COMMONWEALTH OF MASSACHUSETTS

HEALTH POLICY COMMISSION

Community Health Care Investment and Consumer Involvement Committee

December 3, 2014

Agenda

- **Approval of Minutes from the October 22, 2014 Meeting (VOTE)**
- Discussion on CHART Investment Program
- Update on HPC Community Hospital Study Scope
- Presentation by the Department of Public Health on the Prevention and Wellness Trust Fund Investments
- Schedule of Next Committee Meeting

Vote: Approving Minutes

Motion: That the Community Health Care Investment and Consumer Involvement Committee hereby approves the minutes of the Committee meeting held on October 22, 2014, as presented.

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  - CHART Phase 1
  - Presentation on CHART Leadership Summit
  - CHART Phase 2
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CHART Phase 1 update

Close to wrap

24 hospitals complete

1 hospital complete by end of 2014

2 hospitals carrying over

1. **Drivers of delays:** The primary driver of delays was challenges with hiring. Those hospitals delayed are expected to fully complete initiatives in addition to any Phase 2 activity.
2. **Substantial reporting of satisfaction with Phase 1 by hospitals:** In a variety of settings, hospitals have reported substantial satisfaction with their experience in Phase 1 activities and their engagement with the HPC
3. **Cost over/underruns:** There were no cost overruns reported to the HPC. There are a few instances in which hospitals underspent the awarded sum and will be returning funds. A final accounting will be included in the Phase 1 evaluation report

CHART Phase 1: evaluation goals

Overarching CHART Evaluation Goals

Assess efficacy of the investment program in achieving specific quantitative and qualitative goals, including:

- ROI, if applicable
- Sustainability
- Scalability of specific projects

To advance knowledge regarding:

- Opportunities
- Challenges
- Best practices

To aid healthcare organizations that seek to transform care delivery

To support a culture of measurement, accountability, and continuous improvement within participating hospitals and the HPC

Aims of CHART Phase 1 Evaluation

- Assess the progress and output of each specific CHART Phase 1 investment
- Establish a baseline understanding on the capability and capacity of participating hospitals for system transformation
- Identify best practices and foster shared learning among participating hospitals
- Strengthen HPC's grant stewardship practices, through documentation and reflection
- Inform the development of future HPC investments and, where appropriate, policymaking

CHART Phase 1 evaluation products

A series of Phase 1 evaluation outputs are currently in development

1. **Programmatic learnings to inform Phase 2:** HPC staff have continuously collated and captured key lessons to inform ongoing program development and hospital improvement efforts. These tools and approaches are actively being implemented in Phase 2, including directly informing the creation of the implementation planning period.
2. **CHART Leadership Summit Proceedings Paper and Safe & Reliable Assessment:** Staff have developed and will release a proceedings paper on the Leadership Summit. Staff are working to finalize an aggregate report developed based on the assessments conducted by Safe & Reliable Healthcare for release.
3. **Case Studies on Key Themes:** HPC has commissioned up to six case studies of key themes in CHART Phase 1. Each will include multiple hospitals. Cases will be released on a rolling basis and will include topics such as: using data to understand a population and design an intervention, the importance of engaged leadership, and how to address social and behavioral drivers of hospital utilization.
4. **Summative Evaluation Report:** Subsequent to receipt of all final reports and completion of the Phase 1 close out survey, the HPC will release a summative evaluation report on Phase 1. This is anticipated in Q1 2015.

CHART Phase 1 lessons learned: Informing Implementation Planning

HPC is actively using learning and feedback from Phase 1 to inform Phase 2

Lessons from hospital performance in Phase 1

1. **Hospitals' capacity for calculating new metrics** for CHART initiatives was limited. IPP is focusing heavily on metric identification, feasibility, and data flow to the HPC
2. Dedicated **project management resources** and leadership engagement were contributors to successful implementation. IPP is ensuring attention to project management resources
3. **Data driven approaches to defining** patient needs and target populations resulted in key learnings for awardees that shifted clinical models and approaches. IPP is using analytics to specify target populations to improve alignment with community need
4. **Hiring new staff** quickly is a challenge, especially in under-resourced communities. CHART Phase 2 is encouraging partnership with existing resources, where available, prior to hiring new staff or building new hospital capacities**.**
5. **Adaptation of clinical models** based on early outcomes and lessons learned is critical to high impact interventions. IPP is encouraging adaptive, data driven approaches supported by rapid-cycle evaluation to optimize initiatives.

