

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of April 13, 2022

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: April 13, 2022

Start Time: 12:00 PM

End Time: 2:28 PM

	Present?	ITEM 1: Approval of Minutes (January 25, 2022)	ITEM 2: Mass General Brigham Performance Improvement: Request for Extension	ITEM 3: 2023 Health Care Cost Growth Benchmark	ITEM 4: Professional Services Contract Extension
Stuart Altman*	X	X	X	M	X
Don Berwick	A	A	A	A	A
Barbara Blakeney	X	2nd	2 nd	X	2nd
Martin Cohen	X	M	X	X	X
David Cutler	X	ab	X	X	X
Timothy Foley	X	X	X	X	M
Patty Houpt	X	X	X	2 nd	X
Chris Kryder	X	X	X	X	X
Ron Mastrogiovanni	X	X	X	X	X
Sec. Marylou Sudders	X	A	M	X	X
Sec. Michael Heffernan	X	X	X	X	X
Summary	11 Members Attended	Approved with 8 votes in the affirmative	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 virtual meeting of the Health Policy Commission (HPC) was held on April 13, 2022, at 12 PM. A recording of the meeting is available [here](#). Meeting materials are available on the Board meetings page [here](#).

Participating commissioners included: Dr. Stuart Altman (Chair), Mr. Martin Cohen (Vice Chair); Dr. David Cutler; Ms. Barbara Blakeney; Mr. Timothy Foley; Ms. Patricia Houpt; Mr. Ron Mastrogiovanni; Dr. Chris Kryder; Secretary Marylou Sudders; Ms. Lauren Peters, designee for Secretary Marylou Sudders, Executive Office of Health and Human Services; and Ms. Cassandra Roeder, designee for Secretary Michael Heffernan, Executive Office of Administration and Finance.

Dr. Altman 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

Dr. Altman turned the meeting to Ms. Coleen Elstermeyer, Deputy Executive Director, to call for a vote to approve the minutes from the April 13, 2022, Board meeting. Vice Chair Mr. Cohen made the motion to approve the minutes. Ms. Blakeney seconded it. The vote was taken by roll call. The motion was approved unanimously with Dr. Cutler abstaining.

ITEM 2: Recognition of Black Maternal Health Week

Dr. Altman turned the meeting back over to Mr. Elstermeyer and Ms. Jasmine Bland, Senior Policy Associate to recognize Black Maternal Health Week. For more information, see slides 5-7.

ITEM 3: Mass General Brigham Performance Improvement Plan: Request for Extension

Dr. Altman turned the meeting over to Mr. David Seltz, HPC Executive Director, to provide an overview of the Mass General Brigham Performance Improvement Plan Extension Request. For more information, see slide 10.

Dr. Altman called the discussions with MGB constructive and said he supported the extension. Dr. Cutler said he also supported the extension request given the productive nature of the discussions so far. Dr. Kryder also expressed support for the extension and encouraged HPC staff to push MGB on the notion that cost control isn't just about population health or prices for individual procedures but about the business models of hospitals, which are broken. Dr. Kryder said this was a contracting problem and HPC should engage with MGB on how they will deliver care differently.

Secretary Sudders made the motion to approve, and Ms. Blakeney seconded. The vote was taken by roll call and unanimously approved. Mr. Foley asked Mr. Seltz to review the next steps in the PIP process. Mr. Seltz gave an overview of the next steps.

ITEM 4: 2023 Health Care Cost Growth Benchmark

Dr. Altman turned the meeting back to Mr. Seltz to provide an overview of the Health Care Cost Growth Benchmark, including its history, the process, and decision before the Board. For more information, see slides 13-29.

Dr. Altman noted that while the data shows that Massachusetts has been doing better since Chapter 224 was implemented, the gap between Massachusetts and the rest of the country has narrowed and that Massachusetts shouldn't stop what it is doing to slow down growth and overall spending. Dr. Altman also noted that the Board understands the impact of the pandemic on the health care system in the Commonwealth. Dr. Altman asked Mr. Seltz if it was fair to say that early indications show overall spending in 2021 and 2022, at least at the national level, will far exceed 3.1% or 3.6%. Mr. Seltz said yes. Dr. Altman said that the HPC should maintain its strong commitment to cost containment but do so in a reasonable way and suggested setting the benchmark at 3.6%.

