

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of September 15, 2021

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: September 15, 2021

Start Time: 12:00 PM

End Time: 2:29 PM

	Present?	ITEM 1: Approval of Minutes	ITEM 2: FY22 Budget	ITEM 3: BESIDE Investment Program	ITEM 4: 2021 Cost Trends Report
Stuart Altman*	X	X	X	X	X
Don Berwick	A	A	A	A	A
Barbara Blakeney	X	M	X	M	X
Martin Cohen	X	X	M	2nd	2 nd
David Cutler	X	2nd	X	X	X
Timothy Foley	X	X	X	X	X
Patty Houpt	X	X	2nd	X	X
Chris Kryder	X	X	X	A	A
Ron Mastrogiovanni	X	X	X	X	X
Sec. Marylou Sudders	X	X	X	X	X
Sec. Michael Heffernan	X	X	X	X	M
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	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 July 14, 2021, at 12:00 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); Ms. Barbara Blakeney; Dr. David Cutler; Mr. Timothy Foley; Ms. Patricia Houpt; Mr. Ron Mastrogiovanni; Undersecretary 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.

Sec. Sudders joined the meeting during the portion on the 2021 Cost Trends Report.

Dr. Altman began the meeting at 12:00 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 called for a vote to approve the minutes from the July 14, 2021, Board meeting. Ms. Blakeney made the motion to approve the minutes. Dr. Cutler seconded it. The vote was taken by roll call. The motion was approved unanimously.

ITEM 2: Executive Director's Report

Dr. Altman turned the presentation over to Mr. David Seltz, Executive Director, who outlined the day's agenda. Mr. Seltz turned the presentation over to Ms. Coleen Elstermeyer, Deputy Executive Director, who highlighted new upcoming HPC publications and previewed the 2021 Health Care Cost Trends Hearing. For more information, see slides 6-7. The full video of the executive director's report can be viewed [here](#).

ITEM 2a: FY 2022 Budget

Mr. Seltz presented on the HPC's FY2022 budget. For more information, see slides 9-15.

Dr. Kryder asked what conflict of interest protections were in place for contractors that worked with the HPC. Ms. Lois Johnson, General Counsel, provided a brief overview of the state's conflict of interest policy.

Dr. Altman called for a vote to approve the HPC's FY2022 operating budget. Mr. Cohen made the motion. Ms. Houpt seconded it. The vote was taken by roll call. The motion was approved unanimously.

Item 3: Care Delivery Transformation and Innovation

ITEM 3a: Birth Equity and Support through the Inclusion of Doula

Expertise (BESIDE) Investment Program: Awardee Selection

Mr. Seltz turned the presentation over to Ms. Kelly Hall, Senior Director, and Ms. Jasmine Bland, Manager, Health Care Transformation and Innovation (HCTI), who presented on staff recommendations BESIDE Investment Program awardees. For more information, see slides 18-27. The BESIDE presentation portion of the meeting can be viewed [here](#).

Mr. Cohen asked why the programs were proposing to serve different numbers of patients. Ms. Bland noted that the Boston Medical Center (BMC) proposal was building on an existing program with more established infrastructure than the Bay State program and therefore would be able to serve a larger number of birthing people.

Dr. Altman asked how sustainable each program would be after the funding source was exhausted. Ms. Bland said that, while there was not an explicit commitment to sustaining the programs, both awardees had demonstrated a great deal of commitment to supporting Black birthing people in their applications.

Dr. Cutler asked how these programs would fit in with broader efforts to improve health outcomes for birthing people and newborns. Ms. Bland noted that there was a lot of movement in this field and that both applicants had demonstrated an understanding of efforts to address these inequities and said that staff were hopeful that these programs would be complementary to those overall efforts. She provided a brief overview of some of the research on the impact of doula care on birth outcomes.

Dr. Altman called for a vote to approve the recommendations for BESIDE program awardees. Ms. Blakeney made the motion. Mr. Cohen seconded it. The vote was taken by roll call. The motion was approved unanimously.

