2018 Pre-Filed Testimony

**Payers**

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**As part of the**

***Annual Health Care***

***Cost Trends Hearing***

**Notice of Public Hearing**

Pursuant to M.G.L. c. 6D, § 8, the Massachusetts Health Policy Commission (HPC), 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:

**Tuesday, October 16, 2018, 9:00 AM**

**Wednesday, October 17, 2018, 9:00 AM**

**Suffolk University Law School**

**First Floor Function Room**

**120 Tremont Street, Boston, MA 02108**

The HPC will call for oral testimony from witnesses, including health care executives, industry leaders, and government officials. Time-permitting, the HPC will accept oral testimony from members of the public beginning at approximately 3:30 PM on Tuesday, October 16. Any person who wishes to testify may sign up on a first-come, first-served basis when the hearing commences on October 16.

Members of the public may also submit written testimony. Written comments will be accepted until October 19, 2018, and should be submitted electronically to HPC-Testimony@mass.gov, or, if comments cannot be submitted electronically, sent by mail, post-marked no later than October 19, 2018, to the Massachusetts Health Policy Commission, 50 Milk Street, 8th 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](http://www.mass.gov/anf/budget-taxes-and-procurement/oversight-agencies/health-policy-commission/public-meetings/annual-cost-trends-hearing/2016/testimony.html) and available on the [HPC’s YouTube Channel](https://www.youtube.com/channel/UCGZknspI63TdBuHLf3IrrKQ) following the hearing.

If you require disability-related accommodations for this hearing, please contact HPC staff at (617) 979-1400 or by email at HPC-Info@mass.gov 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 witnesses, testimony, and presentations, please check the [Annual Cost Trends Hearing section](http://www.mass.gov/anf/budget-taxes-and-procurement/oversight-agencies/health-policy-commission/public-meetings/annual-cost-trends-hearing/) of the HPC’s website. Materials will be posted regularly as the hearing dates approach.

**Instructions for Written Testimony**

If you are receiving this, you are hereby required under M.G.L. c. 6D, § 8 to submit written pre-filed testimony for the 2018 Annual Cost Trends Hearing. On or before the close of business on **September 14, 2018**, please electronically submit written testimony to: HPC-Testimony@mass.gov. 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, 2016, and/or 2017 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 templates, 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@mass.gov or (617) 979-1400.

**Pre-Filed Testimony Questions**

1. Strategies to Address Health Care Spending Growth

To address excessive health care costs that crowd out spending on other needs of government, households, and businesses alike, the Massachusetts Health Policy Commission (HPC) annually sets a statewide target for sustainable growth of total health care spending. From 2013 to 2017, the benchmark rate was set at 3.6% growth. For the first time for 2018 and again for 2019, the HPC exercised its authority to lower this target to a more ambitious growth rate of 3.1%, the lowest level allowed by state law. Achieving this reduced growth rate in the future will require renewed efforts by all actors in the health care system, supported by necessary policy reforms, to achieve savings without compromising quality or access.

* 1. What are your organization’s top areas of concern for the state’s ability to meet the 3.1% benchmark? Please limit your answer to no more than three areas of concern.

Required Answer: Click here to enter text.

* 1. What are the top changes in policy, market behavior, payment, regulation, or statute would your organization recommend to address these concerns?

Required Answer: Click here to enter text.

* 1. What are your organization’s top strategic priorities to reduce health care expenditures? Please limit your answer to no more than three strategic priorities.

Required Answer: Click here to enter text.

1. INFORMATION ON PHARMACY BENEFIT MANAGERS

The HPC, other state agencies, payers, providers, and others have identified increases in drug spending as a major driver of health care spending in Massachusetts in the past few years. Pharmacy benefit managers (PBMs) play a major role in the market, significantly impacting drug pricing and access. Furthermore, PBM policies that restrict the ability of pharmacies and pharmacists to share certain information with patients have been an increasing area of focus.

* 1. Please identify the name of your organization’s contracted PBM(s), as applicable.

Required Answer: Click here to enter text.

* 1. Please indicate the PBM’s primary responsibilities below [check all that apply]

[ ]  Negotiating prices and discounts with drug manufacturers

[ ]  Negotiating rebates with drug manufacturers

[ ]  Developing and maintaining the drug formulary

[ ]  Pharmacy contracting

[ ]  Pharmacy claims processing

[ ]  Providing clinical/care management programs to members

[ ] Other: Click here to enter text.

* 1. Briefly describe the Massachusetts member populations managed by your PBM (commercial, Medicaid, fully-insured, self-insured, etc.).

Required Answer: Click here to enter text.

* 1. Does your organization or any PBM with which you contract have policies that restrict the information a pharmacy or pharmacist can share with a covered person on the amount of the covered person’s cost share for the prescription drug compared to self-pay (so-called “gag clause”)? If yes, briefly describe this policy.

 Required Answer: Click here to enter text.

* 1. Does your organization or any PBM with which you contract have policies requiring a pharmacy to charge or collect a copayment from a covered person even if that amount exceeds the total charges submitted by the network pharmacy? If yes, briefly describe this policy.

Required Answer: Click here to enter text.

* 1. Does your organization or any PBM with which you contract have policies requiring a pharmacy to proactively disclose to a covered person if the total charges submitted by the network pharmacy are less than the required copayment? If yes, briefly describe this policy.

Required Answer: Click here to enter text.

