

# 2017 Pre-Filed Testimony Providers



## Exhibit A: Notice of Public Hearing

Pursuant to M.G.L. c. 6D, § 8, the Massachusetts Health Policy Commission, in collaboration with the Office of the Attorney General and the Center for Health Information and Analysis, will hold a public hearing on health care cost trends. The Hearing will examine health care provider, provider organization and private and public health care payer costs, prices and cost trends, with particular attention to factors that contribute to cost growth within the Commonwealth's health care system.

Scheduled Hearing dates and location:

**Monday, October 2, 2017, 9:00 AM**  
**Tuesday, October 3, 2017, 9:00 AM**  
**Suffolk University Law School**  
**First Floor Function Room**  
**120 Tremont Street, Boston, MA 02108**

Time-permitting, the HPC will accept oral testimony from members of the public beginning at 3:30 PM on Monday, October 2. Any person who wishes to testify may sign up on a first-come, first-served basis when the Hearing commences on October 2.

Members of the public may also submit written testimony. Written comments will be accepted until October 6, 2017, and should be submitted electronically to [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us), or, if comments cannot be submitted electronically, sent by mail, post-marked no later than October 6, 2017, to the Massachusetts Health Policy Commission, 50 Milk Street, 8<sup>th</sup> Floor, Boston, MA 02109, attention Lois H. Johnson, General Counsel.

Please note that all written and oral testimony provided by witnesses or the public may be posted on the HPC's website: [www.mass.gov/hpc](http://www.mass.gov/hpc).

The HPC encourages all interested parties to attend the Hearing. For driving and public transportation directions, please visit: <http://www.suffolk.edu/law/explore/6629.php>. Suffolk University Law School is located diagonally across from the Park Street MBTA station (Red and Green lines). Parking is not available at Suffolk, but information about nearby garages is listed at the link provided. The event will also be livestreamed on the [HPC's homepage](#) and available on the [HPC's YouTube channel](#) following the Hearing.

If you require disability-related accommodations for this Hearing, please contact Andrew Carleen at (617) 757-1621 or by email [Andrew.Carleen@state.ma.us](mailto:Andrew.Carleen@state.ma.us) a minimum of two (2) weeks prior to the Hearing so that we can accommodate your request.

For more information, including details about the agenda, expert and market participant panelists, testimony and presentations, please check the Annual Cost Trends Hearing section of the HPC's website, [www.mass.gov/hpc](http://www.mass.gov/hpc). Materials will be posted regularly as the Hearing dates approach.

## Exhibits B and C: Instructions for Written Testimony

On or before the close of business on **September 8, 2017**, please electronically submit written testimony signed under the pains and penalties of perjury to: [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us).

You may expect to receive the questions and exhibits as an attachment from [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us). Please complete relevant responses in the provided template. If necessary, you may include additional supporting testimony or documentation in an Appendix. Please submit any data tables included in your response in Microsoft Excel or Access format.

We encourage you to refer to and build upon your organization's 2013, 2014, 2015, and/or 2016 Pre-Filed Testimony responses, if applicable. Additionally, if there is a point that is relevant to more than one question, please state it only once and make an internal reference. **If a question is not applicable to your organization, please indicate so in your response.**

The testimony must contain a statement from a signatory that is legally authorized and empowered to represent the named organization for the purposes of this testimony. The statement must note that the testimony is signed under the pains and penalties of perjury. An electronic signature will be sufficient for this submission.

If you have any difficulty with the Microsoft Word template, did not receive the email, or have any other questions regarding the Pre-Filed Testimony process or the questions, please contact HPC staff at [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us) or (617) 979-1400. For inquiries related to questions required by the Office of the Attorney General in Exhibit C, please contact Assistant Attorney General Sandra Wolitzky at [Sandra.Wolitzky@state.ma.us](mailto:Sandra.Wolitzky@state.ma.us) or (617) 963-2030.

## Exhibit B: HPC Questions

On or before the close of business on **September 8, 2017**, please electronically submit written testimony to: [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us). Please complete relevant responses in the provided template. If necessary, you may include additional supporting testimony or documentation in an Appendix. Please submit any data tables included in your response in Microsoft Excel or Access format. If there is a point that is relevant to more than one question, please state it only once and make an internal reference.

**If a question is not applicable to your organization, please indicate so in your response.**

### 1. Strategies to Address Health Care Spending Growth

Chapter 224 of the Acts of 2012 (Chapter 224) sets a health care cost growth benchmark for the Commonwealth based on the long-term growth in the state's economy. For 2013-2016, the benchmark was set at 3.6%. Following a public hearing, the Health Policy Commission set the benchmark at 3.1% for 2018. To illustrate how the benchmark could be achieved, the HPC [presented](#) at the public hearing several exemplar opportunities for improving care and reducing costs, with savings estimates of between \$279 to \$794 million annually.

