Health Policy Commission Advisory Council

April 12, 2017

Benchmark Modification Process Complete

ICYMI

HPC sets 2018 health care cost growth benchmark at

3.1%

HPC

AGENDA

- **Presentation: Advisory Council Membership (2017-2018 Term)**

- Discussion: Strategic Priorities (2017-2018)

- Presentation: Executive Director's Report

- Schedule of Next Meeting: July 12, 2017

Role of the Health Policy Commission's Advisory Council

BACKGROUND ON THE ADVISORY COUNCIL

1. First convened in March 2013 with a body of 30+ diverse health care leaders.

2. Quarterly meetings enhance the HPC's robust policy discussions by allowing for varied perspectives on the issues facing the market.

3. Members are appointed to two-year terms. Today marks the first meeting of the 2017 to 2018 Advisory Council.

THE ADVISORY COUNCIL SUPPORTS THE AGENCY'S WORK BY…

1. Advising on and providing specific input towards the HPC's operational and policy initiatives, ensuring the consideration of diverse perspectives;

2. Contributing feedback and setting priorities for investment programs;

3. Facilitating direct communication between HPC staff, Board members, and a broad distribution of health care industry participants and stakeholders; and

4. Serving as a network for communicating the HPC's mission and work to a larger community.

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2017-2018 Advisory Council

- **Joseph Alviani**, Vice President of Government Affairs, Partners Healthcare
- **Dianne Anderson**, President & CEO, Lawrence General Hospital
- **Cheryl Bartlett**, CEO, Alosa Health
- **Rich Buckley**, Vice President of Corporate Affairs for North America, AstraZeneca
- **Michael Caljouw**, Vice President of Government & Regulatory Affairs, Blue Cross Blue Shield of MA
- **JD Chesloff**, Executive Director, Massachusetts Business Roundtable
- **Dr. Cheryl Clark**, Director of Health Equity Research & Intervention, Brigham & Women's Hospital
- **Vic DiGravio**, President & CEO, Association for Behavioral Healthcare
- **Dr. Ron Dunlap**, Cardiologist and Past President, Massachusetts Medical Society
- **John Erwin**, Executive Director, Conference of Boston Teaching Hospitals
- **Tara Gregorio**, President, Mass Senior Care Association
- **Christie Hager**, Senior Vice President, New England Region, Beacon Health Options
- **Dr. Paul Hattis**, Associate Professor of Public Health & Community Medicine, Tufts University School of Medicine
- **Meg Hogan**, Chief Executive Officer of Boston Senior Home Care, Mass Home Care
- **Jim Hunt**, President & CEO, Massachusetts League of Community Health Centers
- **Jon Hurst**, President, Retailers Association of Massachusetts
- **Dan Keenan**, Senior Vice President of Government & Community Relations, Sisters of Providence Health System

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2017-2018 Advisory Council

- **Pat Kelleher**, Executive Director, Home Care Alliance of Massachusetts
- **David Matteodo**, Executive Director, Massachusetts Association of Behavioral Health Systems
- **David Morales**, Executive Vice President & Chief Strategy Officer, Steward Health Care
- **Joyce A. Murphy**, Executive Vice Chancellor, Commonwealth Medicine/UMass Medical School
- **Lynn Nicholas**, President & CEO, Massachusetts Health and Hospital Association
- **Cheryl Pascucci**, Family Nurse Practitioner, Baystate Franklin Medical Center
- **Parashar Patel**, Vice President of Global Health Policy, Boston Scientific
- **Lora Pellegrini**, President & CEO, Massachusetts Association of Health Plans
- **Julie Pinkham**, Executive Director, Massachusetts Nurses Association
- **Brian Rosman**, Director of Policy & Government Relations, Health Care For All
- **Marci Sindell**, Chief Strategy Officer & Senior Vice President of External Affairs, Atrius Health
- **David Spackman**, General Counsel & Senior Vice President of Governmental Relations, Lahey Health
- **Laurel Sweeney**, Market Access and Health Policy Executive, Philips
- **Assistant Secretary Daniel Tsai**, Assistant Secretary for MassHealth, Executive Office of Health & Human Services
- **Steve Walsh**, President & CEO, Massachusetts Council of Community Hospitals

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2017 Advisory Council Meeting Schedule

Advisory Council Meetings take place at 12:00 PM at the HPC's Offices (50 Milk Street, 8th Floor)
July 12, 2017
November 8, 2017

Mark your calendars!
The 2017 Cost Trends Hearing will take place on October 2 and 3, 2017.

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- Presentation: Advisory Council Membership (2017-2018 Term)

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The HPC is charged in statute with advancing four policy priority outcomes.

