

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

**Meeting of October 1, 2014**

**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, October 1, 2014, 11:30 AM – 12:30 PM**

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**PROCEEDINGS**

The Massachusetts Health Policy Commission's (HPC) Cost Trends and Market Performance (CTMP) Committee held a meeting on Wednesday, October 1, 2014 in the Daley Room at the Center for Health Information and Analysis (CHIA) located at Two Boylston Street, 5<sup>th</sup> Floor, Boston, MA 02116.

Members present were Dr. David Cutler (Chair); Dr. Paul Hattis; Dr. Wendy Everett; and Ms. Kim Haddad, representative for Mr. Glen Shor, Secretary of Administration and Finance.

Mr. Rick Lord was absent.

Dr. Cutler called the meeting to order at 11:40 AM.

**ITEM 1: Approval of minutes**

Dr. Cutler asked for any changes to the minutes from August 6, 2014. Seeing no comment, Dr. Cutler called for a motion to approve the minutes. **Dr. Hattis** made the motion and **Dr. Everett** seconded. Members voted unanimously to approve the minutes.

**ITEM 2: Update on the 2014 Health Care Cost Trends Hearing**

Dr. Cutler reviewed the day's agenda. He stated that the committee would discuss the upcoming 2014 Health Care Cost Trends Hearing. He also noted that October 1 marked the first day that Massachusetts insurers are required to provide consumers with cost and quality information. As such, the committee would hear a presentation by Harvard Pilgrim Health Care on their consumer transparency tool.

Mr. David Seltz, Executive Director, noted that the HPC is rapidly approaching and preparing for the 2014 Cost Trends Hearing. He stated he would like to use this meeting to update the committee on the revised agenda, various panels, and goals for the hearing.

Mr. Seltz reviewed the agenda for the first day of the hearing. He stated the day would begin at 9:00 AM with remarks from Governor Deval Patrick, Representative Jeffrey Sanchez, Chair of the Joint Committee on Public Health; Dr. Stuart Altman; and Ms. Renee Landers, Director of the Health Law Concentration at Suffolk University Law School.

Mr. Seltz stated that the Center for Health and Information Analysis (CHIA) would present key findings from their annual report on the Commonwealth's health care system, including findings on the state's performance under the health care cost growth benchmark. Following this presentation, Dr. Michael Chernew, a national expert on health care cost containment and a professor at Harvard Medical School, will present on "Perspectives on Spending Growth."

Dr. Everett stated that the CTMP committee had previously raised questions on the high rates of discharge to post-acute care in Massachusetts, a trend reflected in both CHIA's Annual Report and the HPC's Cost Trends Report: July 2014 Supplement. She noted that it would be helpful for Dr. Chernew to speak directly to these statistics.

Mr. Seltz stated that the first witness panel will focus on the Health Care Cost Growth Benchmark. He noted that the panel will include the Commonwealth's top payers and providers as well as the head of Miller Dyer Spears, a small architectural business that will reflect on the importance of containing health care costs to support small business growth in Massachusetts.

Dr. Cutler asked whether Dr. Chernew would be able to participate in the first panel. Dr. Everett stated that Dr. Chernew's involvement would provide a good continuum of conversation. Mr. Seltz responded that panelists have been strongly encouraged to attend the hearing's expert presentations and offer comments within their context.

Mr. Seltz reviewed the agenda for the afternoon of day one. He stated that Mr. Alan Weil, Editor-in-Chief of *HealthAffairs*, will speak on barriers and best practices for health care innovation in Massachusetts. This presentation will lead into a panel on alternative payment methodologies (APMs). He noted panelists will offer a variety of perspectives on extending APMs into specific areas such as behavioral health, community hospitals, and insurance markets.

Dr. Hattis expressed his hope that Beacon Health Strategies, a participant in the APMs panel, will speak directly to behavioral health integration and incentives. Mr. Seltz stated that the HPC asked a number of questions during the pre-filed testimony process with regard to this subject.

Mr. Seltz reviewed the agenda for day two. He stated the day would begin at 9:00 AM with remarks from State Auditor Suzanne Bump and Senate President Therese Murray. He noted that the Attorney General's Office would provide a presentation on the "Examination of Health Care Cost Trends and Cost Drivers." He noted that, prior to each panel on day two, the HPC will provide an overview of key findings to inform a more robust discussion among commissioners and panelists.

Mr. Seltz stated that the first panel on day two would address behavioral health initiatives. Panelists include executives from Commonwealth Care Alliance, Gosnold Addiction Treatment Center, Lynn Community Health Center, Southcoast Hospitals Group, and Tufts Medical Center.

The afternoon of day two will include a separate payer and provider panel on promoting a value-based market. The payer panel will include testimony from Aetna, the Group Insurance Commission (GIC), Harvard Pilgrim Health Care, and Mestek, a small manufacturing company in

western Massachusetts. The provider panel will include representatives from Beth Israel Deaconess Care Organization (BIDCO), Holyoke Hospital, Lahey Health System, and St. Vincent Hospital.

Dr. Cutler stated that panelists should be made aware of relevant HPC findings on their particular subject matter. Mr. Seltz stated that the HPC provided each panelist with a list of general thematic questions that will be addressed during the hearing.

Dr. Hattis stated that Mr. Myron Miller, Principal at Miller Dyer Spears, would be able to offer the consumer perspective. Mr. Seltz added that there is time set aside at the end of both days for public testimony.

Mr. Seltz noted his excitement for the 2014 Cost Trends Hearing. He added that the event will showcase the progress of cost and quality initiatives in the Commonwealth and demonstrate best practices as well as areas for further improvement.

### **ITEM 3: Presentation by Harvard Pilgrim Health Care on Price Transparency Tool**

Dr. Cutler introduced Mr. Matthew Veno, Manager of Government Relations for Harvard Pilgrim Health Care, and Ms. Sue Amsel, Project Manager at Harvard Pilgrim Health Care, to give a presentation on Harvard Pilgrim Health Care's acuity tool, "Now I Know." A full copy of this presentation can be found on the HPC's website.

At this point, Ms. Kim Haddad left the meeting.

Public comment was offered by Ms. Stacey Ober of the Massachusetts Coalition of Nurse Practitioners.

Seeing no further business before the committee, Dr. Cutler adjourned the meeting at 12:52 PM.

### **ITEM 4: Public Hearing on Regulation Governing Notices of Material Change (MCN) and Cost and Market Impact Reviews (CMIR)**

Dr. Cutler opened a period of public comment on the proposed regulation governing Notices of Material Change (MCN) and Cost and Market Impact Reviews (CMIR) at 12:53 PM.

The following individuals testified during the public hearing:

1. John Erwin, Executive Director of the Conference of Boston Teaching Hospitals (COBTH)
2. Eric Linzer, Senior Vice President of Public Affairs and Operations for the Massachusetts Association of Health Plans (MAHP)

To hear their testimony in full, please refer to the audio file available on the HPC's website.

### **ITEM 5: Schedule of Next Committee Meeting (December 3, 2014)**

Seeing no further testimony, Dr. Cutler announced the date of the next meeting of the Cost Trends and Market Performance Committee (December 3, 2014) and adjourned the public hearing at 1:07 PM.