

**MEETING MINUTES:
MARKET OVERSIGHT AND TRANSPARENCY COMMITTEE**

Meeting of February 15, 2023

MASSACHUSETTS HEALTH POLICY COMMISSION

Market Oversight and Transparency Committee
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA

Docket: Wednesday, February 15, 2023, 9:30 AM

PROCEEDINGS

The Massachusetts Health Policy Commission's (HPC) Market Oversight and Transparency (MOAT) Committee held a virtual meeting on Wednesday, February 17, 2023, at 9:30 AM.

Members attending remotely included Dr. David Cutler (Chair) and Mr. Ron Mastrogiovanni.

Ms. Deborah Devaux (HPC Chair), Dr. Don Berwick, and Ms. Barbara Blakeney (Chair, CDT) were also in attendance virtually.

The meeting notice and agenda can be found [here](#).

The presentation from the meeting can be found [here](#).

A video of the meeting can be seen [here](#).

ITEM 1: Approval Of Minutes From The October 12, 2022, Meeting

The vote on the minutes from the October 12, 2022, meeting was tabled until a later date due to the lack of a quorum.

Dr. Cutler turned the presentation over to Mr. David Seltz, Executive Director, who provided a brief introduction to the research presentation on emergency ground ambulance utilization and payment rates in Massachusetts

ITEM 2: Research Presentation: Emergency Ground Ambulance Utilization And Payment Rates in Massachusetts

Mr. Seltz turned the presentation over to Ms. Diana Vascones, Senior Research Associate, Research and Cost Trends (RCT), who provided an overview of the HPC's research on emergency ground ambulance utilization and payment rates in Massachusetts. For more information, see slides 6-34. The full chartpack is available [here](#).

Dr. Berwick asked about the underlying drivers of the trends outlined in the report and the impact on individuals in terms out-of-pocket (OOP) spending on these services. He also noted that many cities had created their own hybrid ambulance services in which the objective is to try and find ways to deliver care at home rather than transporting the patient to the hospital. He asked about similar experiments underway in Massachusetts. Ms. Vascones said that, while staff do not have a totally clear picture of why municipal rates for transport are higher than those for private services, it may be due to differences in payer contracting. She said that this chartpack did not examine OOP costs but noted that for in-network ambulance services, cost sharing varies depending on the patient's insurance. She said this was a topic that staff could examine further along with hybrid services. Dr. Berwick said that he did not know how cities that had implemented the community paramedicine programs had dealt with the financing question but that it was an interesting topic to study. Regarding Dr. Berwick's first question on payment rate trends, Dr. David Auerbach, Senior Director, RCT, added that one reason that municipal rates may be higher is that payers may feel they lack leverage over the payment rates which partly explains why

the payment rates are at a similar level to the charges. He noted that this was a very complicated question.

Ms. Devaux asked if there was any sense of how the experience with regulation in Maine and Connecticut had impacted access. Ms. Vascones said that staff had not examined that question in this research. She noted that one reason that Maine had been so active in this area was that, as a heavily rural state, it was dealing with fewer ambulance services operating in general.

Dr. Cutler said that this was an important area for the legislature to take action. He said that it was crucial to develop a better understanding of the cost structure behind ambulance services and noted that he would expect to see a greater degree of private equity involved than there appeared to be if providing these services were highly profitable. Ms. Vascones noted that the report does touch on the cost of providing ambulance services with data through the Center for Health Information and Analysis' (CHIA's) ambulance cost reports which are a useful resource. Dr. Auerbach referenced a slide in the full chartpack that provided some further context to this question. He said that the Government Accountability Office (GAO) did a study in 2012 suggesting that, at that time, Medicare payment was just about enough to cover an ambulance trip and that there was anecdotal reporting since then suggesting that the Medicare payments had not kept up with the cost. He said that developing a better understanding of what the current average cost of a transport is would be helpful.

Mr. Cohen agreed with Dr. Cutler's point that this was an important area for legislative action. He asked about the trend of municipalities moving to private contracting for ambulance services was continuing in Massachusetts and how municipalities contract with insurers for these services. Following up on Dr. Cutler's comment regarding private equity, he said that he believed that American Medical Response (AMR) had been a private equity company and asked whether its shrinking footprint in Massachusetts was indicative of anything important in the market. Ms. Vascones said that staff did not have insight into whether there were any trends in municipalities contracting with private companies. She said the point about AMR was an interesting one and that that provider was highly active in the Worcester area.

