

COST TRENDS AND MARKET PERFORMANCE COMMITTEE

Meeting of January 25, 2017

MASSACHUSETTS HEALTH POLICY COMMISSION

**COST TRENDS AND MARKET PERFORMANCE COMMITTEE OF THE
MASSACHUSETTS HEALTH POLICY COMMISSION
HEALTH POLICY COMMISSION
50 MILK STREET, 8TH FLOOR
BOSTON, MA 02114**

Docket: Wednesday, January 25, 2017 11:30 AM-12:30 PM

PROCEEDINGS

The Massachusetts Health Policy Commission's Cost Trends and Market Performance (CTMP) Committee held a meeting on Wednesday, January 25, 2017 at the Health Policy Commission, 50 Milk Street, 8th Floor, Boston, MA 02109.

Committee members present included Dr. David Cutler (Chair), Dr. Wendy Everett, Mr. Ron Mastrogiovanni, and Ms. Lauren Peters, designee for Ms. Kristen Lepore, Secretary of Administration and Finance.

The agenda for the day's meeting can be found [here](#).
The presentation for the day's meeting can be found [here](#).

ITEM 1: APPROVAL OF MINUTES FROM THE APRIL 6, 2016, THE MAY 18, 2016, AND DECEMBER 7, 2016 MEETINGS

Dr. Cutler asked for a motion to approve the minutes from a joint meeting of CTMP and the Quality Improvement and Patient Protection (QIPP) Committees held on April 6, 2016, a joint meeting of CTMP and the QIPP Committees held on May 18, 2016, and a meeting of CTMP Committee held on December 7, 2016. Dr. Everett motioned to approve the minutes. Ms. Peters seconded. Committee members voted unanimously to approve the minutes, as presented.

ITEM 2: PROPOSED REGULATION GOVERNING PERFORMANCE IMPROVEMENT PLANS (PIPs)

Dr. Cutler provided a brief introduction and turned the discussion over to Ms. Katherine Mills, Policy Director for Market Performance, and Ms. Kara Vidal, Senior Manager for Market Performance.

Ms. Vidal provided an overview of the proposed regulation governing PIPs. For more information see slides 10-22.

Dr. Cutler asked for confirmation that the Board would have to vote to issue the final PIPs regulation. Ms. Vidal said that this was correct.

Dr. Everett asked for clarification regarding Dr. Cutler's question referencing the timeline on slide 12. She said that she believed that the public hearing was scheduled for March 8. Ms. Vidal clarified that the public hearing on PIPs was scheduled for March 15.

Dr. Cutler asked if there was a draft of the PIP proposal form in Committee members' packets. Ms. Vidal confirmed that there was.

Mr. Mastrogiovanni asked how "Sustainability" was being defined for the purposes of the eighth bullet in the PIP proposal form outline section on slide 16. Ms. Vidal said that this was a fairly open-ended question but that the detail required in the response would depend on the type of plan being proposed. She said that the HPC is looking for mostly qualitative protections showing that the entity has thought about how to make these changes sustainable.

Dr. Everett asked, regarding the evaluation of the proposed target on slide 17, whether it was possible to assess target achievability not knowing how an entity planned to achieve these savings. Ms. Vidal said that the entity would be asked about how it intended to achieve the stated savings in the fourth section "Interventions and Evidence." She agreed that some details of the plan need to be known in order to evaluate achievability but added that there was also utility in stating the goal in the "Target" section to keep that goal in mind even if interventions and measurements change along the way.

Dr. Cutler asked for clarification on the goal of a PIP under statute. Ms. Vidal said she was unsure as to whether the law explicitly stated the goal but that it included the factors the HPC should examine when considering a PIP. She said that it stated that the PIP must reasonably address the causes of cost growth and reasonably be able to be successfully implemented.

Dr. Cutler said that one question for the Board with each specific PIP will be how aggressive to set the target. He said that it would be helpful to discuss this with the organization prior to their submission.

Dr. Cutler said that Board members may disagree somewhat over what they thought the target would be in any particular case but that they might need a metric slightly more descriptive to work with than dollars to determine what the appropriate target might be.

Ms. Vidal said that the first evaluation standard was that the target was in line with the entity's historical HSA TME performance.

Dr. Cutler suggested a format that allowed the entity to explain specifically what the reduction in spending dollars would accomplish.

Mr. Mastrogiovanni asked why staff decided to limit the "Target" section to a single question.