CHART Phase 1 lessons learned: Informing technical assistance

HPC is actively using learning and feedback from Phase 1 to inform Phase 2

Areas where HPC may be able to provide additional support in Phase 2

1 Training

Key takeaway: Many projects relied on new positions like care managers and ED navigators that were new to the hospital or employee. The HPC may support trainings in key areas.

At one health system, acute care nurses, who transitioned to outpatient care managers, required training around population health management, accountable care organizations, risk sharing payment arrangements, and quality metrics to perform the new role.

2 Leadership engagement

Key takeaway: Leadership engagement was key to making needed changes. The HPC will continue to provide opportunities for leadership to engage in individual projects and across the cohort.

One hospital needed to improve discharge planning throughout the organization, which was out of scope for the project team. Leadership needed to be engaged to begin the discussion of system wide changes.

3 Involving community partners

Key takeaway: Community partners helped projects succeed. HPC can encourage convening community partners and highlight their importance to these projects.

One hospital found that their relationship with an affiliated practice improved their understanding of community needs and enhanced their ability to design an initiative that was culturally and linguistically appropriate.

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2014 CHART Leadership Summit: Selected Take-Aways

Common Characteristics of Transforming Hospitals

All transforming organizations require focus on approaches to managing the **health** of populations, ensuring **safety and reliability**, adopting **new business models** and **payment approaches**, and building effective **partnerships** with community organizations

From Community Hospitals to Community Health Systems

Community hospitals can and should serve as **hubs of local innovation and must align to meet communities' needs**—moving away from an inpatient-anchored model and toward an **outpatient-centric, whole-person model of care across settings and time.**

In doing so, community hospitals will have to find effective ways to build partnerships across the care continuum with other hospitals, health care providers, local public health departments, and social service providers (e.g., housing, nutrition)

Acceleration of Payment Reform is Critical

While uneven payment strategies from the payer community could frustrate the progress of community hospital transformation, the move toward value-based payment in Massachusetts is underway and decisive.

Hospital success in a value-driven environment demands **clinical and financial alignment** with physicians and other providers. Many of the activities idealized in community health systems are not incentivized in a fee-for-service environment.

Accelerated movement towards APMs – including those that ensure participation by all variations of community hospitals – is necessary to sustain meaningful change

2014 CHART Leadership Summit: Selected Take-Aways

Integrate Behavioral Health (Delivery Models and Payment)

All community hospitals are challenged by caring for behavioral health patients – particularly emblemized by challenges with **boarding of mental health and substance use disorder patients in emergency departments**. Investment in the development of **community-based care models** that **integrate primary and behavioral health**, as well as integrating **acute services**, is necessary to ensure appropriate cross-continuum care. Models should further connect patients to community providers to prevent unnecessary hospitalizations and emergency department visits.

All such models must be tied to inclusive **payment reform** that promotes integration

Culture and Workforce Development are Central to Transformation

Culture is highly varied across CHART hospitals, and even more so across units *within* hospitals. Culture change and organizational improvement needs to be a top priority in any transforming organization.

Hospitals should create and sustain macro- and micro- level system changes in quality and safety by **investing in workforce development**, particularly middle managers. Leaders – and the HPC – should provide training on how to **advance organizational change,** monitor and measuring improvement, communicate in ways that are psychologically safe, and set clear expectations.

Investment, Convening and TA are Necessary and the HPC is Central

While hospitals are striving to transform to meet community needs in a changing health care environment, **investment is necessary to drive meaningful change**. Investment is particularly necessary to **build structures** for cutting edge data analytics, reconfiguration of service offerings, and workforce enhancement.

