MASSACHUSETTS
HEALTH POLICY COMMISSION

BUSINESS REPORT
AND
FUNDS STATEMENT
FY2013 – FY2021

January 2023

Since State Fiscal Year (SFY) 2017, the Massachusetts Health Policy Commission, established by Chapter 224 of the Acts of 2012, has been primarily funded by an annual health care industry assessment, delivered through a line item (1450-1200) in the General Appropriations Act. The HPC also administers two trust funds that support a variety of health care initiatives across the Commonwealth. The trust funds were created in 2013 through a one-time assessment.

The Health Care Payment Reform Trust Fund supports technical assistance, learning and dissemination, and evaluation for investments and certification programs. The Distressed Hospital Trust Fund supports grant administration, technical assistance, and evaluation activities for eligible investments.

Released annually pursuant to M.G.L. c.6D §8 and c. 29 §2GGGG, this Business Report and Funds Statement serves as a summary of expenditures and activities for fiscal years (FY) 2013 to 2021 for the HPC's trust funds.

Submitted to the Legislature pursuant to M.G.L. c.6D §8 and c. 29 §2GGGG.

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ABOUT THE HPC

The Massachusetts Health Policy Commission (HPC) is an independent state agency charged with monitoring health care spending growth in Massachusetts and providing data-driven policy recommendations regarding health care delivery and payment system reform. The HPC's mission is to advance a more transparent, accountable, and equitable health care system through its independent policy leadership and innovative investment programs. The HPC's goal is better health and better care – at a lower cost – for all residents across the Commonwealth.

The agency's main responsibilities are conducted by HPC staff and overseen by an 11-member Board of Commissioners. HPC staff and commissioners work collaboratively to monitor and improve the performance of the health care system. Key activities include setting the health care cost growth benchmark; setting and monitoring provider and payer performance relative to the health care cost growth benchmark; creating standards for care delivery systems that are accountable to better meet patients' medical, behavioral, and social needs; analyzing the impact of health care market transactions on cost, quality, and access; investing in community health care delivery and innovations; and safeguarding the rights of health insurance consumers and patients regarding coverage and care decisions by health plans and certain provider organizations.

THE HPC'S ROLE IN MA HEALTH CARE REFORM

Massachusetts has long sought to foster a health care system that is affordable, high quality, and accessible for all. While the Commonwealth has been a leader in health care coverage and innovation, cost containment, affordability, and health equity challenges have continued. In an effort to restrain rapidly increasing health care costs, the Legislature passed comprehensive health care reform in 2012 and set a first-in-the-nation, statewide target for sustainable growth in total health care spending (3.6 percent for the first five years, lowered to 3.1 percent in 2018). The same legislation established the independent Massachusetts Health Policy Commission (HPC) to help monitor and guide this ambitious effort.

In the years since, the HPC has reported progress towards health care cost containment in the Commonwealth on an annual basis. Since the health care cost growth benchmark was established, the state's health care spending has grown at an average annual rate of 3.59 percent. In the most recent data, from 2018 to 2019, the state's preliminary health care spending growth was 4.3 percent, exceeding the benchmark target of 3.1 percent set by the HPC. Despite exceeding the benchmark, Massachusetts total health care spending growth (including both public and private payers) has remained at or below national growth rates for ten consecutive years, a reversal from trends prior to the passage of the 2012 legislation and the creation of the HPC.

Through the annual cost trends hearing and reports, the HPC will continue to monitor performance under the health care cost growth benchmark and trends in these and other areas to help achieve a more efficient, effective health care system in the Commonwealth.

BOARD AND ADVISORY COUNCIL

BOARD OF COMMISSIONERS

The HPC is an independent agency established within the Executive Office of Administration and Finance. It is governed by an 11-member Board of Commissioners, appointed by the Governor, the Attorney General, and the State Auditor. Two cabinet secretaries serve as ex-officio members. Board members were initially appointed in 2012 to staggered terms of one to five years. Board members may be reappointed to additional terms. As designated by law, each Board member has demonstrated expertise in a particular aspect of health care delivery and finance. Board members serve without pay and cannot be employed by, a consultant to, have a financial stake in, or otherwise be a representative of a health care entity while on the Board.

Dr. Stuart Altman was appointed the first chair of the HPC by Governor Deval Patrick in November 2012 for an initial three-year term. He was subsequently reappointed by Governor Charlie Baker in January 2016 to a five-year term. Mr. Martin Cohen (appointed to the Board in 2015 and reappointed in 2018) was confirmed as Vice Chair in September 2019.

BOARD COMMITTEES

In order to facilitate the comprehensive work of the HPC and to allow Board members the opportunity to fully engage in specific topic areas, the HPC's Board is divided into two policy committees and a standing committee to oversee the agency's administration and finances. These committees are organized around specific functions of the HPC and have both monitoring and operational responsibilities.

MARKET OVERSIGHT AND TRANSPARENCY

The Market Oversight and Transparency (MOAT) Committee is focused on strengthening market functioning and increasing system transparency. MOAT furthers the HPC's statutory commitment to deliver a more value-based health care market and examine market trends and factors to support evidence-based strategies to increase the efficiency of the state's health care system. MOAT's focus areas include evaluation of provider market changes; monitoring of the health care cost growth benchmark; oversight of the performance improvement plans (PIPs) process, drug pricing review process, registration of provider organizations (RPO) program; administration of the Office of Patient Protection (OPP); and support of the HPC's research and analytic activities.

CARE DELIVERY TRANSFORMATION

The Care Delivery Transformation (CDT) Committee aims to promote an efficient, high-quality health care system with aligned incentives in Massachusetts. CDT advances the HPC's mission to develop strategies to promote care delivery and payment system transformation and supports the administration and evaluation of the HPC's strategic investment programs. CDT's focus areas include oversight of the HPC's certification and investment programs; learning and dissemination activities; program evaluation; expansion of alternative payment methods (APMs); quality measurement alignment and improvement; and support of related research.

ADMINISTRATION AND FINANCE

The Administration and Finance (ANF) Committee's responsibilities include review of the HPC's annual operating budget and financial controls; financial status and financial reports; oversight of independent audits; and evaluation of the Executive Director's performance and compensation.

ADVISORY COUNCIL

In 2013, the Executive Director of the Health Policy Commission (HPC) convened the agency's first Advisory Council consisting of a diverse set of health care leaders. The goal of the Advisory Council is to enhance the HPC's robust policy discussions by allowing for varied and representative perspectives on the issues facing the Massachusetts health care market. The Advisory Council provides an opportunity for open dialogue and engagement among a diverse group of health care industry stakeholders and policymakers and, in turn, helps inform the work of the HPC. Membership is assessed every two years. The current term runs from January 1, 2021 to December 31, 2022.

The Advisory Council supports the agency's work by:

- Providing input on the HPC's operations and policy initiatives;
- Contributing feedback on proposed investment priorities;
- Facilitating connections between HPC staff, HPC commissioners, and health care industry participants and stakeholders; and
- Serving as a network for communicating the HPC's work to the larger community.

RESEARCH AND POLICY PROGRAMS

The HPC's goal is better health and better care – at a lower cost – for all residents across the Commonwealth. The agency works to attain this goal through various programs and research authorized by Chapter 224, such as:

1. **Research and publication** of annual reports and hearings on health care cost trends;
2. **Market monitoring** through provider notices of material change, cost and market impact reviews, and assessment of the value of pharmaceutical drug costs;
3. Analysis of structure of the care delivery system through the **certification** of accountable care organizations and the **registration** of provider organizations;
4. Investment in more efficient and equitable care through **innovative investment programs**; and
5. Safeguarding the rights of health care consumers by **regulating health insurance appeals processes** and administering reviews for health insurance and accountable care organization consumers.

Through these and other policy initiatives, the HPC strives to promote the development of a high-value health care system in the Commonwealth. In response to the COVID-19 pandemic, the HPC has also leveraged its data assets, research expertise, investment experience, and market knowledge to support the state's COVID-19 Command Center and the Department of Public Health.

RESEARCH AND COST TRENDS

The HPC publishes a variety of comprehensive reports and policy briefs to build an evidence base, support policy development, and provide the Commonwealth with independent, data-driven information on pressing health policy issues. A full list of publications at time of issuance can be found in **Appendix 1**.

HEALTH CARE COST GROWTH BENCHMARK

Chapter 224 requires the HPC to set health care cost growth goals.

The HPC establishes the state's health care cost growth benchmark, an annual statewide target for the rate of growth of total health care expenditures. The benchmark seeks to keep health care cost growth in line with the state's overall economy. For 2013-2017, the health care cost growth benchmark was set at 3.6%. For 2018- 2022, the HPC set the benchmark at 3.1%.

Annually, the Center for Health Information and Analysis (CHIA) releases a report on the Commonwealth's performance against the benchmark. Following the issuance of this report, the HPC conducts research assessing the factors contributing to the Commonwealth's performance and completes in-depth analyses of areas of particular concern.

HEALTH CARE COST TRENDS HEARING

Chapter 224 requires the HPC to hold an annual public hearing process to create dialogue and accountability towards the health care cost containment goals.

The annual health care cost trends hearing is a public examination of the drivers of health care costs and an opportunity to engage with experts and witnesses to identify challenges and opportunities within the Commonwealth's health care system. The HPC conducts the hearing in coordination with the Office of the Attorney General (AGO) and CHIA.

The hearing features public testimony from top health care executives, industry leaders, and government officials on the state of the health care delivery and payment system, factors that contribute to cost growth, and strategies to contain costs while improving patient care. The HPC and the AGO also request written pre-filed testimony from health care organizations across the Commonwealth. Testimony from the hearing informs various research and policy workstreams.

ANNUAL HEALTH CARE COST TRENDS REPORT

Chapter 224 requires the HPC to analyze and report cost trends through data examination.

Consistent with the statutory mandate of the HPC, the annual health care cost trends report presents an overview of health care spending and delivery in Massachusetts, opportunities to improve quality and efficiency, progress in key areas, and recommendations for strategies to increase quality and efficiency in the Commonwealth.

The annual cost trends report provides recommendations to the Legislature, market participants, and state agencies to fulfill the goals of Chapter 224. The report also expresses the HPC's commitments to action in service of those goals.

Reports from 2013 to 2021 have identified specific opportunities in the areas of (1) strengthening market function and transparency and (2) promoting an efficient, high-quality health care delivery system. The 2021 Cost Trends Report (the most recent report) focuses on insights from the health care system before the Coronavirus Disease 2019 (COVID-19) pandemic, which has left a deep impact on Massachusetts and its health care system. As part of its 8th Annual Health Care Cost Trends Hearing in October 2020, the HPC produced a spotlight video Healing Together: Voices of the Commonwealth During the COVID-19 Pandemic.

ONGOING RESEARCH AGENDA

The HPC complements its annual cost trends report by publishing a number of policy and research chartpacks and briefs on key topics. Like the cost trends report, these publications employ rigorous methods to examine relevant and actionable issues, and typically offer an in-depth study of one issue.

The HPC is also compelled to conduct research through legislative mandate. In July 2020, the HPC published a Prescription Drug Coupon Study examining and providing recommendations on the use and impact of prescription drug coupons issued by pharmaceutical manufacturers in Massachusetts, as mandated by Chapter 363 of the 2018 Session Laws. The Massachusetts Legislature continues to propose new research studies for the HPC to conduct in the 2020 Session. In April 2021, the HPC published an Interim Report on the Impact of COVID-19 on the Massachusetts Health Care System, as mandated by Chapter 260 of the Acts of 2020. In May 2021, the HPC published an Evaluation of the Commonwealth's Entry Into the Nurse Licensure Compact, examining the benefits and drawbacks to Massachusetts joining the Compact and providing a

recommendation based on its analysis, as mandated by Chapter 227 of the Acts of 2020.

