

# VOTE 1: MEETING MINUTES

Date of Meeting: December 13, 2023  
Start Time: 12:00 PM  
End Time: 2:43 PM

	Present?	Vote 1: Approval of Minutes (September 13, 2023)	Vote 2: HPC Lease Renewal
Deborah Devaux*	X	2 <sup>nd</sup>	X
Barbara Blakeney	X	X	X
Matilde Castiel	A	A	A
Martin Cohen	X	M	M
David Cutler	X	X	X
Timothy Foley	X	X	X
Patty Houpt	X	X	2 <sup>nd</sup>
Ron Mastrogiovanni	X	X	X
Alecia McGregor	X	X	X
Secretary Kate Walsh or Karen Tseng (Designee)	X	X	X
Secretary Matthew Gorzkowicz or Martha Kwasnik (Designee)	X	X	X
Summary	10 Members Attended	Approved with 10 votes in the affirmative	Approved with 10 votes in the affirmative

Presented below is a summary of the meeting, including timekeeping, attendance, and votes.

\*Chairman

(M): Made motion; (2nd): Seconded motion; (ab): Abstained from Vote; (A): Absent from Meeting

## Proceedings

A virtual meeting of the Health Policy Commission (HPC) was held on December 13, 2023, at 12 PM. Commissioners attended the meeting virtually, via Zoom. A recording of the meeting is available on the HPC's [YouTube Channel](#). Meeting materials are available on the HPC's [website](#).

Participating commissioners who attended virtually included: Ms. Deborah Devaux (Chair), Mr. Martin Cohen (Vice Chair), Ms. Barbara Blakeney; Dr. David Cutler, Mr. Timothy Foley, Ms. Patricia Houpt; Mr. Ron Mastrogiovanni; Dr. Alecia McGregor, Secretary Kate Walsh, Executive Office of Health and Human Services; Ms. Karen Tseng, designee for Sec. Walsh; and Ms. Martha Kwasnik, designee for Secretary Gorzkowicz, Executive Office of Administration and Finance.

Ms. Devaux began the meeting at 12 PM and welcomed the commissioners, staff, and members of the public viewing the meeting live on the HPC's YouTube channel.

### ITEM 1: Approval of Minutes

Ms. Devaux called for a vote to approve the minutes from the September 13, 2023, Board meeting. The vote was by roll call. The motion was approved unanimously with 10 votes in the affirmative.

### ITEM 2: Private Equity in Health Care

Mr. David Seltz welcomed the Board and introduced the first topic of the meeting and the guest speaker, Dr. Zirui Song, Harvard Medical School and Massachusetts General Hospital.

Dr. Song's presentation focused on "[Private Equity in Health Care: Trends, Impact, and Policy](#)." The presentation can be found on the HPC's [website](#) and a recording of Dr. Song's presentation is available on the HPC's [YouTube Channel](#).

Mr. Seltz turned the meeting to Ms. Yue Huang, Manager, Research and Cost Trends, who presented on Trends in Private Equity in Massachusetts Health Care. For more information, see slides 60-70.

Ms. Blakeney asked what makes certain sectors of health care or particular illnesses or diagnoses, like autism, more appealing for private equity companies and what factors go into private equity investment. Ms. Huang said that private equity firms use different strategies and that their motivation might be sector specific but when looking at the private equity transactions by health care sector observed (slide 68), the providers tend to be not as consolidated. Ms. Huang said that private equity is often active in sectors with opportunities for self-pay, such as dental and physical therapy, and specialties like dermatology, where there is an opportunity for revenue. Ms. Huang also said in the case of autism services, where there have been recent mandates of insurance coverage for services like adaptive behavioral therapy were not largely covered by insurance, and in more recent years, under the state's mandate, services such as adaptive behavioral therapy private equity firms might see this as an opportunity given the large volume of services provided.