In addition to direct investments, CHART and the HPC provide valuable resources through **provider engagement**, including convening of peers and provision of direct technical assistance.

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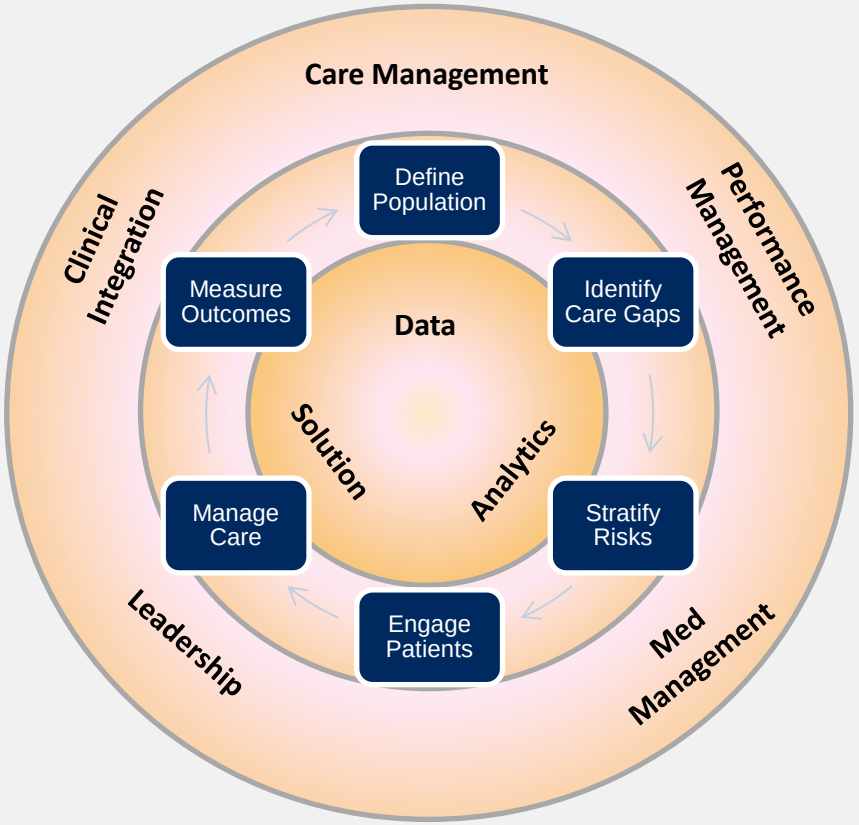
Implementation planning provides foundation for clinical intervention



The center of the graphic represents priorities for Implementation Planning

The activities described in the middle ring are carried out in Implementation Planning to provide a critical foundation for successful initiative implementation

Adapted from Mosaic Lifecare Population Health Model

CHART Phase 2: Uniform approach to implementation planning

Implementation Planning Period is November 2014 through February 2015

- **Objectives of IPP**
  - Ensure all projects are positioned to successfully achieve their aim
  - Establish rigorous program oversight framework and management approach
  - Standardize vetting of program elements across all projects

- **Principles of IPP**
  - **Meet the needs of communities served by CHART hospitals:**
    - Patients are the foremost priority
  - **There are no easy answers:**
    - No “off the shelf” models of care to replicate across communities
  - **Adaptation is key**:
    - Approach to learning requires that clinical models are developed, refined, and continually improved as a cohort
  - **Collaboration is essential**:
    - Collaborative approach to improvement, opportunities for shared learning in the CHART cohort

- **Outputs of IPP**
  - Detailed implementation plan so that you can be successful over the next two years
  - Baseline metrics to build milestones and payment terms

CHART Phase 2: Uniform approach to implementation planning

Key features of Implementation Planning

Measurement

- Build clear measurement plan across all investments
  - From measurements milestones and payment terms will be determined

Partnerships

- The implementation planning period will help the hospitals shift from the competitive procurement process to a **learning community cohort**
- Initiatives designed to meet local community needs, including pushing more impactful **community partnerships**

All payer

- Emphasis on the importance of **all-payer** target populations including **social and behavioral** determinants of health