Fostering a value-based market

in which payers and providers openly compete, and providers are supported and equitably rewarded for providing high-quality and affordable services.

Advancing aligned and effective financial models

for providers to deliver high-quality, cost effective care and for consumers and employers to make high-value choices for their care and insurance coverage.

Promoting an efficient, high-quality system

that improves health by delivering coordinated, patient-centered health care that accounts for patients' behavioral, social, and medical needs.

Enhancing transparency

of health care system performance in order for health care stakeholders and agencies to successfully implement reforms and evaluate performance over time.

HPC

Proposed Policy Priorities from the 2016 Cost Trends Report

1 **Fostering a value-based market**

2 Promoting an efficient, high-quality, health care delivery system

3 Advancing aligned and effective incentives

4 Enhancing data and measurement for transparency and accountability

HPC

Proposed Policy Priorities

Fostering a Value-Based Market

1. **Health Care Equity and Affordability**
    *   Track and monitor differences in health care spending, insurance costs, and member cost-sharing across range of characteristics (e.g., socio-economic profile, employer size and industry, health status, etc.)
    *   Develop policy to address those individuals, families, and businesses disproportionately impacted

2. **Pharmaceutical Spending**
    *   Increase transparency
    *   Expand the witness list for the cost trends hearing
    *   Advocate for federal legislation
    *   Use value-based benchmarks
    *   Encourage development of treatment protocols and guidelines
    *   Provider education and monitoring of prescribing patterns

3. **Out-of-Network Billing**
    *   Enhance out-of-network billing protections
    *   Establish reasonable reimbursement for services

HPC

Proposed Policy Priorities

Fostering a Value-Based Market

4. Provider Price Variation
- Continue to monitor and analyze price variation, including by factors identified as "warranted" and "unwarranted"
- Support the Special Commission on Provider Price Variation and others to advance specific, data-driven policies to address price variation

5. Facility Fees
- Establish limits on sites that can bill as hospital outpatient departments
- Implement site-neutral payments for select services

6. Community-Appropriate Care
- Enhance case management and patient education programs and identify patients who could safely receive care in the community setting
- Improve information resources necessary to better track and manage patients across settings of care
- Incentivize the use of community hospitals for community-appropriate care

HPC

Proposed Policy Priorities from the 2016 Cost Trends Report

1   Fostering a value-based market

2   **Promoting an efficient, high-quality, health care delivery system**

3   Advancing aligned and effective incentives

4   Enhancing data and measurement for transparency and accountability

HPC

Proposed Policy Priorities

Promoting an efficient, high-quality, health care delivery system

7. Unnecessary Hospital Use and Other Institutional Care
- Strengthen partnerships between the delivery system and community-based organizations
- Set targets for:
    - Reductions in 30-day hospital readmissions
    - Increases in integration of behavioral health in primary care
    - Reductions in rate of discharge to institutional care following hospitalization
    - Reductions in rate of behavioral health related ED utilization

8. Substance Use Disorder Treatment
- Continue to track the impact of substance use disorder (SUD) on the health care system
- Invest in care delivery and integration efforts related to SUD

9. Adherence to Evidence-Based Care
- Providers should put systems in place to track and reduce provision of non-recommended care
- Expand evaluation of provider level trends and practice pattern variation

HPC

Proposed Policy Priorities from the 2016 Cost Trends Report

1 Fostering a value-based market

2 Promoting an efficient, high-quality, health care delivery system

3 **Advancing aligned and effective incentives**

4 Enhancing data and measurement for transparency and accountability

HPC

Proposed Policy Priorities

Advancing aligned and effective incentives

10. Adoption of Alternative Payment Methods (APMs)
- Set targets for:
  - APMs for HMO patients
  - APMs for PPO patients
  - APMs for MassHealth members
- Payers and providers to should continue to implement bundled payments

11. Alignment and Improvement of APMs
- Payers should align and improve features of APMs to increase effectiveness, including through:
  - Improving quality measurement
  - Reducing disparities in spending levels
  - Inclusion of behavioral health
  - Adopting HPC ACO certification standards

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Proposed Policy Priorities

Advancing aligned and effective incentives

12. Demand-Side Incentives
- Payers and employers should empower consumers to make high-value choices through:
    - Employers incentivizing employees to choose high-value plans
    - Employers purchasing health insurance through the Health Connector
    - Payers improving the design of tiered and limited network plans
    - Payers increasing the availability of price and quality information to enhance the selection of value-based providers

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Proposed Policy Priorities from the 2016 Cost Trends Report

