

**MINUTES OF THE COMMUNITY HEALTH CARE INVESTMENT AND  
CONSUMER INVOLVEMENT COMMITTEE**

**Meeting of September 4, 2013**

**MASSACHUSETTS HEALTH POLICY COMMISSION**

**THE COMMUNITY HEALTH CARE INVESTMENT AND CONSUMER INVOLVEMENT  
COMMITTEE OF THE MASSACHUSETTS HEALTH POLICY COMMISSION**  
Center for Health Information and Analysis  
Daley Room, Two Boylston Street, 5<sup>th</sup> Floor  
Boston, MA 02116

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**Docket: Wednesday, September 4, 2013, 10:30 AM – 12:00 PM**

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**PROCEEDINGS**

The Massachusetts Health Policy Commission's Community Health Care Investment and Consumer Involvement (CHICI) Committee held a meeting on Wednesday, September 4, 2013 in the Daley Room at the Center for Health Information and Analysis located at Two Boylston Street, 5<sup>th</sup> Floor, Boston, MA 02116.

Committee members present were Dr. Paul Hattis (Chair), Mr. Rick Lord, and Ms. Candace Reddy, designee for Mr. Glen Shor, Secretary of Administration and Finance. Commission Chair Stuart Altman was also present.

Committee members Ms. Jean Yang and Ms. Veronica Turner were not present.

Chair Hattis called the meeting to order at 10:32 AM.

**ITEM 1: Committee Minutes**

Chair Hattis made no changes to the minutes. Mr. Lord moved to accept the Committee minutes from August 29, 2013 and Ms. Reddy seconded. The Committee unanimously accepted the minutes.

**ITEM 2: Review of testimony in response to proposed regulation *958 CMR 5.00: Administration of Distressed Hospital Trust Fund* (The CHART Investment Program)**

Chair Hattis introduced the CHART Investment Program. He noted that the goal of the CHICI Committee was to discover how to distribute the money from the one-time assessment as thoughtfully as possible.

Chair Hattis introduced Iyah Romm, Director of System Performance and Strategic Investment, to review the oral and written testimony on 958 CMR 5.00.

Mr. Romm provided the Committee with a refresher on the purpose of the regulation before reviewing the testimony. He thanked commissioners for their thoughtful comments throughout the drafting process.

Mr. Romm noted that the HPC received public comment from two CHART eligible hospitals, two non-eligible providers, and five other entities. The testimony fell into three categories: eligibility criteria, program framework, and investment priorities. Mr. Romm highlighted that, although not formally included, the discussion by Committee members at the previous meeting of the CHICI Committee informed many of the regulatory changes.

**ITEM 3: Proposed amendments to 958 CMR 5.00: Administration of the Distressed Hospital Trust Fund (the CHART Investment Program)**

Mr. Romm talked commissioners through the seven areas of amendments, noting that much of the redlining stemmed from the need for technical consistency. These changes were not complex. He also noted changes surrounding the definitions of acute hospitals and teaching hospitals. These changes were made for consistency with other state governmental bodies.

Mr. Romm also highlighted the changes to application requirements. He noted that many of these changes were made to provide clarity around the goals of the regulation. The staff envisioned these amendments as a way to signal the HPC's intent to those eligible hospitals. Chair Hattis commented that both Commissioner Veronica Turner and Commissioner Marylou Sudders expressed a desire to have the regulations evolve with more specific application requirements. He noted that this amendment makes it clear that the staff has responded to this request.

Mr. Lord asked why the amended definition of teaching hospitals specifically mentions UMass Memorial. Mr. Romm responded that the new definition is consistent with those used by the Center for Health Information and Analysis (CHIA) and the Department of Public Health (DPH). Dr. Hattis commented that the definition is the vestige of an older regulation that has been carried over. Mr. Lord asked whether UMass Memorial was eligible under the CHART program following this new definition. Mr. Romm responded that the main campus was not eligible but that community hospitals were.

Ms. Reddy noted that the HPC must consider how to measure the outcomes of the investments as soon as possible. Dr. Altman, Chair Hattis, and Mr. Romm fully echoed this need. Mr. Seltz noted that the regulation and the statute speak to the idea of terminating contracts if certain provisions are not upheld. He believes that the CHART investments are a great opportunity to work with providers and understand the real returns on investment. He noted that the benchmarking will likely occur in both the RFP and the contracts with individual entities.