As part of the HPC's ongoing research agenda, HPC staff presented at the 2021 Academy Health Annual Research Meeting on the following topics:

- Characteristics of Commercially-Insured Individuals with Persistently High Out-Of-Pocket Spending
- Churn, Baby, Churn: The Effects of Churn, Population Size, Outliers, and Risk Adjustment on Annual Health Care Spending Change
- Trends in Opioid-Related Hospital Discharges in Massachusetts

In 2017, the HPC launched HPC DataPoints, a series of online briefs to spotlight new research and data findings relevant to the HPC's mission to drive down the cost of health care. This publication series showcases brief overviews and interactive online graphics on relevant health policy topics. In 2020-2021, the HPC published DataPoints issues on the following topics:

- Oral health access and equity
- Persistently high out-of-pocket spending
- HPC-Certified Accountable Care Organizations
- Changes in the Massachusetts physician market
- Telehealth use and cost

THE ALL-PAYER CLAIMS DATABASE

The Massachusetts All Payer Claims Database (APCD) is the most comprehensive source of health claims data from public and private payers in Massachusetts. With information on the vast majority of Massachusetts residents, the APCD promotes transparency and affords a deep understanding of the Massachusetts health care system. It is used by the HPC and health care providers, health plans, researchers, and others to address a wide variety of issues, including price variation, population health, and quality measurement.

Chapter 224 directs the HPC to use data collected by CHIA in preparing the annual cost trends report. Past reports have featured person- and provider-level analyses based on commercial claims from the APCD. In addition, the HPC has employed the APCD to analyze health care market functioning, including examining market share and assessing the cost and access impacts of proposed transactions. The research staff represent the HPC within the broader research and analytic community and carry out special research projects as determined by the Executive Director and the Board, including an ongoing effort to advance and improve the HPC's use of the state's APCD.

The HPC plans to continue to expand its APCD work to include data for a larger number of commercial plans, Medicaid managed care organizations, and Medicare fee-for-service.

MARKET OVERSIGHT AND TRANSPARENCY

Given the central importance of a well-functioning health care market to sustainable cost containment, a major aim of Chapter 224 and a core policy priority for the HPC is supporting transparency and accountability among health care providers and payers.

MATERIAL CHANGE NOTICES

Chapter 224 requires the HPC to monitor changes within the health care marketplace.

Provider changes, including consolidations and alignments, have been shown to impact health care market functioning, and thus the performance of the Commonwealth's health care system in delivering high-quality, cost-effective care. As such, providers and provider organizations must submit a material change notice (MCN) to the HPC not fewer than 60 days before the proposed effective date of any transaction that qualifies as a material change.

Based on criteria articulated in statute and informed by the facts of each proposed transaction, the HPC analyzes the likely impact of the transaction. The HPC's work includes a review of the parties' stated goals for the transaction and an assessment of whether, how, and when the transaction would impact costs, quality, and access to care in Massachusetts, based on publicly available data and information provided by the parties.

More information on MCNs may be found here.

COST AND MARKET IMPACT REVIEWS

Chapter 224 requires the HPC to review the impact of proposed changes within the health care marketplace.

The HPC may engage in a more comprehensive review of particular material changes anticipated to have a significant impact on health care costs or market functioning. The result of a cost and market impact review (CMIR) is a public report detailing the HPC's findings. In order to allow for public assessment of the findings, the transactions may not be finalized until 30 days after the HPC issues its final report. Where appropriate, such reports may identCHARTify areas for further review or monitoring or be referred to other state agencies in support of their work on behalf of health care consumers.

Through the CMIR process, the HPC can seek to improve understanding of market developments affecting short- and long-term health care spending, quality, and consumer access. CMIRs enable the HPC to identify particular factors for market participants to consider in proposing and responding to potential future organizational changes. Through this process, the HPC seeks to encourage providers and payers alike to prospectively evaluate and minimize negative impacts and enhance positive outcomes of proposed transactions.

The HPC has released several CMIR reports, the most recent being the review of the Beth Israel Lahey Health system in 2017. All reports are available here.

MASSACHUSETTS REGISTRATION OF PROVIDER ORGANIZATIONS

Chapter 224 requires the HPC and CHIA to enhance the transparency of provider organizations.

Provider organizations that meet certain thresholds are required to register biennially with the HPC and to submit a related annual filing to CHIA. To streamline these dual reporting requirements, the HPC and CHIA have created a single program – the Massachusetts Registration of Provider Organizations (MA-RPO) program – that incorporates the required data elements from both the HPC and CHIA statutes. Under the MA-RPO program, a provider organization submits an annual filing to the Commonwealth that satisfies its obligations under both M.G.L. c. 6D, § 11 and M.G.L. c. 12C, § 9.

With the launch of the MA-RPO program, Massachusetts became the first state with transparent, publicly available information about the corporate, contracting, and clinical relationships of its largest health systems. This public resource contributes to a foundation of information necessary for government, researchers, and market participants to evaluate and improve the Commonwealth's health care system.

Provider organizations submitted their initial registration data in the fall of 2015. Cleaned, final data can be found here. The HPC is using this data to enhance its work in other policy areas, including reviewing notices of material change, setting standards for certifying accountable care organizations, and analyzing cost trends and the Commonwealth's progress in meeting the health care cost growth benchmark.

In 2019, the MA-RPO program worked with 55 provider organizations on the submission of their filings. Data from this submission is available as of June 2020. Also in June 2020, the HPC released a DataPoints issue highlighting changes in the MA physician market using data from the MA-RPO program.

PERFORMANCE IMPROVEMENT PLANS (PIPS)

Chapter 224 enables the HPC to reduce health care cost growth by requiring certain health care organizations to file and implement a performance improvement plan.

The HPC's enabling legislation, Chapter 224, outlines a process for the state to require certain health care payers and providers to enter into Performance Improvement Plans (PIPs) to improve efficiency and reduce cost growth. Each year, CHIA identifies payers and/or providers whose cost growth is excessive and who threaten the state's health care cost growth benchmark, and the HPC must provide notice to those identified entities. The annual process is explained in an issue of DataPoints here.

2016 was the first time that the HPC was tasked with reviewing payers and providers identified by CHIA. Following thorough reviews beginning that year, the HPC's Board has opted not to pursue any PIPs to-date. For 2020, the HPC is actively engaged in analyzing payers' and providers' 2016-2017 spending trends.

The HPC developed a regulation governing the PIPs process. If required to file, the payer or provider must develop a PIP and propose it to the HPC for approval. The PIP must identify the causes of the entity's cost growth and include specific strategies the entity will implement to improve cost performance. Implementation of a PIP will involve reporting, monitoring, and assistance from the HPC.

DRUG PRICING REVIEW

Chapter 41 of the Acts of 2019 gave new authority to the HPC to support the Executive Office of Health and Human Services in investigating pharmaceutical drug pricing.

The state budget for Fiscal Year 2020 gave authority to the Executive Office of Health and Human Services (EOHHS), and specifically to the MassHealth program, to negotiate directly with pharmaceutical drug manufacturers for supplemental rebates, and to the HPC to investigate the manufacturer's pricing of the drug if an agreement cannot be reached.

Upon a referral from MassHealth, the law authorizes the HPC to collect information related to the referred manufacturer's pricing of certain high-cost drugs, using a standard reporting form that the HPC developed with input from manufacturers. The Standard Reporting Form may be updated over time, with advance notice to and input from manufacturers and other stakeholders Based on the submissions from manufacturers and other information from MassHealth, the HPC may identify a proposed value for the drug and ultimately determine whether the manufacturer's pricing of the drug is unreasonable or excessive in relation to the HPC's proposed value for the drug. In consultation with MassHealth, the HPC may also propose a supplemental rebate for the drug.

The HPC developed a regulation to implement this statutory authority to collect and review information relative to a pharmaceutical drug manufacturer's pricing of certain high-cost drugs referred by MassHealth and to determine whether the pricing of such drugs is unreasonable or excessive in relation to the HPC's proposed value for the drug.

HEALTH CARE TRANSFORMATION AND INNOVATION

In order to enhance the delivery of effective, efficient, equitable care and promote innovative care delivery models, the HPC provides investments to various organizations across the Commonwealth. While many of these investments are focused on provider organizations, they emphasize the importance of community partnerships to ensure that the HPC's programs are best serving residents of the Commonwealth.

INNOVATION INVESTMENT PROGRAMS

Chapter 224 requires the HPC to invest in community hospitals and other providers to support the transition to new payment methods and care delivery models. It also requires the HPC to foster innovation in health care payment and delivery through competitive investment opportunities.

Birth Equity and Support through the Inclusion of Doula Expertise (BESIDE) Investment Program

The Birth Equity and Support through the Inclusion of Doula Expertise (BESIDE) investment program aims to address inequities in maternal health outcomes and improve the care and patient experience of Black birthing people by increasing access to and use of doula services. Pursuant to Section 88 of Chapter 41 of the Acts of 2019, the HPC made $500,000 available to birthing hospitals and birth centers through the BESIDE program. To address existing racial inequities in maternal health outcomes, the HPC chose to focus on the evidenced-based model of community-supported birth, specifically through the provision of doula services for Black birthing people. Nearly $400,000 will be directed to two birthing hospitals, Baystate Medical Center and Boston Medical Center, with the remaining balance covering technical assistance and program costs. Baystate Medical Center will build a new doula program for Black birthing people by contracting with Springfield Family Doulas, and Boston Medical Center will build on their existing Birth Sisters doula program by expanding access to services for Black birthing people. The HPC anticipates that the programs will launch operations in winter 2022.

Cost-Effective, Coordinated Care for Caregivers and Substance Exposed Newborns (C4SEN) Investment Program

The Cost-Effective, Coordinated Care for Caregivers and Substance Exposed Newborns (C4SEN) investment program provides funds to birthing hospitals to improve quality, efficiency, and access to care for substance exposed newborns (SEN) and their caregivers. C4SEN supports programs that aim to provide culturally competent care that is free of stigma and bias in recognition of the social marginalization of those with substance use disorders (SUD) and inequities that have been cultivated by stigma and other structural forces, including structural racism.

On April 14, 2021, the HPC Board approved funds totaling $1.46 million dollars to be awarded to five Massachusetts hospitals to support their proposed C4SEN programs over a 21-month implementation period: Baystate Franklin Medical Center, Berkshire Medical Center, Mercy Medical Center, Southcoast Health, and South Shore Hospital.

MassUP Investment Program

The Moving Massachusetts Upstream (MassUP) initiative is a partnership across Massachusetts state agencies including the HPC, the Department of Public Health (DPH), MassHealth, the Office of the Attorney General, the Executive Office of Elder Affairs, and the Executive Office of Health and Human Services. The vision of the MassUP initiative is better health, lower costs, and reduced health inequities across communities and populations in Massachusetts through effective collaboration among government, health care systems, and community organizations. MassUP includes two distinct but complementary work streams: an investment program administered by the HPC, and a state-level interagency policy alignment working group with representatives from each participating agency.

Designed in collaboration with DPH, the MassUP investment program supports partnerships that include health care provider organizations and community organization partners (e.g., community-based organizations, municipalities, schools) working to address upstream social, environmental, and/or economic challenges. The MassUP investment program aims to enable sustainable improvements in community health and health equity by building upon existing efforts to implement programs that address the social determinants of health (SDOH) and root causes of health inequity.

In June 2020, the HPC Board authorized more than $2.5 million in combined HPC and DPH funding to four partnership awardees focused in two key SDOH areas: (1) economic stability and mobility and (2) food systems and security. The ongoing initiatives total $550,000 - $650,000 of funding each, disbursed over three years. More information on the awardee initiatives, programs, and community-based partners can be found on the HPC's website.

SHIFT-Care Challenge

The SHIFT-Care Challenge investment program allocates nearly $10 million from the Distressed Hospital and Payment Reform Trust Funds to foster innovations that promote community-based, collaborative approaches to care delivery and drive reductions in avoidable acute care utilization. In July 2018, the HPC's Board authorized nearly $10 million in funding to 15 awardees. Five provider organizations, all of which are HPC-certified ACOs or part of HPC-certified ACOs, are seeking to reduce avoidable acute care utilization by focusing on addressing patients' unmet health-related social needs in partnership with community-based providers. Ten provider organizations are implementing initiatives to provide access to timely behavioral health care, with the majority of those initiatives aimed at providing pharmacologic treatment and connections to ongoing community-based support for patients with opioid use disorder (OUD).

The SHIFT-Care Challenge awards launched between February and June 2019. Further details on SHIFT-Care can be found here. Profiles on each awardee, released in June 2020, can be found here. A special spotlight brief on SHIFT-Care awardee Hebrew SeniorLife (HSL) was published in December 2020, detailing the role of HSL's *Right Care, Right Place, Right Time* (R3) initiative in meeting the needs of HSL residents during the COVID-19 pandemic.