1 Fostering a value-based market

2 Promoting an efficient, high-quality, health care delivery system

3 Advancing aligned and effective incentives

4 **Enhancing data and measurement for transparency and accountability**

HPC

Proposed Policy Priorities

Enhancing data and measurement for transparency and accountability

13. Data and Measurement

- While recognizing CHIA's substantial progress on the recommendations from the 2015 Cost Trends Report, CHIA should improve and document its data resources and develop key spending measures on:
  - Drug rebates
  - Total Medical Expenditures (TME) for PPO populations
  - Provider-level measures of spending growth
  - Ambulatory quality measures
- Evaluate the impact on the APCD of expected loss of data due to the Gobielle decision

HPC

2016 Cost Trends Report: Recommendations to Advance Policy Outcomes

FOSTERING A VALUE-BASED MARKET

1. Health Care Equity and Affordability*
2. Pharmaceutical Spending*
3. Out-of-Network Billing *
4. Provider Price Variation*
5. Facility Fees
6. Community-Appropriate Care*

PROMOTING AN EFFICIENT, HIGH-QUALITY SYSTEM

7. Unnecessary Hospital Use and Other Institutional Care*
8. Substance Use Disorder Treatment
9. Adherence to Evidence-Based Care

ADVANCING ALIGNED AND EFFECTIVE FINANCIAL MODELS

10. Adoption of Alternative Payment Models (APMs)*
11. Alignment and Improvement of APMs
12. Demand-Side Incentives
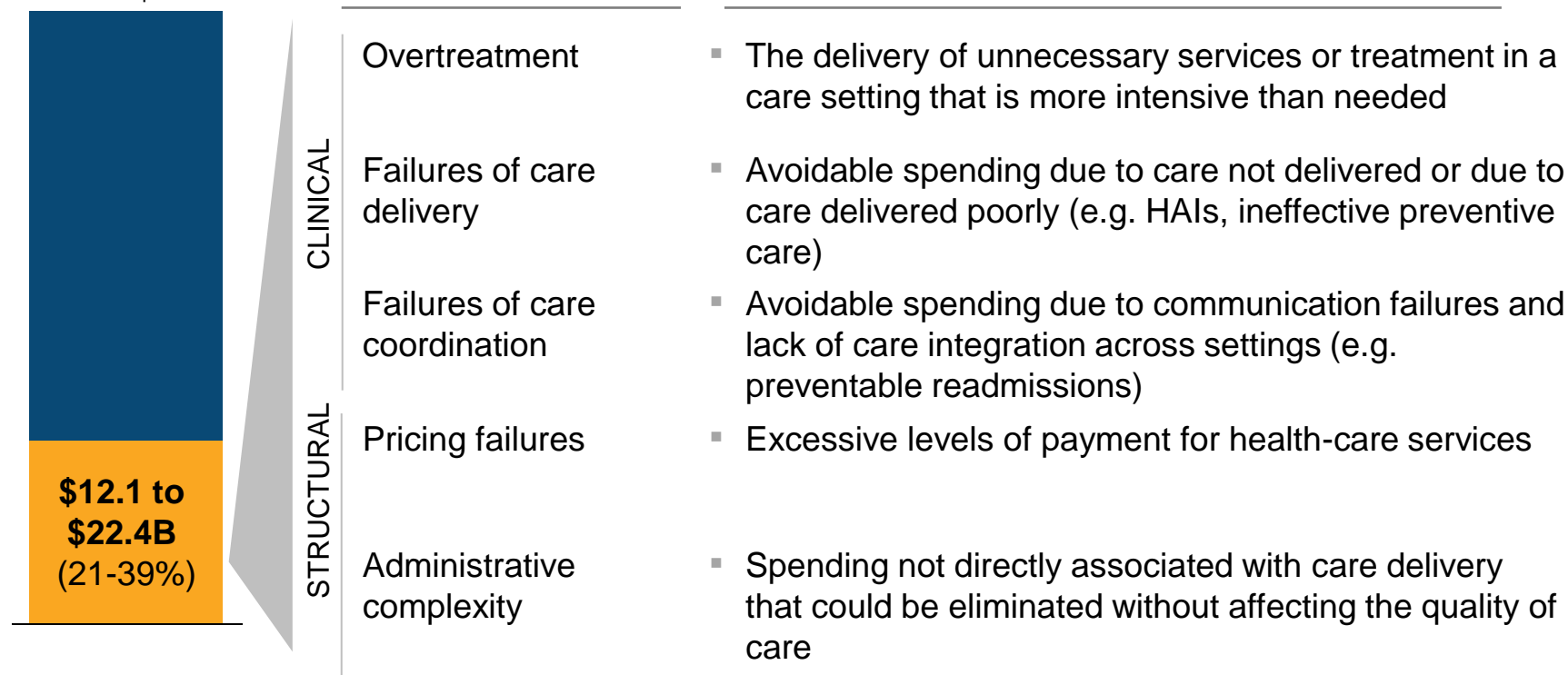
ENHANCING TRANSPARENCY

13. Data and Measurement*

* Identified by Board members at the February 8, 2017 Board meeting as potential high-impact activities.