Mr. Foley said that the presentation is helpful in informing the Board on how they should be thinking about private equity investment and how it highlights his concern for understanding the home health care space. He noted that thinking about home care and hospice as two different entities is really important since there are a lot of differences between them. He asked about the single specialty medical providers in the analysis and if the data captures services that were being provided by a hospital, that are now being provided by a for-profit entity, such as LabCorp, taking over lab services at the hospital. Ms. Huang said that labs were excluded in the analysis and the single specialty providers in the analysis refer to ophthalmology providers,

gastrointestinal providers, and dermatology providers versus the multi-specialty providers or physician groups. Mr. Foley asked how that information could be captured in the future since he often sees in hospitals that their individual services are being purchased by private equity firms, not necessarily purchasing the whole hospital but particular services within a hospital. He noted his concerns with individual services provided by a non-profit hospital now being provided by a for-profit entity within that same system and how it impacts the health care market in Massachusetts. Ms. Huang said that the proprietary data sources the HPC uses capture some deals where a for-profit entity acquires certain services within a hospital, but if some deals are more contract based or affiliation in nature that might only be captured by the HPC's material change notice (MCN) process, subject to the reporting threshold.

Mr. Cohen asked in regard to behavioral health, home health, hospice and nursing/rehab facilities if there has been a clear difference between the for-profit and not-for-profit status of institutions being acquired. Ms. Huang said the HPC has not looked into that but could do so. Mr. Cohen noted his concern that in the future a large number of not-for-profit providers in those health care sectors may be targets for private acquisition.

Dr. McGregor asked about the role of private equity firms outside of Massachusetts and to what extent the locations of the private equity firms are located within the state or located elsewhere. Ms. Huang said that the HPC's data sources allow for us to look into transactions that happened outside of the state so if the Board were interested in seeing if a particular private equity firm is making acquisitions in Massachusetts or the New England states, the HPC could find that information, such as the dental acquisition discussed in her presentation.

Mr. Seltz said that the data that was presented was a baseline understanding of the transactions and the process was very manually intensive. He said that the challenge of piecing together much of the data in the presentation demonstrates the lack of consistent reporting and transparency with private equity acquisitions. Mr. Seltz also noted that despite the HPC's robust MCN process, many of the transactions identified in the analysis were never noticed to the HPC, which presents an opportunity for some potential policy changes.

Secretary Walsh asked if it would be possible to have the HPC conduct additional research of whether the Executive Office of Health and Human Services (EHS) would need to broaden their legislative mandate to better capture these acquisitions since much of the data the HPC pieced together had not been seen by EHS either. Mr. Seltz said that he sees a need for some statutory changes to make clear that private equity transactions should be noticed to the HPC and other regulatory agencies like the Attorney General's office and the Department of Public Health that have an important role in the process as well. He also stated that much of Dr. Song's presentation focused on private equity hospital acquisitions across the country but in Massachusetts it is evident that the sectors of behavioral health, home health and long-term care are seeing more acquisition.

### **ITEM 3: Notices of Material Change and Determination of Need**

Mr. Seltz turned the meeting to Mr. Sasha Hayes-Rusnov, Associate Director, Market Oversight and Monitoring, who provided an overview of recent notices of material change and current transactions the HPC is reviewing. Mr. Hayes-Rusnov also provided an extensive overview of the material change notice currently under review regarding the proposed clinical affiliation between Dana Farber Cancer Institute (DFCI), Beth Israel Deaconess Medical Center (BIDMC) and Harvard Medical Faculty Physicians at BIDMC. For more information, see slides 72-79.

### **ITEM 4: Recap of 2023 Health Care Cost Trends Hearing**

Ms. Devaux introduced the next agenda topic and turned the meeting over to Mr. Seltz who provided a recap of the recent 2023 Health Care Cost Trends Hearing, held on November 8, 2023 at Suffolk University Law School.

For more information, see slides 81-84.

Ms. Houpt said that she thought the event went well and she was impressed by comments from Audrey Gasteier, Executive Director, Massachusetts Health Connector, regarding the innovation of accessible, affordable health care for businesses and encourages the HPC promote ways in how that can be an affordable option for businesses in Massachusetts. She also said that the HPC should try to get a stronger speaker who represents the employer purchasers of health care. She said it was unclear if the speakers' perspective included those of purchasers of employee health care since they were in the health care business as well.