Health Care Innovation Investment Program (HCII)

Authorized by Chapter 224 and supported with the HPC's trust funds and specific legislative authorizations, the Health Care Innovation Investment (HCII) program was an $11.3 million grant program to drive innovation in health care delivery and payment in Massachusetts. HCII encompassed three investment tracks with awards ranging from $250,000 to $1,000,000: the Targeted Cost Challenge Investments (TCCI), the Telemedicine Pilot Initiatives, and the Mother-and Infant-Focused Neonatal Abstinence Syndrome (NAS) Interventions.

Ten TCCI awards were granted to provider organizations to support innovative delivery and payment models that could be scaled to make a meaningful impact on the health care cost growth benchmark. Beginning in summer 2017, awardees launched 18-month programs targeting one of eight "challenge areas" that were identified by the HPC as health care cost drivers. An impact brief on TCCI's role in supporting innovative delivery models for complex patient needs was published in April 2021.

Four Telemedicine Pilot Initiative awards were granted to provider organizations to enact initiatives that implemented telemedicine-based services. Beginning in May 2017, awardees launched 12-month programs to enhance access to behavioral health care for one of three identified populations in Massachusetts with unmet behavioral health needs: individuals with substance use disorder; children and adolescents; or older adults aging in place. An impact brief on the Telemedicine Pilot Initiative's role in connecting patients and providers across the Commonwealth was published in September 2020. The Telemedicine Pilot Investment Program Evaluation Report was published in November 2020.

Six Neonatal Abstinence Syndrome (NAS) awards were granted to birthing hospitals in Massachusetts to contribute to the Commonwealth's nation-leading efforts to address the opioid epidemic by supporting enhanced care and treatment for birthing people and infants impacted by opioid use. Beginning in March 2017, awardees launched 12- to 24-month programs designed to improve care for infants with NAS and for birthing people in treatment for opioid use disorder during and after pregnancy. An impact brief on the NAS investment program's role in caring for families impacted by opioid-use disorder was published in April 2021. In May 2021, the HPC released an evaluation report on the program as well as a video spotlighting the program's impact on birthing people and infants. In June 2021, a resource guide on Reducing Stigma Toward Families Impacted by Opioid Use Disorder was published to support providers who care for pregnant and postpartum people with opioid use disorder and their families.

A summary of each HCII award can be found here.

CHART Investment Program

The HPC launched the Community Hospital Acceleration, Revitalization, and Transformation (CHART) investment program in 2014. The goal was to establish the foundation for sustainable care delivery transformation through innovative investments in the Commonwealth's community hospitals. The program was funded through an assessment on large health systems and commercial insurers, established in Chapter 224 of the Acts of 2012.

In total, the CHART program invested approximately $70 million into 30 community hospitals through two phases of funding to enhance the delivery of efficient, effective care. CHART hospitals shared common characteristics: nonprofit, non-teaching hospitals with lower relative prices than other hospitals in the Commonwealth. Combined with hospital in-kind contributions, the total program investment exceeded $85 million. The funds enabled the hospitals to assess local needs, modify services, and expand relationships with medical, social, and behavioral health community organizations – transformations that were critical to helping community hospitals transition into the new

era of value-based care.
For CHART Phase 1, approximately $9.2 million was distributed to 28 community hospitals to support foundational investments in system transformation that primed the hospitals for success in a value-based payment environment.

For CHART Phase 2, approximately $60 million was distributed to 24 community hospitals to implement innovative new care models that required significant transformation in care delivery. Funded hospitals engaged in projects to reduce acute care utilization as measured by admissions, readmissions, emergency department revisits, or emergency department length of stay.

In 2019, the final payments to CHART hospital programs were disbursed and the HPC published a CHART impact brief and awardee profiles. Once the formal program evaluation process was completed in 2020, the HPC released two publications that reflect on the totality of the program: the CHART Evaluation Report and the CHART Playbook - a resource for providers interested in insights from CHART awardees.

HEALTH CARE TRANSFORMATION

Chapter 224 requires the HPC to develop and implement standards of certification for Accountable Care Organizations (ACOs) and patient-centered medical homes (PCMHs).

Accountable Care Organizations

The HPC is charged with developing and implementing standards of certification for accountable care organizations (ACOs) in the Commonwealth. ACOs are groups of physicians, hospitals, and other health care providers who work together to provide patient-centered, coordinated care to a defined group of patients, with the goal of improving quality and reducing health care spending growth.

The ACO Certification program defines core competencies that are relevant to any ACO patient population in a framework applicable to a range of provider organizations, from those with substantial experience in value-based care delivery to those newly transitioning to accountable care.

Since its inception in 2017, the ACO Certification program has served to provide all-payer standards for ACO care delivery and transparent information for the public on ACO structures and operations. As of 2021, the HPC has certified sixteen ACOs that collectively represent 2.9 million attributed commercial, Medicare, and MassHealth patients in the Commonwealth. Certification is effective for a term of two years.

The HPC has updated its ACO Certification standards for certifications effective in 2022. This first significant update to the certification standards since the ACO Certification program's inception is known as ACO LEAP 2022-23, reflecting its emphasis on learning, equity, and patient-centeredness. The HPC solicited public comment and engaged stakeholders in late 2020 on the LEAP 2022-2023 standards and received feedback from a variety of respondents. The updated standards were reviewed by the HPC's Care Delivery Transformation Committee at its September 30, 2020 meeting and approved by the HPC Board at its January 13, 2021 meeting.

The ACO LEAP 2022-2023 standards are designed to allow for a variety of ACO approaches to meeting core principles consistent with the "Learning Health System" framework developed by the National Academy of Medicine (formerly the Institute of Medicine). This approach is intended to focus on the ACO model as a catalyst for learning and improvement, recognizing ACO structures, processes, and approaches conducive to learning and improvement over time.

The 2022-2023 Application Requirements and Platform User Guide (PUG) is now available, with applications accepted until December 31, 2021.

QUALITY MEASURE ALIGNMENT

In the spring of 2017, the HPC joined other state agencies and stakeholders in an initiative aimed at aligning quality measurement, specifically for global budget risk-based contracts. The HPC conducted research to document the extensive variability in the use of quality measures in contracts between providers and payers.

Building on this work, in 2018, the HPC assisted the Executive Office of Health and Human Services in leading a Taskforce to help define an aligned measure set for use in risk contracts. Through a collaborative process, the taskforce endorsed an aligned set of quality measures and recommended that payers and providers voluntarily adopt the Massachusetts Aligned Measure Set and incorporate the measures into contracts with ACOs. The composition of the Aligned Measure Set changes slightly from year to year as measures are added or retired. The 2021 Aligned Measure Set consists of four Core Set measures and 21 Menu Set measures. In January 2022, the Taskforce will commence its annual review of the Aligned Measure Set for contracts beginning in 2023.

The Taskforce also selected four strategic priority areas for quality measure development in 2019, which include an outcome measure for depression remission or response, a

patient reported outcomes measure for joint replacement, a measure of kindergarten readiness, and stratification of measures to understand equities and disparities.

DIGITAL HEALTH PARTNERSHIPS

In 2018, the HPC began a new collaboration aimed at harnessing innovations in digital health to support the agency's goals of improving access to and quality of care. The HPC established a partnership with MassChallenge HealthTech (MCHT) to promote community-based provider access to digital health solutions, and to identify and support digital health startups that address areas of high priority, such as promoting timely access to behavioral health care, addressing social determinants of health, and reducing avoidable emergency department use. In 2020, MCHT and HPC built upon the partnership to develop an action-oriented 2021 event series on a variety of topics related to health equity, hosting three webinars: "Lessons from the Field: What Innovators Can Learn from Community Health Centers," "Achieving Equity in Telehealth Access," and "Meeting the Needs of Diverse Populations: Startup Lightning Talks."

In 2020, the HPC collaborated with the Massachusetts eHealth Institute (MeHI) at the Massachusetts Technology Collaborative to design the Right Care 4 You grant program which awards funding to digital health companies that partner with Massachusetts employers on initiatives that will reduce health care costs. In 2021, MeHI announced two awards totaling $189,360 for two digital health companies to support pilot projects with Massachusetts employers. The two competitive grants were awarded to Fitbit and Vincere Health. Fitbit will conduct a randomized controlled trial with UMass Memorial Health Care employees, aimed to help prevent and manage cardiometabolic diseases and Vincere Health will conduct a pilot of their smartphone-connected smoking cessation solution with Boston Medical Center employees. The pilot projects will conclude by early 2022.

LEARNING AND DISSEMINATION

Through its Learning and Dissemination (L+D) function, the HPC gathers insights and lessons learned from ACO Certification and its investment programs to share with a broad audience of providers, policymakers, state agencies, and other interested parties.

L+D materials and events leverage information submitted to the HPC by awardees of investment programs and applicants of certification programs to identify insights to inform, policy briefs, webinars, and infographics, with the goal of advancing best practices and innovation for care delivery transformation.

In December 2020, the HPC developed a practical guide to sustaining grant-funded initiatives, highlighting insights from HCII awardees that successfully sustained programs beyond the demonstration period. The document includes important considerations for and approaches to sustainability planning related to mission alignment, culture change and staff buy-in, staffing, patients, leadership buy-in, and funding. It reflects lessons learned from the three distinct HCII tracks – Targeted Cost Challenge Investments, Telemedicine Pilot Program, and Mother and Infant-Focused Neonatal Abstinence Syndrome Interventions.

The HPC regularly shares insights from the L+D initiative through the Transforming Care newsletter, which spotlights awardee care models, patient stories, HPC presentations, and newly released HPC resources.

HEALTH EQUITY

The HPC's mission is to advance a more transparent, accountable, and **equitable** health care system through its independent policy leadership and innovative investment programs. The HPC's overall goal is better health and better care – at a lower cost – **for all residents** across the Commonwealth.

IMPERATIVE FOR ACTION

*Chapter 224 requires that the HPC establish goals that are intended to **reduce health care disparities** in racial, ethnic and disabled communities and in doing so, seek to incorporate the recommendations of the health disparities council and the office of health equity.*

Health equity is the opportunity for everyone to attain their full health potential, with no one disadvantaged from achieving this potential due to socioeconomic status or socially assigned circumstance. Health inequities in the Commonwealth have been well documented by the Massachusetts Department of Public Health (DPH), the Center for Health Information and Analysis (CHIA), the Office of the Attorney General, the HPC, and others. In addition to their impact on health and well-being, inequities result in higher health care spending and an imbalanced distribution of resources.

In 2020, the disparate impact of COVID-19 on communities of color and ongoing injustices of police brutality across the country exposed systemic racism and deeply embedded structural inequities. Racism both influences social determinants and is an independent factor in health outcomes. Moreover, racial inequities are not unique to the health care system but are reflected in persistent health disparities and increased disease burden for communities of color. Therefore, it is pivotal to acknowledge and address the impact of systemic racism as health equity work is implemented.

THE HPC'S HEALTH EQUITY PRINCIPLES

- The HPC acknowledges the pervasiveness of health inequities – and the systemic racism that underlies them – and that **eliminating inequities is integral to achieving the HPC's mission** of better health and better care at a lower cost for all residents of the Commonwealth.
- The HPC will educate itself about the impact of systemic racism and will **promote diversity, equity, and inclusion in the workplace** in order to more fully cultivate the culture of anti-racism within our agency.
- Advancing health equity in the Commonwealth is a **shared responsibility**. The HPC will actively seek opportunities to align, partner, and support other state agencies, the health care system, and organizations working for health equity on these goals.
- The HPC's work will be **informed and guided by those with lived experience** of inequities.
- The HPC will **embed health equity concepts** in all aspects of its work and will **apply all four of its core strategies** to the goal of advancing health equity in the Commonwealth: research and report, convene, watchdog, and partner.

ACCOUNTABILITY AND ACTION PLAN

The HPC is currently finalizing a detailed action plan outlining how the agency intends to implement changes to its work to fully integrate health equity principles and ensure that a health equity lens is applied to all current and future projects.