Statewide Estimate: In Massachusetts, there was $12.1 to $22.4 billion of wasteful spending in 2015.

Wasteful spending in the Massachusetts health care system, Percent of personal health care expenditures, 2012

100% = $57.4B

$12.1 to $22.4B (21-39%)

	CATEGORY	DESCRIPTION
CLINICAL	Overtreatment	▪ The delivery of unnecessary services or treatment in a care setting that is more intensive than needed
	Failures of care delivery	▪ Avoidable spending due to care not delivered or due to care delivered poorly (e.g. HAIs, ineffective preventive care)
	Failures of care coordination	▪ Avoidable spending due to communication failures and lack of care integration across settings (e.g. preventable readmissions)
STRUCTURAL	Pricing failures	▪ Excessive levels of payment for health-care services
	Administrative complexity	▪ Spending not directly associated with care delivery that could be eliminated without affecting the quality of care

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Estimated Opportunities for Savings: Improving Care and Reducing Costs

SCENARIO	'LOW' SAVINGS	'HIGH' SAVINGS
I. Shift community-appropriate inpatient care to community hospitals	$43m	$86m
II. Reduce hospital readmissions	$61m	$245m
III. Reduce avoidable emergency department use	$12m	$24m
IV. Reduce use of institutional post-acute care	$47m	$186m
V. Adjust premiums based on primary care provider total medical expenditures	$36m	$72m
VI. Increase participation in alternative payment methodologies	$23m	$68m
VII. Reduce rate of growth in prescription drug spending	$57m	$113m
Total	$279 million (~0.5% THCE)	$794 million (~1.3% THCE)

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Development and Promotion of Policy to Advance the HPC's Mission: Four Core Strategies

RESEARCH AND REPORT
INVESTIGATE, ANALYZE, AND REPORT TRENDS AND INSIGHTS

CONVENE
BRING TOGETHER STAKEHOLDER COMMUNITY TO INFLUENCE THEIR ACTIONS ON A TOPIC OR PROBLEM

WATCHDOG
MONITOR AND INTERVENE WHEN NECESSARY TO ASSURE MARKET PERFORMANCE

PARTNER
ENGAGE WITH INDIVIDUALS, GROUPS, AND ORGANIZATIONS TO ACHIEVE MUTUAL GOALS

HPC

Discussion Questions

How would you define success for the HPC in achieving each of the below policy priority outcomes?
1. Fostering a value-based market
2. Promoting an efficient, high-quality, health care delivery system
3. Advancing aligned and effective incentives
4. Enhancing data and measurement for transparency and accountability

Is there a policy priority missing? If so, what is it?

What forces contribute most to achieving or inhibiting these outcomes?

Which of the HPC's activities and strategies can best be leveraged to achieve each of these priorities?

What other work within the purview of the HPC could be done to help achieve these policy priority outcomes?

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- **Presentation: Executive Director's Report**

  – FY2018 Budget Process

  – Upcoming Activities

  – Program Updates

- Schedule of Next Meeting: July 12, 2017

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- Schedule of Next Meeting: July 12, 2017

HPC Line-Item: FY18 Budget Proposals

For FY18, the Governor's Budget recommended "level funding" for the HPC operating account. The state budget is to be finalized by July 1, 2017.

State Budget Process

Governor's FY18 Budget Proposal
1450-1200: *For the operation of the Health Policy Commission*... $8,479,009

House FY18 Budget Proposal
1450-1200: *For the operation of the Health Policy Commission*... $8,479,009

Senate FY18 Budget Proposal
1450-1200: *For the operation of the Health Policy Commission*... Finalized May 2017

Final State Budget
1450-1200: *For the operation of the Health Policy Commission*... Finalized July 2017

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HPC's Four Core Strategies: Upcoming Activities

RESEARCH AND REPORT

- AcademyHealth Annual Research Conference (5 posters)
- Consumer Preferences Publication
- Dual Diagnosis Study
- Opioid Report Update

CONVENE

- Support EHS Quality Alignment Task Force
- Learning and Dissemination Program
- RPO Training and Launch

WATCHDOG

- Ongoing MCN Review
- Review of CHIA's list of potential organization for PIPs
- Ongoing Office of Patient Protection External Reviews

