

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of September 9, 2015

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: Wednesday, September 9, 2015
Start Time: 12:06 PM
End Time: 1:52 PM

	Present	ITEM 1: Minutes from July 22, 2015
Carole Allen	Yes	Yes
Stuart Altman*	Yes	Yes
Martin Cohen	Yes	M
David Cutler	Yes	Yes
Wendy Everett	No	A
Paul Hattis	Yes	Yes
Rick Lord	Yes	Yes
Ron Mastrogiovanni	Yes	Yes
Marylou Sudders	Yes	2nd
Kristen Lepore	Yes	Yes
Veronica Turner	No	A
Summary	9 Members Attended	Approved with 9 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, July 22, 2015 at 12:00 PM.

Commissioners present included Dr. Stuart Altman (Chair); Dr. Carole Allen; Dr. David Cutler; Dr. Paul Hattis; Mr. Martin Cohen; Mr. Rick Lord; Mr. Ron Mastrogiovanni; Secretary Kristen Lepore, Executive Office of Administration and Finance; and Secretary Marylou Sudders, Executive Office of Health and Human Services.

Dr. Wendy Everett (Vice Chair) and Ms. Veronica Turner were absent.

Chair Altman called the meeting to order at 12:06 PM and reviewed the agenda.

ITEM 1: Approval of Minutes from July 22, 2015

Chair Altman solicited comments on the minutes from July 22, 2015. Seeing none, he called for a motion to approve the minutes, as presented. **Mr. Cohen** made a motion to approve the minutes. After consideration upon motion made and duly seconded by **Secretary Sudders**, the board voted unanimously to approve the minutes from June 10, 2015. Voting in the affirmative were the nine members present. There were no abstentions and no votes in opposition.

ITEM 2: Executive Director's Report

Mr. David Seltz, HPC Executive Director, noted that the HPC had not held any committee meetings since the last board meeting, but that he would provide a brief update on HPC programs.

Mr. Seltz reviewed the day's agenda, noting that the board would hear a preview from Executive Director Áron Boros of the Center for Health Information and Analysis (CHIA) about CHIA's 2015 Annual Report. Mr. Seltz expressed hope that CHIA's presentation would spark a discussion on topics and themes for the 2015 Health Care Cost Trends Hearing.

ITEM 2a: Material Change Notices

Mr. Seltz provided the regular update on notices of material changed (MCN) received by the HPC. He noted that, since April 2013, the HPC has received notice of 46 provider transactions.

Mr. Seltz reviewed the HPC's findings in the MCN examining the proposed acquisition of Braintree Rehabilitation Hospital and New England Rehabilitation Hospital by HealthSouth Acquisition Holdings. He said that all parties involved in this transaction are for-profit institutions. He added that HealthSouth already owns two hospitals in Massachusetts: HealthSouth Rehab of Western Massachusetts (Ludlow) and Fairlawn Rehabilitation Hospital (Worcester). He noted that the four hospitals in question do not serve a significant number of commercial patients and that each operates in a distinct geographic region.

Mr. Seltz noted that, since the last board meeting, the HPC received a MCN for the acquisition of Saint Francis Care, a hospital system in Hartford, Connecticut, by Trinity Health Corporation, which owns Mercy Medical Center in Springfield, MA. Saint Francis Care is a major teaching hospital in Hartford, CT with approximately 600 beds and 700 associated physicians. Simultaneously with Trinity Health Corporation acquiring Saint Francis Care, Saint Francis Care is acquiring Johnson Hospital, a small Connecticut community hospital located near the Massachusetts border. Mr. Seltz stated that Johnson Hospital's close proximity to Mercy Medical Center inspired the HPC's examination into how referral patterns across the border might impact spending in Massachusetts. He said that the HPC did not elect to proceed with a CMIR for this transaction.

Mr. Seltz stated that the HPC received an MCN for the proposed affiliation of Tufts Medical Center with Cape Cod Hospital. He noted that this is a staffing affiliation, through which Tufts pediatricians would staff the pediatric services at Cape Cod Hospital. He noted that the billing would still occur under Cape Cod Hospital, resulting in no impact in the amount of services or

the price of services. He said the purpose of the affiliation was not to increase volume of service, but rather to provide a more consistent staffing pattern at Cape Cod Hospital. He said because the billing patterns were not likely to change the HPC elected not to proceed with a CMIR.

