HEALTH POLICY COMMISSION

MEETING MINUTES

SEPTEMBER 7, 2016

Date of Meeting: Wednesday, September 7, 2016
Start Time: 12:07 PM
End Time: 2:30 PM

	Present?	ITEM 1: Minutes from July 27, 2016	ITEM 2: Issuance of Final CMIR Report	ITEM 3: Issuance of Opioid Use Disorder Report
Carole Allen	X	X	X	X
Stuart Altman*	X	X	X	X
Don Berwick	X	M	X	X
Martin Cohen	X	X	X	M
David Cutler	X	X	X	X
Wendy Everett	X	2nd	2nd	2nd
Rick Lord	X	X	X	X
Ron Mastrogiovanni	X	X	X	X
Marylou Sudders	X	X	M	X
Kristen Lepore	X	X	X	X
Veronica Turner	A	A	A	A
Summary	**10 Members Attended**	**Approved with 10 votes in the affirmative**	**Approved with 10 votes in the affirmative**	**Approved with 10 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, September 7, 2016 at 12:00 PM.

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

Dr. Altman called the meeting to order at 12:07 PM.

ITEM 1: Approval of Minutes from July 27, 2016

Dr. Altman solicited comments on the minutes from July 27, 2016. Seeing none, he called for a motion to approve the minutes, as presented. **Dr. Berwick** made a motion to approve the minutes. **Dr. Everett** seconded. The minutes were unanimously approved.

Dr. Altman provided an overview of the meeting.

Mr. David Seltz, Executive Director, provided a brief outline of the agenda for the day's meeting.

ITEM 2: Cost Trends and Market Performance

Dr. Cutler, Chair of the Cost Trends and Market Performance Committee, provided a brief outline of the topics to be covered at the day's meeting.

ITEM 2a: Update on Notice of Material Change

Dr. Cutler introduced Ms. Megan Wulff, Deputy Director for Market Performance, who provided an update on new Material Change Notices (MCN) received by the HPC since the last Board meeting. For more information, see slides 7-9.

ITEM 2b: Approval of Final Cost and Market Impact Review Report

Ms. Katherine Mills, Policy Director for Market Performance, introduced the discussion of the Final Cost and Market Impact Review (CMIR) Report. Ms. Mills turned the discussion over to Mr. Sasha Hayes-Rusnov, Project Manager for Market Performance, who provided a summary of the key findings from the Final Report. For more information, see slides 11-14.

Ms. Mills outlined the parties' response to the HPC's Preliminary Report as well as the staff's proposed next steps. For more information, see slides 15-18.

Ms. Mills noted that the parties declined to commit to additional voluntary monitoring.

Dr. Berwick asked whether the Attorney General's Office (AGO) could play a role in ensuring that the parties were adequately monitored for compliance with the commitments made in their response to the HPC. Ms. Mills replied that a referral to the AGO is one of several tools at the HPC's disposal. She stated that a referral is an important tool for the HPC to exercise when findings indicate there may be a law-enforcement concern but that HPC's envisioned role of market monitoring can address other spending and quality concerns such as those raised with these proposed transactions.

Dr. Berwick asked for clarification on the HPC's role in monitoring the cost and quality commitments made by the parties. Ms. Mills explained that the HPC had hoped that the parties would have affirmatively offered specific monitoring commitments. She said that the parties had declined to do so, noting that such commitments would pose an undue burden. Ms. Mills noted that the HPC can still monitor the commitments made by the parties, but stated that it would have been helpful for the parties to identify specific targets and timelines.

Dr. Everett asked whether the HPC could require a Performance Improvement Plan (PIP) if the parties are unable to meet their commitments. Ms. Mills responded that, if the parties are identified by the Center for Health Information and Analysis (CHIA) as having excessive spending, then the HPC could use a PIP to encourage parties to improve their performance.

Dr. Everett noted that PIPs deal with cost. She asked how the HPC would incentivize improvements in quality metrics. Ms. Mills responded that the HPC can compel written and oral testimony on quality metrics at the annual Cost Trends Hearing. She noted that the HPC also anticipates asking for further data regarding the performance of the parties under this transaction the next time these parties come before the HPC with an MCN.

Mr. Seltz added that a significant amount of the analysis in the Final Report is sourced from publically available data. He noted that the HPC will continue to use this data to monitor the parties' progress.