Dr. Altman commented on the necessity to balance the hospital's needs with the complexity of pricing on the market. Dr. Hattis subsequently noted that the HPC may have to think like a health planning group when distributing funds to help balance these two needs. This will likely mean considering the return on investment and relative impact of the investments.

Mr. Romm next reviewed the three additional amendments to 958 CMR 5.00. The Committee discussed an amendment which provides for the Commission Chair to select a

group of designees to review the CHART investment program applications. Dr. Altman noted that this amendment reflects the staff's desire for productive input from commissioners.

Mr. Seltz added that staff expects all commissioners to be involved with the issuance of the RFP. Mr. Romm added that the Commission will also be involved on the back end with the approval of each award.

Mr. Romm next walked through comments for which staff did not propose amendments. He noted that these comments surrounded the eligibility, program framework, and investment priorities. All of these comments were either precluded by the statute or more suited for inclusion in the RFP.

Ms. Reddy asked what would occur if there was a delay in the collection of money related to the one-time assessment in future years. Chair Hattis echoed this concern and asked whether the HPC would be legally obligated to make a commitment for funding if the money were not in hand. Mr. Seltz commented that the HPC could address this concern in the contract with the individual organization. Mr. Romm noted that these contingencies are generally placed in both the RFP and the contract, and stated that staff is anticipating the need for this language.

Chair Hattis asked if commissioners had any other comments or questions. Seeing none, he asked for a motion to approve the draft amendments and move them to the full Board for approval. Ms. Reddy moved to vote on the motion. Mr. Lord seconded. The Committee voted unanimously to approve the motion and move the regulation to the full Board for further approval.

#### **ITEM 4: Discussion of CHART Investment Program framework development**

Mr. Romm discussed the next 8 to 10 months of the grant program if the amendments, as presented, were approved at the upcoming September 11 Board meeting. He noted that the goal of the program is sustainable, scalable innovations with a return on investment.

Mr. Romm reminded commissioners of the relative geographic spread of eligible hospitals. Mr. Lord noted that Berkshire County had no eligible hospitals. Chair Hattis commented that there are other pools of funding available to the hospitals that do not meet the CHART criteria.

Mr. Romm next reviewed the two phased approach to awarding the first year of CHART funds. Phase one will occur this fall and include modest investments in short-term, high-need expenditures. These investments will come from a \$10 million pool focused on infrastructure investments to facilitate downstream delivery systems.

Phase two will occur during the spring of 2014 and contain deeper investments to a more limited set of hospitals. These investments could be multi-year, system wide, or service line transformations and will come from a much more substantial pool of funding (\$50 million).

The awards will vary in size and be stratified by demonstrated financial need, capacity, capability, and potential impact.

Commissioners and staff discussed the relationship between phase one and phase two funding.

Mr. Lord asked about the status of the collection of the one-time assessment. Mr. Seltz noted that there was very good compliance: all acute hospitals paid their portion and only two payers were outstanding. The balance remaining for collection was less than \$50,000.

Mr. Romm next reviewed the details of phase one implementation. He noted that the priorities for funding were clinical information flow between hospitals and community-based providers, IT-based clinical triggers and flags, and IT-based patient registries, since many eligible hospitals still use paper records. Commissioners and staff discussed the selection of these three goals.

Mr. Romm reviewed the day's discussion and summarized the goals for the first year of the CHART Investment Program. Mr. Seltz noted that the phased approach gives the HPC time to build staff capacity while also distributing funding quickly. Ms. Reddy commented that the HPC should streamline the process and act as a model for sustainability and best practices.

Chair Hattis noted that the first \$10 million would be made to eligible hospitals so that they can build a care continuum around the ACO and prepare for the larger investments.

Mr. Romm then reviewed the six month timeline for the grant program, projecting the phase one RFP would be released by November. Mr. Lord asked about the timeline between the issuance of the RFP and the responses. Mr. Romm noted that the timeframe cannot be too short or, if it is, it must be straight forward. He projected a 5-6 week timeframe between the RFP and the responses.

## **ITEM 5: Adjournment**

Chair Hattis announced the date of the next Committee meeting and adjourned the meeting at 11:58 AM.