ITEM 2b: Registration of Provider Organization Program

Mr. Seltz said that the Registration of Provide Organizations (RPO) Program is a first-in-the-nation provider database, which will increase the transparency of the provider structure and help establish a reporting system to capture ongoing changes in the Massachusetts health care system. He noted that providers must register under this program if they meet or exceed the net patient revenue threshold of \$25 million.

Mr. Seltz stated that the initial registration is comprised of two parts to allow providers to understand the purpose and requirements of this new program. He said Part 1 asked for providers to enter baseline information about the organizations, including an organizational chart, list of corporate affiliates, and list of contracting affiliates. Mr. Seltz said the 58 of 59 providers have successfully completed Part 1 of RPO.

Mr. Seltz stated that a preliminary review of Part 1 data demonstrated that registrants varied in type (behavioral health, hospital systems, physician groups, other) as well as size and complexity. He noted that, when look at the number of corporate affiliations by type, one can see that there is large variation, especially among hospital systems. Mr. Seltz added that the HPC is excited to further examine this data.

Mr. Seltz said that the HPC has started accepting Part 2 registrations. He noted that Part 2 registration will take place through an online submission platform that has been customized for each provider and pre-populated with information from Part 1. Mr. Seltz stated that the HPC is also offering 1-on-1 meetings to help providers with Part 2 registration requirements.

Dr. Hattis sought clarification on the term corporate affiliation. He asked whether a corporate affiliate had control and ownership, not just a contractual agreement with the organization. Mr. Seltz responded in the affirmative.

Mr. Seltz stated that the Part 2 submissions are due on October 30, 2015.

ITEM 2c: CHART Investment Program

Mr. Seltz announced that Phase 2 of the CHART Investment Program is serving patients. He said that Berkshire Medical Center launched its Phase 2 project on September 1. He noted that Signature Healthcare-Brockton Hospital will be launching its project on October 1.

Mr. Seltz reviewed Berkshire Medical Center's \$4 million project, \$3 million of which comes from CHART funds. He said the target population is the patients formerly served by North Adams Regional Hospital. The project aims to reduce 30-day readmissions by 20% and reduce 30-day returns to the emergency department from any bed by 10%.

Mr. Seltz said that in order to meet their goal, Berkshire Medical Center will focus on support services, care coordination for high risk patients, and increased access to behavioral health and

addiction services. He also noted the role of community partners to provide a majority of services in the community previously served by North Adams Regional Hospital.

ITEM 2d: Office of Patient Protection Bulletin

Mr. Seltz said the Commonwealth's fiscal year 2016 budget included a change to the General Laws which strengthened consumer protections for a patient with medical bills who wants to exercise his/her rights to an external review. He noted that this came through two changes. First, the FY16 budget states that health care providers cannot provide information about unpaid charges for health care services to a consumer reporting agency while an internal or external appeal is pending or for 30 days following the appeal's resolution. This is an increase from the prior period of 15 days. Second, the FY16 budget stated that debt collection shall not begin while an external review is pending or 30 days following the resolution of the internal and external review.

Mr. Seltz noted that the HPC issued a bulletin with this information to inform stakeholders about these new consumer protections.

ITEM 2e: Upcoming Committee Meetings

Mr. Seltz provided an overview of upcoming HPC public meetings. He noted that all future meetings will be held at the HPC offices, located at 50 Milk Street, 8th Floor, Boston.

Dr. Altman asked for any questions on the Executive Director's Report. Seeing none, he moved to the next agenda item.

ITEM 3: Preview of 2015 Health Care Cost Trends Hearing

Dr. Altman introduced CHIA's Executive Director, Áron Boros, and thanked him for the work he and his staff have done with HPC.

ITEM 3a: Presentation from the Center for Health Information and Analysis (CHIA) on the Annual Report on the Performance of the Massachusetts Health Care System (2015)

Mr. Boros presented on the Annual Report on the Performance of the Massachusetts Health Care System. A full copy of this presentation can be found on the HPC's website.