- a. From the drop down menus below, please select your organization's top two priorities to reduce health care expenditures.
  - i. **Priority 1:** Shift care from high-cost settings (e.g., academic medical centers) to lower-cost settings (e.g., community hospitals)
  - ii. **Priority 2:** Reduce unnecessary hospital utilization (e.g., avoidable emergency department use, admissions, readmissions)
  - iii. If you selected "other," please specify: [Click here to enter text.](#)
- b. Please complete the following questions for **Priority 1** (listed above).
  - i. What is your organization doing to advance this priority and how have you been successful?

Hallmark Health System's vision is to offer the right care at the right time and at the right location and fulfill its mission of providing high quality community based care. The priority to shift care from high cost academic medical centers to lower cost community based facilities is at the core of Hallmark Health System's purpose. Advances in technology now permit multiple services to be delivered in a community setting that that previously were only available in downtown Boston. Hallmark Health System's joining Wellforce furthers our ability to continue to shift care out to a lower cost setting because of belief in the distributive academic model led by Wellforce member Tufts Medical Center. Hallmark Health System's ability to partner with Tufts Medical Center to bring traditionally AMC service out into the Hallmark Health System communities will enable patients to remain local for care at a lower price while receiving the highest quality of care. In addition, Hallmark Health System's membership in Wellforce has enable Hallmark Health System to establish a deeper clinical relationship with Tufts Medical Center for AMC services when patients require advance levels of care. Not all healthcare services can be provided in a community setting. In order to address healthcare costs in total it is important to not only shift care from AMCs to community hospitals, but also to shift care from higher cost AMCs to lower cost AMCs. Tufts Medical Center is one of the lowest cost AMC providers in the Commonwealth and has tremendous quality metrics that serve Hallmark Health System patients well.
  - ii. What barriers does your organization face in advancing this priority?

We recognize that there are several significant barriers that Hallmark Health System faces in advancing this priority. These barriers include overcoming patient perception of quality, insufficient patient cost-sharing incentives and our geographic proximity to expensive providers

Citizens of Massachusetts are very fortunate to have a number of world class AMCs in our state. And because of their presence there are perceptions held by patients that "Boston Medicine" is better than similar health care provided in a community setting. Overcoming this perception is a significant barrier to Hallmark Health System's goal of shifting care to a lower cost setting. We have attempted to demonstrate through quality measures and patient satisfaction survey data that community

healthcare is as good or in some cases scores even better than more expensive AMCs to our communities. We have even found issues where a physician practices both at Hallmark Health System and at a more expensive AMC. Patients still perceive that the care will be better in Boston even with the same provider.

The brand names of Boston AMCs trump evidenced based data demonstrating equal or superior quality of care data at Hallmark Health even further when coupled with the lack of sufficient cost-sharing incentives for patients. When there is little or no price impact on the patient, Hallmark Health System's ability to shift patients to a more cost effective care setting is very challenging. Hallmark Health has found that the attempts to tier insurance products to date have not reached a point to truly cause patients to weigh the value proposition and impact where they receive their care if Boston AMCs are nearby. Hallmark Health System's geographic location is less than ten (10) miles from downtown Boston. Our location is a barrier to shifting care to our lower cost setting because of the ease of access for patients to reach more expensive AMCs. Improvements in transportation infrastructure, both highway and rail, has made it more convenient for patients from Hallmark Health System's service area to seek care at some of the highest cost providers on the Commonwealth. And with no effective patient cost-sharing, Hallmark Health System's communities utilize those higher priced facilities.

- iii. What are the top changes in policy, payment, regulation, or statute you would recommend to advance this priority?

Hallmark Health System would support efforts to incentivize the shift of patients to community based providers through reforms that would decrease rates paid to AMCs for services that are safely provided in community hospitals, while shifting a portion of that cost savings to the community hospitals.

- c. Please complete the following questions for **Priority 2** (listed above).

- i. What is your organization doing to advance this priority and how have you been successful?  
Hallmark Health System is committed to improving the health status of our communities. This goal includes efforts to keep residents of our service area healthy and out of the hospital. Hallmark Health System coordinates with the Hallmark Health Visiting Nurse Association and Hospice to meet the needs of resident with delivery of homecare and virtual monitoring services. The services provided to patients assist with recovery from hospitalization as well as proactively monitoring health metrics in the home to prevent initial hospitalization or readmissions. The Hallmark Health Visiting Nurse Association additionally has physical and occupational therapy services that assist patients with fall assessments to prevent injuries that may require admission.

Hallmark Health System is a member of the Hallmark Health Physician Hospital Association ("HHPHO") and works with the physician members of this group to keep patients healthy and out of the hospital. Through collaboration with physician providers on a shared electronic health record which permits the transfer of patient information between providers to work in conjunction with HHPHO case managers to monitor patients. These case managers assist patients with the management of chronic conditions and work to prevent hospital utilization. T

In addition, Hallmark Health System has two (2) urgent care centers that it operates to provide medical care to patients instead of going to the emergency room. These Urgent Care centers offer convenient access to care outside of the hospital for treatment that does not require a full scale emergency department or inpatient admission.

