MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of April 29, 2015

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: Wednesday, April 29, 2015
Start Time: 12:04 PM
End Time: 3:01 PM

		Approval of Minutes from April 29, 2015	APCD Contractor Vote	CHART Contractor Vote
Carole Allen	Yes	Yes (2nd)	Yes(2nd)	Yes
Stuart Altman*	Yes	Yes	Yes	Yes
David Cutler	Yes	Yes	Yes	Yes (2nd)
Wendy Everett	Yes	Yes (M)	Yes (M)	Yes (M)
Paul Hattis	Yes	Yes	Yes	Yes
Rick Lord	No	A	A	A
Marylou Sudders	Yes	Yes	Yes	Yes
Kristen Lepore	Lauren Peters	A	Yes	Yes
Veronica Turner	No	A	A	A
Summary	**7 Members Attended**	**Approved with 6 votes in the affirmative**	**Approved with 7 votes in the affirmative**	**Approved with 7 votes in the affirmative**

Presented below is a summary of the meeting, including time-keeping, attendance, and votes.
*Chairman
(M): Made motion; (2nd): Seconded motion; (ab): Abstained from Vote; (A): Absent from Meeting

PROCEEDINGS

A regular meeting of the Massachusetts Health Policy Commission was held on Wednesday, April 29, 2015 at 12:00 PM.

Commissioners present included Dr. Stuart Altman (Chair); Dr. Wendy Everett (Vice Chair); Dr. Carole Allen; Dr. David Cutler; Dr. Paul Hattis; and Ms. Marylou Sudders, Secretary, Executive Office of Health and Human Services.

Ms. Lauren Peters, designee for Ms. Kristen Lepore, Secretary of Administration and Finance, arrived late.

Ms. Veronica Turner and Mr. Rick Lord were not present at the meeting.
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Chair Altman called the meeting to order at 12:04 PM and reviewed the agenda.

ITEM 1: Approval of Minutes from March 11, 2015

Chair Altman solicited comments on the minutes from March 11, 2015. Seeing none, he called for a motion to approve the minutes, as presented. **Dr. Everett** made a motion to approve the minutes. After consideration upon motion made and duly seconded by **Dr. Allen**, the board

voted unanimously to approve the minutes from March 11, 2015. Voting in the affirmative were the six members present. There were no abstentions and no votes in opposition.

ITEM 2: Executive Director Report

Chair Altman introduced Mr. David Seltz, Executive Director, to provide a report on the Commission's activities.

Mr. Seltz welcomed everyone and thanked Executive Director Boros and the Center for Health Information and Analysis for hosting the meeting.

Mr. Seltz reviewed the day's agenda and highlighted votes before the board.

Mr. Seltz noted that the Health Policy Commission is celebrating its 2.5 year anniversary. He stated that, in that time, the HPC held 114 public meetings, for an average of almost one public meeting per week. Mr. Seltz thanked the commissioners for their work engaging stakeholders and the public.

ITEM 3: Care Delivery and Payment System Transformation Update

Dr. Carole Allen updated the board on the Care Delivery and Payment System Transformation (CDPST) committee. She noted that CDPST last met on April 1, 2015. The meeting focused on the strategies for creating the accountable care organization (ACO) and patient-centered medical home (PCMH) certification programs. She added that staff held four focus groups since the last board meeting around PCMH certification and model payment.

Mr. Seltz stated that Ms. Ipek Demirsoy, Policy Director for Accountable Care, will be leaving the HPC for a position at MassHealth. He acknowledged and thanked her for helping the HPC achieve an advanced stage of thinking around the PCMH and ACO certification programs. He highlighted her efforts to understand the enabling policies that will drive those programs towards care delivery transformation in the Commonwealth. Moving forward, Ms. Demirsoy will continue to work with the HPC on many initiatives.

Ms. Demirsoy echoed Mr. Seltz, noting that she will continue to work closely with the HPC and spur collaboration between the agency and MassHealth.

