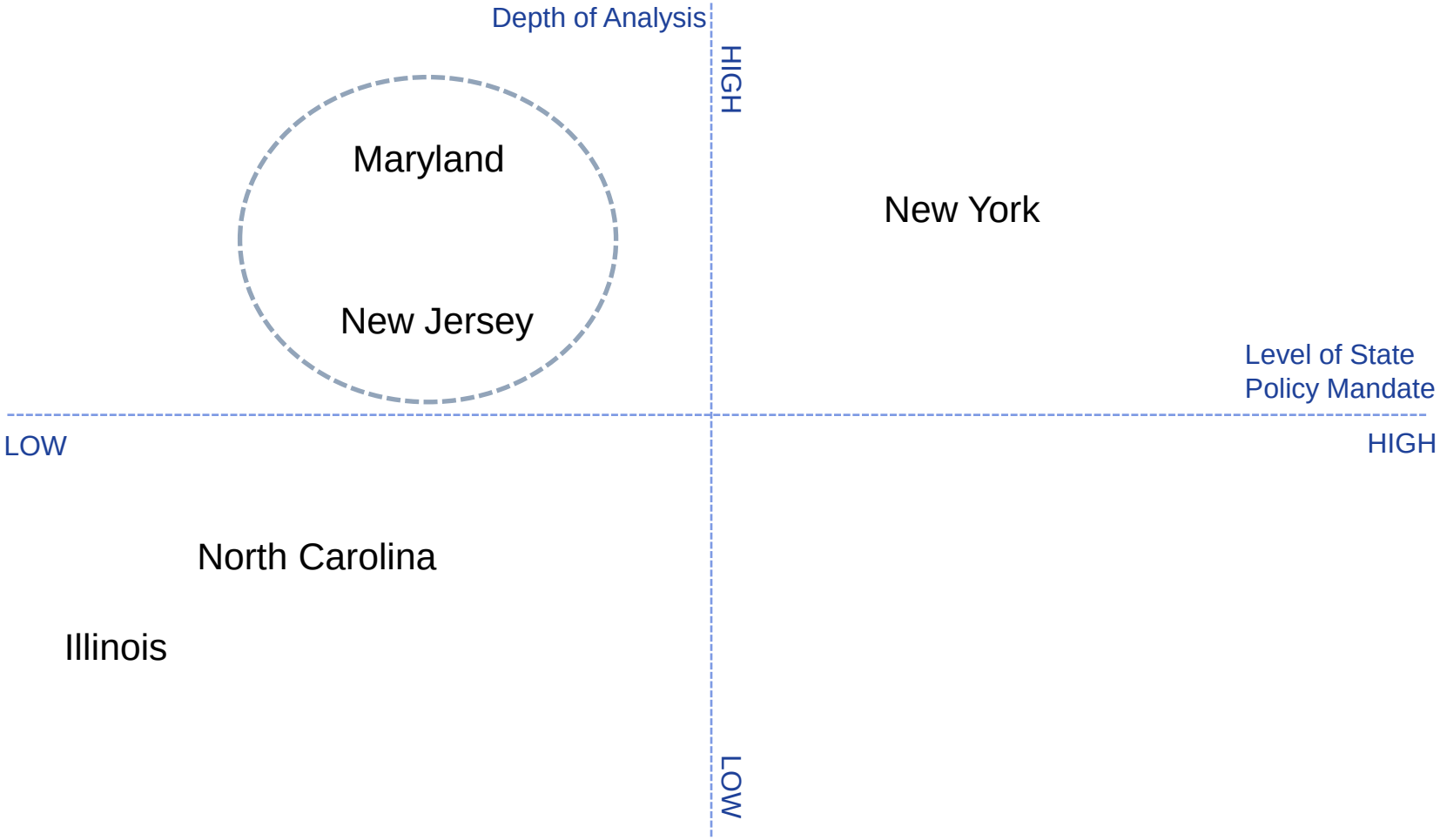
- Invited a group of more than 20 academics, researchers, policy makers and other thought leaders who together represent diverse perspectives with knowledge in study design, community hospital financing, community care delivery and market dynamics

- Specific areas of expertise related to community hospitals include, for example:

  - Hospital financing structures
  - Community-based care / population health
  - Overall Massachusetts market knowledge
  - Experience with hospital transformation and barriers
  - Health planning
  - Analytic methods
  - Healthcare workforce

Review of other state community hospital planning and transformation policies

This mapping represents early work performed by the study team to identify alternate approaches to community hospital planning and transformation. Other states will be engaged as we continue to pursue a comparative study of policy solutions.



