

**MINUTES OF THE JOINT COMMITTEE MEETING
COST TRENDS AND MARKET PERFORMANCE
COMMUNITY HEALTH CARE INVESTMENT AND CONSUMER
INVOLVEMENT**

Meeting of December 6, 2017

MASSACHUSETTS HEALTH POLICY COMMISSION

JOINT COMMITTEE MEETING
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA

Docket: Wednesday, December 6, 2017, 10:00 AM

PROCEEDINGS

The Massachusetts Health Policy Commission's (HPC) Cost Trends & Market Performance (CTMP) and Community Health Care Investment & Consumer Involvement (CHICI) Committees held a joint meeting on Wednesday, December 6, 2017, at the HPC's offices, 50 Milk Street, 8th Floor, Boston, MA.

Members present included Dr. David Cutler (Chair, CTMP), Mr. Rick Lord (Chair, CHICI), Mr. Ron Mastrogiovanni, Mr. Tim Foley, and Ms. Elizabeth Denniston, designee for Secretary Michael Heffernan, Executive Office of Health and Human Services.

Dr. Stuart Altman (Chair, HPC) was also in attendance.

The meeting notice and agenda can be found [here](#).

The presentation from the meeting can be found [here](#).

A recording of the meeting can be found [here](#).

Dr. Cutler called the meeting to order at 10:02 AM and offered a brief introduction.

Mr. David Seltz, Executive Director, provided an introduction to Ms. Denniston who was attending her first committee meeting. He briefly summarized recent changes to Board membership.

ITEM 1: Approval of the minutes from October 18, 2017

Dr. Cutler asked for a motion to approve the minutes from the joint CTMP and CHICI Committee meeting on October 18, 2017. **Mr. Lord** motioned to approve the minutes. **Mr. Mastrogiovanni** seconded. Committee members voted unanimously to approve the minutes.

Dr. Cutler provided an overview of the day's agenda.

ITEM 2: Presentation on CHART Phase 2 Evaluation Program

Ms. Jessica Lang, Senior Manager, Evaluation, introduced the team from the Boston University School of Public Health (BUSPH) who presented on their evaluation program of CHART Phase 2. For more information, see slides 9-47.

To view the full discussion, see the meeting recording [here](#).

ITEM 3: Future Care Delivery Investments

Ms. Katie Shea Barrett, Policy Director, Care Delivery Transformation and Strategy, provided an introduction to the presentation on future care delivery investments.

Ms. Margaret Senese, Deputy Director, Strategic Investments, provided a presentation on the proposed recommendations for a future care delivery investment program. For more information, see slides 49-52.

Mr. Foley noted that the previous presentation from BUSPH had highlighted the importance of health care workforce engagement in these investment programs. He asked how the care delivery investment program application process would evaluate competitive factors to ensure workforce engagement was a priority for potential grant recipients. Ms. Senese said that applicants would be asked to provide information related to the governance of their programs and how staff, patients, and families would contribute to design this structure. Ms. Barrett added that the competitive factors outlined on slide 49 were only a small portion of those that would be considered and that staff would go into more detail at next week's Board meeting.

Dr. Altman suggested that restructuring of delivery systems to lower cost be added to the list of targeted outcomes on slide 49. He said that it would be useful to at least address the issue of lowering cost in the process of pursuing the targeted outcomes. Mr. Seltz said that this was an excellent point and noted that in the CHART program, the HPC had been very explicit about lowering cost. He said that for the grants in CHART Phase 2, the HPC had come up with a structure to evaluate whether the hospitals had actually changed the way they delivered care and held some of the grant money at risk contingent on the organizations making these changes.

Dr. Altman clarified that he believed that it was important for this goal to be on the record as something that the HPC ascribed value to. Ms. Barrett agreed and said that she did not believe that this was inconsistent with the current target outcomes of the program. She noted that the proposal was geared at targeting the utilization aspect of the cost as well as the efficiency of systems. She said that staff could take Dr. Altman's feedback and put some more thought into this aspect of the program.

Mr. Lord said that the care delivery investment proposal had many similarities to CHART Phase 2. He asked whether the proposal was aimed at funding existing CHART programs or brand new initiatives. Ms. Senese said that there are components of CHART programs that fit into what the new care delivery investment program would be targeted at but that the aim would be to further focus these programs on addressing social determinants of health (SDH).