Dr. Allen asked whether New England Baptist Hospital (NEBH) had made any specific commitments on the timeline for increasing their Medicaid patient population. Mr. Hayes-Rusnov responded that NEBH made the commitment to increase its share of Medicaid patients when it affiliated clinically with Beth Israel Deaconess Medical Center (BIDMC). He noted that NEBH did not offer a specific timeline. He stated that NEBH was actively working towards its goal of a proportionate treatment and that the staff expected this to continue even outside the scope of the transaction under review.

Dr. Allen asked whether NEBH made a commitment not to create a two-tier system for the treatment of Medicaid and non-Medicaid patients. Mr. Hayes-Rusnov responded that NEBH had outlined steps it was taking to increase and treat its share of Medicaid patients, including the creation of a Medicaid-specific clinic, initial partnerships with other physician groups, and contracting with Medicaid Managed Care Organizations (MCOs).

Dr. Allen asked Mr. Hayes-Rusnov to clarify whether NEBH planned to have a Medicaid-specific clinic rather than simply incorporating Medicaid patients into its existing facilities. Mr. Hayes-Rusnov responded that NEBH planned to create a clinic meant to serve dual-eligible patients. He noted that this is only one of the items that NEBH has proposed as part of its strategy to increase Medicaid patients.

Dr. Allen said that she would be interested to know if, over time, those Medicaid patients were receiving the same level of care as non-Medicaid patients. Mr. Hayes-Rusnov noted that the clinics would be staffed by NEBH physicians, the same people who work at the rest of the hospital.

Dr. Allen asked about the language on slide 14, which states that MetroWest would work to facilitate access to psychiatric services for patients of new primary care practices. She asked whether this excluded patients of existing primary care practices. Ms. Mills responded that she did not infer from the parties' response that the commitment applied only to patients of new practices.

Dr. Altman asked if there were additional questions from the Board.

Mr. Lord noted that, at the July 27 Board meeting, commissioners discussed whether BIDCOs past affiliations have led to decreased spending or improvements in quality. He said that this had not been mentioned in the Final CMIR Report. He asked whether staff had any additional data on this subject. Ms. Mills explained that BIDCO responded to the HPC's request for additional data by noting that it had already submitted all the data on this topic to the HPC in advance of the Preliminary Report. Ms. Mills stated that, in the Preliminary Report, the HPC was unable to find a discernable impact on quality. She noted that the data employed in the analysis was very new. She said that BIDCO had stated that it expected to have more data with time and that this is an area for ongoing monitoring.

Secretary Sudders stated that, from what had been said, it appeared that the HPC believes it has the tools for continued monitoring of the parties over time. Ms. Mills confirmed that this was the case. She noted that the HPC could determine next steps if it were to uncover concerns from ongoing monitoring.

Dr. Berwick stated that the HPC reviewed the proposed transactions and raised questions in the Preliminary Report about Medicaid access, quality improvement endeavors, potential impact on cost, and competitive pressures. He stated that the parties' response lacked details regarding how they would address these concerns. Dr. Berwick asked what would happen if the parties left their commitments unfulfilled.

Dr. Altman replied that it is within the Board's purview to examine the potential impact on cost, quality, and access for proposed transactions. He said that, were the Board to find that a transaction had a high-likelihood of a significant negative impact in these realms, it had the authority to refer that transaction to the AGO, which would decide whether to pursue law-enforcement action.

Dr. Altman noted that the HPC found that BIDCO's affiliation with other institutions in the past had not resulted in significant increases in spending and that there is no clear research on how a strong number-two health care system in a marketplace affects prices. He stated that, based on the evidence before the Board, the HPC cannot conclude that this transaction would result in increased spending.

Dr. Altman reiterated that the HPC would continue to monitor these parties and, if future spending increased dramatically, the HPC had the authority to obtain testimony from the organization and potentially require a PIP. He noted that the HPC does not have the authority to mandate specific results from the parties.

Secretary Sudders noted that the Board has the authority of the public bully pulpit and that it could hold parties accountable to their commitments in that manner. She stated that, in creating the HPC, the Legislature intended that the agency would hold the health care industry accountable through a public process. Dr. Altman noted his agreement.

Dr. Cutler suggested that the HPC should require the parties to submit specific testimony about the proposed transactions at the 2017 Cost Trends Hearing.

Dr. Altman stated that the purpose of the Cost Trends Hearing is to hold the whole health care industry accountable. Dr. Cutler suggested that the HPC solicit written testimony from several parties involved in past transactions for a more comprehensive check-in on progress.

Dr. Berwick said that he agreed with Secretary Sudders about the value of the public process for holding parties accountable. He said that parties making a significant material change should help to improve costs and access in the Commonwealth and should expect their progress to be monitored by the HPC.