- Presentation of the Health Equity Framework and Revised Mission Statement to the HPC's Board and Advisory Council (Complete; Ongoing Public Updates)
- Dedicated time in public meetings, including the Annual Health Care Cost Trends Hearings, to highlight issues related to health equity and the HPC's efforts to address them (Complete; Ongoing)
- Public updates on health equity progress in consultation with HPC's Board, Advisory Council, and staff (Ongoing)
- Integrate race/ethnicity data in APCD through interagency and stakeholder collaboration (In Progress)
- Develop metrics to measure progress of health equity integration into research agenda (In Progress)
- Collaboration with other state agencies (In Progress; Ongoing)
- Develop data resources to examine hospital patient demographics (In Progress)

Internal Action Steps

- Development and implementation of operational framework to incorporate health equity principles and lens in all HPC workstreams (In Progress)
- Engagement of experts to provide staff training and promote diversity, equity, and inclusion in order to more fully cultivate the culture of anti-racism within our agency (In Progress; Ongoing)
- Identification and implementation of specific goals to evaluate progress of integrating health equity principles in all HPC workstreams (In Progress)
- Regular internal meetings to review the agency's health equity efforts and to inform updates to the

HPC's Health Equity Framework (In Progress)
- Recognition of health equity as an integrated workstream, and regular assessment of resources (e.g., staff, training, and funds) to support health equity focus (In Progress)
- Systematic review of HPC employee handbook and internal policies (In Progress)

THE HPC'S HEALTH EQUITY WORK

In July 2021, the HPC released the Health Equity Practice and Style Guide, a practical internal resource developed by and for HPC staff. Its purpose is to promote intentional and consistent use of language and terminology across the agency, to encourage reflection among staff as they communicate about equity within their workstreams, and to provide resources, tools (including preferred terms), and HPC-specific use cases.

The 2020 Health Care Cost Trends Hearing focused on the impact of the COVID-19 Pandemic in Massachusetts, particularly the disproportionate impact felt by communities of color. The keynote address and the spotlight video are available on the Cost Trends Hearing webpage.

On July 22, 2020, the HPC presented a commitment to implementing a framework that will advance health equity. Regular updates on the HPC's Health Equity Framework will be provided at public meetings.

The HPC's current health equity-focused projects:

- The Birth Equity and Support through the Inclusion of Doula Expertise (BESIDE) Investment Program intends to address inequities in maternal health outcomes and improve the care and patient experience of Black birthing people by increasing access to and the use of doula services.
- The MassUP Investment Program funds partnerships between health care providers and community organizations to address a social determinant of health (SDOH).
- The Cost-Effective, Coordinated Care for Substance Exposed Newborns and their Caregivers (C4SEN) investment program is a quality improvement to expand access to evidence-based, appropriate addiction treatment. C4SEN seeks to support programs that emphasize cultural relevance, acknowledge the effects of structural racism, and take accountability for improving outcomes for marginalized populations.
- The HPC has partnered with MassChallenge HealthTech to host an event series focused on topics related to health equity and innovation. Registration for future events and recordings of past events are available on the MassChallenge website.
- The Office of Patient Protection works to effectively safeguard health care consumer protections in the Commonwealth and assists customers in many languages.

COVID-19 DATA SUPPORT

During the ongoing COVID-19 pandemic, the HPC has supported the response of the state through its COVID-19 Command Center (CCC) via various critical workstreams, ranging from project management to data analysis to strategic communications support.

INITIAL AD-HOC SUPPORT

Shortly after the declaration of the state of emergency, the HPC began performing discrete tasks on behalf of the Commonwealth's COVID-19 Command Center (CCC). Drawing on its knowledge of the Massachusetts provider market and its existing relationships, the HPC primarily supported the Medical Surge work thread by interfacing with hospitals and other providers. Staff collected and analyzed hospital surge plans and bed capacity, helped address acute hospitals' difficulty discharging patients to long-term acute care, and provided billing policy research and recommendations.

SUPPORT IN DRAFTING GUIDANCE

The HPC assisted in the development and drafting of several EOHHS guidance documents, including the Reopening Guidance for Acute Care Hospitals and Non-Hospital Providers (Phases 1-4), the Regional Resurgence Planning Guidance, and the Reopening Guidance for Child Care Centers. HPC also assisted with the drafting of the DOI Bulletin 2020-13 regarding coverage for COVID-19 services and out of network emergency and inpatient reimbursement.

DATA MANAGEMENT AND ANALYSIS

Beginning in May 2020, the HPC's role supporting the CCC as the CCC Extension Team was formalized in an Interagency Service Agreement with DPH, which facilitated the HPC's use of hospital data to support the CCC's daily monitoring work. A team of eight HPC staff took over the processing, quality control, outreach, and analysis of the daily data provided to DPH in WebEOC, an emergency management software, by acute-care hospitals and other healthcare facilities that had previously been completed by McKinsey consultants.

HPC staff participated in internal and external CCC meetings, providing summaries of key trends in the hospital data, any reporting concerns, and input on EOHHS guidance development. Staff also responded to time-sensitive requests for data analysis and strategic communication support from the CCC.

Staff worked to process, quality check, and analyze the daily hospital data reported in WebEOC, producing daily reports for the public DPH COVID-19 dashboard and the administration, as well as numerous other regular reports to support the state's resurgence planning efforts and hospitals' discharge planning, and oversaw periodic audits of data provided by the hospitals, including surge status and staffed beds.

In response to changes in the data fields required of hospitals by the federal government and requests by the CCC, both internal processes and external reports were significantly revised over time.

BUDGET OVERVIEW
FY2013 – FY2021

OVERVIEW OF HPC TRUST FUNDS

For state fiscal years 2013 to 2016 (FY13-FY16), the HPC and its work was solely funded by two trust funds: The Health Care Payment Reform Trust Fund (HCPRTF) and the Distressed Hospital Trust Fund (DHTF). In FY17, the HPC moved onto the state budget with operating expenses supported by a line item appropriation that is fully assessed on certain large health care providers and payers.

Chapter 224 of the Acts of 2012 dedicated $130 million in one-time revenues to be administered by the HPC through an assessment on certain health care market participants and a portion of one-time gaming license fees. These funds, allocated to the Health Care Payment Reform Trust Fund (HCPRTF) and/or the Distressed Hospital Trust Fund (DHTF), collectively supported the HPC operations, policy programs, professional services, investment programs, market monitoring, and provider engagement initiatives necessary to promote a more affordable, effective, and accountable health care system in Massachusetts.

Health Care Payment Reform Trust Fund

The Health Care Payment Reform Trust Fund (HCPRTF) was established in Chapter 194 of the Acts of 2011, An Act Establishing Expanded Gaming in the Commonwealth. The HCPRTF receives revenue from the following sources:

- Chapter 224 one-time industry assessment (~$11 million total over four years, ending in FY16)
- A portion of gaming license fees (23%) as administered by the Office of the State Comptroller ($40 million)

The main purposes of this fund are to support the establishment of the programs and operations of the HPC, foster innovation in health care payment and service delivery through a competitive grant program and provide direct technical assistance and support for the HPC's certification programs**.**

Since FY17, this trust fund has exclusively supported grants under the HPC's innovation investment programs and technical assistance and learning and dissemination for the HPC's certification and investment programs.

Distressed Hospital Trust Fund

Chapter 224 established the ~$120 million Distressed Hospital Trust Fund (DHTF) to provide investments in the Commonwealth's community hospitals. For FY13-FY20, the balance of the DHTF was used to support the CHART Investment Program and other community hospital investments.

In addition to direct funding to community hospitals through the CHART Program, up to 10% of the DHTF is authorized by Chapter 224 for administrative costs related to the CHART Program, including program development, program operations, and financial controls.

In 2017, the Executive Branch diverted $25 million in funds from this trust fund to the Commonwealth's General Fund to help balance the state's budget.

FY21 BOARD APPROVED BUDGET

The total operating budget for fiscal year 2021, including assessments for fringe benefits and for use of the state's accounting system, but not including direct provider investments, was $12,301,678. This budget supports all the programs and activities described in this report.

ANNUAL INDUSTRY ASSESSMENT

FY16 was the final year of collections for the Chapter 224 one-time assessment on certain hospitals and health plans. From FY17 onward, the HPC's operations and programs are funded by a new annual assessment on acute care hospitals, surgery centers, and health plans. The amount of the assessment is determined through the state budget process. The assessment process is similar to the current financing mechanism for the Center for Health Information and Analysis (CHIA).

HPC BALANCE SHEETS

For more information on the HPC's annual budget and actual spending, please see the balance sheets on pages 20 and 21, which depict the HPC's spending from each trust fund from FY13 to FY21.

Health Care Payment Reform Trust Fund

FUND STATEMENT
(actual spend from trust fund by FY)

	FY13*	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Sources of Funds									
Beginning Balance									
	$ -	$ 2,280,191	$ 2,959,749	$ 15,149,622	$ 14,611,263	$ 14,310,202	$ 10,075,757	$ 7,486,566	$ 5,828,631
Revenue									
Ch. 224 Industry Assessment	$ 2,280,191	$ 3,851,548	$ 2,528,290	$ 2,452,396	$ 155,215	$ -	$ -	$ -	$ -
Casino Gaming Licenses	$ -	$ 1,725,000	$ 38,525,000	$ -	$ -	$ -	$ -	$ -	$ -
MassHealth Federal Matching	$ -	$ -	$ -	$ 6,153,885	$ -	$ -	$ -	$ -	$ -
Penalty Assessment	$ -	$ -	$ -	$ -	$ 41,753	$ 76,081	$ -	$ -	$ -
Net OPP Collections	$ -	$ -	$ -	$ -	$ 1,775	$ -	$ 2,388	$ 1,500	$ -
Private Foundation Grant	$ -	$ -	$ -	$ 268,575	$ (4,839)	$ 1,780	$ -	$ -	$ -
Exec. Director Travel Reimbursement	$ -	$ -	$ -	$ -	$ -	$ 751	$ -	$ -	$ -
HCII Grantee Refund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,500	$ -
Total Revenue	$ 2,280,191	$ 5,576,548	$ 41,053,290	$ 8,874,856	$ 193,904	$ 78,612	$ 2,388	$ 7,000	$ -
Total	$ 2,280,191	$ 7,856,739	$ 44,013,039	$ 24,024,478	$ 14,805,167	$ 14,388,814	$ 10,078,145	$ 7,493,566	$ 5,828,631
Uses of Funds									
Expenditures									
Payroll/Benefits	$ -	$ 2,757,960	$ 3,826,455	$ 4,919,953	$ -	$ -	$ -	$ -	$ -
Rent/Utilities^	$ -	$ 149,356	$ 215,420	$ 569,538	$ -	$ -	$ -	$ -	$ -
Professional Services	$ -	$ 1,682,053	$ 1,151,528	$ 2,175,683	$ -	$ -	$ -	$ -	$ -
Administration/IT Support^	$ -	$ 307,621	$ 721,921	$ 571,619	$ -	$ -	$ -	$ -	$ -
Private Foundation Grant	$ -	$ -	$ -	$ -	$ 124,971	$ -	$ -	$ -	$ -
OPP Expenses	$ -	$ -	$ -	$ -	$ 2,362	$ 2,669	$ 3,442	$ 97,074	$ 84,018
Total Expenditures	$ -	$ 4,896,990	$ 5,915,323	$ 8,236,794	$ 127,333	$ 2,669	$ 3,442	$ 97,074	$ 84,018
State Levies									
CTR Trust Fund Assessment	$ -	$ -	$ 269,525	$ 591,895	$ 19,925	$ 20,500	$ 39,403	$ 5,931	$ 135
Total Levies	$ -	$ -	$ -	$ 591,895	$ 19,925	$ 20,500	$ 39,403	$ 5,931	$ 135
Investments									
Health Care Innovation Investment	$ -	$ -	$ -	$ -	$ 158,870	$ 4,087,557	$ 2,158,151	$ 377,357	$ 8,318
PCMH/ACO Technical Assistance	$ -	$ -	$ -	$ -	$ 189,018	$ 202,331	$ 390,583	$ -	$ -
SHIFT-Care Challenge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,166,903	$ 1,419,229
Moving Massachusetts Upstream (MassUP)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,670	$ 245,301
Total Investments	$ -	$ -	$ -	$ -	$ 347,888	$ 4,289,888	$ 2,548,734	$ 1,561,930	$ 1,672,848
Transfers Out									
State Budget Shortfall	$ -	$ -	$ 10,000,000	$ 500,000	$ -	$ -	$ -	$ -	$ -
MassHealth Rate Reimbursements	$ -	$ -	$ 12,307,769	$ -	$ -	$ -	$ -	$ -	$ -
CHIA RPO	$ -	$ -	$ 313,599	$ 88,212	$ -	$ -	$ -	$ -	$ -
CHIA Survey	$ -	$ -	$ 57,200	$ -	$ -	$ -	$ -	$ -	$ -
Total Transfers Out	$ -	$ -	$ 22,678,568	$ 588,212	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 4,896,990	$ 28,863,416	$ 9,416,900	$ 495,146	$ 4,313,057	$ 2,591,579	$ 1,664,935	$ 1,757,001
Balance Forward									
Ending Balance									
	$ 2,280,191	$ 2,959,749	$ 15,149,622	$ 14,607,578	$ 14,310,021	$ 10,075,757	$ 7,486,566	$ 5,828,631	$ 4,071,630

* HPC received $683,098 from three General Fund sources in FY13. All expenditures in FY13 were from the General Fund. Total expenditures were $562,707 and accounted for mostly staff payroll.