Item 4: Market Oversight and Transparency

Item 4a: Market Changes

Mr. Seltz introduced Ms. Katherine Scarborough Mills, Senior Director, Market Oversight and Transparency (MOAT), who presented on recent changes to the Massachusetts health care market. For more information, see slide 30-31. The market changes portion of the meeting can be viewed [here](#).

Item 4b: 2021 Cost Trends Report and Recommendations

Mr. Seltz introduced Ms. Diana Sanchez, Research Associate, Research and Cost Trends (RCT), who presented on the 2021 Cost Trends Report interactive dashboard. The CTR portion of the meeting can be viewed [here](#).

Mr. Seltz presented on the recommendations in the 2021 Cost Trends Report. For more information, see slides 35-40.

Dr. Altman and Sec. Sudders both stated support for the first recommendation and called for improvements in the timeliness of data used in the performance improvement plan (PIP) process. Sec. Sudders said that it would be important to identify large pandemic-related costs for organizations when reviewing the data and that these should be viewed differently than annual operating costs that compound excessive spending.

Dr. Cutler asked how the HPC could help to translate these recommendations into legislative policy action. Mr. Seltz noted that the recommendations in the report itself were an important step in this direction. He noted that many of the details of these recommendations were left to policymakers and that the HPC could continue to be a data-driven resource for the legislature and administration. He added that the annual cost trends hearing provided another opportunity for engagement with stakeholders to advance these goals. Dr. Altman noted that these recommendations were geared towards expanding the scope of the HPC's responsibility. Sec. Sudders noted that the recommendations were very helpful as the administration considered filing health care legislation and that they represented lessons learned in the almost 10 years since the passage of Chapter 224.

Dr. Cutler asked whether there were opportunities to engage with the Joint Committee on Health Care Financing to have conversations about these recommendations. Mr. Seltz reviewed the timeline for the cost trends and benchmark hearings and noted that HPC staff would be happy to find other opportunities for such conversations.

Dr. Kryder asked what the status of federal price transparency requirements was and the extent to which this information would be a helpful resource for the HPC. Dr. David Auerbach, Senior Director, RCT, said that, thus far, there had not been a great deal of compliance but once there was greater compliance the data would be of use to staff. Dr. Cutler said that it was his understanding that somewhere between one-third and 40 percent of hospitals nationwide had posted this information in a data-dump manner and that the other 60 percent were holding off until they were forced to comply. Dr. Kryder asked if there was information on compliance by Massachusetts hospitals. Mr. Seltz said that staff could follow-up on this question.

Dr. Altman asked what the status of federal efforts to address facility fees was. Dr. Auerbach said that it was his understanding that the federal government was in the process of implementing site-neutral payments for a certain set of services and this process was slowed down by a set of lawsuits. Ms. Sara Sadownik, Deputy Director, RCT, said that this was her understanding as well. Ms. Johnson added that there were facilities that were grandfathered in but that there were certain evaluation and management current procedural terminology (CPT) codes that were exempted from allowing facility fees at all. Dr. Cutler said that this was his understanding as well. Dr. Altman asked how the HPC's recommendation compared to the federal efforts. Mr. Seltz said that the CTR recommendation was in line with the federal approach of requiring site-neutral payments for common ambulatory services.

Dr. Altman asked what the discussion at the federal level had been on out-of-network (OON) payment limits. Ms. Johnson provided a brief overview of the federal No Surprises Act. Dr. Altman asked what the status of conversations on OON payment limits in the Commonwealth

was. Sec. Sudders provided a brief overview of the topic at the state level.

Dr. Altman and Dr. Cutler noted that, outside of Maryland, no other state had instituted price caps. Mr. Seltz said that there would be a lot of nuance to designing and implementing a program like that. He noted that some states had implemented reference pricing caps based on a fixed percentage in excess of Medicaid.

