



MASSACHUSETTS
HEALTH POLICY COMMISSION

Cost Trends and Market Performance Committee Meeting

March 29, 2017



AGENDA

- **Call to Order**
- Approval of Minutes from the January 25, 2017 Meeting (VOTE)
- Approval of Minutes from the March 15, 2017 Meeting (VOTE)
- Performance Improvement Plan Regulation (VOTE)
- Schedule of Next Meeting (May 31, 2017)



AGENDA

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- Approval of Minutes from the March 15, 2017 Meeting (VOTE)
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VOTE: Approving Minutes

MOTION: That the Committee hereby approves the minutes of the Cost Trends and Market Performance meeting held on January 25, 2017, as presented.



AGENDA

- Call to Order
- Approval of Minutes from the January 25, 2017 Meeting (VOTE)
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VOTE: Approving Minutes

MOTION: That the Committee hereby approves the minutes of the Cost Trends and Market Performance meeting held on March 15, 2017, as presented.



AGENDA

- Call to Order
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Performance Improvement Plans: Purpose



PIPs are one of the key mechanisms by which the HPC can **enforce the benchmark** and ensure accountability to the Commonwealth's cost containment goals.

PIPs provide an opportunity for the HPC and for payers and providers undergoing a PIP to **understand the drivers** of its cost growth, and to **pursue best practices** to address them.