Dr. Cutler noted that the HPC will have to take the impact of COVID-19 into account and will have to look at several years' worth of average growth rates instead of growth rate in a single year. Dr. Cutler said that the overall inflation rate being high will put stress on the health care system, especially when it comes to hiring workers, and impact price negotiations in 2023 or 2024. Dr. Cutler outlined what he wished the HPC could do in terms of setting the benchmark for certain health systems and said that no matter what the benchmark is set at, providers should understand that the intension is not to force providers to go into bankruptcy because the pandemic forced their costs to rise. Dr. Cutler stated that he intends to look over a longer period of time and to add more flexibility while maintaining the HPC's strict rigor.

Dr. Altman made the motion to establish the 2023 Health Care Cost Growth Benchmark at 3.6%. Ms. Haupt seconded it. The vote was taken by roll call. The motion was approved unanimously.

Dr. Altman then turned the meeting over to Mr. Seltz to provide an overview of the HPC's 2021 policy recommendations. For more information, see slides 22-28.

Dr. Cutler asked Mr. Seltz or Ms. Elstermeyer to elaborate on the HPC's working relationship with the Massachusetts legislature to ensure the recommendations are received by the proper committees and staff. Mr. Seltz outlined the good working relationship the HPC has with the legislature, including the health care financing committee. Ms. Elstermeyer added that when the HPC submits the Board's decision to set the benchmark at 3.6%, it will also resubmit the policy recommendations from the 2021 Cost Trends Report. Dr. Cutler asked when the legislative session ends. Mr. Seltz said the session ends July 31, 2022. Dr. Cutler asked if the legislature would need to pass the recommendations before that time and Ms. Elstermeyer said yes. Secretary Sudders added that major reforms need to occur by the end of July but noted that there is always opportunity during informal sessions, although it is complicated. Dr. Cutler said that the HPC should think about what it should do in the next month or so to have the recommendations included in any health care package voted on. Secretary Sudders said that the

documents the HPC provide to the legislature are thorough and the communication between the agency and the legislature is active. Dr. Altman added that the legislature often comes to the HPC for additional information.

Mr. Foley said that the policy recommendations make sense, and the legislature pays attention to what the HPC has to say, particularly around policy recommendations regarding ways to improve the watchdog role of the HPC.

Item 5: Recent Market Changes

Dr. Altman turned the presentation over to Mr. David Seltz who introduced Mr. Sasha Hayes-Rusnov, Associate Director for Market Oversight and Monitoring, to provide an update on market changes. For more information, see slides 31-37.

Mr. Foley asked if the conditions placed on the Beth Israel Lahey Health merger applies to the ambulatory surgery joint venture proposed by BILH Plymouth and described in the presentation. Mr. Hayes-Rusnov noted that the Attorney General's office was primarily responsible for enforcement and monitoring of the conditions and could not say how the conditions would apply to the new joint venture.

Dr. Altman asked if the Atrius and South Shore are precluded from entering into agreements with other hospitals. Mr. Hayes-Rusnov said the new relationship does not supplant Atrius' existing relationships.

Mr. Foley asked at what point the HPC would make the determination to comment on a DoN application. Mr. Hayes-Rusnov said the next opportunity to comment is within 30 days after the cost analysis is accepted by the DPH. Mr. Foley asked if the HPC has a sense as to when the ICA will be ready. Mr. Hayes-Rusnov said it was unclear.

Ms. Blakeney asked if the HPC can obtain information throughout the Commonwealth that shows where pediatric inpatient beds currently exist and if the HPC knows the number and location inpatient psychiatric pediatric beds. Ms. Blakeney also asked how the HPC can help the Commonwealth recognize whether current proposed changes reflect an emerging pattern of consolidation of inpatient pediatric beds and consider whether a regional care model is needed. Mr. Hayes-Rusnov noted that the inpatient care data exists and can be compiled and the HPC is working on this already. He also noted that community-based pediatric inpatient services are often staffed by larger provider organizations currently. Dr. Altman noted that in the past when Children's requested an increase in their bed capacity, the HPC asked about the beds adding to cost and were told they Children's believed the patients would come from other parts of the country and world. Dr. Altman noted that the predicted increases came mostly from Massachusetts patients. Dr. Altman said the HPC needs to get an in-depth understanding of where the patients of the proposed Children's outpatient facilities would be coming from.

