# PERFORMANCE IMPROVEMENT PLAN:

# GENERAL INSTRUCTIONS

This document outlines the process by which a PIP Entity shall submit to the Health Policy Commission (HPC or Commission) a Performance Improvement Plan (PIP) proposal or a waiver request, as required under M.G.L. c. 6D, §10 and 958 CMR 10.00: *Performance Improvement Plans*. Capitalized terms in this document and the associated forms are defined in 958 CMR 10.02 or in the Definitions section below.

## Requirement to File

M.G.L. c. 6D, § 10 and 958 CMR 10.00 require any CHIA-Identified Entity from which the Commission has voted to require a Performance Improvement Plan (a PIP Entity) to submit, within 45 days, a PIP proposal, a request to waive the requirement to file a PIP, or a request to extend the timeline for filing a PIP proposal.

## Submission Process

**To submit a PIP proposal:** A PIP Entity should submit the following to [HPC-PIPS@state.ma.us](mailto:HPC-PIPS@state.ma.us):

1. One electronic copy of its PIP Entity contact information form in Microsoft Word or portable document format (.pdf);
2. One electronic copy of its PIP proposal in Microsoft Word or portable document format (.pdf);
3. All attachments, noting any materials that are confidential; and
4. If You are submitting a final PIP proposal, affidavits of truthfulness signed by Your PIP Custodian, Executive Officer, and Board Chair, as applicable, in portable document format (.pdf). Draft proposals need not include affidavits.

**To submit a request for a waiver from the requirement to file a PIP proposal:** A PIP Entity should submit the following to [HPC-PIPS@state.ma.us](mailto:HPC-PIPS@state.ma.us):

1. One electronic waiver request form in Microsoft Word or portable document format (.pdf); and
2. All attachments, noting any materials that are confidential.

**To submit a request for an extension of time to file a PIP proposal:** A PIP Entity should submit an email request to [HPC-PIPS@state.ma.us](mailto:HPC-PIPS@state.ma.us) specifying the requested submission deadline and providing any supporting documents, noting any materials that are confidential.

## Development of a PIP Proposal

PIP Entities are encouraged to partner with and utilize the assistance of the HPC during the development of the PIP proposal. The HPC can assist the PIP Entity by answering questions and providing feedback regarding issues (e.g., policy concerns or data gaps) that could impede approval of the PIP proposal. Once the PIP proposal has been finalized, it will be brought before the Commission for a vote.

## Criteria for Approval of PIP Proposal

PIP proposals must include both narrative descriptions in response to each question and attachments with data sufficient to substantiate the narrative descriptions. Final PIP proposals must also include affidavits of truthfulness signed by the PIP Custodian, Your President/CEO, and Your Board Chair, if applicable. PIP proposals that lack any of these formal elements will not be approved.

Under M.G.L. c. 6D, § 10(j) and 958 CMR 10.10, the Commission will approve a PIP proposal if it is:

1. Reasonably likely to address the underlying cause(s) of the PIP Entity’s cost growth; and
2. Reasonably expected to be successfully implemented.

To determine whether the PIP proposal meets these two broad criteria, the Commission may consider:

1. Whether the proposed strategy or activity has a reasonable economic, business, or medical rationale with a sufficient evidence base;
2. The scope and likelihood of potential savings and the potential impact on the Commonwealth’s ability to meet the health care cost growth benchmark;
3. Whether savings and efficiencies associated with the PIP proposal are likely to continue after its implementation;
4. The extent to which a PIP proposal carries a risk of negative consequences that would be inconsistent with other policy goals of the Commonwealth (e.g., negative impacts on quality of care or access to needed services); and
5. Any other factors the Commission determines to be in the public interest.

## Criteria for Approval of Waiver Request

To determine whether a requested waiver shall be granted, the HPC will evaluate all information received from the PIP Entity under 958 CMR 10.04, any additional information submitted in connection with the waiver request, and other relevant information received or obtained by the HPC. The HPC will base its determination on a consideration of the following factors:

1. The costs, price, and utilization trends of the PIP Entity over time, and any demonstrated improvement to reduce health status adjusted total medical expenses;
2. Any ongoing strategies or investments that the PIP Entity is implementing to improve future long-term efficiency and reduce cost growth;
3. Whether the factors that led to increased costs for the PIP Entity can reasonably be considered to be unanticipated and outside of the control of the PIP Entity;
4. The overall financial condition of PIP Entity;
5. A significant difference between the growth rate of potential gross state product and the growth rate of actual gross state product, as determined under section M.G.L. c. 29 § 7H 1/2; and
6. Any other factors the HPC considers relevant.

## Publication and Confidentiality

Any final PIP proposal or waiver request, excluding the nonpublic materials discussed below, shall be a public record and will be posted on the Commission’s website after the Board has voted. You may provide any information and documentation necessary to support Your proposal or waiver request as attachments. Nonpublic clinical, financial, strategic or operational information you want the HPC to keep confidential pursuant to 958 CMR 10.14 should be included only in attachments, and must be clearly identified as confidential.

Pursuant to 958 CMR 10.14, the Commission shall keep confidential all nonpublic clinical, financial, strategic or operational information and documents submitted by the PIP Entity in connection with a PIP, including such material submitted in attachments, and shall not disclose the information or documents to any person without the consent of the PIP Entity except in summary form in evaluative reports or when the Commission believes that such disclosure should be made in the public interest after taking into account any privacy, trade secret, or anticompetitive considerations. Such confidential information and documents provided to the Commission by the PIP Entity in connection with PIP activities shall not be public records and shall be exempt from disclosure under M.G.L. c. 66, § 10 and c. 4, § 7(26).

## Definitions

In addition to capitalized terms defined in 958 CMR 10.02, the terms below have the following meaning when used in the PIP General Instructions and associated forms:

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| **Board Chair** | The chairperson of Your board of directors or equivalent management body |
| **Executive Officer** | The President, CEO, or other ranking officer of the PIP Entity |
| **PIP Custodian** | An employee of the PIP Entity who will have day-to-day responsibility for developing and implementing the PIP, communicating with the HPC, and ensuring compliance with reporting requirements under the PIP |
| **You or Your organization** | The PIP Entity and any of its predecessors, successors, assigns, direct and indirect corporate parents, affiliates, subdivisions, officers, directors, trustees, partners, agents, servants, and/or employees |