

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of June 1, 2016

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: Wednesday, June 1, 2016
Start Time: 12:10 PM
End Time: 3:01 PM

	Present?	ITEM 1: Minutes from April 26, 2016	ITEM 2: Authorizing CHART Phase II Evaluation Contract	ITEM 2: Proposed Regulation on Annual Assessment	ITEM 3: HPC Budget Extension
Carole Allen	X	X	X	X	M
Stuart Altman*	A	A	A	A	A
Don Berwick	X	2 nd	X	2 nd	X
Martin Cohen	X	M	2 nd	X	X
David Cutler	X	X	X	X	X
Wendy Everett	X	X	X	X	X
Rick Lord	X	X	M	M	2 nd
Ron Mastrogiovanni	X	X	X	X	X
Marylou Sudders	X	X	X	A	A
Kristen Lepore	X	X	X	X	X
Veronica Turner	X	X	X	A	A
Summary	10 Members Attended	Approved with 10 votes in the affirmative	Approved with 10 votes in the affirmative	Approved with 8 votes in the affirmative	Approved with 8 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, June 1, 2016 at 12:00 PM.

Commissioners present included Dr. Wendy Everett (Vice Chair); Dr. Donald Berwick; Dr. Carole Allen; Dr. David Cutler; Mr. Martin Cohen; Mr. Rick Lord; Mr. Ron Mastrogiovanni; Ms. Veronica Turner; Ms. Lauren Peters, designee for Secretary Kristen Lepore, Executive Office of Administration and Finance; and Undersecretary Alice Moore, designee for Secretary Marylou Sudders, Executive Office of Health and Human Services.

Dr. Everett called the meeting to order at 12:10 PM and reviewed the agenda.

ITEM 1: Approval of Minutes from April 27, 2016

Dr. Everett solicited comments on the minutes from April 27, 2016. Seeing none, she called for a motion to approve the minutes, as presented. **Mr. Cohen** made a motion to approve the minutes. **Dr. Berwick** seconded. Minutes were unanimously approved.

ITEM 2: Cost Trends and Market Performance

Dr. Cutler, Chair of the Cost Trends and Market Performance Committee, provided a brief update on activities since the last board meeting.

ITEM 2a: Update on Notice of Material Change

Dr. Cutler introduced Ms. Megan Wulff, Deputy Director for Market Performance. Ms. Wulff provided an update on Notices of Material Change. For more information, see slides 7-8.

Ms. Wulff noted that the HPC is planning to issue a preliminary report on three outstanding cost and market impact reviews at the HPC's July 27 meeting.

ITEM 2b: Update on HPC's Stakeholder Discussions on Provider Price Variation

Mr. David Seltz, Executive Director, provided an update on the HPC's stakeholder discussions on provider price variation. He thanked the Board and Advisory Council members for engaging in this process.

Mr. Seltz reviewed findings and recommendations from the HPC's provider price variation stakeholder discussion series. For more information, see slides 10-16.

Dr. Berwick asked how the HPC models the effect of competition. Ms. Katherine Mills, Policy Director for Market Performance, stated that competition is dependent on how many competitors a hospital has, the types of competitors in the market, and system size.

Dr. Allen asked why the competition factors are limited to inpatient visits. Ms. Mills responded that the HPC could not complete a rigorous analysis on outpatient data. She noted that the HPC would expect a similar distribution if it included both inpatient and outpatient data.

Dr. Everett asked for an update on the HPC's work relative to out-of-network billing. Mr. Seltz stated that the HPC has held two listening sessions on this issue. He noted that there was a wide consensus that patients should not be in the middle of these payment disputes.

Dr. Cutler added that it is the Commonwealth's obligation to do work in this area.

Dr. Everett recommended that the HPC continue to work on the issue of out-of-network billing.

Dr. Berwick noted his appreciation that many stakeholders do not believe that the patient should be responsible for these charges.

Reflecting on the provider price variation discussion, Mr. Mastrogiovanni asked whether the HPC was examining the role of other health care players in setting rates. Mr. Seltz responded that the HPC is looking into the various roles.