Hallmark Health System is a leader in partnering with the Greater Boston Food Bank ("GBFB") to address nutritional needs of residents. The joint Hallmark Health System/GBFB monthly Mobile Market in Malden celebrated its fifth year on September 2, 2017. This project attempts to address

food insecurity in Malden through the delivery of healthy food options to anyone requesting need. Health services and preventative screenings are offered further the effort to keep residents healthy.

- ii. What barriers is your organization facing in advancing this priority?

Hallmark Health System faces the barrier that a significant portion of services are still paid for under a traditional fee for service model. Hallmark Health is a newer entry into risk based contracting agreements and is optimistic that being part of the Wellforce system will enable it to tolerate more risk based contracts and bundled payment models which would reduce this obstacle.

- iii. What are the top changes in policy, payment, regulation, or statute you would recommend to advance this priority?

If more payors would shift to covering preventative, early and sustained behavioral treatment and wellness treatments there is the potential for a reduction in unnecessary hospital utilizations. Additional state and federal support for behavioral health and substance abuse programs would assist in reducing health system costs especially in emergency departments

## 2. STRATEGIES TO REDIRECT CARE TO COMMUNITY SETTINGS

The HPC has identified significant opportunities for savings if more patients were treated in the community for community-appropriate conditions, rather than higher-priced academic medical centers.

- a. What are the top barriers that you face in directing your patients to efficient settings for community-appropriate care rather than to more-expensive settings, such as academic medical centers? (select all that apply)

- ☒ Patient perception of quality
- ☐ Physician perception of quality
- ☒ Patient preference
- ☐ Physician preference
- ☐ Insufficient cost-sharing incentives
- ☐ Limitations of EMR system
- ☐ Geographic proximity of more-expensive setting
- ☐ Capacity constraints of efficient setting(s)
- ☐ Referral policies or other policies to limit “leakage” of risk patients
- ☒ Other (please specify): [Click here to enter text.](#)

- b. How has your organization addressed these barriers during the last year?

Hallmark Health System’s entering into Wellforce and strengthening its clinical relationship with Tufts Medical Center is intended to redirect care to community settings. Additionally, please see response to Priority 19b)i-iii.

## 3. INFORMATION ON PHYSICIAN COMPENSATION MODELS

Please answer the following questions regarding the current compensation models for your *employed* physicians. Indicate N/A if your organization does not employ physicians. ☐ N/A

- a. For **primary care physicians**, list the approximate percentage of total compensation that is based on the following: N/A

	%
Productivity (e.g., RVUs)	
Salary	

Panel size	
Performance metrics (e.g., quality, efficiency)	
Administrative/citizenship	
Other	

- b. For **specialty care physicians**, list the approximate percentage of total compensation that is based on the following:

	%
Productivity (e.g., RVUs)	
Salary	85%
Panel size	
Performance metrics (e.g., quality, efficiency)	10%
Administrative/citizenship	5%
Other	

- c. Describe any plans to change your organization's compensation models for primary care and/or specialty care physicians that you employ.

Hallmark Health System only employs behavioral health physicians. There are no changes to the compensation models contemplated at this time for these providers.

## Exhibit C: AGO Questions for Written Testimony

The following questions were included by the Office of the Attorney General. For any inquiries regarding these questions, please contact Assistant Attorney General Sandra Wolitzky at [Sandra.Wolitzky@state.ma.us](mailto:Sandra.Wolitzky@state.ma.us) or (617) 963-2030. **If a question is not applicable to your organization, please indicate so in your response.**

1. Please submit a summary table showing for each year 2013 to 2016 your total revenue under pay for performance arrangements, risk contracts, and other fee for service arrangements according to the format and parameters reflected in the attached **AGO Provider Exhibit 1**, with all applicable fields completed. To the extent you are unable to provide complete answers for any category of revenue, please explain the reasons why. Include in your response any portion of your physicians for whom you were not able to report a category (or categories) of revenue. **Required Question.** See Attached Exhibit 1

2. When primary care providers within your organization (including, e.g., newly-acquired practices) change their preferred referral partners, are patients notified of such changes? If so, what information is shared with patients, and when?

Hallmark Health System does not employ primary care providers. New clinical referral relationships at a hospital level are communicated in broad-based newsletters, electronic messages and online materials. If specific patients are directly affected direct telephone and mail outreach is made to explain the change and assist with necessary care transition or other options available to the patient.

3. Do you participate in any provider-to-provider “discount arrangements” (e.g., a form of preferred provider relationship that includes a discount or rebate from one provider to another in connection with health care services furnished under the agreement)? **Required Question.**

☐ Yes ☒ No

If so, do you notify patients’ insurers of such arrangements?

☐ Yes ☐ No