PARTNER

- CHART Phase 2 and HCII Administration and TA
- ACO Certification Platform
- CHART Phase 3
- MAT in the ED Pilot Program
- PCMH PRIME TA Collaborative

HPC

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  - **Program Updates**

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ACO Certification: Overview of Criteria

Pre-requisites

4 pre-reqs.
Attestation only

- ✓ Risk-bearing provider organizations (RBPO) certificate, if applicable
- ✓ Any required Material Change Notices (MCNs) filed
- ✓ Anti-trust laws
- ✓ Patient protection

1 Assessment Criteria

6 criteria
Sample documents, narrative descriptions

- ✓ Patient-centered, accountable governance structure
- ✓ Participation in quality-based risk contracts
- ✓ Population health management programs
- ✓ Cross-continuum care: coordination with BH, hospital, specialist, and long-term care services

2 Required Supplemental Information

9 criteria
Narrative or data
Not evaluated by HPC but must respond

- ✓ Supports patient-centered primary care
- ✓ Assesses needs and preferences of ACO patient population
- ✓ Develops community-based health programs
- ✓ Supports patient-centered advanced illness care
- ✓ Performs quality, financial analytics and shares with providers
- ✓ Evaluates and seeks to improve patient experiences of care
- ✓ Distributes shared savings or deficit in a transparent manner
- ✓ Commits to advanced health information technology (HIT) integration and adoption
- ✓ Commits to consumer price transparency

HPC

ACO Certification and the MassHealth ACO Program

- ACOs seeking to participate in the MassHealth ACO program are **required by MassHealth to obtain HPC certification** by the start of the performance year (12/18/2017)

- Newly formed ACOs seeking to participate in the MassHealth ACO program will be eligible for **"Provisional Certification"** if they can meet certain criteria and demonstrate substantive plans to meet others before ACO program launch

- HPC has collaborated extensively with MassHealth to align components of the certification and bid processes in order to **reduce administrative burden**

Alignment without unnecessary duplication

HPC

HPC ACO Certification and Health Connector Value-based Design Program

Health Connector Approach

Under the 2018 Seal of Approval process, the Health Connector is allowing plans to deviate from standardized designs by reducing enrollee costs for select high-value providers.

HPC-Certified ACOs as High-value Providers

While plans may define high-value providers, they are "strongly encouraged" to include: community hospitals; providers/facilities certified as Accountable Care Organizations by the Health Policy Commission; and other providers meeting independent, external metrics identified by the plan

HPC ACO Certification and DPH DoN Regulations

Revised DoN Regulation (105 CMR 100.000)

No person shall be issued a DoN for new construction of ambulatory surgery capacity (on-campus or freestanding) without first becoming or entering into a joint venture with an HPC-certified ACO.

Current Guidance from HPC and DPH

An ACO that is "in process" of obtaining HPC ACO Certification may both submit a DoN application or form a joint venture with a DoN applicant. "In process" is defined as having submitted an application to the HPC. However, no Notice of DoN shall be issued prior to HPC ACO Certification.

ACO Certification Program: Recent Milestones

Beta Launch
Kickoff and Training Meeting

March 16

3 ACOs

Program Overview Webinar

March 22

~60
stakeholder attendees

HPC

ACO Certification Program: Timeline

April 27, 2016 – HPC Board approved final ACO Certification Criteria

May 2016 – March 2017 – HPC developed detailed requirements and application system

March 2017 – June 2017 – Beta Launch for application system testing

Mid-June 2017 *(TBD)* **–** Application system open for all Applicants

October 1, 2017 – Application submission deadline for MassHealth ACOs

Rolling to December 1, 2017 – HPC issues certification decisions
HPC expects to issue decisions within 60 days of application receipt
Certification decisions are valid for 2 years

HPC

PCMH PRIME: Participation Update

Since January 1, 2016 program launch

35 practices
are PCMH PRIME Certified

42 practices
are on the **Pathway to PCMH PRIME**

1 practices
are working toward NCQA PCMH Recognition and
PCMH PRIME Certification concurrently

78 Practices
Participating

HEALTH POLICY COMMISSION
PCMH PRIME
CERTIFIED
— 2017 —

HEALTH POLICY COMMISSION
— PATHWAY TO —
PCMH PRIME
— 2017 —

HPC

Health Care Innovation Investment Program: Preparation Period Update

The Health Care Innovation Investment Program is investing $11.3M in innovative projects that further the HPC's goal of **better health and better care at a lower cost** across the Commonwealth.