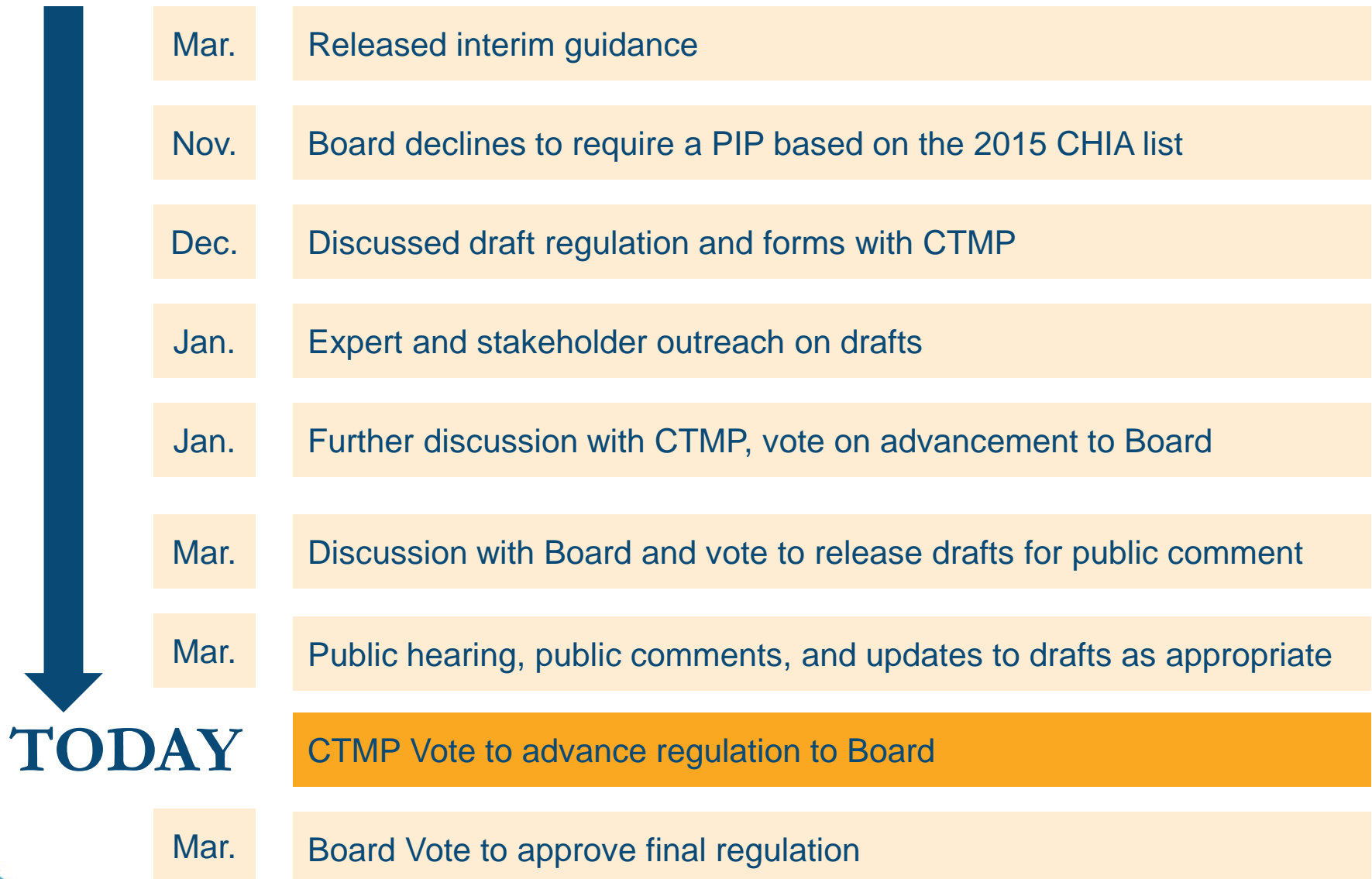


The PIP process enables entities to **explore options to reduce cost growth** such as changing pricing or referral practices or implementing care delivery reform.

Entities undergoing a PIP will **provide updates to the HPC** on their progress and will have the opportunity to **receive consultation and technical assistance** from the HPC.



Overview of Regulatory Process



Comments and Proposed Updates to Regulation

Testimony Received From

Beth Israel Deaconess Care Organization
Blue Cross Blue Shield of Massachusetts
Massachusetts Association of Health Plans
Partners HealthCare System
Steward Health Care System

Section and Commenter	Comment	Recommendation
10.04(3) and (4) BCBS Partners	Entities should have the chance, before a public Board vote for a PIP, to: <ul style="list-style-type: none">• Review data and documents relied upon by HPC;• Meet with HPC; and• Contest the recommendation to require PIP.	Add to 10.04(3): “Prior to any Board vote to determine whether to require a Performance Improvement Plan, the Commission shall provide written notice to the CHIA-Identified Entity, an opportunity to review information used by the Commission relative to 958 CMR 10.04(2), and an opportunity to meet with the Executive Director.”

Comments and Proposed Updates to Regulation

Section and Commenter	Comment	Recommendation
<p>10.04(2) 10.10(2) 10.13(3)</p> <p>MAHP</p>	<p>Add additional, more specific factors for determining whether to require a PIP:</p> <ul style="list-style-type: none"> • Impact of Rx spending growth; • Changes in Relative Price; • Market consolidation; • Avoidable readmissions or non-recommended care provided; • Changes in referral patterns; • Entity's funds flow method; • Entity's internal cost structure as compared to its peers. 	<p>Add to 10.04(2)(f): Additional factor of "cost structure."</p> <p>Add 10.04(2)(i): "Any other factors the Commission considers relevant."</p>
<p>10.04(2)</p> <p>Steward</p>	<p>Add "Weighted Average Payer Rate (WAPR)" as a factor when determining whether to require a PIP.</p> <p>The WAPR takes into account payment rate and payer mix and allows an "apples-to-apples" comparison among providers.</p>	<p>Add to 10.04(2)(d): Additional factor of "payer mix."</p>

Comments and Proposed Updates to Regulation

Section and Commenter	Comment	Recommendation
<p>10.04(2) 10.10(2) 10.13(3)</p> <p>BIDCO MAHP</p>	<p>The overall regulatory environment should be a consideration when determining whether to require or approve a PIP, or deem a PIP successful.</p> <ul style="list-style-type: none"> • Impact of changes to the ACA; • State-level PPV reforms. <p>Regulatory changes may impact entities' ability to control costs or maintain insurance coverage.</p>	<p>No change. The HPC agrees that these factors are important and will consider these factors under:</p> <ul style="list-style-type: none"> • 10.04(2)(h): "Factors leading to increased costs that are outside the CHIA-Identified Entity's control" • Newly added 10.04(2)(i): "Any other factors the Commission considers relevant." • 10.13(d): "The impact of events outside of the PIP Entity's control on implementation or cost growth."