^ HPC moved locations in FY15. Increases in Administrative/IT Support and Rent/Utilities reflect moving costs.

^^ Effective January 1, 2015, HPC trust funds were subject to an assessment on payroll and professional services paid to the Office of the State Comptroller.

Distressed Hospital Trust Fund

FUND STATEMENT
(actual spend from trust fund by FY)

	FY13*	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Sources of Funds									
Beginning Balance									
	$ -	$ 25,994,173	$ 57,906,278	$ 74,566,988	$ 82,644,534	$ 33,538,752	$ 17,033,482	$ 13,956,611	$ 10,231,155
Revenue									
Ch. 224 Industry Assessment	$ 25,994,173	$ 40,410,479	$ 25,637,017	$ 26,725,035	$ 573,101	$ -	$ -	$ -	$ -
TCPI UMS Collections	$ -	$ -	$ -	$ -	$ 1,423	$ 433	$ -	$ -	$ -
Grant Return of Funds	$ -	$ -	$ -	$ -	$ -	$ 1,180	$ 127,828	$ -	$ -
Ricoh Refund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 215	$ -
Total Revenue	$ 25,994,173	$ 40,410,479	$ 25,637,017	$ 26,725,035	$ 574,524	$ 1,613	$ 127,828	$ 215	$ -
Total	**$ 25,994,173**	**$ 66,404,652**	**$ 83,543,295**	**$ 101,292,023**	**$ 83,219,058**	**$ 33,540,365**	**$ 17,289,138**	**$ 13,956,826**	**$ 10,231,155**
Uses of Funds									
Expenditures									
Payroll/Benefits	$ -	$ 259,789	$ 751,189	$ 1,286,354	$ 1,381,640	$ 818,583	$ 642,211	$ 300,783	$ 238,806
Rent/Utilities^	$ -	$ 17,603	$ 52,095	$ 100,508	$ 108,300	$ 109,552	$ 110,552	$ 90,000	$ 150,000
Professional Services	$ -	$ 220,885	$ 1,144,789	$ 833,695	$ 481,453	$ 421,103	$ 452,204	$ -	$ -
Administration/IT Support^	$ -	$ 42,449	$ 193,796	$ 100,702	$ 143,485	$ 91,740	$ 65,632	$ 23,438	$ 791
Total Expenditures	$ -	$ 540,726	$ 2,141,870	$ 2,321,260	$ 2,114,878	$ 1,440,978	$ 1,270,599	$ 414,221	$ 389,597
State Levies									
CTR Trust Fund Assessment	$ -	$ -	$ 117,988	$ 180,458	$ 206,724	$ 432,573	$ 91,189	$ 48,347	$ 54,635
Total Levies	$ -	$ -	$ 117,988	$ 180,458	$ 206,724	$ 432,573	$ 91,189	$ 48,347	$ 54,635
Investments									
CHART Investments	$ -	$ 7,957,648	$ 6,716,450	$ 16,145,771	$ 23,070,574	$ 12,258,863	$ 236,746	$ 71,757	$ -
Health Care Innovation Investments	$ -	$ -	$ -	$ -	$ 117,199	$ 1,651,044	$ 999,464	$ 412,494	$ -
Provider Supports	$ -	$ -	$ -	$ -	$ 495,000	$ 214,051	$ -	$ -	$ -
DPH ISA for NAS	$ -	$ -	$ -	$ -	$ 175,932	$ 509,374	$ 444,681	$ 63,154	$ -
SHIFT-Care Investments	$ -	$ -	$ -	$ -	$ -	$ -	$ 162,020	$ 2,715,698	$ 2,457,303
Total Investments	$ -	$ 7,957,648	$ 6,716,450	$ 16,145,771	$ 23,858,705	$ 14,633,332	$ 1,842,911	$ 3,263,103	$ 2,457,303
Transfers Out									
State Budget Shortfall	$ -	$ -	$ -	$ -	$ 23,500,000	$ -	$ -	$ -	$ -
Total Transfers Out	$ -	$ -	$ -	$ -	$ 23,500,000	$ -	$ -	$ -	$ -
Total	**$ -**	**$ 8,498,374**	**$ 8,976,307**	**$ 18,647,489**	**$ 49,680,307**	**$ 16,506,883**	**$ 3,204,699**	**$ 3,725,671**	**$ 2,901,535**
Balance Forward									
Ending Balance									
	$ 25,994,173	**$ 57,906,278**	**$ 74,566,988**	**$ 82,644,534**	**$ 33,538,751**	**$ 17,033,482**	**$ 14,084,439**	**$ 10,231,155**	**$ 7,329,620**

* HPC did not expend any funds from the DHTF in FY13. The first investment program (CHART) was formalized in FY14.

^ HPC moved locations in FY15. Increases in Administrative/IT Support and Rent/Utilities reflect moving costs.

^^ Effective January 1, 2015, HPC trust funds were subject to an assessment on payroll and professional services paid to the Office of the State Comptroller.

APPENDIX 1: PUBLICATIONS

ANNUAL HEALTH CARE COST TRENDS REPORTS

2021 Cost Trends Report, Chartpack, and Interactive Dashboard (September 2021)

2019 Cost Trends Report and Chartpack (February 2020)

2018 Cost Trends Report and Chartpack (February 2019)

2017 Cost Trends Report and Chartpack (March 2018)

2016 Cost Trends Report (February 2017)

2015 Cost Trends Report (January 2016)

2015 Cost Trends Report: Provider Price Variation (January 2016)

2014 Cost Trends Report (January 2015)

Cost Trends Report: July 2014 Supplement (July 2014)

2013 Cost Trends Full Report (January 2014)

POLICY REPORTS

Evaluation of the Commonwealth's Entry into the Nurse Licensure Compact (May 2021)

VIDEO: HPC Shorts: COVID-19's Impact on Emergency Department Visits (August 2021)

VIDEO: Healing Together: Voices of the Commonwealth During the COVID-19 Pandemic (October 2020)

Prescription Drug Coupon Study and Technical Appendix (July 2020)

Review of Third-Party Specialty Pharmacy Use for Clinician-Administered Drugs (July 2019)

Co-Occurring Disorders Care in Massachusetts: A Report on the Statewide Availability of Health Care Providers Serving Patients with Co-Occurring Substance Use Disorder and Mental Illness and Interactive Map (May 2019)

Opioid Use Disorder Report (September 2016)

Summary Report: Provider Price Variation Stakeholder Discussion Series (July 2016)

Community Hospitals at a Crossroads: Findings from an Examination of the Massachusetts Health Care System (March 2016)

A Report on Consumer-Driven Health Plans: A Review of the National and Massachusetts Literature (April 2013)

COST AND MARKET IMPACT REVIEW REPORTS

HPC-CMIR-2017-2: Beth Israel Lahey Health (September 2018)

HPC-CMIR-2017-1: Partners HealthCare System, Massachusetts Eye and Ear Infirmary, Massachusetts Eye and Ear Associates, and Affiliates (January 2018)

HPC-CMIR-2015-1, HPC-CMIR-2015-2, and HPC-CMIR-2016-1: Beth Israel Deaconess Care Organization, New England Baptist Hospital, New England Baptist Clinical Integration Organization, Beth Israel Deaconess Medical Center, Harvard Medical Faculty Physicians, and MetroWest Medical Center (September 2016)

HPC-CMIR-2013-4: Partners HealthCare System and Hallmark Health Corporation (September 2014)

HPC-CMIR-2013-3: Lahey Health System, Inc. and Winchester Hospital (May 2014)

HPC-CMIR-2013-1 and HPC-CMIR-2013-2: Partners HealthCare System, South Shore Hospital, and Harbor Medical Associates (February 2014)

BRIEFS AND CHARTPACKS

HPC DataPoints Series

- Issue 20: Oral Health Access and Equity in the Commonwealth (July 14, 2021)
- Issue 19: Persistently High Out-of-Pocket Costs Make Health Care Increasingly Unaffordable and Perpetuate Inequalities in Massachusetts (January 13, 2021)
- Issue 18: HPC-Certified Accountable Care Organizations in Massachusetts (October 13, 2020)
- Issue 17: Changes in the Massachusetts Physician Market: Data from the Massachusetts Registration of Provider Organizations (MA-RPO) Program (June 23, 2020)
- Issue 16: The Doctor Will (Virtually) See You Now (March 12, 2020)
- Issue 15: Mother and Infant-Focused Neonatal Abstinence Syndrome Investments (September 30, 2019)
- Issue 14: Variation in Potential Out-of-Network Provider Payment Benchmarks (August 14, 2019)
- Issue 13: Opioid-Related Emergency Department Utilization (June 26, 2019)
- Issue 12: Cracking Open the Black Box of Pharmacy Benefit Managers (June 5, 2019)
- Issue 11: Insulin Price Growth and Patient Out-of-Pocket Spending (May 1, 2019)
- Issue 10: Health Care Cost Growth Benchmark (February 11, 2019)
- Issue 9: Office of Patient Protection Medical Necessity Appeals (December 2018)
- Issue 8: Urgent Care Centers and Retail Clinics (August 2018)
- Issue 7: Variation in Imaging Spending (May 2018)
- Issue 6: Provider Organization Performance Variation (March 2018)
- Issue 5: Quality Measurement Misalignment in MA (January 2018)
- Issue 4: The Growing Opioid Epidemic in MA Hospitals (July 2017)
- Issue 3: The ACA's Preventative Coverage Mandate and MA (June 2017)
- Issue 2: Avoidable Emergency Department Use in MA (May 2017)
- Issue 1: Update on Preventable Oral Health ED Visits in MA (April 2017)

Accountable Care Organizations in Massachusetts: Profiles of the 2019 and 2020 HPC-Certified ACOs (August 2021)

Impact of COVID-19 on the Massachusetts Health Care System: Interim Report (April 2021)

Presentation: Impact of COVID-19 on Health Care System (November 2020)

Policy Brief: Serious Illness Care in Massachusetts: Differences in care received at the end of life by race and ethnicity (September 2020)

Policy Brief: The Nurse Practitioner Workforce and Its Role in the Massachusetts Health Care Delivery System (May 2020)

Out of Network Billing in Massachusetts Chartpack (May 2020)

Opioid-Related Acute Hospital Utilization in Massachusetts Chartpack (June 2019)

ACO Profiles (September 2018, updated 2019)

Opportunities for Savings in Health Care 2018 (May 2018)

ACO Policy Briefs

- ACO Brief #3: Risk Contracts and Performance Management Approaches of Massachusetts (June 2019)

- ACO Brief #2 - Transforming Care: How ACOs in Massachusetts Manage Population Health (September 2018)
- ACO Brief #1 - Transforming Care: An Introduction to Accountable Care Organizations in Massachusetts (Published April 2018)

Behavioral Health-Related Emergency Department Boarding (November 2017)

Opioid Chart Pack (August 2017)

Research Brief: Serious Illness and End of Life Care in the Commonwealth (November 2016)

Policy Brief: Oral Health (August 2016)

Research Brief: Behavioral Health Compendium (March 2016)

Policy Brief: Out-of-Network Billing (January 2016)

APCD Almanac - Chartbook (July 2014)

ACADEMY HEALTH ANNUAL RESEARCH CONFERENCE POSTERS

2021

- Characteristics of Commercially-Insured Individuals with Persistently High Out-Of-Pocket Spending
- Churn, Baby, Churn: The Effects of Churn, Population Size, Outliers, and Risk Adjustment on Annual Health Care Spending Change
- Trends in Opioid-Related Hospital Discharges in Massachusetts