Mr. Seltz stated that the new Assistant Secretary of MassHealth, Mr. Dan Tsai, is committed to collaborating with the HPC to achieve a more efficient and accountable health care system. He highlighted the intersection between the HPC's certification programs and policy initiatives and the work happening at MassHealth.

Mr. Seltz stated that the HPC is designing the ACO certification program to be flexible for providers while still collecting the necessary information.

At this point, Ms. Lauren Peters, designee for Ms. Kristen Lepore, Secretary of Administration and Finance, arrived at the meeting.

ITEM 3a: HPC Certification Program

Ms. Demirsoy reviewed the HPC's work on the ACO certification program. She provided an overview of the program's proposed principles and noted that it will be compatible with the existing Medicare and commercial programs to ensure ease of certification for providers. She stated that the HPC's program will be aligned with MassHealth's ACO program development and timeline. She noted that the HPC's main goal is to be flexible and evidence based.

Ms. Demirsoy stated that there are three ways in which the HPC could approach ACO certification. Option 1 is the most flexible, aligning HPC certification with CMS standards. Ms. Demirsoy stated that this option would mostly be a data collection mechanism. Option 2 is still aligned with CMS, but adds enhancements, such as additional requirements around alternative payment methods or behavioral health. Ms. Demirsoy stated that this option would create a "pass or fail" certification and, as such, would allow the HPC to recognize ACOs that demonstrate success. Option 3 would create a structured, tiered system for certification. Ms. Demirsoy stated that the CDPST committee decided that there was not enough information ACO certification to move forward with Option 3. She stated that committee members tended towards a system similar to Option 2.

Dr. Allen reiterated that the CDPST committee agreed that Option 3 did not make sense. She noted that there was not consensus on whether Option 1 or Option 2 was more appropriate.

Dr. Everett questioned why commissioners might prefer Option 1, which only collects baseline data, over pushing the envelope with Option 2. Dr. Allen responded that there is large national movement to ACOs, for which outcomes are unknown. Dr. Allen added that some individuals would rather wait and assess outcomes from existing projects before making new standards.

Dr. David Cutler reflected on a presentation by Dr. Elliot Fisher from the Dartmouth Institute. Dr. Fisher said that policymakers and academics do not yet know what constitutes a high quality ACO; therefore, they choose not to be prescriptive.

Ms. Demirsoy responded that there are fundamental capabilities that an ACO must have. She stated that the capabilities are understood, but it is unclear how prescriptive the HPC should be. She noted that, under Option 2, "Enhancements" refer to things that are more specific to the HPC and Massachusetts market that set the bar higher. She stated that the Commonwealth is considered to be at the forefront of health care transformation.

Dr. Altman stated that MassHealth will view ACO certification from the perspective of a payer. He noted that CMS definitions are concerned with balancing improved growth and quality with spending. Dr. Altman noted that the HPC's work will establish a voluntary certification program that is indirectly tied to payments and, as such, there is pressure to include measures on quality and population health. He stated that the goal of this program is to move the ball forward while being mindful of cost containment. Dr. Altman warned that, if quality measures get too far ahead of payment, it could result in a cost issue in the long term. He voiced his support for Option 2.

Ms. Demirsoy gave an example of an APM enhancement above the CMS requirement.

Dr. Everett stated that Option 2 has appeal because it provides flexibility without making certification overly complicated. She noted that a pass/ fail system without tiering makes sense.

Dr. Hattis highlighted that Option 2 allows for certain overachieving organizations to obtain a "gold standard" certification. He noted that the "gold standard" may stimulate some towards a higher level of performance or continuous improvement. He wanted to be careful not to define the model ACO too quickly. Dr. Hattis noted that the ACO program is an opportunity to rid the system of wasteful spending. He noted his support for Option 2, so long as the ultimate goal of high performance and patient care is not lost.

Dr. Allen stated that the definitions that are used for certification today will be different in the next two to four years. She added that the current "sick care" structure needs to move to a health outcome structure.

Dr. Cutler added that the certification programs will be influenced by other HPC work, such as the CHART Investment Program and behavioral health initiatives.

Mr. Seltz stated that the HPC will continue to work with stakeholders and market participants to help define the certification program. He highlighted the importance of pushing the market forward while remaining inclusive.

