

**MINUTES OF THE COST TRENDS AND MARKET PERFORMANCE
COMMITTEE**

Meeting of April 23, 2013

MASSACHUSETTS HEALTH POLICY COMMISSION

**THE COST TRENDS AND MARKET PERFORMANCE COMMITTEE OF THE
MASSACHUSETTS HEALTH POLICY COMMISSION**
Minihan Hall
Charles F. Hurley Building
19 Staniford Street
Boston, MA 02114

Docket: Tuesday, April 23, 2013, 9:30 AM – 10:30 AM

PROCEEDINGS

The Massachusetts Health Policy Commission's (HPC) Cost Trends and Market Performance Committee held a meeting on Tuesday, April 23, 2013 at Minihan Hall within the Charles F. Hurley Building located at 19 Staniford Street, Boston, MA.

Members present were Dr. David Cutler (Chair), Dr. Paul Hattis, Dr. Wendy Everett, Mr. Rick Lord, and Ms. Candace Reddy, representing Mr. Glen Shor, Secretary, Administration and Finance.

No members were absent.

Chair Cutler called the meeting to order at 9:30 AM.

ITEM 1: Approval of Minutes

Chair Cutler made two changes to the minutes and asked for a motion to accept the minutes. Mr. Lord made the motion and Dr. Everett seconded. Members voted unanimously to approve the minutes.

ITEM 2: Discussion of Cost and Market Impact Review Process

Ms. Karen Tseng, HPC Director of Policy for Market Performance, provided an overview of Chapter 224 as it relates to cost and market impact reviews (CMIR). Ms. Tseng discussed the statutory triggers for CMIR for staff to review include whether the transaction may have a significant impact on the Commonwealth's ability to meet the health care cost growth benchmark, or on the competitive market.

Ms. Tseng stated the HPC will produce a preliminary report and a final report. The preliminary report will be provided to the health care entities, the Commission, and public for feedback. A transaction cannot proceed until at least 30 days after the release of the final report. Ms. Tseng stressed that CMIR differs from the Determination of Need (DoN) process conducted by the Department of Public Health (DPH) and law enforcement actions.

Ms. Reddy asked about the process for handling potentially sensitive or confidential information. Ms. Tseng stated that the statute is silent on the HPC authority's to keep information confidential.

Ms. Tseng stated that the HPC will inform all commissioners when a notice of material change is filed and grant them 21 days to provide feedback. Chair Cutler discussed the length of the 21-day review period and suggested a four-day review period for commissioners. Dr. Everett concurred, noting two or three days would be reasonable. The committee members discussed the role of commissioners and staff in determining whether to initiate a CMIR. Chair Cutler believed staff has full power to initiate a CMIR, however, the full Commission would be allowed to vote to continue or discontinue a CMIR. Chair Cutler noted that Commissioners may also decide to include other review factors in the CMIR.

Mr. Lord asked about the committee's specific role in the CMIR process. Chair Cutler said the Committee may have a more defined role after staff issues a preliminary report and public comments are collected. The committee members held a discussion about the differences between CMIR initiation factors and open CMIR factors. Ms. Tseng said that the latter would be a more in-depth review that incorporates data provided by the health care entities seeking to make the material change. The CMIR initiation review is likely to be based solely on publicly available data due to the 30-day completion deadline.

Ms. Tseng then provided the committee with the statutorily-mandated factors that the HPC must use while conducting a CMIR. She said that the registration of provider organizations will result in additional transparency to help staff determine the need to conduct a CMIR.

After continued discussion, committee members voted unanimously to recommend the policy for staff review of notices of material change to the full Commission at the April 24, 2013 meeting.

ITEM 3: Adjournment

Chair Cutler adjourned the meeting at 10:45am.