

# ‘Partnership’ Opportunities Contained in the New Massachusetts Cost Containment Law

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# Chapter 224 Overview

Chapter 224 of the Acts of 2012, an Act Improving the Quality of Health Care and Reducing Costs Through Increased Transparency, Efficiency and Innovation, was signed into law on August 4, 2012 by Governor Patrick and is set to become effective on November 5, 2012. It represents a historic step forward for Massachusetts.



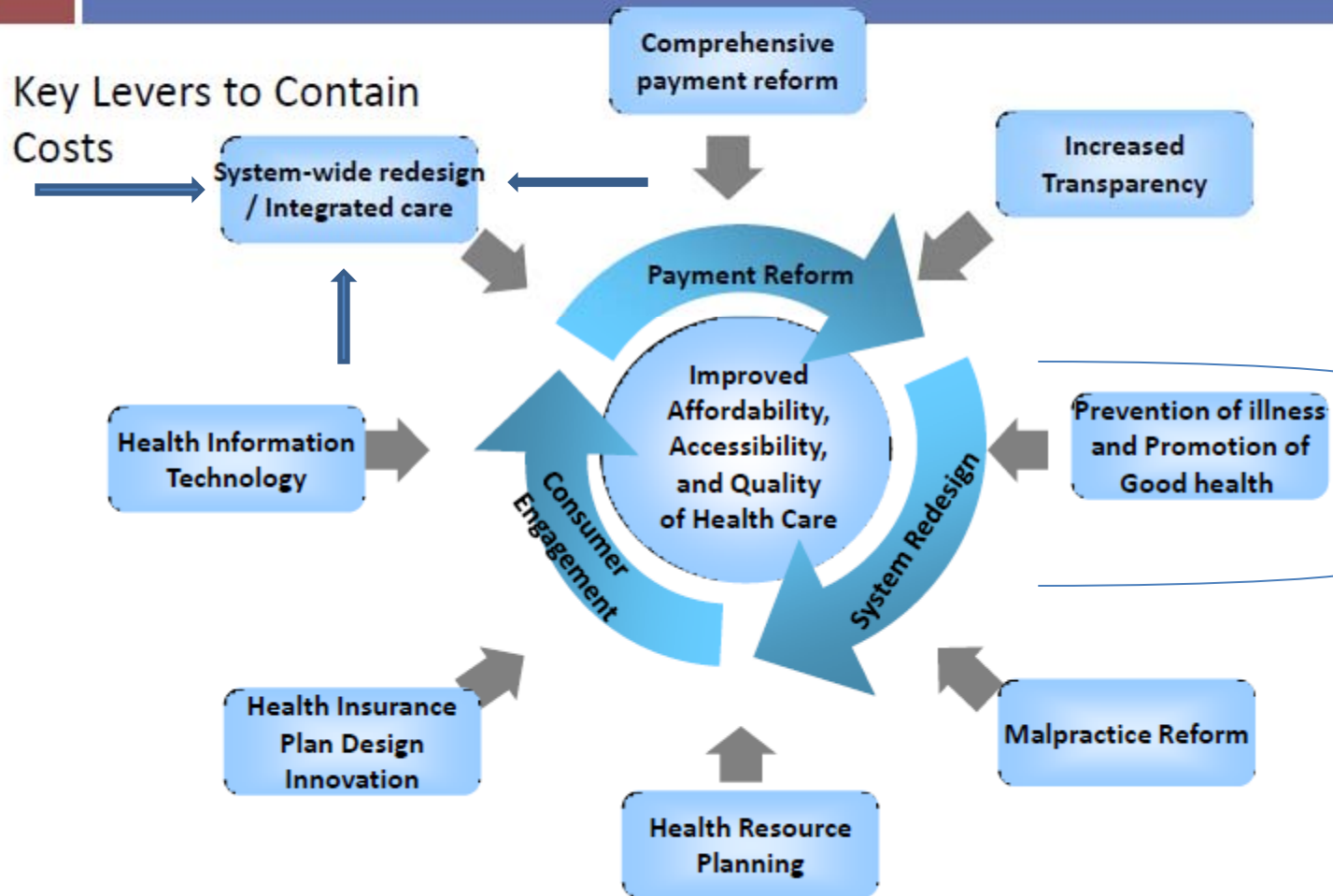
## Key Provisions of the Law

- Requires payment system reform by both public and private payers;
- Promotes delivery system reform to enhance the coordination of care for patients;
- Promotes prevention and wellness, including the expanded adoption of workplace wellness programs;
- Implements sensible malpractice reforms ;
- Increases scrutiny of health care market power and price variation;
- Continues review of health insurance rates;
- Supports expansion of the primary care workforce;
- Establishes a statewide health resource plan;

## Key Provisions of the Law, continued

- Establishes standardized quality measures;
- Supports the expansion of electronic health records and the state health information exchange;
- Provides key resources for workforce development and training programs;
- Provides consumers and employers with quality and cost data to inform purchasing decisions;
- Provides necessary investments in community providers to support the transition to new care delivery and payment models;
- Promotes behavioral health care and integration;
- Restructures government agencies and functions.