Health Care Innovation Investment Program Round 1 – Three Pathways

Targeted Cost Challenge Investments	Telemedicine Pilots	Mother and Infant-Focused Neonatal Abstinence Syndrome (NAS) Interventions

	Lower Costs	Greater Access	Better Outcomes
Primary Goal:	Lower Costs	Greater Access	Better Outcomes
Target Populations:	8 diverse cost challenge areas: SDH, BHI, VIC-Purchasers, VIC-Providers, Practice Pattern Variation, PAC, SAI & EOL, Site & Scope of Care	Patients from the following categories with Behavioral Health needs: 1. Children and Adolescents 2. Older Adults Aging in Place 3. Individuals with Substance Use Disorders (SUDs)	Opioid-addicted mothers and substance-exposed newborns
Number of Initiatives:	10	4	6

Targeted Cost Challenge Investments: By the Numbers

62
Organizations
(hospital, pharmacy, housing) collaborating on projects

Hospice and Palliative Care

Social Services

Academic Medical Centers

Community Hospitals

Home Care

Behavioral Health

Health Plans

Police and Judicial

Housing

Paramedicine & EMS

Pharmacy

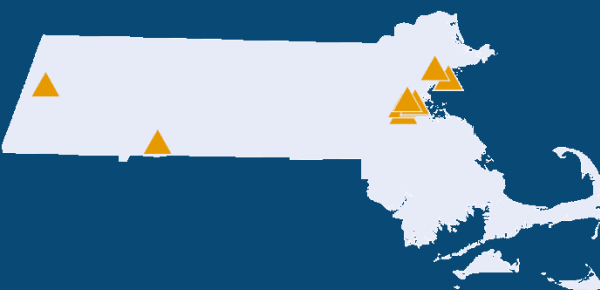Technology Firms

Researchers

10 initiatives
Funded by the HPC

5 out of 8
Targeted cost challenge areas awarded

Initiatives span the Commonwealth:
From the Berkshires to Boston

$6,600,000
HPC funding

>5,500 patients
will be targeted, from children, to homeless families, to older adults

50% of
Preparation Period complete

>$40M
estimated impact in health care cost savings

HPC

Telemedicine Pilots and NAS Interventions: By the Numbers

Telemedicine

4 initiatives
Funded by the HPC

$1,700,000
HPC funding

21 Organizations
(e.g. hospitals, schools, primary care practices) collaborating

Initiatives span the Commonwealth:
From the Holyoke to Cape Cod
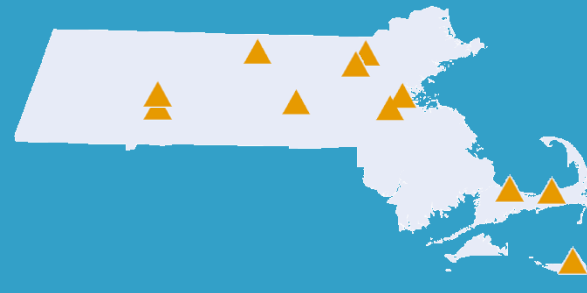
Serve 900 patients
with Behavioral Health needs

60% of Preparation Period complete

Neonatal Abstinence Syndrome Interventions

6 initiatives
Funded by the HPC

$3,000,000
HPC funding

59 Organizations
(e.g. hospitals, primary care practices, behavioral health providers) collaborating

Initiatives span the Commonwealth:
From the Springfield to Middlesex County
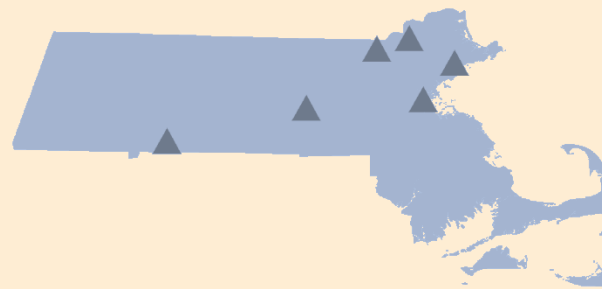
>450 infants with NAS
treated in 2015 by HPC's proposed awardees

2 Initiatives Launched

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HCII Program: Timeline and Next Steps