Secretary Sudders noted that there will be changes to MassHealth over the next 18 months. She emphasized that MassHealth is not a commercial insurance plan, but rather is an insurance product with other provisions. She added that the certification program should be flexible to acknowledge this. Secretary Sudders stated that she is in between Options 1 and 2.

Ms. Demirsoy encouraged the board to consider the ACO program as more than a certification. First, she stated that the proposed ACO certification program will assess whether providers are meeting certain requirements laid out by Chapter 224. She noted that there will also be recognition of ACOs with better TME and quality performance. This data can be made transparent to inform consumer decisions.

Ms. Demirsoy stated that the Chapter 224 mandated Model ACO Designation is oriented towards outcome measures. She reiterated that while the HPC wants to develop a model ACO, this process will play out naturally over the next two to three years.

Ms. Demirsoy stated that the HPC's ACO certification program will also work towards improving market efficiency. She noted that this program could help develop best practices, and that the HPC would play a convener role to enhance market efficiency.

Dr. Hattis asked for clarification on improving efficiency. He questioned if the issues were mostly around the payment schemes or administrative inefficiency, or both. Ms. Demirsoy responded that both are issues. Many providers do not know about other capabilities or resources. These issues can also be seen in the CHART program. She noted that there is also an administrative burden preventing providers from entering contracts.

Ms. Demirsoy provided an overview of proposed statutory requirements for ACO certification. She stated that there is language in the statute that the ACOs should be increasingly adapting alternative methods of payment over time. Ms. Demirsoy stated that this requirement will be made more specific and aligned with CMS. She also noted that there are mandatory requirements around patient and market protections.

Ms. Demirsoy reviewed the five proposed capability domains for certification. She noted that behavioral health is integrated throughout the entire certification. She stated that, under the proposed certification, ACOs would have to have at least 50% of the capabilities within each of the five domains.

ITEM 3b: Patient-Centered Medical Homes Model Payment

Ms. Demirsoy stated that the focus of the day's presentation would be PCMH certification and enabling policy initiatives.

Ms. Demirsoy stated that the public comment period for the HPC certification framework closed on April 10, 2015. During this period, the HPC received 40 written comments from a variety of stakeholders. Ms. Demirsoy presented a synthesis of these comments. She noted that, in general, there is great support for PCMH and the HPC's proposed priority domains.

Ms. Demirsoy reviewed key comments on the proposed framework. She noted that stakeholders made comments in five main areas: (1) pathway structure, (2) measuring patient experience, (3) access to utilization data, (4) payment reform, and (5) administrative burden.

Chair Altman summarized the HPC's work on the PCMH certification program and the partnership with NCQA. He stated the importance of the program moving forward.

Ms. Demirsoy stated that, if the HPC wants practices to meet the outlined goals, they must be given some help. The bar should be set high and support should be given to organizations.

Ms. Demirsoy reviewed three enabling policy initiatives that address current issues to certification: (1) develop and align quality measures, (2) standardize data reporting that would help manage populations, and (3) undertake a critical assessment of barriers to health information sharing.

Dr. Cutler voiced his appreciation for this information. He asked for clarification on the process for addressing these issues.

Dr. Everett noted that a second part to the issue of privacy and health information is competition, particularly among hospitals. She noted that the HPC may not have the statutory authority to take action on this.

ITEM 3c: Registration of Provider Organization Program

Ms. Kara Vidal, Program Manager for the Registration of Provider Organizations (RPO) Program, provided an update on the information received in RPO's Initial Registration: Part 1 and an overview of requirements for Initial Registration: Part 2. Ms. Vidal stated that RPO will allow the Commonwealth to identify trends and track changes in the market to support initiatives in and outside of the HPC.

Ms. Vidal reviewed the structure and characteristics of the RPO program. She highlighted that all RPO data are self-reported by organizations. This ensures that information is timely and reflects the provider organization's own understanding of its structure. She noted that the HPC has worked with organizations to develop definitions to ensure that reporting is uniform to allow for easier comparison across organizations. Ms. Vidal stated that RPO requires standard data linkers that tie the RPO database to other datasets on cost, quality, and access. Finally, Ms. Vidal emphasized that the RPO database is public, which allows for transparency.