Mr. Lord said that that would mean that some of what might be funded would be enhancements of programs that the HPC had funded in the past. Ms. Senese said that this would depend on the proposals the HPC received. Ms. Connolly noted that, were a CHART hospital that was part of an accountable care organization (ACO) to apply, staff would want to ensure that coordination would take place across the ACO.

Dr. Cutler asked for a motion to endorse the proposal for the investment program. Mr. Lord made the motion. Mr. Mastrogiovanni seconded. Committee members voted unanimously to approve.

ITEM 4: Health Care Cost Trends Report – Preliminary Findings

Mr. Seltz provided a brief introduction to the discussion of the preliminary findings of the 2017 Health Care Cost Trends Report. He provided an overview of the revised design approach for the Cost Trends Report (CTR). For more information, see slides 56-57.

Dr. Altman referenced an article that he had read in *The Journal of the American Medical Association* (JAMA) that suggested that prices are the major drivers of cost rather than utilization. He said that he appreciated the new design of the CTR and felt that staff should have this trend in mind. Mr. Seltz said that this was an excellent point and noted that staff had also found the way the JAMA article presented data to be useful.

Mr. Foley asked whether data from past transactions that the HPC had approved would be analyzed in this report. He also asked whether the supplemental charts in the new report would be published on a rolling basis throughout the year. Mr. Seltz said that post-transaction review made up an important part of the HPC's research agenda. He said that the supplementary chart packs would be released at the same time as the report but that other supplemental publications could be published throughout the year based on the topical areas of interest of the HPC. He noted that the DataPoints online briefs over the past year were an example of this model.

Dr. David Auerbach, Director, and Ms. Natasha Reese-McLaughlin, Senior Manager, Research and Cost Trends, provided a presentation on select findings of the 2017 Health Care Cost Trends Report on performance variation among provider organizations. For more information, see slides 59-90.

Mr. Lord asked, given court decisions in the past couple of years, whether the All Payer Claims Database (APCD) remained a reliable source of information. Dr. Auerbach said that the court decision would impact data starting in 2016 (APCD 6.0) and that the data in this presentation was from 2014 and therefore unaffected by the court ruling.

Mr. Mastrogiovanni asked where the risk factors used in the report came from. Dr. Auerbach said that the risk factors were derived in the data using patient diagnoses and other factors from the contractor, Mathematica Policy Research, which processed the data for the HPC. He added that these are the same kind of algorithms that payers tend to use.

Mr. Mastrogiovanni asked how outpatient spending was being defined in the slides. Dr. Auerbach clarified that this was a setting-of-care definition and not necessarily service based.

Dr. Cutler asked whether staff had a sense of how much of the spending outlined in the presentation was price-based and how much was utilization-based. Dr. Auerbach said that staff had not been able to break that down.

Dr. Altman asked how the data dealt with services at the same location utilized by both outpatients and inpatients. Dr. Auerbach said that inpatient and outpatient claims appear differently in the data even if the service is in the same location.

Dr. Cutler asked whether the risk adjustment factors could be matched up to any data on patients' ability to access care. Dr. Auerbach said that there were access factors that were reported and that these might be able to be aggregated up to provide a clearer picture.

Dr. Altman said that some of these slides might raise questions about accountability that the HPC should be prepared for. Dr. Auerbach said that many of these numbers had already been shared with organizations and that the organizations generally were not surprised.

Dr. Altman asked whether the numbers in the presentation were adjusted for the complexity of the patients. Dr. Auerbach confirmed that this was the case.

Dr. Altman cautioned against attributing fault or responsibility for trends that for which the cause may not be self-evident. Mr. Seltz said that this was a good point and noted that staff members were very careful not to assign causality to many of the statistics. Dr. Altman reiterated that the HPC should be prepared to answer the questions that would arise due to this data.

Dr. Cutler said that the HPC might want to use this data to develop a research plan for the next six months or so. Mr. Seltz that he thought that this was the right course of action and said it diving more deeply into these factors would be a big part of the coming year.

Dr. Cutler asked if there were further questions. None were heard. Mr. Seltz thanked the Committee members and reminded them of the next week's Board meeting.

ITEM 6: Schedule of Next Meeting

Dr. Cutler adjourned the meeting at 12:09 PM.