We Are Here

Period of Performance

3-6 months

12-24 months

3 months

Preparation Period

Implementation Period

Close Out Period
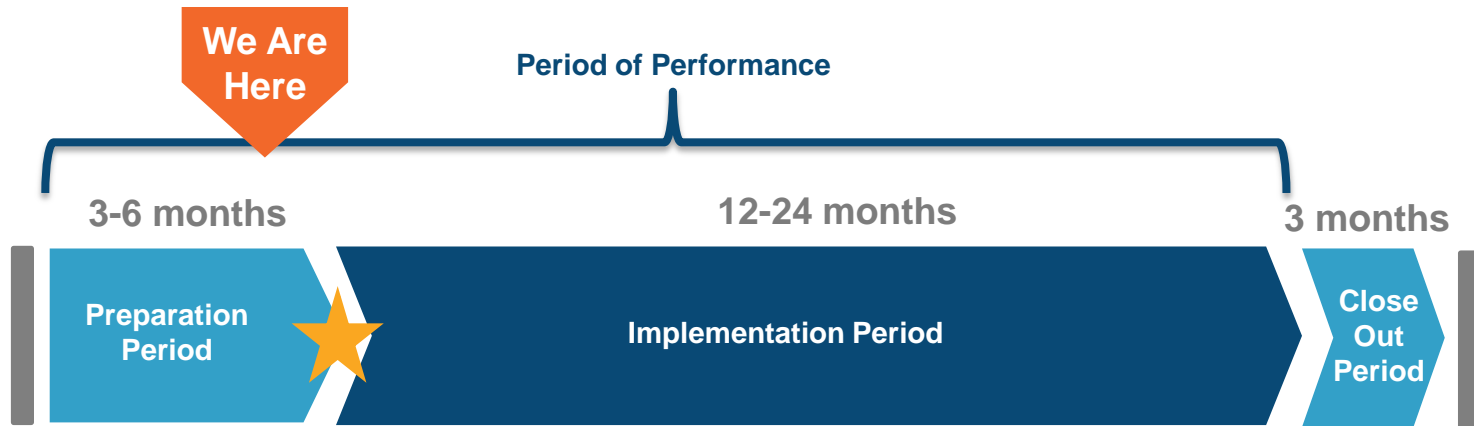
Most Awardees are currently preparing for launch

- Hiring staff
- Creating protocols, deploying education and training
- Implementing technology
- Establishing governance structures and agreements
- Preparing measurement & self-assessment plans

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CHART Phase 2: Progress as of March 2017

67% of program months complete

CHART Phase 2 Awards (vertical axis):
- Baystate Joint Award
- Lahey-Lowell Joint Award
- Southcoast Joint Award
- Hallmark Joint Award
- Holyoke Medical Center
- Addison Gilbert Hospital
- Baystate Franklin Medical Center
- Baystate Noble Hospital
- Baystate Wing Hospital
- Beverly Hospital
- HealthAlliance Hospital
- Lowell General Hospital
- Winchester Hospital
- Anna Jaques Hospital
- BIDH-Milton
- BIDH-Plymouth
- Emerson Hospital
- Harrington Memorial Hospital
- Heywood-Athol Joint Award
- Lawrence General Hospital
- Mercy Medical Center
- Milford Regional Medical Center
- Signature Healthcare Brockton Hospital
- UMass Marlborough Hospital
- Berkshire Medical Center