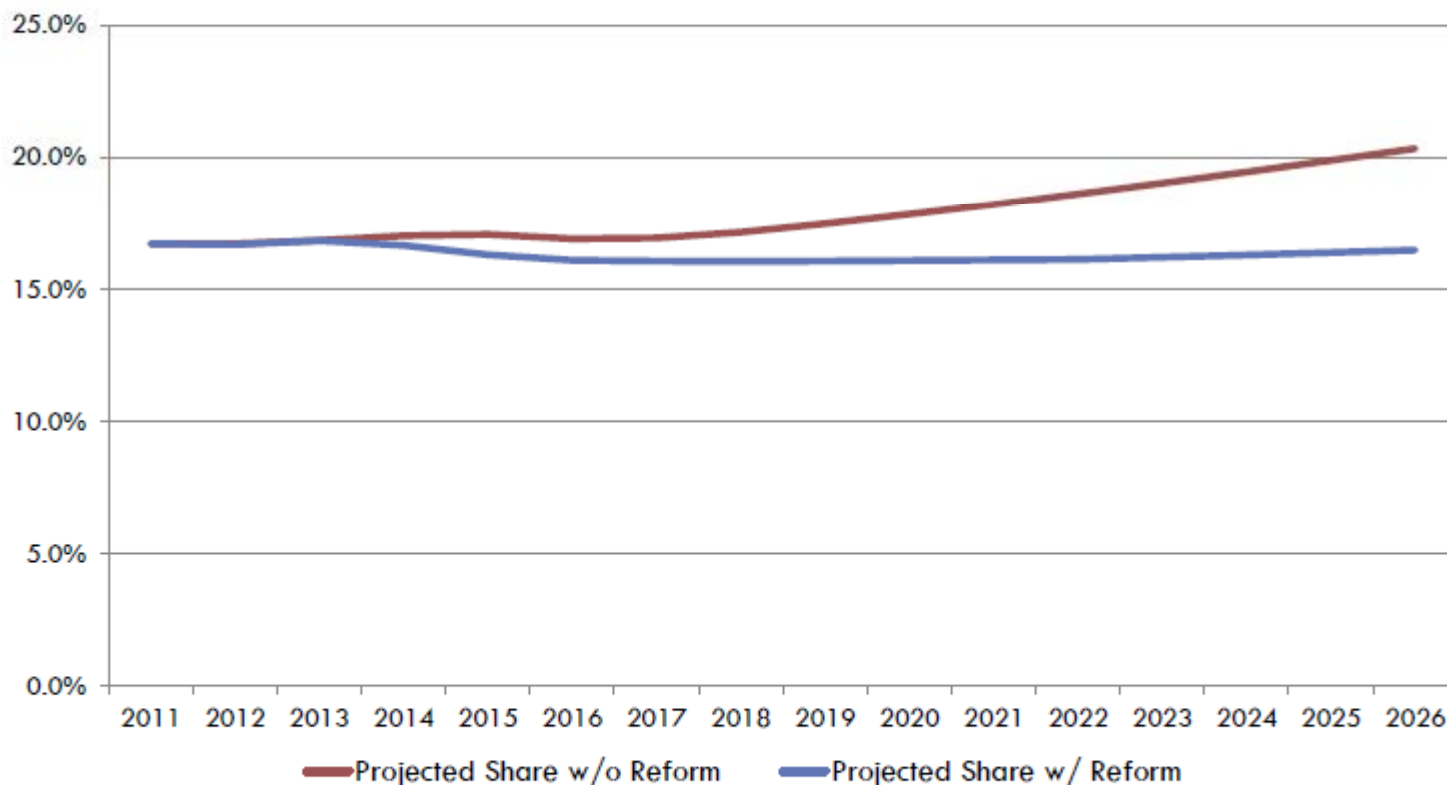
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**PROJECTED MASSACHUSETTS TOTAL HEALTH CARE EXPENDITURES AS A PERCENTAGE OF GSP, 2011-2026**



# HEALTH POLICY COMMISSION

## Overview of HPC





## Mission

The Health Policy Commission (HPC) is established by Chapter 224 of the Acts of 2012, titled “an act improving the quality of health care and reducing costs through increased transparency, efficiency and innovation.” The HPC is a new independent state agency that monitors the reform of the health care delivery and payment systems in Massachusetts in order to reduce overall cost growth while improving quality.