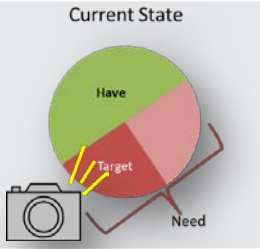
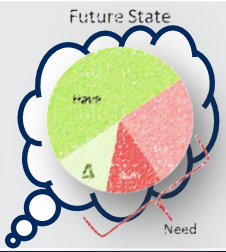
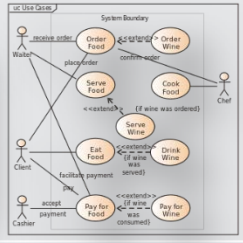
Learning

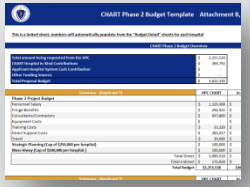
- Tailoring interventions to specific **target populations**
- Adhering to known **best practices** where they exist and **intentional variation** encouraging innovation and variation where best practice is uncertain

Sequence of the Implementation Planning Period

	Activity Description
Describe Current State	Utilize your data and patient interviews to be able to describe the assets and needs of your Community
Identify Target Population	Define and describe your target population using data from your Hospital and patient interviews
Establish Baseline	Identify the measure you intend to target in your intervention, describe the target population and the measures you intend to affect
Describe Future State	Articulate the impact you seek to make by the end of the Initiative
Describe Aim	Use your baseline to quantify specific impact your Initiatives will seek to have on the target population by the end of the Period of Performance
Refine Intervention	Design Initiatives that address the needs (i.e., Drivers) of the target population in order to achieve the Aim Statement
Establish a Work Plan	Walking back from your Aim Statement, describe how you will you measure progress, and what milestones you must 'hit' along your way

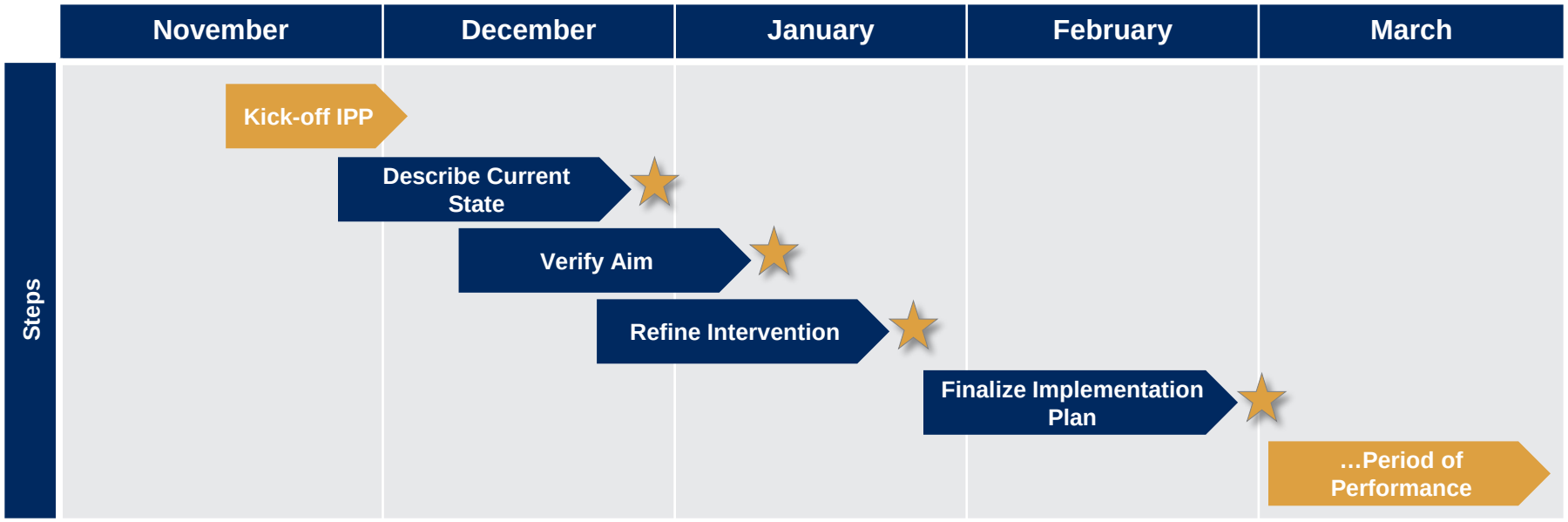
Sequence of the Implementation Planning Period: additional detail