Ms. Vidal said that the "Intervention" section covered most questions relating to how an entity planned to meet its target. She added that the focus had to be the dollar amount stated specifically in the "Target" section.

Mr. Mastrogiovanni said that the whole process goes back to this particular "Target" question and whether it might be possible to generate more detail from that question or a series of questions. He said this would make it easier for the Board to get more from the responses to the later questions.

Dr. Cutler added that the thinking behind the target number was very important. He suggested adding language to allow the entity to describe why it believes it was over the benchmark. Mr. Mastrogiovanni agreed and said that this would help to facilitate assessment.

Dr. Everett asked for clarification on the reasoning behind asking for an absolute dollar amount. Ms. Vidal said that the main concern was that if the process were to start on the intervention side, it might make it easier to lose sight of the actual goal. She said that by putting the spending target up front, it made it easier for all the parties to remain focused on the goal of the PIP.

Ms. Vidal said that Dr. Cutler's point about determining an appropriate target was important and that in drafting the question, staff intended to generate consideration of this question by the PIP entity. She confirmed that staff would update the document to explicitly ask for a justification of those chosen target. t

Dr. Everett said that the discussion was not on dollars versus percentage growth but on ensuring the target savings were stated up front and that the process was tailored to this goal.

Commissioners and staff discussed the wording of various questions.

Dr. Everett said that in the Causes of Growth section (Section III, slide 16), she had a preference for asking why an entity had missed the target. She stated that Board members would like to understand why things had not gone the way the entity had hoped. She added that this information would provide a more robust understanding of the problem.

Ms. Mills said that when staff had done follow-up with entities, the "Causes of Growth" question was front-in-center and that entities were expected to explain what was driving their trends.

Dr. Cutler said that entities should explain how their cost drivers were different from what was happening in the rest of the market.

Ms. Mills said that that was the case.

Dr. Cutler added that the Board would not want an exhaustive list that included factors that would be commonplace with entities across the market but a list that was unique to the specific entity's circumstances. Ms. Mills agreed with that statement.

Dr. Cutler said that the key issue was what the philosophy behind the "Target" was and whether the Board agreed with that philosophy. He said that the Board would want a clear statement about what the entity would want to hit to not be above the target for that year. He added that the Board could then respond with whether it agreed with entity's assessment or believed it needed to be changed.

Dr. Cutler asked if the reports to the HPC from the entity were public. Ms. Vidal said that this would depend on what was included in the report and what the proposal said. She said staff envisioned a variety of reporting formats, which may include certain written reports not available to the public depending on what they contained.

Dr. Everett said that Ms. Vidal had mentioned that the attachments could contain proprietary information and asked if the law was structured in such a way that the HPC could keep these attachments confidential. Ms. Vidal said that the law used the same language as the cost and market impact review (CMIR) statute which allows the protection of proprietary information.

Dr. Everett asked when the Board would vote to issue the final regulation. Ms. Vidal said that that vote was slated for the March 29 Board meeting. She said that this date was contingent on the number and type of comments received.

Dr. Cutler asked what the schedule was for receiving and processing data from the Center for Health Information and Analysis (CHIA). Ms. Vidal said that the timeline on slide 22 assumed that the HPC will receive the new list from CHIA in February. She said that the HPC hoped to conduct the gated-review process over the course of February, March, April, and May. She said the timeline was somewhat contingent on the size of the list, but that the hope was to have recommendations over the summer.

Dr. Cutler said that he was pleased with the proposal but still thought it would be useful to revisit bullet points two and three on slide 17 and their language. He asked if the Committee could provisionally approve subject to feedback on this language. Ms. Mills clarified that the vote was solely on the regulation itself and there would continue to be new iterations on the forms.

Dr. Everett added that the Committee would meet again on March 15 and could change or approve these at that time. She also asked if staff believed they would have the 2016 list from CHIA prior to the March 15 meeting. Ms. Vidal said she believed that they would.

Ms. Peters asked whether public comment was also being solicited on the forms themselves. Ms. Mills said that it was. She added that the hope was to issue the forms at the same time as the regulation.

Dr. Cutler asked for a motion to advance the proposed regulation governing performance improvement plans to the full Commission. Dr. Everett motioned to approve the motion. Ms. Peters seconded. The motion passed unanimously.

ITEM 5: SCHEDULE OF NEXT MEETING (MARCH 15, 2017)

Dr. Cutler thanked the staff. He asked if there were any comments from the public. None were heard.

Dr. Cutler thanked the audience and adjourned the meeting at 12:23 PM.