Dr. Altman asked if there were any additional comments on the Final CMIR Report.

Dr. Cutler stated that the Board would need to vote to issue the Final CMIR Report. He clarified that this vote would not include a referral to the AGO.

Dr. Cutler stated that the AGO could pursue a case even if the Board elected not to refer the transaction for its review. He stated that, similarly, the AGO is under no obligation to pursue a case referred by the Board.

Ms. Mills confirmed that this was the case. She noted that it was a public report and that other agencies could use its contents to pursue regulatory actions within their purview.

Dr. Cutler called for a motion to approve the issuance of the Final CMIR.

Secretary Sudders motioned to approve the Final CMIR. **Dr. Everett** seconded. The motion passed unanimously.

ITEM 3: 2016 Cost Trends Hearing

Dr. Altman provided an overview of the HPC's responsibility to host the annual health care Cost Trends Hearing. He noted that one of the HPC's key mandates is to keep overall health care spending in line with inflation, as measured by the health care cost growth benchmark.

Dr. Altman introduced Mr. Ray Campbell, Executive Director for CHIA, to present findings on the Commonwealth's health care cost growth from the *Annual Report on the Performance of the Massachusetts Health Care System*.

ITEM 3a: Presentation from Center for Health Information and Analysis (CHIA)

Mr. Campbell presented key findings from CHIA's *Annual Report on the Performance of the Massachusetts Health Care System*. For more information, see slides 22-30. Board members discussed this report with staff from CHIA.

Dr. Altman thanked the CHIA staff and dismissed the Board for a ten-minute break.

ITEM 3b: 2016 Cost Trends Hearing Agenda

Mr. Seltz reviewed the tentative agenda for the 2016 Cost Trends Hearing. For more information, see slides 32-35.

Mr. Cohen asked whether, given the emphasis on pharmaceutical cost growth, there had been any consideration of inviting members from the pharmaceutical industry to the Hearing. Mr. Seltz noted that, unlike some of the other providers, the HPC does not have the power to compel testimony from the pharmaceutical industry but that the HPC could voluntarily engage with a number of pharmaceutical companies and manufacturers based in Massachusetts.

Dr. Berwick stated that he would like to see something in the agenda on the magnitudes, patterns, and consequences of cost shifting to individuals.

Mr. Lord asked whether any of the panels might examine the impact of specific consolidations or transactions the Board had approved in the past. Mr. Seltz responded that the third panel on market consolidation would address this topic. He noted that the staff anticipated creating briefing materials for all of the commissioners that could help facilitate this type of discussion.

Mr. Lord stated that this would be an excellent opportunity to look back at some of these transactions and examine what the impact had been.

Mr. Seltz noted that last year there was a similar panel on market consolidation at the Cost Trends Hearing. He noted that the testimony will only be enhanced in the future with additional time and data.

Dr. Altman noted that CHIA found declining use of alternative payments. He stated that it might be worth discussing why that was happening and whether there were actions that should be taken to change this trend. Mr. Seltz responded that there is a panel focused on payment reform. He further stated that, in the written pre-filed testimony, the HPC asked market participants what barriers exist to the adoption of alternative payment models and what strategies organizations were employing to correct this. He added that the pre-filed testimony will provide a rich information source to guide this conversation.

Dr. Allen stated that the HPC often does not celebrate success stories as much as it could. She added that she would like to hear some success stories at the Hearing as learning opportunities for how providers have lowered costs, improved quality, and integrated behavioral health. Mr. Seltz agreed that the Hearing is an opportunity to ask tough questions and also to recognize areas of success and to encourage others to adopt best practices. He noted that, in the pre-filed testimony for pharmaceutical spending, the parties were asked to provide examples of successful implementation of strategies to reduce spending.

ITEM 3c: Timeline of HPC 2016 Cost Trends Report

Mr. Seltz provided a brief overview of the timeline for the 2016 Cost Trends Report. For more information, see slide 37.

ITEM 4: Quality Improvement and Patient Protection

Mr. Cohen, Chair of the Quality Improvement and Patient Protection Committee, introduced the HPC's report on opioid use disorder in Massachusetts and turned the discussion over to Mr. Seltz.