2020

- Building the Case for Enhanced Affordable Housing for Older Adults: A Review of Hebrew SeniorLife's R3 Program
- Describing and Quantifying Movement in the Massachusetts Physician Market
- Supporting Mothers in Caring for their Infants with Neonatal Abstinence Syndrome: Better Outcomes and Lower Costs
- Using Telemedicine in Behavioral Health: Implementation Insights

2019

- Lower Health Care Spending and Similar Quality at Physician-Led Provider Groups vs Academic Medical Center-Anchored Groups
- Rapid Expansion of Urgent Care Centers in Massachusetts
- Tip of the Iceberg: Follow-on Costs of Low Value PAP Cytology in Massachusetts
- Variation in Rates of Hospital Admission Following a Visit to the Emergency Department

2018

- Coordinating Care for Drug Court Participants
- Coordinating Care for Pregnant and Postpartum Women with Opioid Use Disorder
- Have Community Hospitals Been More Successful in Retaining Local Care After Affiliating with Larger Health Care Systems?
- Out-of-Network Billing in Massachusetts

- Price Variation by Provider Organization in Massachusetts
- Price Variation for Chemotherapy Drugs in Massachusetts
- Addressing Stigma in a Hospital Setting

2017

- Factors Underlying Variation in Inpatient Hospital Prices
- Inadequate Access to Care May be Associated with Long ED Stays for BH Patients
- The Impact of the ACAs Preventative Coverage Mandate on Spending and Utilization of Contraception in Massachusetts
- Variation in Intensity of Care and Hospice Use at the End of Life in Massachusetts
- Bridging the Dissemination Gap: Building a Stakeholder-Informed Learning Strategy

2016

- Emerging Evidence to Effectively Treat Neonatal Abstinence Syndrome (NAS) with Higher Quality and Lower Cost: Lessons from Massachusetts
- Enabling Tools and Technologies to Support Delivery of High Value, Coordinated Health Care: Event Notification Systems
- Retail Clinics Reduce Avoidable Emergency Department Visits in Massachusetts
- When an APCD is Not Enough (You need RPO): Developing a System to Map the Structures and Relationships of Massachusetts' Largest Healthcare Providers
- Price variation for common lab tests and factors associated with selection of low cost sites
- The Opioid Epidemic in Massachusetts: Findings on Hospital Impact and Policy Options
- Spending for low-risk deliveries in Massachusetts varies two-fold, with no measurable quality

PUBLICATIONS RELATED TO THE INVESTMENT PROGRAMS

TCCI Care Coordination Case Study (November 2021)

TCCI Evaluation Report (November 2021)

NAS Anti-Stigma Resource Guide: Reducing Stigma Toward Families Impacted by Opioid Use Disorder (June 2021)

VIDEO: Mother and Infant-Focused Neonatal Abstinence Syndrome Interventions (May 2021)

NAS Investment Program Evaluation Report (May 2021)

NAS Impact Brief: Caring for Families Impacted by Opioid Use Disorder (April 2021)

TCCI Impact Brief: Supporting Innovative Delivery Models for Complex Patient Needs (April 2021)

Sustaining Grant-Funded Initiatives Guide (December 2020)

Hebrew SeniorLife Case Study (December 2020)

Telemedicine Pilot Program Evaluation Report (November 2020)

Telemedicine Pilot Program Impact Brief (September 2020)

CHART Investment Program: Phase 2 Evaluation Report (September 2020)

CHART Playbook (September 2020)

SHIFT-Care Challenge Awardee Profiles (June 2020)

CHART Awardee Profiles (December 2019)

CHART Program Impact Brief (August 2019)

HCII Awardee Profiles:

- Neonatal Abstinence Syndrome Investments (June 2019)
- Targeted Cost Challenge Investments (June 2019)
- Telemedicine Investments (August 2018)

Integrating Telemedicine for Behavioral Health: Practical Lessons from the Field (May 2019)

SHIFT-Care Challenge Factsheet (August 2018)

HCII Summary (March 2018)

CHART Phase 2 and HCII Factsheet (May 2017)

CHART Phase 1 Factsheet (March 2017)

CHART Phase 2 Hospital Factbook (August 2016)

CHART Phase 1 Report (June 2015)

CHART Phase 1 Hospital Factbook (June 2015)

CHART Case Study: Deploying Effective Management and Leadership Strategies to Drive Transformation (March 2015)

CHART Case Study: Use of Locally Derived Data to Design, Develop, and Implement Population Health Management Intervention (February 2015)

CHART Leadership Summit: Proceedings Report (September 2014)

OFFICE OF PATIENT PROTECTION REPORTS

2019 Office of Patient Protection Annual Report (Released May 2021)

2018 Office of Patient Protection Annual Report (January 2020),

2017 Office of Patient Protection Annual Report (January 2019)

2016 Office of Patient Protection Annual Report (March 2018)

2015 Office of Patient Protection Annual Report (March 2017)

2014 Office of Patient Protection Annual Report (November 2015)

2013 Office of Patient Protection Annual Report (November 2014)

APPENDIX 2:
HPC REGULATIONS

As part of the development of various programs and operational procedures, the HPC may be required to promulgate regulations. To date, the HPC has promulgated eleven regulations (958 CMR 2.00 – 958 CMR 12.00). For more information about HPC regulations, please visit the HPC's website.

One-Time Assessment Regulation (958 CMR 2.00)

For Fiscal Years 2013-2016, the HPC was partially funded through a one-time assessment on certain Massachusetts payers and providers. The HPC's first regulation governs said payments to the HPC and provides details on which acute hospitals and surcharge payers must contribute to the assessment.

Health Insurance Consumer Protection Regulation (958 CMR 3.00)

The Office of Patient Protection facilitates independent external reviews of certain health insurance decisions. This regulation establishes the requirements for carriers in administering their internal grievance procedures and conducting external reviews of carriers' medical necessity adverse determination. The regulation also sets out requirements for continuity of care, referral to specialty care, and carrier reporting requirements.

Health Insurance Open Enrollment Waivers Regulation (958 CMR 4.00)

Massachusetts and federal law establish open enrollment periods during which individuals and families may buy non-group health insurance coverage. This regulation establishes the requirements for requests by consumers who wish to enroll in a non-group health plan outside of the open enrollment periods. The HPC is updating this regulation to comply with the Affordable Care Act and new Massachusetts laws.

CHART Investment Program Regulation (958 CMR 5.00)

Chapter 224 created the CHART Investment Program, a phased grant program that invests in eligible Massachusetts community hospitals to enhance their delivery of efficient, effective care. This regulation governs the procedures and criteria used to award grants to certain qualifying acute hospitals, as authorized by the HPC Board. This regulation specifies how the HPC administers the grant program.

Registration of Provider Organizations Regulation (958 CMR 6.00)

Chapter 224 directs the HPC to develop and administer a registration program for provider organizations, through which those entities subject to the law submit information on their organizational and operational structure and governance. This regulation governs the procedures and criteria used to administer the registration of provider organizations program. It specifies the criteria for who must register and what information must be submitted to complete registration.

Notices of Material Change and Cost and Market Impact Reviews Regulation (958 CMR 7.00)

Chapter 224 directs the HPC to monitor changes in the health care marketplace, including consolidations and alignments that have been shown to impact health care market functioning, and thus the performance of our health care system in delivering high-quality, cost-effective care. This regulation governs certain procedures for filing Notices of Material Change as well as the procedures by which the HPC will review Notices of Material Change and conduct Cost and Market Impact Reviews.

ICU Nurse Staffing Regulation (958 CMR 8.00)

Chapter 155 of the Acts of 2014 established patient assignment limits for registered nurses in intensive care units in acute hospitals and charged the HPC with promulgating regulations governing the implementation and operation of the law including. This regulation establishes Patient Assignment limits for Registered Nurses in Intensive Care Units in Acute Hospitals licensed by the MA Department of Public Health and in hospitals operated by the Commonwealth, including the process for selecting or developing an Acuity Tool and required elements of the Acuity Tool.

Annual Assessment Regulation (958 CMR 9.00)

Beginning in FY 2017, the HPC's operating budget is funded through an annual assessment on certain payers, providers, and ambulatory services centers. This regulation governs the process through which the assessment is collected.

Performance Improvement Plans Regulation (958 CMR 10.00)

Chapter 224 directs the HPC to evaluate payer and provider health care spending trends and require certain entities to file and implement a Performance Improvement Plan (PIP). This regulation governs the process and criteria used to require a PIP and assess its effectiveness.

RBPO/ACO Appeals Regulation (958 CMR 11.00)

Chapter 224 requires the Office of Patient Protection (OPP) to develop requirements for internal appeals and an external review process for patients of certain provider organizations. This regulation mandates internal appeal processes of DOI-certified Risk Bearing Provider Organizations (RBPO) and HPC-certified Accountable Care Organizations (ACO) and allows for an external review process for patients to obtain third party review of such appeals.

Drug Pricing Review Regulation (958 CMR 12.00)

Chapter 41 of the Acts of 2019 gives authority to the Executive Office of Health and Human Services (EOHHS), and specifically to the MassHealth program, to negotiate directly with pharmaceutical drug manufacturers for supplemental rebates, and to the Health Policy Commission (HPC) to investigate the manufacturer's pricing of the drug if an agreement cannot be reached. This regulation specifies the procedures by which the HPC may review information relative to a Referred Manufacturer's pricing practices and determine whether its pricing of a drug is unreasonable or excessive in relation to the drug's value.

APPENDIX 3: BOARD AND ADVISORY COUNCIL MEMBERSHIP

HPC COMMISSIONERS

Health Policy Commission Board			First Term			Second Term			Third Term		
Statutory Requirement	Appointing Authority	Appointee	Term Start Date	Term*	Term End Date	Appointment/ Reappointment Date	Term	Term End Date	Appointment/ Reappointment Date	Term	Term End Date
One member, designated as chairperson	Governor	Altman, Stuart	11/1/2012	3 years	11/1/2015	1/15/2016	5 years	11/1/2020			
One member with demonstrated expertise in the development and utilization of innovative medical technologies and treatments for patient care.	Auditor	Everett, Wendy	11/1/2012	2 years	11/1/2014	3/6/2015	5 years (served 4 years, 1 month)	RESIGNED 12/13/2018			
	Auditor	Blakeney, Barbara				2/27/2019	8 months Remainder of Term	11/1/2019	11/1/2019	5 years	11/1/2024
One member with demonstrated expertise in representing the health care workforce as a leader in a labor organization.	Auditor	Turner, Veronica	11/1/2012	4 years	RESIGNED 11/1/2016						
	Auditor	Foley, Timothy	10/12/2016	Remainder of Term	10/31/2016	11/1/2016	5 years	11/1/2021	11/1/2021	5 years	11/1/2026
One member with demonstrated expertise as a purchaser of health insurance representing business management or health benefits	Auditor	Lord, Richard	11/1/2012	3 years	11/1/2015	12/1/2015	5 years	11/1/2020			
	Auditor	Houpt, Patricia							1/1/2021	5 years	12/31/2025
One member who is a health economist.	Attorney General	Cutler, David	11/1/2012	3 years	11/1/2015	12/1/2015	5 years	11/1/2020	11/13/2020	5 years	11/12/2025
One member with expertise in health care consumer advocacy.	Attorney General	Hattis, Paul	11/1/2012	2 years	11/1/2014		1 year Holdover Appointee	12/31/2015			
		Berwick, Donald				1/1/2016	4 years Remainder of Term	11/1/2019	11/1/2019	5 years	11/1/2024
One member with expertise in behavioral health, substance use disorder, and mental health services	Attorney General	Sudders, Marylou	11/1/2012	1 year	11/1/2013	9/23/2013	5 years (served 14 months)	RESIGNED 1/1/2015			
		Cohen, Martin				4/23/2015	3 years, 6 months Remainder of Term	11/1/2018	11/13/2018	5 years	11/12/2023
One member with demonstrated expertise in health plan administration and finance	Governor	Yang, Jean	11/1/2012	4 years (served 28 months)	RESIGNED 2/2015						
		Mastrogiovanni, Renato	5/19/2015	1 year, 5 months Remainder of Term	11/1/2016	11/1/2016	5 years	11/1/2021			
One member who is a primary care physician	Governor	Allen, Carole	11/1/2012	5 years	11/1/2017						
		Kryder, John Christian				1/31/2018	5 years	11/13/2022			
Secretary of Administration and Finance	Governor	Shor, Glen	Ex-Officio								
		Lepore, Kristen	Ex-Officio								
		Heffernan, Michael	Ex-Officio								
Secretary of Health and Human Services	Governor	Polanowicz, John	Ex-Officio								
		Sudders, Marylou	Ex-Officio								

*Please Note: Chapter 224 set staggered initial terms for all appointed seats. The terms began in November 2012. All subsequent appointments and reappointments are for five years.