Ms. Vidal summarized Initial Registration: Part 1. She noted that the HPC received 82 applications. She added that 63 applicants were advanced to Initial Registration: Part 2.

Ms. Vidal stated that, of the 63 applicants who advanced to Part 2, 51% were part of integrated systems that include at least one acute hospital and one physician group. She stated that all of the Commonwealth's acute care hospitals are in this category. Ms. Vidal noted that physician groups made up 38% of applicants, including medical groups and medical centers. She added that 8% of applicants were behavioral health providers.

Ms. Vidal reported that 56% of the applicants applied for a risk certificate or a risk certificate waiver, which means that over half of the organizations are taking on down-side risk. She added that over one third of applicants asked to file an abbreviated application in Part 2.

Dr. Altman asked whether, prior to the RPO program, providers under an ACO contract with Medicare had to have a risk bearing certificate. He further asked how this process will work moving forward for ACOs that want to continue to work with Medicare and assume risk. Ms. Vidal clarified that organizations that want to continue to take on risk must be designated as a Risk Bearing Provider Organization (RBPO). She added that the entity that is negotiating the contract would apply for the risk certificate waiver.

Ms. Vidal stated that the RPO team is currently finalizing Part 1 materials. She stated that the next step is to upload these documents into a web portal where provider organizations will submit their Part 2 materials. Ms. Vidal noted that the final data submission manual (DSM) for Initial Registration: Part 2 will be presented to the CDPST and the board in early June.

Ms. Vidal reviewed the timeline for Initial Registration: Part 2. She stated that the information in Part 2 can be broken down into four main files: (1) corporate affiliations, (2) contracting relationships, (3) facilities and physicians, and (4) clinical affiliations.

Dr. Altman asked whether Initial Registration: Part 2 will collect information on how organizations pay physicians. Ms. Vidal responded that this is not asked for this round of registration. Dr. Altman stated that it is important to answer the question of how the unit is being paid and also how the unit pays its providers. He requested that more research be done on this topic.

Dr. Hattis asked for clarification on what information will be provided about the physician. Ms. Vidal responded that the statute requires the HPC to look for FTE counts by licensed facilities. She added that the HPC received back last spring that many organizations did not have this information. Because of this, she stated that Initial Registration: Part 2 asks organizations to submit a physician roster.

Dr. Wendy Everett stated that as next year approaches, secondary sources of data should be found to reduce administrative burden.

ITEM 4: Quality Improvement and Patient Protection Update

Dr. Everett updated the board on the work of the Quality Improvement and Patient Protection committee. She added that the board would hear a presentation from the Executive Director of CHIA on the agency's substance use disorder report. She also noted that staff would present on the proposed regulation governing nurse staffing ratios in intensive care units.

ITEM 4a: Presentation from Executive Director Áron Boros on the Center for Health Information and Analysis Substance Use Disorder Report

Mr. Áron Boros presented on CHIA's substance use disorder report. The presentation can be found on the HPC's website.

ITEM 4b: Regulations Governing Nurse Staffing in Hospital ICUs

Ms. Johnson updated the board on the proposed regulation governing nurse staffing in hospital intensive care units. She stated the statute requires the HPC to develop a regulation governing the implementation and operation of the law. Ms. Johnson noted that the HPC's work has prioritized stakeholder engagement through multiple hearings and public meetings.

Ms. Johnson outlined the timeline for the regulation, noting that it will come before the committee in May with the goal of presenting the final recommended regulation to the board on June 10, 2015.

ITEM 4c: Update on the Office of Patient Protection

Ms. Jenifer Bosco, Director of the Office of Patient Protection (OPP), provided an overview of the waiver process administered by OPP. She stated that a waiver is appropriate in certain situations in which individuals are trying to purchase insurance outside of the open enrollment period.