ITEM 4a: Issuance of *Opioid use Disorder in Massachusetts: An Analysis of its impact on the Health Care System, Pharmacological Treatment, and Recommendations for payment and care delivery reform*

Mr. Seltz thanked Ms. Katherine Record, Deputy Director for Behavioral Health Integration and Accountable Care, and Ms. Natasha Reese-McLaughlin, Senior Research Associate for Research and Cost Trends, for their work on the report. He provided an overview of the HPC's mandate to write the report and other agency work targeting the opioid epidemic. For more information, see slides 41-45.

Mr. Seltz turned the discussion over to Ms. Record and Ms. Reese-McLaughlin. Ms. Reese-McLaughlin provided an overview of the key definitions and methods used in the HPC's analysis for the opioid report. For more information, see slide 47.

Ms. Record provided an overview of the impact of the opioid epidemic on the health care system. For more information, see slides 48-57.

Dr. Cutler asked whether there was an estimate of what share of all medical spending is attributable to opioid abuse. Mr. Seltz said that he did not know the number but that that would be an appropriate area for investigation.

Mr. Lord asked, given that they can be prescribed by a regular physician, why there is such a disparity between the need for naltrexone and buprenorphine and the ability to obtain it. Ms. Record responded that MassHealth is working to expand access to these drugs by allowing buprenorphine and naltrexone to be distributed in methadone clinics.

Ms. Record said she was optimistic that, as more providers obtained waivers to prescribe buprenorphine, it would become more available. She noted that many physicians who have the waiver do not actively prescribe buprenorphine to patients. She further noted that many physicians are reluctant to obtain the waiver for a variety of reasons.

Ms. Record stated that some of the HPC policy recommendations are aimed at addressing this problem.

Ms. Record noted that naltrexone can be prescribed by any provider able to prescribe. She mentioned that, as naltrexone is somewhat newer and more expensive, there are additional prior authorization constraints. She also noted the administrative burden of providing the monthly injection of the naltrexone.

Mr. Seltz added that the HPC's data demonstrates that the Commonwealth needs to enhance its treatment opportunities for patients struggling with opioid addiction as there is a substantial unmet need for treatment. He stated that the Commonwealth needs to determine how to improve access to pharmacological treatment.

Mr. Seltz said that providers seeking certification under the HPC's PCMH PRIME program need to incorporate such treatment into their practice. He noted that the HPC will provide technical assistance in this area in the coming months.

Mr. Lord noted that Berkshire County had one of the highest rates of opioid abuse discharges and some of the lowest availability of pharmacological treatments. Mr. Seltz noted that, through a CHART grant, Berkshire Medical Center has been increasing the availability of substance abuse disorder treatment in Berkshire County.

Mr. Seltz provided an overview of the HPC's investments to address the opioid epidemic. For more information, see slides 59-63.

Ms. Record provided an overview of the HPC's policy recommendations. For more information, see slide 65.

Mr. Cohen asked to what extent the HPC could use its power as a grant maker to push systems to adopt medication-assisted treatment and address other issues outlined in the report. Mr. Seltz responded that phase three of the CHART investment program could possibly be focused in this way. He also noted that the HPC has the ability to convene a variety of market participants to share best practices.

Mr. Seltz added that facilitating this type of learning may even eliminate the need for further investment on the part of the HPC in this area.

Dr. Altman noted that this was an important area and thanked the staff for their work on the report.

Mr. Cohen motioned to approve to the issuance of the report on opioid use disorder in Massachusetts. **Dr. Everett** seconded. The motion passed unanimously.

ITEM 5: Report from the Executive Director

Mr. Seltz outlined ongoing HPC activities. For more information, see slides 68-73.

Dr. Allen asked if the HPC was still planning to build a map of provider organizations as a part of the registration of provider organizations (RPO) program. Mr. Seltz responded that the HPC still plans to create this map. He noted that one provider organization has not fully submitted all the information required.

Referring to the partnership between the HPC and CHIA for the next phase of RPO, Dr. Berwick asked whether provider organizations would be at the table for the redesign of the process. Mr. Seltz responded that the HPC has emphasized the importance of working with provider organizations as a part of its program both early in the process and through after-action feedback.

Dr. Berwick asked whether there would be another round of funding through the CHART investment program. Mr. Seltz responded that there is approximately $25 million remaining for CHART Phase Three. He noted that the Board would discuss potential funding paths during winter 2016.

Dr. Everett noted the importance of evaluating Phase One and Two of the program before launching into CHART Phase Three.

ITEM 6: Schedule of Next Meeting

Mr. Seltz said that the next regularly scheduled meeting would take place in November. He stated that the HPC was working to schedule an additional Board meeting in late September.

Dr. Altman thanked everyone. He adjourned the meeting at 2:30PM.