Mr. Seltz summarized recent legislation passed by the Massachusetts Legislature, which creates a new commission to study and make policy recommendations on provider price variation. He noted that this legislation also creates a new annual hospital assessment and initiates transfers of funds from the Community Hospital Reinvestment Trust Fund. For more information, see slide 17.

Mr. Lord asked for clarification on the new assessment. Mr. Seltz responded that it is an expansion of the Health Safety Net.

Dr. Berwick asked how the creation of the Community Hospital Reinvestment Trust Fund will impact the Center for Health Information and Analysis (CHIA). Mr. Seltz noted that a portion of CHIA's budget will be diverted to this fund. He stated that CHIA will be discussing potential budget cuts at the June meeting of its oversight council.

Dr. Everett noted that these cuts could have an effect of the quality of data that the HPC receives. She asked the Board to dedicate a portion of a future meeting to discussing this topic.

Dr. Allen asked for clarification on how the the Community Hospital Reinvestment Trust Fund differs from the CHART Investment Program. Mr. Seltz responded that the legislative assessment seems to be designed as direct financial support instead of iterative investments.

Mr. Seltz outlined next steps for provider price variation. He stated that the HPC will provide the new price variation commission copies of HPC research and recommendations in this area.

Dr. Cutler asked when the new commission will meet. Mr. Seltz responded that the commission is required to meet prior to September 15, 2016 and its report is due no later than March 2017.

Mr. Cohen asked whether the HPC will have a role with the new price variation commission. Mr. Seltz responded that the HPC will provide technical and research assistance, when needed.

ITEM 2c: Presentation on Performance Improvement Plans

Ms. Erica Koscher, Senior Policy Associate, Market Performance, introduced key updates regarding Performance Improvement Plans (PIP). For more information, see slides 20 - 27.

Mr. Cohen asked what portion of this process or data would be public. Ms. Koscher responded that the identity of the entities is confidential unless and until the HPC recommends any entity for a PIP.

Mr. Lord asked for information on the number of entities that will receive a letter requesting additional information and the number that will receive a letter noting that the HPC has no concerns. Ms. Koscher responded that 80%-90% of notifications sent by the HPC will indicate no significant concerns. Four entities will be asked for additional information.

Dr. Cutler noted that the request for additional information is not a prelude to a cost and market impact review or PIP. He noted that it is part of the process to glean more information before making such decisions.

Noting that Massachusetts is a high cost state, Dr. Berwick asked whether four requests for additional information seemed like the “right number.”

Dr. Cutler recommended that the HPC examine levels of spending rather than growth rate. He noted that the HPC could adopt different standards for different entities, but that it is unclear whether the HPC has authority under the law to do so.

Dr. Everett noted the HPC should marry the PIP effort to work around provider price variation.

Mr. Mastrogiovanni asked how the HPC compares the entities in the PIP process. Ms. Mills responded that the HPC has analyzed all current publicly available data through 2014. She noted that the HPC is inviting participants to provide any internally-collected data that could be more recent.

Mr. Mastrogiovanni asked whether the HPC has used any actuarial data in its analysis. Mr. Seltz responded that the HPC has not to date, but could consider doing so during the more intensive review.

Mr. Seltz added that he believes the PIP process is an important part of Chapter 224 and of the HPC’s role in the healthcare system. He noted that he is proud of HPC staff in their efforts to design this process. He added that the HPC’s continuing analysis of this program over the coming years will help refine the process.

ITEM 2d: 2016 Cost Trends Hearing

Dr. Cutler stated that the HPC will host the 2016 Health Care Cost Trends Hearing on October 17 and 18, 2016.

Mr. Seltz provided an update on the Pre-Filed Testimony process, whereby the HPC sends written questions to market participants to obtain information prior to the Hearing. He reviewed the 2015 questions and noted that HPC staff is currently developing questions for 2016. For more information, see slide 32.

Dr. Berwick asked for information on the impetus for the annual Hearing. Mr. Seltz responded that the HPC uses this event to glean input from market participants and set the agency's agenda for the next year. He stated that it is a key component in advancing the goals of Chapter 224.

Dr. Everett added that the hearing is an opportunity for the HPC gain qualitative information to better understand the connections between what the HPC finds in its data and what the participants are seeing on a daily basis.