According to the law, the HPC works to:

*(i) set health care cost growth goals for the commonwealth; (ii) enhance the transparency of provider organizations; (iii) monitor the development of ACOs and patient-centered medical homes; (iv) monitor the adoption of alternative payment methodologies; (v) foster innovative health care delivery and payment models that lower health care cost growth while improving the quality of patient care; (vi) monitor and review the impact of changes within the health care marketplace; and (vii) protect patient access to necessary health care services.*



## Mission

The HPC is charged with a number of specific duties necessary to carry out its mission:

- ☐ Conduct annual cost trends hearings, in coordination with the Center for Health Information and Analysis and the Attorney General, and issue final report on health care trends.
- ☐ Establish a health care cost growth benchmark for total health care expenditures in the Commonwealth.
- ☒ Oversee the implementation of performance improvement plans to improve efficiency and reduce cost growth for certain health provider and health plans.
- ☐ Establish a provider organization registration program.
- ☐ Conduct cost and market impact reviews of providers and plans.
- ☒ Develop and implement standards for a certification program of Patient-Centered Medical Homes.
- ☒ Develop and implement standards for a certification program of ACOs.
- ☐ Manage the Office of Patient Protection.
- ☐ Administer a one-time assessment on health plans and certain acute hospitals that is dispersed to the Distressed Hospital Trust Fund, the Prevention and Wellness Trust Fund, the e-Health Institute Fund, and the Health Care Payment Reform Fund.
- ☒ Administer the distribution of funds from the Distressed Hospital Trust Fund and the Health Care Payment Reform Fund.

## A. Distressed Hospital Funding

# Distressed Hospital Funding

- Advocate to HPC to create ‘eligibility’ criteria for giving out monies which includes tangible efforts by hospitals to help advance public health efforts consistent with ‘Partnership/Community of Practice’ goals.
- Start with the Community Health Care Investment and Community Involvement Subcommittee—likely chaired by someone you know.....

## B. PCMH standards for Certification

# Chapter 224 PCMH related statutory provisions:

From Chapter 224--The standards developed by the HPC shall be based on the following criteria:

...

(4) ensuring that patient-centered medical homes develop and maintain appropriate comprehensive care plans for their patients with complex or chronic conditions, including an assessment of health risks and chronic conditions.

(5) such other criteria as the commission deems appropriate.

(j) The HPC shall develop and distribute a directory of key existing referral systems and resources that can assist patients in obtaining housing, food, transportation, child care, elder services, long-term care services, peer services and other community-based services. This directory shall be made available to patient-centered medical homes in order to connect patients to services in their community.

## C. ACO Standards for Certification

# Chapter 224 ACO statutory language

The commission may establish additional standards for an ACO. In developing additional standards for ACO certification, the commission shall consider the following goals for ACOs:

...

(3) to ensure patient access to health care services across the care continuum, including, but not limited to, access to: preventive and primary care services

(8) to promote patient-centeredness by, including, but not limited to, establishing mechanisms to conduct patient outreach and education on the necessity and benefits of care coordination, including group visits and chronic disease self-management programs...; demonstrating an ability to engage and activate patients at home, through methods such as home visits or telemedicine, to improve self-management;

(10) to demonstrate excellence in the area of managing chronic disease and care coordination, as managed by a physician, nurse practitioner, registered nurse, physician assistant or social worker, and as evidenced by the success of previous or existing care coordination, pay for performance, patient centered medical home, quality improvement or health outcomes improvement initiatives, including, but not limited to, a demonstrated commitment to reducing avoidable hospitalizations, adverse events and unnecessary emergency room visits;

(12) to promote community-based wellness programs and community health workers, consistent with efforts funded by the department of public health through the Prevention and Wellness Trust Fund established in section 2G of chapter 111 and to promote other activities that integrate community public health interventions with an emphasis on the social determinants of health and which have been proven to improve health;

D. Provider Performance  
Improvement Plans if they fail to  
meet the Cost Growth Benchmark

# What should be in a plan?

- Goal: To reduce per capita health care revenue growth
- Means: Need to get per capita health care spending lower

Could Mean: Doing the sort of wellness/prevention activities which can (in the shorter term...) reduce the need for acute medical care services??