Mr. Mastrogiovanni asked if there was a significant difference in the how employees of private versus public ambulance service providers were being paid. Ms. Vascones said that this was not something that had been examined in the chartpack but could be investigated further particularly as it related to staffing shortages. Dr. Cutler said that he would be leery of an argument that ambulance services should be paid more so that they could pay their employees more. Mr. Mastrogiovanni said that he agreed but noted that private providers had expressed concern about staffing levels and suggested that this was something that should be looked into. Mr. Seltz said that the state was seeing these staffing challenges play out particularly in terms of delays in transport from hospitals to skilled nursing facilities and that the state was examining how to alleviate some of these issues. He said that he hoped the HPC would get more input from stakeholders in this area such as ambulance companies and payers. He also noted that he had heard from a hospital CEO running a paramedicine program along the lines that Dr. Berwick had described and that the program was hurting the hospital's bottom line. He said that there needs to be discussion around how to make these programs financially sustainable for the providers. Dr. Berwick said that it was important to look toward future models and to take a more expansive view of payment and reimbursement to incentivize the creation of programs like these.

Mr. Seltz introduced Ms. Amy Bianco, Director of Health Policy and Strategic Initiatives, Executive Office of Health and Human Services (EHHS), who said that in the fall of 2022, the Department of Public Health (DPH) had significantly reduced the fees associated with standing up mobile integrated health and that

this was an area that the state was heavily interested in promoting as these programs can help to address many of the issues facing the health system related to workforce and access. She said that the state was interested in innovative approaches to these issues and welcomed the committee's input.

Dr. Cutler suggested moving forward on two tracks: one considering questions surrounding ambulance operations and understanding the relative efficiency of municipal versus private ambulances, and the other making recommendations to the legislature on how ambulance services could be addressed along the lines of the federal no-surprises legislation which had excluded ground ambulance services.

ITEM 3: Assessing and Addressing Drug Prices in Massachusetts

Mr. Seltz provided a brief introduction to the presentation on drug prices in Massachusetts. He turned the presentation over to Ms. Celia Segel, Associate Director, Pharmaceutical Pricing and Policy. For more information, see slides 36-59.

Dr. Berwick asked if the numbers presented on slides 38-41 included Medicare Part D. Ms. Segel said that they were commercial figures only.

Dr. Cutler said that it was encouraging that a lot of the growth in drug prices was in a small number of drugs, suggesting that the problem is not widespread among all drugs, and that the Commonwealth may be able to examine the top 5 or 10 drugs and see how much of the overall drug price growth could be explained by looking at just drugs in that sub-set. He mentioned the idea that, because Medicaid has much lower prices for certain high-price drugs, allowing patients on these drugs to be covered by Medicaid would accrue significant savings to both the individuals and their health plans but said he did not believe this to be a good idea due to the way it would segment care for those patients.

Dr. Berwick asked for clarification around whether a price reduction due to a rebate at the point of sale would pass through to the patient or the health plan. Ms. Segel said that this is very dependent on the contract between the payer and the pharmacy benefit manager (PBM) and whether they have negotiated rebates at the point of sale as a part of their contract and whether the savings pass through to the patient or the health plan. She said that OOP spending is typically based off the list price and not the rebate price of the drug.

Dr. Cutler asked what the next steps for the HPC were on addressing issues of pharmaceutical pricing. Mr. Seltz noted that this was a top priority in the HPC's 2023 action agenda. He said the HPC planned to continue advocating for legislation to expand both the HPC and CHIA's oversight of not the pharmaceutical industry, including PBMs. He noted that other states had implemented policies to directly address pharmaceutical pricing and transparency and that there was an opportunity for the Commonwealth to learn from those states' experiences. He added that the HPC would continue to use the data at its disposal to create more policy insights into this topic.

Ms. Blakeney said that it was most crucial to examine any policy changes in this area from the perspective of the impact on consumers. Mr. Seltz said that he agreed and noted that survey data indicate that an increasing proportion of Massachusetts residents are forgoing needed care due to cost and a big factor in that trend is the number of patients saying that they cannot afford to fill their prescriptions.

ITEM 4: ADJOURNMENT

Dr. Cutler thanked the commissioners and adjourned the meeting at 11:03 AM.