	1. Describe Current State	2. Verify Aim	3. Refine Service Model	4. Finalize Staffing Model	5. Develop Technology Req's	6. Develop Mass Hlway cases
						
Activity Description	Utilize your data and patient interviews to be able to define your target population and describe the state of the measures you intend to affect	Using your baseline, quantify the specific impact your Initiatives will seek to have on the target population by the end of the Period of Performance	Design Initiatives that address the needs (i.e., Drivers) of the target population in order to achieve the Aim Statement	Specify the exact staffing model to support Phase 2 investments (service delivery, administrative, and leadership needs)	Specify lightweight technologies to be used to support achievement of Aim(s)	Specify intended uses of Mass Hiway (to be further developed post-IPP)

	7. Define Scope of Strategic Plan	8. Describe Non-Service Investments	9. Develop Measurement Plan	10. Submit Final Budget	11. Extrapolate Project Milestones	12. Finalize Payment Schedule
						
Activity Description	Define broad goals for strategic planning, to be refined and subject to HPC approval after release of Community Hospital Study	Specify needs and requirements for service-delivery investments (e.g., training, capital, consultants, TA, etc.)	Finalize measurement plan (including validation of data sources and ability to collect measures) for standard and award-specific metrics	Specify final budget based on prior amendments and up to Board -approved award cap	Specify all project milestones (including goals and metrics where appropriate) to assess successful completion	Align disbursement schedule with project milestones including both process and achievement based payments

High-level IPP timeline

IPP will utilize a phased approach to building thoughtful, realistic Implementation Plans that will ensure each Award enters into the Period of Performance with a clear, shared understanding of goals and responsibilities.



Stars indicate estimated HPC approval points

CHART Phase 2: Provider engagement and support

Learning, Improvement, and Diffusion

- In CHART Phase 2, we look forward to continuing our partnership with CHART hospitals. HPC support in Phase 2 will include enhanced technical assistance activities, most of which will be optional, including:
  - **HPC Convening**: Routine regional meetings and ad-hoc affinity groups for awardees to share learning, challenges, and best practices in a facilitated setting
  - **Direct Technical Assistance**: Staff and experts available to support specific needs of awardees, particularly focused on high risk care, readmission reduction strategies, and BH
  - **Leadership Engagement**: Development of hospital leadership engagement opportunities, including skill development related to strategy and tactics of transformation through access to expert 'faculty' on a bimonthly basis
  - **Supportive Data and Analytics**: HPC will continue to develop data and analytic tools to support providers in driving transformation (e.g., rapid-cycle evaluation, high-risk patient identification, and performance benchmarking). As payment will be tied to milestones, reporting will be necessarily frequent and robust
  - **Training**: Staff are exploring opportunities for large scale training in topics relevant to Phase 2 awards
  - **Dissemination**: From Phase 1 initiatives – and continued into Phase 2 – staff are compiling a centralized library of tools and resources to promote and share best practices and guidelines, fed by both awardees and the HPC's evaluation activities. The first substantial input will be Phase 1 case studies

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Community Hospital Study Overview

In May the HPC initiated an analysis of the Commonwealth's community hospitals regarding hospital capacity, community need, care delivery and payment models, barriers to hospital transformation, and description of the value provided by community hospitals and challenges to them

Primary Study Goals

- To investigate and explain the current state of the Commonwealth's community hospitals within the context of their historic role as providers of care, the changing landscape within which they operate and the impact of closures and reorganizations.
- To identify areas within Massachusetts where a misalignment may exist between what a community's service level needs are and what services are reasonably available through community hospitals.
- To identify areas where the Commonwealth can assist community hospital transformation and mitigate or eliminate barriers that prevent community hospitals from properly aligning with the needs of their communities and of the future health care system.

