

**ADDENDUM TO STAFF SUMMARY FOR DETERMINATION OF NEED
BY THE PUBLIC HEALTH COUNCIL
February 14, 2018**

Introduction

On January 12, 2018, and pursuant to 105 CMR 100.510, the Massachusetts Department of Public Health (DPH or Department) Staff for the Determination of Need (DoN) Program (Staff) forwarded to all Parties of Record its written Staff Report relative to DoN application PHS-17071716-TO filed by Partners HealthCare System, Inc.

In accordance with the regulation, Parties of Record were authorized to submit written comments related to the Staff's recommendation and any other conditions recommended in the Staff report.

A timely response from the Applicant was received which requested clarification of the terms several of the Conditions. The request was reviewed and, as appropriate, incorporated in the staff report that is presented to the Public Health Council (PHC) for review at its February 14, 2018 meeting.

New language *in italics*, language removed ~~in strikethrough~~.

Other Conditions

1. The date of the DoN shall constitute the Baseline Date for the purpose of MEEI's Network Participation. Network Participation shall mean, for the purposes of these conditions, MEEI's participation in MassHealth fee for service and managed care, Medicare fee for service and managed care, and in commercial payer contracts, including its rate of participation in limited network and tiered products and the tier in which MEEI is placed.
2. In its first report mandated by 105 CMR 100.310(L), the Holder will provide baseline measures for MEEI's ~~or (OPH and ORL)~~ services followed by subsequent annual submission of data for ~~MEEI's the Partners HealthCare~~ OPH and ORL services.
 - a. A report on the percentage change in reimbursement rates (facility and physician) to MEEI's *OPH and ORL* services, as measured against the statewide cost control benchmark.
 - b. A description of the then-current Network Participation of MEEI, including but not limited to the number of:
 - i. Limited network products;
 - ii. Tiered products, including MEEI's tier level for each of these products;
 - iii. Other commercial products;
 - iv. MassHealth Fee for Service;
 - v. MassHealth Managed Care
 - vi. Medicare Fee for Service; and
 - vii. Medicare Managed Care
 - c. A description of the current payer mix of MEEI, reported by each of the insurance product categories listed in 2.b, above with the addition of self-pay;
 - d. The percentage of Partners and non-Partners patients seen at MEEI;

- ~~e. An affirmation that there has been no decrease in access to care at MEEI, for non-Partners patients or for MMCO patients;~~
 - e. f. A description of the operating efficiencies and savings associated with those operational efficiencies achieved *by integrating MEEI into Partners* in the past year and cumulatively *since the Baseline Date*; and
 3. Partners and MEEI will ensure that MEEI's OPH and ORL services will ~~retain an equivalent or higher share of its patient panel in MMCOs and accepts an equivalent or higher percentage of patients served by MassHealth fee for service as was in effect upon~~ participate in Massachusetts Medicaid managed care organizations (MMCOs and Medicaid ACOs) and in MassHealth fee for service plans at least to the same extent as MEEI participated in such organizations and plans on the Baseline Date
 4. At such time as MEEI joins Partners in contract negotiations with commercial payers, Partners and MEEI will ensure that ~~the rate of participation by MEEI (or its OPH and ORL services) in MEEI participates (subject to its ability to meet the criteria required by commercial payers of all providers)~~ in limited network and tiered products ~~does not decrease from the rate at least to the same extent as MEEI participated in such limited network and tiered network products on the~~ Baseline Date.
 5. With respect to each of the Assessment Tools that the Applicant has defined (see Attachment 3) the Holder shall, in its first report mandated by 105 CMR 100.310(L), submit to the Department: a report that details, for each: the baseline measures; expected benchmarks; measure specifications; and the anticipated time to meet goals. This information shall be updated annually in accordance with 105 CMR 100.310(L)
 6. With respect to its commitment to improve detection, screening, or treatment, a report that:
 - a. describes the core set of OPH and ORL measures;
 - b. sets forth established benchmarks; and
 - c. defines quality outcomes over time
- Any and all measures shall include baseline measures, measure specifications, and expected benchmarks for these proposed improvements. These reports shall be updated annually in accordance with 105 CMR 100.310(L).
7. At such time as MEEI joins ~~Partners~~ *Partners the Holder* in contract negotiations with commercial payers, *in addition to the Holder's obligation to ensure that its health status adjusted total medical expense does not exceed the health care cost growth benchmark established under M.G.L. c. 6D, §9, Partners the Holder* and MEEI will ensure that the contracted rates for MEEI's ~~or (OPH and ORL services)~~ do not increase ~~excess of~~ *in any calendar year by an amount that exceeds the Commonwealth's cost growth benchmark in any 12-month period for such year*. The parties shall annually certify compliance with this section to the Department and provide any requested documentation necessary to assess compliance.