Ms. Bosco provided an update on OPP's external review process for health insurance claim appeals. She stated that OPP generally receives between 100 and 200 calls per month concerning the external appeal process. She noted that, when open enrollment closed on February 23, 2015, OPP's call volume substantially increased. Ms. Bosco stated that the majority of these calls were from consumers who experienced difficulty enrolling through the Health Connector's website.

Ms. Bosco stated that OPP has engaged the Health Connector and MassHealth to identify the source of consumer problems.

ITEM 5: Cost Trends and Market Performance Update

Noting that Dr. Cutler had to leave early, Dr. Altman adjusted the meeting agenda. Dr. Cutler updated the board on the work of the Cost Trends and Market Performance committee. He noted that the board would hear an update on notices of material change as well as a proposed contract with a consultant to assist with the all-payer claims database.

Ms. Katherine Mills, Acting Policy Director for Market Performance, provided a brief update on notices of material change. She stated that, since April 2013, the HPC has received 37 notices. Ms. Mills added that, since the last board meeting, the HPC has received three new material change notices.

Ms. Mills added that Partners HealthCare System has opted to move forward with its plan to acquire Harbor Medical Association (HMA). She added that Partners will not request increases for HMA's physicians for the first five years.

Dr. Altman asked whether the HPC will continue to monitor the acquisition to ensure that Partners does not request any increases for HMA's physicians for the first five years. Ms. Mills responded that Partners' commitment was to the Office of the Attorney General. She added that the HPC will only have public data.

Dr. Everett asked whether the Attorney General's Office will monitor the transaction. Ms. Johnson responded that she did not know. Dr. Altman encouraged the HPC to investigate how it can monitor these interactions. Mr. Seltz stated that this can be monitored at the cost trends hearings.

ITEM 5a: HPC Whitepaper and Research Topics

Due to time constraints, the board tabled discussion on HPC Whitepaper and Research Topics.

ITEM 5b: All Payer Claims Database Contract

Dr. Marian Wrobel, Director for Research and Cost Trends, presented on the proposed contract for analysis on the all payer claims database (APCD).

Dr. Wrobel reviewed plans for APCD analyses in 2015. She stated that the HPC will continue to use the APCD as a backbone for various work streams. She noted that the goal is to develop the APCD as a public utility by vetting the data and demonstrating its use.

Dr. Wrobel stated that it will bring the greatest value to the agency to undergo procurement for APCD services. Dr. Wrobel noted that the procurement has two parts: a base task that completes fundamental work for the cost trends report as well as the potential for ad hoc projects. Dr. Wrobel noted that the contractor must have programming expertise.

Dr. Allen asked whether the APCD analysis would include information on diagnoses. Dr. Wrobel responded that the claim level data carries diagnosis codes and procedure codes.

Mr. Seltz noted that, to date, the HPC has used a contractor to provide these analytic services. He noted that the HPC's analytic work has been financially supported by CHIA.

Mr. Seltz stated that, after two years, the HPC wanted to complete another procurement for these services. Ms. Seltz stated that the HPC received nine bids, which were scored based on established criteria. Mr. Seltz stated that the staff recommends the HPC contract with Mathematica.

Dr. Altman asked whether the contract had been endorsed by CTMP. Dr. Cutler responded that the scope and process had been reviewed.

Dr. Cutler solicited comments on motion.

Secretary Sudders asked whether free standing psychiatric and substance abuse providers were included in the APCD. Dr. Wrobel responded that the discharge database is separate from the APCD. She noted that information on discharges from freestanding psychiatric hospitals is missing from the discharge database. She added that the three major payers have assured the HPC that behavioral health data is included in the APCD.

Dr. David Cutler raised a discussion on how to obtain certain data that is missing. Mr. Seltz stated that the 2014 Cost Trends Report recommends that CHIA collect discharge data on freestanding psychiatric hospitals.

Seeing no further comments, Dr. Cutler called for a motion. **Dr. Everett** made a motion to enter into a contract with Mathematica for analytic services related to the APCD. After consideration upon motion made and duly seconded by **Dr. Allen**, the board voted unanimously to approve the motion. Voting in the affirmative were the six members present. There were no abstentions and no votes in opposition.