DR. STUART ALTMAN, CHAIR

Statutory Requirement: One member, designated as chairperson, with demonstrated expertise in health care delivery, health care management at a senior level, or health care finance and administration, including payment methodologies. (Appointed by the Governor)

Stuart Altman, P.h.D., is the Sol C. Chaikin Professor of National Health Policy at The Heller School for Social Policy and Management at Brandeis University. He is an economist with approximately five decades of experience working closely with issues of federal and state health policy within government, the private sector, and academia.

Dr. Altman has served on numerous government advisory boards on both the federal and state levels. Between 1971 and 1976, Dr. Altman was Deputy Assistant Secretary for Planning and Evaluation/Health at the U.S. Department of Health Education and Welfare (HEW). While serving in that position, he was one of the principal contributors to the development and advancement of a National Health Insurance proposal. From 1972 to 1974, he also served as the Deputy Director for Health as part of President Nixon's Cost-of-Living Council, where he was responsible for developing the council's program on health care cost containment.

For twelve years, from 1984 to 1996, he was the Chairman of the Prospective Payment Assessment Commission (ProPac), which was responsible for advising the U.S. Congress and the administration on the functioning of the Medicare Diagnosis-Related Group (DRG) Hospital Payment System and other system reforms. He was appointed in 1997 by President Clinton to the National Bipartisan Commission on the Future of Medicare. From 2000 to 2002, he was Co- Chair of the Legislative Health Care Task Force for the Commonwealth of Massachusetts.

Dr. Altman is a published author of numerous books and journal articles, the most recent, *Power, Politics and Universal Health Care: The Inside Story of a Century-Long Battle* (2011). He has been recognized as a leader in the health care field by *Health Affairs* and by *Modern Healthcare*, which named him in 2006 among the 30 most influential people in health policy over the previous 30 years, and which from 2003 to 2011 named him one of the top 100 most powerful people in health care. Dr. Altman earned his M.A. and Ph.D. degrees in economics from UCLA.

MR. MARTIN COHEN, VICE CHAIR

Statutory Requirement: One member with expertise in behavioral health, substance use disorder, and mental health services. (Appointed by the Attorney General)

Martin D. Cohen is the president/CEO of the MetroWest Health Foundation, a community health philanthropy serving the MetroWest area of Massachusetts. Mr. Cohen has more than 30 years of experience working with federal and state policy-makers to plan and implement comprehensive strategies for improving public mental health services. Prior to joining the foundation, Mr. Cohen served as the executive director of the Technical Assistance Collaborative, Inc., a national health and human services consulting firm. He previously served as a deputy program director and senior program consultant for the Robert Wood Johnson Foundation, and was a deputy assistant secretary in the Massachusetts Executive Office of Health & Human Services. He serves on the board of advisors of the David and Lura Lovell Foundation and the Harvard Pilgrim Health Care Foundation. Cohen holds both a BA and MSW from Boston University.

DR. DONALD BERWICK

Statutory Requirement: One member with expertise in health care consumer advocacy. (Appointed by the Attorney General)

Donald M. Berwick was President and CEO of the Institute for Healthcare Improvement (IHI) for nearly 20 years. In July 2010, President Obama appointed Dr. Berwick to the position of Administrator of the Centers for Medicare & Medicaid Services, a position he held until December 2011. He was formerly Clinical Professor of Pediatrics and Health Care Policy at the Harvard Medical School, and Professor in the Department of Health Policy and Management at the Harvard School of Public Health. Dr. Berwick has served as vice chair of the US Preventive Services Task Force, the first "Independent Member" of the American Hospital Association Board of Trustees, and chair of the National Advisory Council of the Agency for Healthcare Research and Quality. An elected member of the Institute of Medicine (IOM), Dr. Berwick served two terms on the IOM's governing Council and was a member of the IOM's Global Health Board. He served on President Clinton's Advisory Commission on Consumer Protection and Quality in the Healthcare Industry. He is a recipient of several awards and author of numerous articles and books, including *Curing Health Care* and *Escape Fire.*

MS. BARBARA BLAKENEY

Statutory Requirement: One member with demonstrated expertise in the development and utilization of innovative medical technologies and treatments for patient care. (Appointed by the State Auditor)

Barbara Blakeney, MS, RN, FNAP, is the past President of the American Nurses' Association, and has maintained a passion for providing access to high quality, affordable health care throughout her career. As a clinician, she focused her practice in poor communities, both urban and rural, and from that learned the power of resilience and the oppression of poverty. Barbara is the recipient of many awards and honors including the Pearl McIvor Public Health Nursing Award from the American Nurses' Association, the Chief Nurse Award of the US Public Health Service, and is a Distinguished Alumni at the University of Massachusetts at Amherst. Barbara has served on the National Advisory Board for the Joint Commission and as a member of the advisory group for the first nursing sensitive quality indicators for the National Quality Forum. Barbara is a Distinguished Public Policy Fellow of the National Academies of Practice. Barbara has served on many boards of directors including as a founding member and current Vice-Chair of the Boston Health Care for the Homeless Program, the American Nurses Association, the American Nurses Credentialing Center, Health Care Without Harm, Practice Green Health, and the Center for Education and Research on Therapeutics (CERTS). Barbara served as an Innovation Advisor to the Centers for Medicare and Medicaid Innovation Center. In that capacity, she led highly successful projects to improve care, decrease delays in care, and improve efficiency at the clinical Microsystems level. She is a co-author of a first of its kind study of equine assisted learning and Nurse Presence. (10.1177/0898010112474721 http://jhn.sagepub.com)

DR. DAVID CUTLER

Statutory Requirement: One member who is a health economist. (Appointed by the Attorney General)

David Cutler, P.h.D., is the Otto Eckstein Professor of Applied Economics in the Department of Economics at Harvard University and holds secondary appointments at Harvard's Kennedy School of Government and the Harvard School of Public Health. David served as Assistant Professor of Economics from 1991 to 1995, was named John L. Loeb Associate Professor of Social Sciences in 1995, and received tenure in 1997. Professor Cutler was associate dean of the Faculty of Arts and Sciences for Social Sciences from 2003-2008.

Honored for his scholarly work and singled out for outstanding mentorship of graduate students, Professor Cutler's work in health economics and public economics has earned him significant academic and public acclaim. Professor Cutler served on the Council of Economic Advisers and the National Economic Council during the Clinton Administration and has advised the Presidential campaigns of Bill Bradley, John Kerry, and Barack Obama as well as being Senior Health Care Advisor for the Obama Presidential Campaign and a Senior Fellow for the Center for American Progress.

Professor Cutler is author of two books, several chapters in edited books, and many of published papers on the topic s of health care and other public policy topics. Author of Your Money Or Your Life: Strong Medicine for America's Health Care System, published by Oxford University Press, this book, and Professor Cutler's ideas, were the subject of a feature article in the New York Times Magazine, The Quality Cure, by Roger Lowenstein. Cutler was recently named one of the 30 people who could have a powerful impact on healthcare by Modern Healthcare magazine and one of the 50 most influential men aged 45 and younger by Details magazine. Professor Cutler earned an A.B. from Harvard University and his P.h.D. in Economics from MIT (1991).

MR. TIMOTHY FOLEY

Statutory Requirement: One member with demonstrated expertise in representing the health care workforce as a leader in a labor organization. (Appointed by the State Auditor)

Tim Foley is a Vice President for 1199SEIU, the state's largest union of health care workers. He has worked for SEIU for 11 years, starting out as a political director, then being elected to a Vice President position. Mr. Foley has worked for the Massachusetts AFL-CIO and the Massachusetts Coalition for Adult Education. He holds a bachelor's degree in political science from the University of Delaware and a masters' degree in public affairs from the University of Massachusetts- Boston.

SECRETARY MICHAEL J. HEFFERNAN, EXECUTIVE OFFICE OF ADMINISTRATION AND FINANCE

Statutory Requirement: Secretary of Administration and Finance (Appointed by the Governor, Ex-Officio)

Michael J. Heffernan joined Governor Charlie Baker's cabinet as Secretary of the Executive Office for Administration and Finance in August 2017. In his role, Secretary Heffernan is in charge of formulating the governor's budget plan, providing guidance on the economy, and implementing the state government's $40 billion operating and $2 billion capital budgets. Secretary Heffernan also manages numerous state administrative agencies including the Department of Revenue (tax administration and economic forecasting), the Human Resources Division (talent recruitment and management), the Group Insurance Commission (employee and retiree health insurance), the Operational Services Division (procurement), and the Department of Capital Asset Management and Maintenance (state facilities).

Mike previously served as Commissioner of the Department of Revenue for the Commonwealth of Massachusetts where he was responsible for administrating tax, revenue collection, child support, and municipal finance laws. Following his campaign for Massachusetts state treasurer in 2014, Mike served on Governor Charlie Baker's transition team and was appointed to the boards of Massachusetts Pension Reserves Investment Management Board (PRIM) and the MBTA Retirement Fund in early 2015.

In the private sector, Mike spent nearly two decades in increasingly senior roles at Citigroup and its predecessor firm, Salomon Brothers, as a managing director in its markets and banking division. He previously served as a Vice President in capital markets at NatWest Markets and EF Hutton & Co. Most recently, he co-founded the Massachusetts tech startup Mobiquity in 2011.Mike has been involved with a number of non-profits focused primarily on education and healthcare. He holds an MBA in finance from New York University, an MPA from the Harvard Kennedy School and a bachelor's degree in economics from Georgetown University where he sits on the Georgetown College Board of Advisors and chairs the Georgetown Library Board.

MS. PATRICIA HOUPT

Statutory Requirement: One member with demonstrated expertise as a purchaser of health insurance representing business management or health benefits administration. (Appointed by the State Auditor)

For over 40 years, Patricia Houpt has advised employers, from large corporations to small business owners, on how best to structure their employee benefits offerings to achieve their financial and retention goals. She recently retired after serving as executive director at the New England Employee Benefits Council (NEEBC) for eight years. NEEBC is the region's leading source of unbiased employee benefits and total rewards education and information. Before joining NEEBC, she was the founder and president of PMH Insurance Associates, a firm dedicated to providing integrated employee benefits consulting

and brokerage services to a varied client base. In addition, she founded the Sudbury Military Support Network and has served on the board of directors for the New England Society of Association Executives. She is a graduate of Denison University.

DR. JOHN CHRISTIAN KRYDER

Statutory Requirement: One member who is a primary care physician. (Appointed by the Governor)

Dr. John Christian Kryder is currently an Executive Partner at Flare Capital, a Boston-based healthcare technology investment group. In addition to chairing the Board of Directors at a telemedicine services organization, InfiniteMD, Dr. Kryder has also recently been an Advisor at GE Ventures, a venture capital subsidiary of General Electric that enables entrepreneurship in the healthcare industry. He spent twenty-five years as a Clinical Instructor in Medicine in the Medical Engineering and Medical Physics Program at Harvard Medical School, HST Division.

Dr. Kryder currently serves on the Board of Trustees at Tufts Medical Center. Previously, Dr. Kryder spent over ten years at several Waltham-based healthcare organizations—as Chief Executive Officer at Verisk Health, Co-Founder of Generation Health and Chief Executive Officer and Founder of D2Hawkeye.

Dr. Kryder received a Doctorate of Medicine from Georgetown University and completed his internal medicine residency training in the Harvard Primary Care Program at Mount Auburn Hospital in Cambridge. He also received a Master's in Business Administration from the Sloan School at Massachusetts Institute of Technology. He received a Bachelor of Arts in History from the University of Buffalo.

MR. RENATO "RON" MASTROGIOVANNI

Statutory Requirement: One member with demonstrated expertise in health plan administration and finance. (Appointed by the Governor)

Ron Mastrogiovanni, President and Chief Executive Officer of HealthView Services, has more than 25 years of experience in management consulting, financial services and health care software design. He is responsible for developing the HealthView platform, a solution-based planning system that integrates health care cost projections, Medicare means testing, long-term care expenses and Social Security optimization into the retirement planning process. Mr. Mastrogiovanni has emerged as a widely respected thought leader in the area of health care costs
projections, and has co-authored several white papers on such topics as the Annual Health Care Cost Data Report and the Impact of Medicare Means Testing on Future Retirees.

