

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

**Meeting of September 4, 2013**

**MASSACHUSETTS HEALTH POLICY COMMISSION**

**THE COST TRENDS AND MARKET PERFORMANCE 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, 9:00 AM – 10:30 AM**

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**PROCEEDINGS**

The Massachusetts Health Policy Commission's (HPC) Cost Trends and Market Performance Committee held a meeting on Wednesday, September 4, 2013 at the Center for Health Information and Analysis's Daley Room located at Two Boylston Street, 5<sup>th</sup> Floor, Boston.

Members present were Dr. David Cutler (Chair), Dr. Paul Hattis, Dr. Wendy Everett, Mr. Rick Lord, and Ms. Kimberly Haddad, representing Mr. Glen Shor, Secretary, Administration and Finance. No members were absent.

Commission Chair Stuart Altman was also present at the meeting.

Committee Chair Cutler called the meeting to order at 9:04 AM.

**ITEM 1: Approval of Minutes**

Chair Cutler made no changes to the minutes and asked for a motion to accept the minutes. Dr. Everett made the motion and Mr. Lord seconded. Members voted unanimously to approve the minutes.

**ITEM 2: Presentation by the Center for Health Information and Analysis**

Mr. Áron Boros, Executive Director of the Center for Health Information and Analysis (CHIA), presented on CHIA's Annual Report on the Massachusetts Health Care Market. The PowerPoint for this presentation can be found on the HPC's website.

Chair Cutler asked Mr. Boros to summarize what the HPC should obtain from the upcoming annual cost trends hearing. Mr. Boros responded that the state could use more information about how primary care groups are organized and the extent to which they consider their relationships to hospitals. He encouraged HPC staff to use the hearing as a forum to have one-on-one conversations that help uncover the complexity in the system.

**ITEM 3: Update on the Annual Cost Trends Hearing**

Chair Cutler introduced Mr. David Seltz, Executive Director of the Health Policy Commission, to provide an update on the annual cost trends hearing. Mr. Seltz read Chapter 6D, Section

8 of the General Laws, which contains the legislative mandate for the cost trends hearing. He outlined the HPC's objectives for the hearing and reviewed the list of witnesses that the HPC will call to testify.

Mr. Seltz next provided an overview of the pre-filed testimony solicited by the HPC. He noted that it is not practical to call all witnesses in person, thus, as was done in years past, the HPC, CHIA, and Office of the Attorney General (AGO) sent letters with pre-filed testimony questions to 55 providers, payers, and communities. He highlighted that, for the first time, the HPC was asking questions of long-term care facilities and home care providers. He also noted that a selection of these witnesses would be called to testify in person at the cost trends hearing. Mr. Seltz commented that the goal of the provider and payer testimony was to build off of the CHIA report and increase understanding about the MA health care market.

Mr. Seltz reviewed the topics covered in the pre-filed testimony questions. Chair Cutler asked whether there was any feedback from the witnesses on their obligation to submit testimony. Mr. Seltz responded that there were some technical questions and a few requests for extensions.

After outlining pre-filed testimony, Mr. Seltz discussed the selection of witnesses for oral testimony. The HPC will call four to five witnesses in four themed panels and ask them direct questions under oath. He noted the inclusion of one health plan on each of the four witness panels.

Mr. Seltz next reviewed the tentative agenda for the two-day hearing. He noted that Governor Deval Patrick and Attorney General Martha Coakley would be giving remarks on October 1 and 2, respectively. He reviewed the theme of each of the four witness panels.

Commissioners expressed their support for additional time for public testimony at the end of each day. Dr. Everett expressed a desire for more targeted and specific questions for each panelist. She called for a greater correlation between the questions and themes for each panel. Additionally, she urged staff to use the hearings to obtain a better understanding of the relationship among price trends.

Mr. Nikhil Sahni, Policy Director for Cost Trends and Special Projects, asserted that the schedule allows Commissioners one hour to ask panelist questions that will link the testimony to larger themes explored by the HPC.

Chair Cutler suggested the inclusion of two questions for all panelists:

1. Are you on track to reach the cost growth benchmark? Why or why not?
2. What more is needed, both from providers and policymakers, to aid in the Commonwealth's effort to reach the benchmark?

Dr. Hattis suggested the addition of questions specifically on quality of care. He also recommended that staff coordinate with commissioners for questions they would like to have addressed during the hearing.

Chair Cutler urged staff to send testimony questions to witnesses prior to the hearing. Mr. Seltz responded that the staff plans to give witnesses an early sampling of questions they can anticipate to aid in the preparation of their testimony.

Commission Chair Altman stated that there are two main policy issues that the HPC needs to tackle during the hearing: (1) the growing trend of moving community physicians to hospitals and charging an increased facility fee and (2) the growing problem of observational patients in hospitals.

Seeing no further comments on the testimony, Mr. Seltz announced the three expert speakers for the cost trends hearing: Dr. Paul Ginsburg, Dr. Karen Wolk Feinstein, and Dr. Suzanne Delbanco, all national experts in their fields.

Mr. Seltz reviewed the timeline for the cost trends hearing, noting that the staff is currently working to analyze pre-filed testimony responses and post them on the HPC's website. The culmination of the hearing is the HPC's 2013 Cost Trends Report which is due by the end of the calendar year.

Chair Cutler asked for any further questions or comments on the cost trends hearing. Seeing none, he moved to the next agenda item.

### **ITEM 3: Update on the APCD Analysis for Cost Trends**

Mr. Seltz introduced Dr. Marian Wrobel, Director for Research and Analysis, to provide an update on the analysis of data from the all-payer claims database (APCD).

Dr. Wrobel reviewed the HPC's objectives for the APCD and summarized the HPC's contract with the Lewin Group to evaluate the data. She noted that staff anticipated the completion of analytical work with 2009-2011 APCD data in time for the HPC's 2013 Cost Trends Report.

Dr. Wrobel then updated commissioners on the work completed in Phase 1 of the analysis. Dr. Everett commented that staff may want to talk about Medicare data at the cost trends hearing to supplement reports since the database will not yield state level data on Medicaid and Medicare. Dr. Wrobel agreed that the database will only produce some aggregate data on Medicaid and Medicare, making the acquisition of state-specific data in these two areas a long-term project for the HPC. Mr. Seltz commented that some of the pre-filed testimony questions allude to this type of data collection.

Chair Cutler asked for any further questions or comments on the all-payer claims database. Seeing none, he moved to the next agenda item.

### **ITEM 4: Adjournment**

Chair Cutler announced the next meeting of the Cost Trends and Market Performance Committee (November 14, 2013) and adjourned the meeting at 10:40 AM.