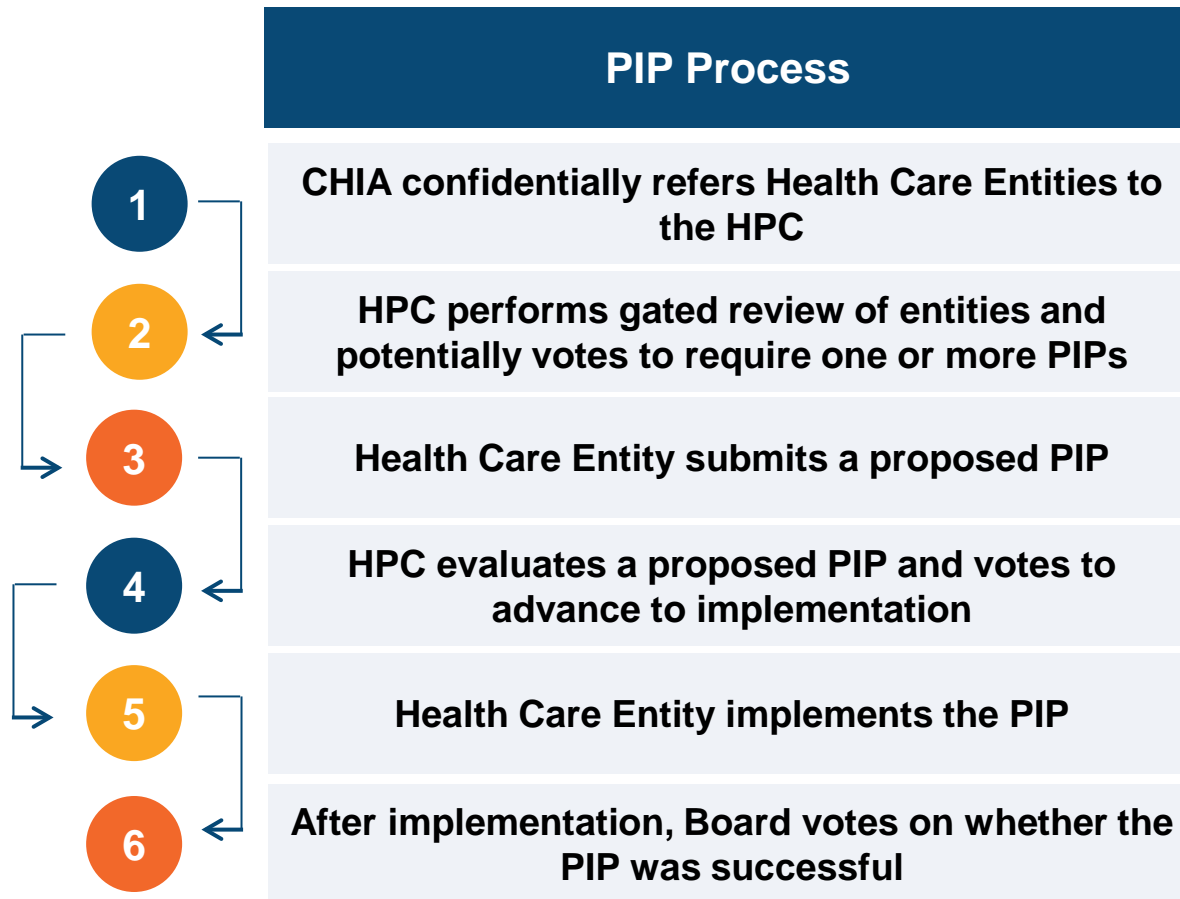
Comments and Proposed Updates to Regulation