Presented for PHC Vote:

Findings and Recommendation

Pursuant to 105 CMR 100.735, the staff recommends approval of the proposed project. Any approval is subject to 105 CMR 100.735(D)(1)(a) which provides that any DoN shall not go into effect until 30 days following HPC's completed Cost and Market Impact Review. Approval is further subject to 105 CMR 100.735(D)(3)

Approval shall be subject to the Standard Conditions relevant to Transfers of Ownership (see Attachment 1) and the following additional requirements which shall become conditions of the DoN Ongoing compliance with the conditions and all terms of the DoN is, pursuant to the Regulation, a precondition to the filing of any future DoN by the Applicant:

Other Conditions

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2. In its first report mandated by 105 CMR 100.310(L), the Holder will provide baseline measures for MEEI's OPH and ORL services followed by subsequent annual submission of data for MEEI's OPH and ORL services.
 - a. A report on the percentage change in reimbursement rates (facility and physician) to MEEI's OPH and ORL services, as measured against the statewide cost control benchmark.
 - b. A description of the then-current Network Participation of MEEI, including but not limited to the number of:
 - i. Limited network products;
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 - vi. Medicare Fee for Service; and
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 - c. A description of the current payer mix of MEEI, reported by each of the insurance product categories listed in 2.b, above with the addition of self-pay;
 - d. The percentage of Partners and non-Partners patients seen at MEEI;

- e. A description of the operating efficiencies and savings associated with those operational efficiencies achieved by integrating MEEI into Partners in the past year and cumulatively since the Baseline Date; and
3. Partners and MEEI will ensure that MEEI's OPH and ORL services will participate in Massachusetts Medicaid managed care organizations (MMCOs and Medicaid ACOs) and in MassHealth fee for service plans at least to the same extent as MEEI participated in such organizations and plans on the Baseline Date
4. At such time as MEEI joins Partners in contract negotiations with commercial payers, Partners and MEEI will ensure that MEEI participates (subject to its ability to meet the criteria required by commercial payers of all providers) in limited network and tiered products at least to the same extent as MEEI participated in such limited network and tiered network products on the Baseline Date.
5. With respect to each of the Assessment Tools that the Applicant has defined (see Attachment 3) the Holder shall, in its first report mandated by 105 CMR 100.310(L), submit to the Department: a report that details, for each: the baseline measures; expected benchmarks; measure specifications; and the anticipated time to meet goals. This information shall be updated annually in accordance with 105 CMR 100.310(L)
6. With respect to its commitment to improve detection, screening, or treatment, a report that:
 - a. describes the core set of OPH and ORL measures;
 - b. sets forth established benchmarks; and
 - c. defines quality outcomes over time

Any and all measures shall include baseline measures, measure specifications, and expected benchmarks for these proposed improvements. These reports shall be updated annually in accordance with 105 CMR 100.310(L).

7. At such time as MEEI joins the Holder in contract negotiations with commercial payers, in addition to the Holder's obligation to ensure that its health status adjusted total medical expense does not exceed the health care cost growth benchmark established under M.G.L. c. 6D, §9, the Holder and MEEI will ensure that the contracted rates for MEEI's OPH and ORL services do not increase in any calendar year by any amount that exceeds the Commonwealth's cost growth benchmark for such year. The parties shall annually certify compliance with this section to the Department and provide any requested documentation necessary to assess compliance.