Prior to HealthView, Mr. Mastrogiovanni was the co-founder of FundQuest, one of the first fee-based asset management companies that provided financial institutions - including banks, insurance companies, and brokerage firms – with wealth management solutions. Mr. Mastrogiovanni, who designed the firm's asset allocation and money management process, was responsible for overseeing the management over $12 billion in client assets. The company was acquired by BNP Paribas, a global leader in banking and financial services. HealthView Services and Mr. Mastrogiovanni have been featured in several national publications, including The Wall Street Journal, CNBC, and MarketWatch. Mr. Mastrogiovanni received a B.S. degree from Boston State College and an M.B.A. from Babson College.

SECRETARY MARYLOU SUDDERS, EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

Statutory Requirement: Secretary of Health and Human Services (Appointed by the Governor, Ex-Officio)

Appointed as Secretary of the Executive Office of Health and Human Services (EOHHS) by Governor Charlie Baker in January 2015, Marylou Sudders leads the largest executive agency in state government, a $19.4 billion state budget with 22,000 dedicated public servants, and oversees critical services that touch one in four residents of the Commonwealth. Professionally trained as a social worker, Sudders has dedicated her life to public service and to some of our most vulnerable citizens. She has been a public official, provider executive, advocate and college professor.

She was the Massachusetts Commissioner of Mental Health from 1996 to 2003, championing significant legislative reforms including insurance parity, fundamental patient rights and the first children's mental health commission. In 2012, Sudders was appointed to the state's Health Policy Commission (HPC) for her behavioral health expertise; she remains on this important Commission in her capacity as Secretary.

For almost ten years, she headed the Massachusetts Society for the Prevention of Cruelty to Children, promoting the rights and well-being of some 24,000 children and families. Just prior to her appointment as Secretary, Sudders was an associate professor and Chair of Health and Mental Health at Boston College's Graduate School of Social Work. Sudders has served on many charitable boards throughout her career, including the Pine Street Inn, Massachusetts Association for Mental Health and the National Alliance on Mental Illness.

Secretary Sudders' talent and dedication has been recognized multiple times. She received an Honorary Doctorate from the Massachusetts School of Professional Psychology and was named Social Worker of the Year from the Massachusetts Chapter of the National Association of Social Workers. She was also nationally recognized with the Knee-Whitman Outstanding Achievement for Health & Mental Health Policy from the National Association of Social Workers Foundation.

HPC ADVISORY COUNCIL
(January 1, 2021- December 31, 2022)

1. Lissette Blondet, Executive Director, Massachusetts Association of Community Health Workers
2. Kim Brooks, Chief Operating Officer, Senior Living, Hebrew SeniorLife
3. Michael Caljouw, Vice President of Government & Regulatory Affairs, Blue Cross Blue Shield of Massachusetts
4. Christopher Carlozzi, State Director, National Federation of Independent Business (NFIB)
5. JD Chesloff, Executive Director, Massachusetts Business Roundtable
6. Dr. Cheryl Clark, Director of Health Equity Research and Intervention, Brigham and Women's Hospital
7. Michael Curry, President and CEO, Massachusetts League of Community Health Centers
8. Dr. Ronald Dunlap, Cardiologist and Past President, Massachusetts Medical Society
9. Geoffrey Gallo, Director of State Government Affairs, AstraZeneca
10. Audrey Gasteier, Chief of Policy and Strategy, Massachusetts Health Connector
11. Bonny Gilbert, Co-Chair of Healthcare Action Team, Greater Boston Interfaith Organization (GBIO)
12. Tara Gregorio, President and CEO, Mass Senior Care Association
13. Lisa Gurgone, Executive Director, Mass Home Care
14. Jon Hurst, President, Retailers Association of Massachusetts
15. Pat Kelleher, Executive Director, Home Care Alliance of Massachusetts
16. Colin Killick, Executive Director, Disability Policy Consortium
17. Amanda Cassel Kraft, Assistant Secretary for MassHealth
18. Ellen LaPointe, CEO, Fenway Health
19. David Matteodo, Executive Director, Massachusetts Association of Behavioral Health Systems
20. Dr. Danna Mauch, President and CEO, Massachusetts Association for Mental Health
21. Cheryl Pascucci, Family Nurse Practitioner, Baystate Franklin Medical Center
22. Carlene Pavlos, Executive Director, Massachusetts Public Health Association
23. Lora Pellegrini, President and CEO, Massachusetts Association of Health Plans
24. Dr. Claire-Cecile Pierre, Associate Chief Medical Officer and Vice President of Community Health, Brigham and Women's Hospital
25. Christopher Philbin, Vice President of Office of Government Affairs, Partners HealthCare System
26. Julie Pinkham, Executive Director, Massachusetts Nurses Association
27. Amy Rosenthal, Executive Director, Health Care For All
28. Christine Schuster, President and CEO, Emerson Hospital
29. Zach Stanley, Executive Vice President, MassBio
30. Dr. Steven Strongwater, President and CEO, Atrius Health
31. Matthew Veno, Executive Director, Group Insurance Commission
32. Steven Walsh, President and CEO, Massachusetts Health and Hospital Association
33. Elizabeth Wills-O'Gilvie, Chair, Springfield Food Policy Council
34. Deborah Wilson, President and CEO, Lawrence General Hospital

APPENDIX 4:
STAFF DEPARTMENTS AND ORGANIZATIONAL CHART

HPC STAFF DEPARTMENTS

The HPC's Board of Commissioners appoints an Executive Director to lead the operations and management of the agency, including overseeing policy analysis and recommendations, research projects and data analysis, regulatory development and oversight, and program creation and administration. The HPC's first Executive Director, David Seltz, was appointed in December 2012 and reappointed in 2017.

Under the leadership of the Executive Director, staff work on focused areas as well as collaborative, cross-team projects to ensure that the HPC's statutory deadlines are met in a robust, transparent and timely manner. The HPC's staff are primarily assigned to one of seven departments, with general hiring requirements and salary ranges for each functional level, as outlined below. For the most up-to-date information on HPC salaries, please check the Commonwealth's Statewide Payroll website.

OFFICE OF THE CHIEF OF STAFF

The Office of the Chief of Staff (COS) ensures that the HPC delivers high-quality, transparent work on the Massachusetts health care system through its role as a convener, researcher, partner, and watchdog. COS is also responsible for guaranteeing that HPC deliverables are communicated transparently to various audiences and stakeholders. This is completed through COS management of the HPC's external affairs efforts, including media, public, legislative, intergovernmental, and stakeholder relations. COS also manages the administration and finance of the HPC, including agency operations, human resources, fiscal management, special projects, and public events. Coleen Elstermeyer, MPP, Deputy Executive Director, leads this department and provides high-level strategic support to the Executive Director and Board members in their official capacity.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel provides legal counsel and advice on a wide range of strategic, policy, and operational issues for the agency. The Legal department is responsible for supporting agency compliance functions and the HPC's policy and programmatic work, including the development of regulations. The Office of the General Counsel is led by Lois H. Johnson, Esq.

HEALTH CARE TRANSFORMATION AND INNOVATION

The Health Care Transformation and Innovation (HCTI) department is responsible for developing a coordinated strategy to advance care delivery transformation policy and programs, including developing and implementing the agency's investment strategy. HCTI is responsible for administering several grant programs designed to catalyze care delivery transformation in the Commonwealth. The Community Hospital Acceleration, Revitalization, and Transformation (CHART) program, the Health Care Innovation Investment (HCII) program, the Moving Massachusetts Upstream (MassUP) program, and the SHIFT-Care Challenge collectively represent a key component of the HPC's efforts to increase health care quality, equity, and access while reducing cost growth in the Commonwealth. HCTI also advances the Commonwealth's goals of accelerating adoption of new integrated care models through state certification programs for patient-centered medical homes (PCMHs) and accountable care organizations (ACOs) and enhanced transparency of such efforts. The department – in collaboration with other state agencies and stakeholders – works to promote and align innovative care delivery and payment models and address upstream causes of poor health outcomes. Through these efforts, HCTI supports the HPC's vision of a care delivery system that reduces spending and improves health for all residents by delivering coordinated, patient-centered, and efficient health care that reflects patients' behavioral, social, and medical needs. HCTI is led by Kelly Hall.

MARKET OVERSIGHT AND TRANSPARENCY

The Market Oversight and Transparency (MOAT) department is responsible for advancing the HPC's statutory charge to encourage a more value-based health care market. This includes developing and implementing a first-in-the-nation Registration of Provider Organizations (RPO) program to provide transparency on the composition and function of provider organizations in the health care system; tracking and evaluating the impact of significant health care provider changes on the competitive market and on the state's ability to meet the health care cost growth benchmark through review of material change notices (MCNs) and cost and market impact reviews (CMIRs); evaluating the performance of individual health care providers and payers that threaten the health care cost growth benchmark and overseeing Performance Improvement Plans (PIPs) to improve the cost performance of such entities; assessing the value of certain high cost pharmaceutical products and determining whether a manufacturer's pricing of such products is excessive or unreasonable; and collaborating with other HPC departments to catalyze improvements in the performance of the health care system. MOAT is led by Kate

Scarborough Mills, Esq., MPH.

RESEARCH AND COST TRENDS

The Research and Cost Trends (RCT) department fulfills the HPC's statutory charge to examine spending trends and underlying factors and to develop evidence-based recommendations for strategies to increase the efficiency of the health care system. Using key data sources such as the state's all-payer claims database (APCD) and cutting-edge methods, RCT draws on significant research and analytical expertise to inform, motivate, and support action to achieve the benchmark and the goals of Chapter 224. RCT is responsible for producing the HPC's annual health care cost trends report and contributes subject matter expertise to the annual hearing on cost trends as well as special research projects as determined by the Executive Director and the Board. RCT is led by David Auerbach, PhD.

OFFICE OF PATIENT PROTECTION

The Office of Patient Protection (OPP) safeguards important rights of health insurance consumers. OPP regulates the internal grievance process for consumers who wish to challenge denials of coverage by health plans and regulates and administers the external review process for consumers who seek further review of adverse determinations by health plans based on medical necessity. OPP is also charged with regulating similar internal and external review processes for patients of Risk Bearing Provider Organizations and HPC-certified ACOs. OPP also administers and grants enrollment waivers to eligible individuals who seek to purchase non-group Health Policy Commission |36 insurance when open enrollment is closed. Additionally, OPP assists consumers with general questions or concerns relating to health insurance. OPP is led by Nancy K. Ryan, Esq., MPH.

Executive Director

Deputy Executive Director / Chief of Staff

Internal Affairs

- Deputy Chief of Staff
- Chief Fiscal Officer
- Senior Manager, Operations and Special Projects
- Office Manager and IT Coordinator
- HR Operations Manager
- Fiscal Associate

External Affairs

- Deputy Chief of Staff
- Communications Manager
- Press Secretary
- Government Affairs Manager
- Manager of Special Projects
- Data Visualization and Design Manager
- Digital Coordinator

General Counsel

Legal

- Deputy General Counsel
- Assistant General Counsel / Data Privacy and Security Manager
- Associate Counsel
- Associate Counsel

Office of Patient Protection

- Director
- Senior Program Associate
- Program Coordinator

Senior Director, Market Oversight and Transparency

- Director, Market Oversight and Monitoring
- Director, Health System Planning and Performance
- Associate Director, Pharmaceutical Pricing
- Associate Director, Market Oversight and Monitoring
- Senior Manager
- Senior Manager
- Senior Manager
- Manager
- Manager
- Manager
- Senior Associate
- Associate
- Associate

Senior Director, Research and Cost Trends

- Deputy Director
- Associate Director, Research and Analytics
- Senior Researcher
- Senior Researcher
- Manager
- Senior Associate
- Senior Associate
- Senior Associate
- Associate
- Associate
- Associate

Senior Director, Health Care Transformation and Innovation

- Deputy Director
- Associate Director
- Associate Director
- Senior Manager
- Manager
- Manager
- Manager
- Manager
- Manager
- Senior Associate
- Associate
- Associate

MASSACHUSETTS HEALTH POLICY COMMISSION

July 1, 2021