1. STRATEGIES TO PROMOTE INNOVATIVE CARE DELIVERY THAT INTEGRATES BEHAVIORAL, SOCIAL, AND MEDICAL CARE

Public and private payers alike are implementing new policies to support the development and scaling of innovative, high-quality, and efficient care delivery, such as, for example, new billing codes for the collaborative care model and telehealth visits under Medicare Part B, reimbursement for services rendered by peers and community health workers, and incentives for patients and providers to engage in evidence-based treatment for substance use disorder.

Has your organization adopted policies related to any the following areas of care delivery improvement and innovation? [check all that apply, and describe your primary incentive related to the care delivery innovation in the fields below]

[ ] Readmissions Required Answer: Click Here

[ ] Avoidable emergency department (ED) visits Required Answer: Click Here

[ ] Behavioral health integration into primary care (e.g., collaborative care model)

Required Answer: Click Here

[ ] Pharmacologic or other evidence-base therapies for substance use disorder

Required Answer: Click Here

[ ] Peers and/or community health workers Required Answer: Click Here

[ ] Telehealth/telemedicine Required Answer: Click Here

[ ] Non-medical transportation Required Answer: Click Here

[ ] Supportive temporary or permanent housing Required Answer: Click Here

[ ] Other: Click here to enter text. Required Answer: Click Here

1. STRATEGIES TO INCREASE HEALTH CARE TRANSPARENCY

Chapter 224 of the Acts of 2012 requires payers to provide members with requested estimated or maximum allowed amount or charge price for proposed admissions, procedures, and services through a readily available “price transparency tool.”

* 1. In the table below, please provide available data regarding the number of individuals that sought this information:

|  |
| --- |
| **Health Care Service Price Inquiries** **CY2017-2018** |
| Year | Aggregate Number of Inquiries via Website | Aggregate Number of Inquiries via Telephone or In- Person |
| **CY2017** | **Q1** |         |        |
| **Q2** |        |        |
| **Q3** |        |       |
| **Q4** |        |       |
| **CY2018** | **Q1** |        |        |
| **Q2** |        |        |
|   | **TOTAL:** |  |  |

* 1. What barriers do you encounter in accurately/timely responding to consumer inquiries for price information on admissions, procedures, and services? How have you sought to address each of these barriers?

Required Answer: Click here to enter text.

* 1. What barriers do you encounter in accurately/timely responding to provider inquiries for price information on admissions, procedures, and services? How have you sought to address each of these barriers?

Required Answer: Click here to enter text.

1. INFORMATION TO UNDERSTAND MEDICAL EXPENDITURE TRENDS

Please submit a summary table showing actual observed allowed medical expenditure trends in Massachusetts for CY2015 to CY2017 according to the format and parameters provided and attached as **HPC Payer Exhibit 1** with all applicable fields completed. Please explain for each year 2015 to 2017, the portion of actual observed allowed claims trends that is due to (a) changing demographics of your population; (b) benefit buy down; (c) and/or change in health status/risk scores of your population. Please note where any such trends would be reflected (e.g., utilization trend, payer mix trend). To the extent that you have observed worsening health status or increased risk scores for your population, please describe the factors you understand to be driving those trends.

Required Answer: Click here to enter text.

1. INFORMATION ABOUT APM USE AND STRATEGIES TO EXPAND AND ALIGN APMS

Chapter 224 requires health plans to reduce the use of fee-for-service payment mechanisms to the maximum extent feasible in order to promote high-quality, efficient care delivery. In the [2017 Cost Trends Report](https://www.mass.gov/service-details/annual-cost-trends-report), the HPC recommended the Commonwealth continue to promote the increased adoption of alternative payment methodologies (APMs) from present levels of 59% of HMO patients and 15% of PPO patients in 2016. The HPC also called for an alignment and improvement of APMs in the Massachusetts market.

1. Please answer the following questions related to risk contract spending for the 2017 calendar year, or, if not available for 2017, for the most recently available calendar year, specifying which year is being reported. (Hereafter, a “risk contract” shall mean a contract that incorporates a budget against which claims costs are settled for purposes of determining the surplus paid or deficit charged to a provider organization.)
	* 1. What percentage of your organization’s covered lives, determined as a percentage of total member months, is HMO/POS business? What percentage of your covered lives is PPO/indemnity business? (Together, HMO/POS and PPO/indemnity should cover your entire book of business.)

HMO/POS Required Answer: Click here to enter text.

PPO/Indemnity Business Required Answer: Click here to enter text.

* + 1. What percentage of your HMO/POS lives is covered under a risk contract? What percentage of your organization’s PPO/indemnity lives is under a risk contract?

HMO/POS Required Answer: Click here to enter text.

PPO/Indemnity Business Required Answer: Click here to enter text.

* + 1. What percentage of your organization’s HMO/POS lives is covered under a risk contract with downside risk? What percentage of your PPO/indemnity lives is under a risk contract with downside risk?

HMO/POS Required Answer: Click here to enter text.

PPO/Indemnity Business Required Answer: Click here to enter text.

1. Please answer the following questions regarding quality measurement in APMs.
	* 1. Does your organization plan to implement the core and menu quality measure set in all of your future global-budget based APM contracts, as applicable, with Accountable Care Organizations (ACOs) as defined by the Executive Office of Health and Human Services’ Quality Alignment Taskforce (see Appendix A)?
			+ 1. If yes, what is your timeline for implementing the measures in contracts? If no, why not?
				2. Required Answer: Click here to enter text.
		2. What are your organization’s priority areas, if any, for new quality measures for ACOs?
			+ 1. Required Answer: Click here to enter text.