Dr. Cutler said that one of the parts of the hearing that struck him was during the health plans panel when the various health plans, Blue Cross Blue Shield of Massachusetts, Point32Health, and United Healthcare were asked about the HPC's recommendation regarding administrative costs and if there was any opposition to the recommendations. He said that Blue Cross Blue Shield and Point32Health vocalized that there was no opposition to the recommendations, and United Healthcare said that there is nothing they opposed but they are uncertain of how to handle that in 50 different states. Dr. Cutler said he hopes the Board could move fairly rapidly with that recommendation and said that he would like the Board to keep in mind what can be done without the Legislature and what would require legislative action so the HPC does not lose momentum with the recommendations around cutting administrative costs. He said that he hopes the Board can strategize how the agency can move forward with the recommendations in the next year. Mr. Seltz commented that he was glad to hear Cain Hayes, Point32Health, and Sarah Iselin, Blue Cross Blue Shield of Massachusetts, commitment to the policy recommendations and the HPC's agenda for action and would like to discuss that further with them in the coming year.

Ms. Blakeney said that she noticed an increased willingness to look at the Health Policy Commission as a way to help find solutions to the ongoing issues facing the health care industry. She noted that in the past she felt people did not trust the Board to take on these issues and that they have overcome that hurdle with providers and insurance companies, and at this year's hearing she noticed a difference in these stakeholders and their desire to partner with the HPC. Ms. Blakeney also commented on the Community Voices panel and said that the messages that the panelist shared with the Board were profound in helping to establish the context of what the Board needs to do moving forward. She said that taking advantage of the willingness of these various organizations to create partnerships with the HPC is a critical next step for the agency and the HPC should reach out to these organizations to further discuss a partnership.

Ms. Devaux echoed the remarks of Commissioner Blakeney, stating that she felt there was productive discussion during the hearing and also an indication that the HPC can play an important role in convening stakeholders and moving forward together on finding solutions as well as holding them accountable.

Dr. McGregor said that something that concerned her during the hearing was a recurring theme throughout the panelist's testimony which was a frustration with things not changing and the same themes being discussed year after year. She highlighted a quote from Michael Curry, Massachusetts League of Community Health Centers, which emphasizes a willingness to do something disruptive to change the current health care system. She underscored that Massachusetts is facing huge health issues and is leading the country in health care spending and that change is necessary.

Mr. Seltz said each year the Cost Trends Hearing allows the HPC to create an agenda for action for the coming year that reflects the discussion from the hearing. He said that he looks forward to the next Board meeting to be able to further discuss the HPC's goals and priorities for the coming calendar year with commissioners and discuss ways the HPC can hold itself accountable to making progress on those priorities.

## **ITEM 5: 2023 Year in Review**

Mr. Seltz turned to the next item on the agenda, which provided an overview of the HPC's work in 2023. Mr. Seltz turned the meeting to Ms. Kloomok who presented the "2023 Year in Review", which focused on the HPC's highlights over the past year, including "by the numbers" updates for each of the HPC's four roles: market monitor, partner, convener, and researcher/reporter as well as the events the HPC has been involved with over the course of 2023. For more information, see slides 86-90.

## **ITEM 6: Executive Director Report**

Mr. Seltz began the Executive Director's report where he provided an overview of the HPC's recent and upcoming research publications and the 2023 Summer Fellowship Program. Mr. Seltz then provided an overview of the details included in HPC's Lease Renewal at 50 Milk St.

Ms. Devaux provided a brief overview of the discussion during the Administration and Finance Committee that met prior to the Board meeting to discuss the terms of the lease renewal.

Mr. Cohen also noted that the rent terms in the renewal are favorable.

Ms. Devaux called for a vote to approve the HPC Lease Renewal. The vote was by roll call. The motion was approved unanimously with 10 votes in the affirmative.

Mr. Seltz presented an overview of the HPC's 2024 Public Meeting Calendar before ending the public meeting.

## **ITEM 7: Executive Session**

The Board voted unanimously to enter into a confidential executive session.

The public meeting adjourned at 2:43 PM