Dr. Kryder asked whether the third recommendation would require the HPC to have increased interactions with the Department of Insurance (DOI) or to develop some other mechanism for increased visibility of the payer market. Mr. Seltz said that the recommendation contemplates an enhanced role for the HPC in supporting the DOI as it considers appropriate affordability metrics.

Dr. Cutler said that he hoped there could be a renewed focus on addressing administrative complexity as the health system's attention gradually shifted away from the COVID pandemic in the coming months. Mr. Seltz noted that staff had participated in a working group with the Network for Excellence in Health Innovation (NEHI) in recent months to identify opportunities for administrative simplification, specifically regarding prior authorization, and he looked forward to updating commissioners on this work in future meetings.

Ms. Houpt asked if it might be helpful to have targets for health plan savings and to attach some metrics to the third recommendation. Dr. Altman said that this sounded like a good idea and noted that some of the larger plans in the state had recently seen administrative costs rise above 10 percent and that that might be an interesting number to consider as a target. Dr. Kryder added that it would be important to have a consistent definition of administrative costs.

Dr. Altman said that he wondered whether there were more effective measures the HPC could take to push the adoption of the alternative payment methods (APMs). Dr. Cutler said that the performance improvement plan (PIP) process may be an effective mechanism as commissioners would have some sense of how referred organizations performed under APM contracts versus traditional contracts and could make recommendations based on those results.

Ms. Blakeney said that a crucial part of advancing health equity would be the inclusion of voices of marginalized communities in the conversation. She asked how the health equity recommendation contemplated engagement of the communities most impacted by the disparities the HPC aimed to address. Mr. Seltz said that this principle was essential for effectively following through on the recommendation. He noted that there were a lot of helpful models for community engagement from across state government that could help inform this work. Ms. Houpt emphasized the importance of supporting community investments and building trust between communities and the health care system.

Regarding recommendation five, Dr. Cutler asked whether the recommendation called for referral of organizations to the PIPs process for both risk adjusted and non-risk adjusted data. Mr. Seltz said yes, that was a component of recommendation one. He said that recommendation

five included flexibility of the PIPs review process to enable deeper analysis into how trends were playing out over time.

Dr. Altman said that it might be valuable for the HPC to have the ability to force organizations to justify their risk adjustments if they exceeded some marginal amount year-to-year. Mr. Seltz said that part of the work moving forward would be to take a deeper dive into the topic and determining what might be appropriate in this area and what measurements would be useful.

Mr. Mastrogiovanni said that it was problematic to allow organizations to develop their own algorithms for risk score calculation and suggested that these algorithms should be subject to a review of some kind. Dr. Auerbach noted that most plans in Massachusetts used different versions of a similar algorithm but that this process was still relatively opaque. He said that staff had been considering how a simpler, more standardized process might be established. Dr. Altman noted that when a provider risk adjusts its group, it must use an approved algorithm. Dr. Auerbach said that it was generally payers running algorithms on providers' data but that providers often target ways to maximize their risk scores. He said that the overall picture was complicated and varied by market segment.

Mr. Cohen said that improving behavioral health (BH) and primary care were crucial components of recommendation five as the Commonwealth was in the midst of a crisis of access to these services even beyond that created by the COVID-19 pandemic. He said that the workforce issue was an important part of the problem as there continues to be a critical shortage of BH clinicians.

Dr. Altman called for a vote to approve the issuance of the 2021 Health Care Cost Trends Report. Ms. Roeder made the motion. Mr. Cohen seconded it. The vote was taken by roll call. The motion was approved unanimously.

Mr. Cohen said that how the recommendations were presented to policymakers would be a crucial next step in achieving the goals of the report. Dr. Altman said that he agreed and that recent events had made these recommendations all the more relevant. Mr. Mastrogiovanni added that it would be crucial to watch the interplay of inflation in the overall economy with inflation in health care.

The meeting adjourned at 2:16 PM.