Section and Commenter	Comment	Recommendation
<p>10.04(1)</p> <p>BIDCO</p>	<p>Articulate a clear, numerical standard for the “significant concern” that would justify a PIP.</p> <p>A brighter-lined threshold would promote clarity and consistency in the PIPs process.</p>	<p>No change. The HPC’s review process is a case-by-case consideration of each entity’s unique circumstance and the context of its spending growth.</p>
<p>10.08(8)</p> <p>BIDCO</p>	<p>The notice that HPC denied an extension request should include the reasons for the denial, in order to promote transparency and facilitate the entity’s response.</p>	<p>Add clause to 10.08(8) stating that the denial notice will include “the reason for the denial.”</p>
<p>10.10(5)</p> <p>BIDCO</p>	<p>The notification that a PIP proposal was unacceptable or incomplete should be by both hardcopy and electronic copy.</p>	<p>No change. 958 CMR 10.10(5) states that the HPC will notify the entity.</p>

Other Proposed Changes to Regulation

Section	Issue	Recommendation
10.16	Draft regulation unintentionally omits the requirement of a Board vote to initiate a CMIR on named provider organizations, and does not grant the opportunity to review the HPC's data and meet with the HPC.	<p>Add to 10.16(2): “Prior to any Board vote to determine whether to initiate a Cost and Market Impact Review pursuant to 958 CMR 10.16(1), the Commission shall provide written notice to the Provider Organization, an opportunity to review information used by the Commission relative to 958 CMR 10.16(1), and an opportunity to meet with the Executive Director.”</p> <p>Add 10.16(3): “The Commission shall determine whether to initiate a Cost and Market Impact Review by vote of the Board.”</p>

Performance Improvement Plans: Overview



Proposed Implementation Process

Step 1: Identification by CHIA

Provided to Commissioners	The final confidential list of entities identified by CHIA
Board Input	Comments or recommendations regarding the list

Step 2: Requirement to File a PIP

Provided to Commissioners	<ul style="list-style-type: none">a) Results of the review processb) Recommendations to conclude the review process or request additional information from an entityc) Summary and analysis of additional information receivedd) Notice of any meeting scheduled with an entity
Board Input	Comments or recommendations regarding the review and requests for additional information
Board Vote	Whether to require a PIP

Proposed Implementation Process

Step 3: Extensions or Waivers

Provided to Commissioners	a) Entities' waiver/extension requests, including supporting information b) Whether the ED has granted an extension request of ≤ 45 days
Board Vote	To grant an extension of >45 days or a waiver

Step 4: Approval of Proposed PIP

Provided to Commissioners	a) Information related to the development of the PIP proposal b) Staff analysis of the PIP proposal c) Any additional information provided by the entity
Board Input	Comments or recommendations regarding a PIP proposal
Board Vote	To approve a proposed PIP

Proposed Implementation Process

Step 5: Implementation of PIP

Provided to Commissioners	<ul style="list-style-type: none">a) Reports on the implementation, reporting and monitoring of the PIP at Commission meetingsb) Other periodic reportsc) Any proposed amendments
Board Vote	To approve significant proposed amendments

Step 6: Conclusion of PIP

Provided to Commissioners	Information related to the conclusion of the PIP
Board Vote	To determine whether the PIP was successful