Dr. Kryder asked Mr. Hayes-Rusnov to provide an overview of the proposed Franciscan transaction. Mr. Hayes-Rusnov provided that overview. Dr. Kryder asked how many beds there were and Mr. Hayes-Rusnov later stated Franciscan has 81 inpatient beds. Dr. Kryder asked

if Boston Children's intended on keeping acute care facilities and Mr. Hayes-Rusnov said yes. Mr. Kryder asked what the timetable for the transaction was and Mr. Hayes-Rusnov said DoN review is a 4-to-6-month process and the transaction had an additional factor in needing the Catholic Church's approval. Dr. Kryder asked when this MCN was filed with the HPC and Mr. Hayes-Rusnov later stated it was filed on March 21, 2022. Dr. Kryder asked if the HPC can look at other cities that have seen children's hospital consolidations and pointed to Cincinnati to find out what happened in those cases. Mr. Hayes-Rusnov agreed and added the question of what happens when specialty hospitals such as Franciscan, which is focused on behavioral health and chronic care, are integrated into a system.

Ms. Blakeney asked if there was a way to encourage the support of behavioral health services in pediatric and adolescent services. Mr. Hayes-Rusnov noted that the Department of Mental health has pediatric behavioral health services as a priority focus.

Dr. Cutler said that the Board would find it helpful to see a chart of utilization of pediatric hospital services, broken down by behavioral health and other services. Mr. Hayes-Rusnov said those numbers could be pulled.

Dr. Altman noted that the proposed affiliation between Tufts Medical Center and Boston Children's Hospital will have significant cost and spending implications and the Board will have serious discussions of the impacts of the various Children's transactions in the future. Dr. Cohen asked that the HPC will also have to consider the potential impact on community hospitals.

Item 6: Trends in Emergency Department Use Among Massachusetts Residents

Dr. Altman turned the meeting over to Mr. Seltz who introduced Dr. David Auerbach, Director of Research and Cost Trends, Dr. Laura Nasuti, Associate Director of Research and Analytics, and Ms. Diana Vascones, Research Associate to present on data detailing some of the impacts of COVID-19 on health care utilization in the Commonwealth. For more information, see slides 38-54.

Dr. Kryder asked if the HPC has telehealth data broken down by diagnosis. Dr. Nasuti said that the HPC does not but it is something the team is looking at. Dr. Kryder noted that having data that is recent is great and urged the HPC to push CHIA to give more access to all preliminary data. Dr. Nasuti said CHIA is working to process CHIA's all-payer claims data as fast as they can.

Dr. Altman noted that Dr. Berwick was absent but sent a comment along and wanted the record to reflect that the Board had received it and it would be made public in the minutes (see attached)

Dr. Cutler suggested that Mr. Auerbach and his team keep an eye on telehealth substituting for other more expensive types of visits and to make sure the legislature, MassHealth, and insurers are aware of that trend. Dr. Auerbach noted that the HPC has a mandated telehealth report that it was working on.

Item 7: Accountable Care Organization Certification Update

Dr. Altman turned the meeting over to Mr. Seltz to introduce Michael Stanek, Senior Manager, to provide an update on the HPC's Accountable Care Organization (ACO) certification program. For more information, see slides 56-60.

Item 8: Executive Director Report – Professional Services Contract Extension

Dr. Altman turned the meeting over to Mr. Seltz to provide the Executive Director's Report. For more information, see slides 61-64.

Dr. Kryder asked when in the cycle does the Board review the overall budget and where are we in that cycle. Dr. Altman said that the HPC reviews the budget once a year and Mr. Seltz explained that the HPC typically lets the legislative budget process play out first and then discusses on the budget at the July Board meeting. Dr. Cutler noted that the professional services contracts are essential.

Mr. Foley made the motion to approve the contract extension. Ms. Blakeney seconded the motion. The vote was taken by roll call. The motion was approved unanimously.

The meeting adjourned at 2:28 PM.