Mr. Mastrogiovanni stated that the Hearing is extremely informative and helps establish objectives. He recommended that the 2016 Hearing have thematic areas to frame discussions.

Dr. Allen stated that the Hearing allows the HPC to understand drivers of health care costs beyond the hospital and health care system. She added that she hopes the 2016 Hearing will feature "success stories."

Mr. Seltz asked Board members to outline key focus areas for the 2016 Hearing.

Mr. Cohen noted that he hopes to see the HPC focus on behavioral health integration as well as workforce as a cost driver. He added that the state is running a Prevention and Wellness Trust Fund and that the HPC should consider adding voices from this program to the discussions in order to inform HPC program development.

Dr. Allen added that she hopes to turn the discussion "outside the hospital walls."

Mr. Mastrogiovanni added that he hopes to glean a better understanding of health care spending pre- and post-retirement.

Mr. Lord said that he hopes the HPC will feature employers at the Hearing to share their experiences navigating the health care market. He added there could be lessons to be learned from employers who empower their workers to make better healthcare decisions.

Ms. Turner agreed that the HPC should focus on workforce innovation. She noted that she hopes a portion of the Hearing will focus on the state's long-term care strategy.

Undersecretary Moore stated that the Cost Trends Hearing has added a new level of sophistication to the state's ability to stay updated on the market changes that occur in the health care sector. Further, she has found value in the HPC's special projects, some of which come from legislative earmarks, for example emergency department boarding, which can be discussed at the Cost Trends Hearing.

Ms. Peters added that the HPC should have a panel on consumer perspectives, which are a valuable focus area for the HPC in its future work.

Dr. Cutler stated that the comments seemed to focus in three areas: (1) difficult social and medical conditions/social determinants of health; (2) "what is really going on in the market;" and (3) steering the system through quality, long-term care, and other strategies.

Dr. Everett asked Ms. Lois Johnson, General Counsel, to provide a brief update on the recent Supreme Court decision in *Gobielle v. Liberty Mutual Ins. Co.*

Ms. Johnson noted that Secretary Sudders has formed an interagency working group in response to the *Gobeille* decision, which held that the federal Employee Retirement and Income Security Act (ERISA) pre-empts state laws mandating disclosure of self-insurance claims into all-payer claims databases (APCDs).

ITEM 3: Care Delivery and Payment System Transformation

Dr. Allen provided an update on recent activities for the Care Delivery and Payment System Transformation (CDPST) Committee. She noted that the HPC released criteria for its Accountable Care Certification Program.

Ms. Katie Barrett, Policy Director for Accountable Care, provided an update on the HPC's certification programs. For more information, see slides 38 – 41.

Dr. Allen asked whether the process thus far has given rise to any surprises. Ms. Catherine Harrison, Senior Manager for Care Delivery, noted that providers have inquired extensively about the criteria.

ITEM 4: Quality Improvement and Patient Protection

Mr. Cohen noted that the Quality Improvement and Patient Protection (QIPP) Committee met on May 18. At the QIPP meeting, there was a presentation on the HPC's oral health brief, an update on regulations concerning the Office of Patient Protection, and a listening session on out-of-network billing. He then turned the floor to Mr. Seltz.

ITEM 4a: Presentation on Oral Health Brief

Mr. Seltz provided an overview of the HPC's findings relative to oral health emergency department use. For more information, see slides 46 - 55.

Dr. Cutler asked whether the HPC could offer a recommendation to the legislature. Mr. Seltz responded that the HPC included exemplar policy interventions in the brief.

Board members discussed potential options for making recommendations to the Legislature.

Dr. Everett said that, in the interest of time, the Board should move ahead with referring the matter to the QIPP committee and tabling the discussion at the day's meeting. Dr. Berwick noted that the tabling of the motion in no way expresses a sentiment of disapproval for the policy intervention, but rather a procedural concern.

Dr. Everett added that the Board seemed to express enthusiastic support for the concept of the policy, and that it appears to be in congruence with the goals of the HPC.

ITEM 4b: Regulations Governing the Office of Patient Protection

Ms. Johnson provided an update on regulations governing the Office of Patient Protection (OPP). For more information, see slides 57-59.