Proposed Implementation Process

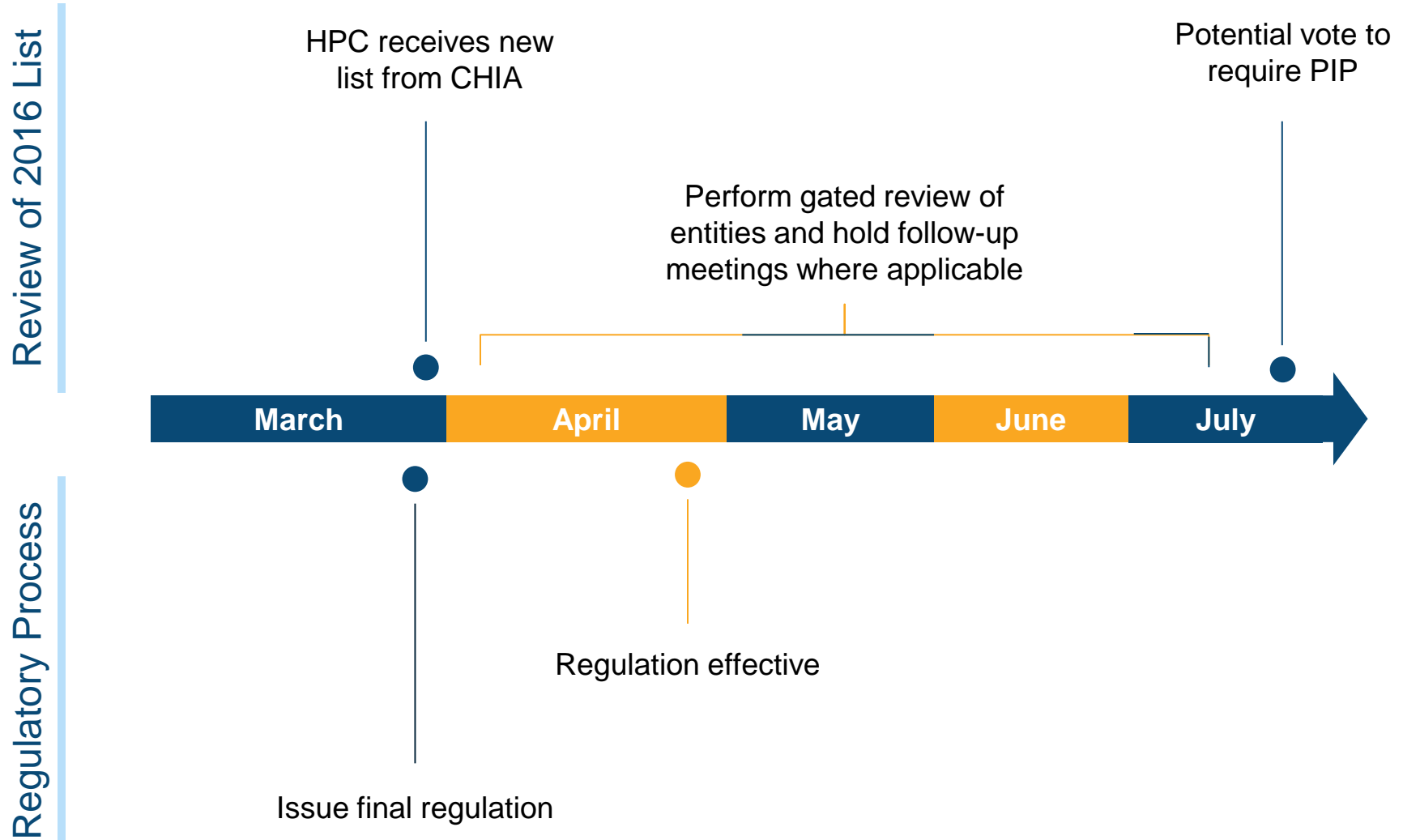
Step 7: Assessment of Penalty

Provided to Commissioners	<ul style="list-style-type: none">a) All information relevant to a determination whether to assess a civil penaltyb) Notice of any hearing afforded the entity
Board Vote	To assess a civil penalty to an entity of not more than \$500,000

Step 8: Initiation of CMIR

Provided to Commissioners	<ul style="list-style-type: none">a) All information relevant to a determination whether to initiate a CMIRb) Recommendations to request additional information from an entityc) Summary and analysis of additional information receivedd) Notice of any meeting scheduled with an entity
Board Input	Comments or recommendations regarding requests for additional information
Board Vote	To determine whether to initiate a CMIR

Next Steps





VOTE: Performance Improvement Plan Regulation

MOTION: That the Cost Trends and Market Performance Committee hereby approves the advancement of the FINAL regulation on performance improvement plans and recommends that the Commission vote to approve and issue 958 CMR 10.00 at its next scheduled meeting.



VOTE: Policy on Process for PIPs and CMIRs

MOTION: That the Cost Trends and Market Performance Committee hereby endorses the attached Policy on Process for Initiative Performance Improvement Plans and Cost and Market Impact Reviews related to 958 CMR 10.00.



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Contact Information

For more information about the Health Policy Commission:

Visit us: <http://www.mass.gov/hpc>

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