Commissioners discussed the report, as well as relevant questions, with Mr. Boros.

ITEM 3b: Hearing Agenda Review

Mr. Seltz stated that the 2015 Health Care Cost Trends Hearing will take place on October 5 and 6 at Suffolk University Law School. He noted that the event will also be livestreamed on the HPC's website.

Mr. Seltz stated that the Commonwealth's top political leaders will speak at the event, including Governor Charlie Baker, Attorney General Maura Healey, State Auditor Suzanne Bump, Speaker of the House Robert DeLeo, and Senate President Stanley Rosenberg. He added that the Hearing

will also include presentations from two expert speakers, Dr. Amitabh Chandra of Harvard's Kennedy School and Dr. Leemore Dafny of Northwestern's Kellogg School of Management. He noted that these experts will add the national context to the hearing.

Mr. Seltz said that, as part of the Cost Trends Hearing, the HPC will collect pre-filed written testimony from 63 organizations. He noted that the testimony will be posted on the HPC's website as it is received.

Ms. Lois Johnson, HPC General Counsel, reviewed the panel themes for the 2015 Cost Trends Hearing. She noted that the HPC will identify up to five witnesses for each panel. The first panel concerns that challenges to the Health Care Cost Growth Benchmark. Ms. Johnson stated that this panel will draw from CHIA's 2015 Annual Report. She said subtopics include Medicaid spending, enrollment growth, future benchmark performance, and prescription spending.

The second panel will examine innovation and transformation in Massachusetts. Ms. Johnson noted that this panel will delve into care delivery trends and innovations aimed at increasing access to behavioral health and primary care, while decreasing use of higher cost acute care settings. She said that this panel will also focus on new care delivery models, market disrupters, telemedicine, retail clinics, advanced practice for nurses, and substance abuse services in the primary care setting.

The third panel is about progress and opportunities for value-based payment reform. Ms. Johnson said that this panel will include insurers, MCOs, the GIC, and providers. She noted this panel will discuss progress in expanding alternative payment methodologies, in particular PPO products, bundled payments, and the integration of behavioral health services.

The fourth panel will be a retrospective of the changing provider landscape. Ms. Johnson said the panel will be comprised of organizations that have submitted material change notices to the HPC.

Dr. Cutler asked if the HPC will have data on what has influenced spending in the locations where the organizations are located. Mr. Seltz responded that many of the transactions are very recent. Because of this, the availability of market-wide data is limited. He said the HPC asked specific pre-filed testimony questions of these providers.

Ms. Johnson said they hope these panelists will talk about price variation and whether or not that has increased or decreased. She added that they also hope the panelists will talk about the impact of that variation on lower cost providers. She also wants to examine the use of facility fees in recent provider affiliations.

The fifth panel will focus on demand side incentives to promote value. Ms. Johnson stated that the HPC hopes to invite one or two employers for this panel to discuss purchaser decisions. She added that the HPC would like to also hear the consumer perspective, especially pertaining to price transparency efforts and the progress payers have made. She noted that the pre-filed testimony includes questions to payers about their transparency tools.

The final panel will touch on all of the topics reviewed at the Cost Trends Hearing and provide an examination of future spending and market trends.

Dr. Altman stated that the HPC should use the Hearing to determine whether organizations are using their new market power to lower costs or to continue charging higher prices. He noted that there has been a lot of consolidation in recent years when prices have risen less rapidly.

Dr. Hattis said not only is he interested in the hospital side of those market consolidations, but also the physician markets.

Mr. Lord asked how the HPC identifies panelists for the Hearing. Mr. Seltz said that the HPC has not finalized the witnesses, but that he intends to have the final list by the end of the week.

ITEM 4: Schedule of Next Meeting (October 21, 2015)

Dr. Altman concluded the formal agenda. He stated that the next board meeting will take place on October 21, 2015 at the Health Policy Commission's office.

ITEM 5: Public Comment

Dr. Altman asked for public comment. Seeing none, he adjourned the meeting at 1:52PM.