ITEM 5: Community Health Care Investment and Consumer Improvement

Mr. Lord, Interim Chair of the Community Health Care Investment and Consumer Involvement Committee, provided a brief update on activities since the last board meeting.

ITEM 5a: Update on HPC Innovation Investments

Mr. Seltz provided an overview of the HPC's innovation investment opportunities, noting that proposals were due on May 13, 2016. He stated that the HPC expects to provide recommendations on grantees at the July 27, 2016 meeting. For more information, see slides 60 – 63.

At this point, Undersecretary Moore left the meeting.

Dr. Allen noted that she was excited about these investment programs. She added that the HPC should highlight these efforts at the 2016 Cost Trends Hearing. Mr. Seltz agreed, noting that behavioral health and social determinants of health were the two most popular fields of applications for the investment programs.

ITEM 5b: Update on CHART Investment Program

Mr. Seltz provided a brief update on Phase 2 of the CHART Investment Program. For more information, see slides 67-68.

ITEM 5c: Approval of CHART Evaluation Contract (VOTE)

Mr. Seltz stated that Chapter 224 contemplates a full evaluation of the CHART Investment Program. As such, the HPC released a Request for Proposal (RFP) for a consultant to assist with the development of evaluation design for Phase 2 of CHART. More information can be seen on slides 68 - 73.

Mr. Seltz stated that the HPC recommends a contract with Boston University School of Public Health (BUSPH) for the evaluation of CHART Phase 2.

At this point, Ms. Veronica Turner left the meeting.

Mr. Cohen asked where the project will sit within BUSPH. Ms. Jessica Lang, Senior Manager for Evaluation, responded that the project will sit within the Evaluation Synthesis Committee under the direction of Christopher Louis.

Dr. Berwick noted that he is extremely impressed by this work. He noted that the evaluation team may not find significant impact from the program because of the diversity of projects. He stated that the qualitative information from the evaluation will be extremely useful.

Dr. Cutler asked for clarification on the timing of the evaluation, noting the importance of receiving meaningful impact from the evaluation program.

Dr. Berwick stressed that there is a difference between evaluation and learning. He stated that the HPC should focus on learning and expressed his hopes that the Board will have the opportunity to meet with the evaluators to glean insights from the project.

Noting the support of the ANF and CHCI Committees, Dr. Everett requested a motion authorizing the Executive Director to enter into a two-and-a-half year contract for \$1.3 million with BUSPH. Mr. Lord made the motion, Mr. Cohen seconded. The Board voted unanimously to approve the motion.

ITEM 6: Administration and Finance

Mr. Seltz provided a brief update on activities since the last board meeting.

ITEM 6a: Approval of Draft Regulations on HPC Operating Assessment

Mr. Seltz provided an overview of the HPC's proposed regulation governing the annual assessment. For more information, see slides 77 – 80.

Mr. Seltz noted that the legal language and framework for the HPC's annual assessment, including its statutory mandate to levy an assessment, mirrors existing language for the Center for Health Information and Analysis (CHIA).

Ms. Johnson stated that the regulation includes a policy decision to divide the assessment 50/50 between hospitals/ambulatory surgical centers and surcharge payers. She noted that this is the model employed by CHIA.

Dr. Everett said that the commission must vote to move the proposed regulation to a public comment period. Mr. Lord made the motion, Dr. Berwick seconded. The Board voted unanimously to approve the motion.

ITEM 6b: HPC Budget Extension

Mr. Seltz discussed the ongoing debate over the Commonwealth's fiscal year 2017 budget. Noting that the debate was still underway and could impact the proposed funding for the HPC, he requested a continuation of spending until the July 27, 2016 Board meeting.

Dr. Allen made the motion. Mr. Lord seconded. The Board voted unanimously to approve the motion.

ITEM 7: Report from the Executive Director

Mr. Seltz outlined ongoing HPC activities as part of his Executive Director's Report. For more information, see slides 86 – 91.

Dr. Cutler recommended that the Board formally reflect on the HPC's work and activities since January 2013 to gauge relative success. Dr. Everett suggested that this activity take place at the December 2016 Board meeting.

ITEM 8: Schedule of Next Meeting

Two members of the public offered comments.

Dr. Everett stated that the Board will meet on July 27, 2016. She adjourned the meeting at 3:01 PM.