ITEM 6: Community Health Care Investment and Consumer Involvement Update

Dr. Hattis updated the board on the work of the Community Health Care Investment and Consumer Involvement committee. Noting the lack of time, he asked the board to first consider a vote on a contract extension for the CHART Investment Program.

ITEM 6a: CHART Contract

Mr. Seltz presented a request to authorize the HPC to increase the maximum obligation on a contract with Collaborative Healthcare Strategies, a consultant that provides technical assistance for the CHART Investment Program. Mr. Seltz noted that the HPC has relied heavily on its expert partners to provide direct technical assistance to the hospitals. He asked the board to consider a $175,000 increase to the existing contract, noting that this is within the agency's approved FY15 budget.

Dr. Hattis added that CHART hospitals have stated that this partnership is valuable. Dr. Altman echoed Dr. Hattis' comment that the help and discussion with the hospitals has been well received.

Seeing no further comments, Dr. Hattis called for a motion. **Dr. Everett** made a motion to authorize the contract increase. After consideration upon motion made and duly seconded by **Dr. Cutler**, the board voted unanimously to approve motion. Voting in the affirmative were the six members present. There were no abstentions and no votes in opposition.

ITEM 6b: Health Care Innovation Investment Program

Mr. Seltz announced a new investment program within Chapter 224, the Health Care Innovation Investment Program (HCII). He stated that the day's presentation would be an introduction to the program.

Mr. Seltz stated that HCII is funded by revenue and fees from one-time gaming licenses. Currently, the total amount for the program is $6 million over two years. Because of the limited funding, Mr. Seltz challenged commissioners to consider gaps that this program could fill.

Mr. Seltz noted that the program will have a competitive proposal process, similar to CHART. Unlike CHART, however, Mr. Seltz emphasized the broad eligibility in HCII. Mr. Seltz noted that the broad eligibility will allow the HPC to align investments with other activities happening in the Commonwealth.

Ms. Cecilia Gerard, Deputy Director for Care Delivery Innovation and Investment, explained that the CHICI committee opened discussion on HCII at their April 15 meeting.

Ms. Gerard outlined the statutory requirements for HCII, noting that it shall establish a competitive process for health care entities to develop, implement, or evaluate promising models in health care payment and health care service delivery. She noted that the HPC created design principles based on the statute to guide the program's design process.

Dr. Altman noted that the gap between the mandate and the funding amount is large. He questioned whether there were additional funds that could supplement a successful program. Ms. Gerard responded that the HPC is considering a partnership mechanism through which outside sources could contribute funding to various projects.

Dr. Everett pointed out that the focus of the program is on innovation. She suggested that the HPC define innovation. Dr. Everett also suggested narrowing the list to things that the program could accomplish.

Dr. Altman pointed out that the federal government is spending $1 billion a year on innovation.

Mr. Iyah Romm, Policy Director for Care Delivery Innovation and Investment, echoed the importance of narrowing the focus of HCII to one to three areas of interest.

Mr. Seltz mentioned that this will be an iterative process, which will engage the board and stakeholders to understand how the HPC can fill the gaps and efficiently use the funding. He stated that this program will learn from other similar programs.

Dr. Altman stated that the broad language gives the HPC license to do a variety of important work. He suggested finding one area where there is interest in pushing the system forward.

ITEM 6c: CHART Phase 1 Final Report

Mr. Romm stated that all hospitals have completed Phase 1 of the CHART Investment Program. He stated that staff is in the process of synthesizing final reports to build a Phase 1 close-out report that will be released in mid-May.

Due to time constraints, the board tabled further discussion on the CHART Phase 1 Final Report.

ITEM 6d: CHART Technical Assistance.

Due to time constraints, the board tabled discussion on CHART technical assistance.

ITEM 7: Schedule of Next Commission Meeting

Following the conclusion of the final agenda item, Chair Altman announced the date of the next board meeting (June 10, 2015) and asked for any public comment.

Chair Altman adjourned the meeting of the Health Policy Commission at 3:01pm.