AIM 1: Landscape Analysis – Discussion Questions

1. At what level should we define a community?
2. Which hospitals should we include in our analyses?
3. How should we define and measure health need?
4. What factors drive changes in community need?
5. Which service-lines / segments of care delivery should we include in our analyses?
6. How should we measure hospital capacity?
7. What key indicators of financial, utilization, and quality performance should be trended and monitored?

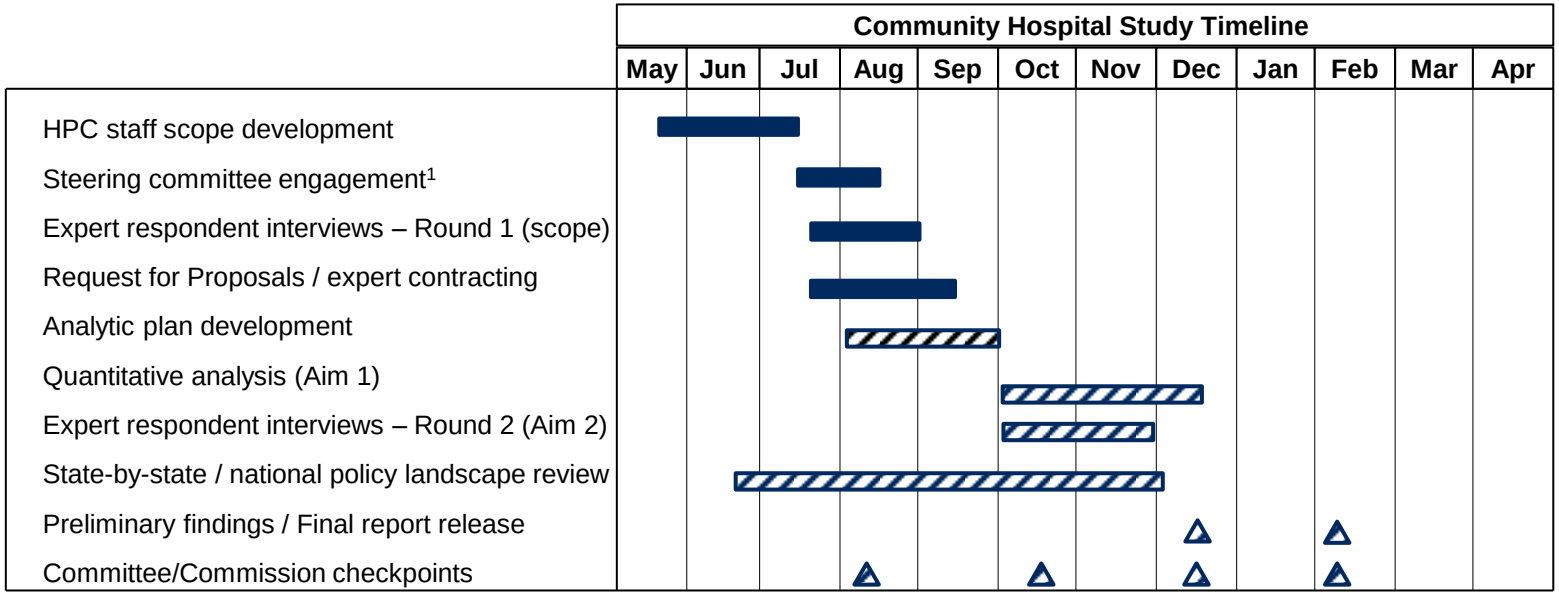
AIM 2: Barriers to Change – Discussion Questions

8 What primary barriers to successful transformation of care do you believe hospitals face today? In the next five years?

9 How should the HPC use findings from a study like this one to promote best practices and community hospital transformation in Massachusetts?

Discussion

Timeline and Next Steps



August	Engage in expert respondent interviews
September	Award contract for analytic support
	Complete draft analytic plan development
October	Present draft analytic plan at next CHICI Committee Meeting

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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