Study High Level Hypothesis

1. *Without significant planning and intervention, and relevant policy shifts, community hospitals may be forced to reduce services (usually low/no margin services) or close*
2. *Service reductions and/or closure of community hospitals would result in the loss of lower priced alternatives and create access and affordability issues for communities*
3. *Successful community hospitals in the future will have closely aligned primary care providers, or must shift service line operations significantly in an attempt to thrive under alternative payment environments*
4. *Misaligned (or excess) capacity exists in hospitals in Massachusetts and this misalignment will likely increase in the future. Those that better align capacity with community need will be better positioned financially and strategically.*
5. *Acceleration of adoption of APMs (including episodic payment) and approaches to VBID that promote use of community hospitals may support viability and utilization of community hospitals*
6. *Significant planning and sustained financial and non-financial investment is needed to assist transformation, including infrastructure and workforce supports*
7. *Policy and regulatory barriers exist which impede needed efforts to transform models of care delivery*

Example Hypothesis One: Financial position of community hospitals

Market dynamics, demographic trends, and changing payment mechanisms have combined to cause a deterioration in the financial health of community hospitals in Massachusetts. The current trajectory does not appear sustainable.

Hypothesis To Test

Without significant planning and intervention, and relevant policy shifts, community hospitals may be forced to reduce services (usually low/no margin services) or close

Method of Testing:

1. Develop profiles, or stratify sample community hospitals by
   - Quality and cost position
   - Payer and service mix and;
   - Financial viability / vulnerability, including age of plant
2. Evaluate and assess key quality and financial metrics over time
   - Adverse events
   - Mortality rates
   - Readmissions
   - CMS core measures
   - Cost/CMA discharge
   - Operating margin
   - Operating EBIDA
   - Excess margin
   - Long-term debt to capitalization
   - Days cash on hand
3. Compare current performance and trends to industry benchmarks

Outputs

- Analyze trajectory of community hospitals based upon historic trends
- Describe key variables that appear to contribute to hospital decline
- Demonstrate opportunities for shifting trend

Summary of key study themes

	Specific themes
APMs and VBID	• Implications for community hospitals of expansion of APMs and VBID to promote use of CHs will be explored • Specific incentives (purchasers) and plans (payers) could create to reduce outmigration will be examined
Investments in CHs	• Opportunities for sustained investments in community hospitals, including for both capital and non-capital transformation, will be explored, including models employed by other states
Non-investment enablers	• The importance of non-investment enablers such as technical assistance, training, skill development, and health information technology to driving transformation will be explored
Workforce transformation	• Opportunities for workforce transformation – and the implications for community hospital workforce of a shifting delivery system – will be examined
Excess hospital capacity	• Incentives to reduce / repurpose excess hospital capacity should be examined, focusing on those that may promote and support create a glide path to right-sized capacity while minimizing disruption, both clinical and economic
State and federal policy barriers	• The extent to which state and federal policies are barriers to transformation will be explored, including, e.g., challenges providers have reported regarding facility changes and alternative delivery models (e.g., telehealth, paramedicine, SEFs, etc.).

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CHART alignment with Prevention and Wellness Trust

Several CHART hospitals are recipients of PWTF funding

Healthy Holyoke	Berkshire Prevention and Wellness Trust Fund	Southeastern Health Initiative for Transformation (SHIFT)
Holyoke Medical Center	Berkshire Medical Center	Southcoast Health System

Alignment between CHART and PWTF

- HPC and DPH staff coordinated regularly on initiative development and progress
- HPC and DPH have engaged in ongoing discussions to align approaches to evaluation and technical assistance, where appropriate
- HPC and DPH are committed to sharing best practices and challenges, and continue to explore opportunities for collaboration
- Beyond alignment, HPC and DPH have worked to ensure non-duplication of funding for CHART recipients also participating in PWTF

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Contact information

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