CHART Phase 2 Month (horizontal axis): Sept 2015, Oct 2015, Nov 2015, Dec 2015, Jan 2016, Feb 2016, Mar 2016, Apr 2016, May 2016, Jun 2016, Jul 2016, Aug 2016, Sept 2016, Oct 2016, Nov 2016, Dec 2016, Jan 2017, Feb 2017, **Mar 2017**, Apr 2017, May 2017, Jun 2017, Jul 2017, Aug 2017, Sept 2017, Oct 2017, Nov 2017, Dec 2017, Jan 2018
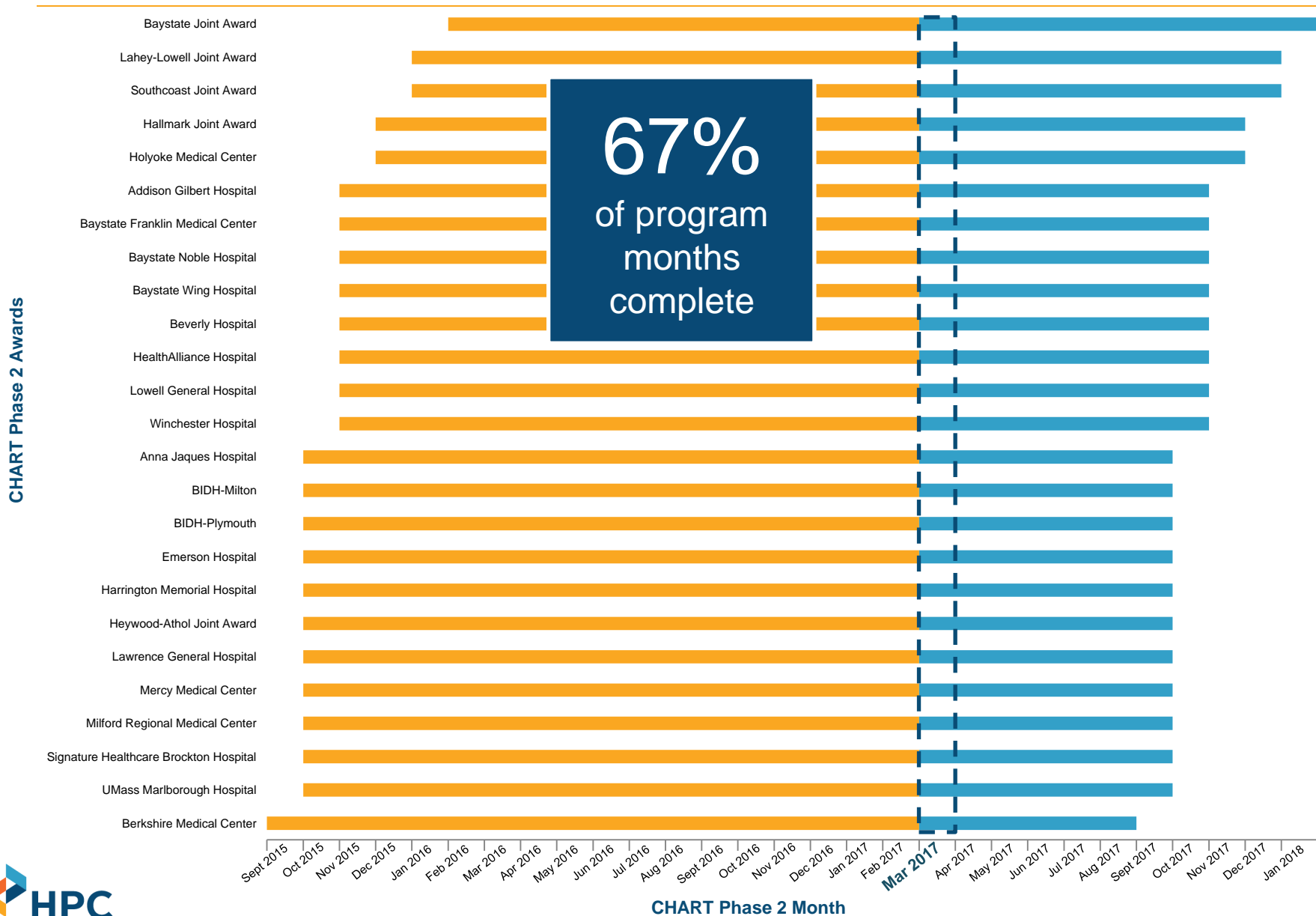
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42

CHART Phase 2: Activities since program launch[1]
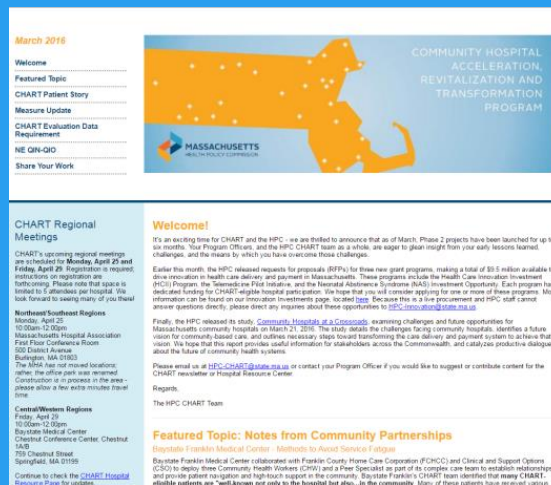
11 regional meetings

with

600+ hospital and community provider attendees

210+ technical assistance working meetings

600+ hours of coaching phone calls

15 CHART newsletters

3,012 unique visits to the CHART hospital resource page

375+ data reports received

[1] Updated through March 9, 2016. Phase 2 hospital programs launched on a rolling basis beginning September 1, 2015.

43

CHART Phase 2: The HPC has disbursed $25.2M to date

$59,051,711*

Remaining

$33,875,291.64

is inclusive of

$7,217,898

maximum outcome-based Achievement Payment opportunity

$25,176,419.36

Updated March 9, 2017
* Not inclusive of Implementation Planning Period contracts. $100,000 per awardee hospital authorized March 11, 2015.

CHART Phase 2: Evaluation Timeline

February 2017 – Hospital Survey Results

March 2017 – Baseline Summary Report

April 2017 – Awardee Memos

July 2017 – Interim Report

April 2018 – Patient Perspective Study Report

May 2018 - Awardee memos 2

October 2018 - Theme Reports

January 2019 – Final summative Report

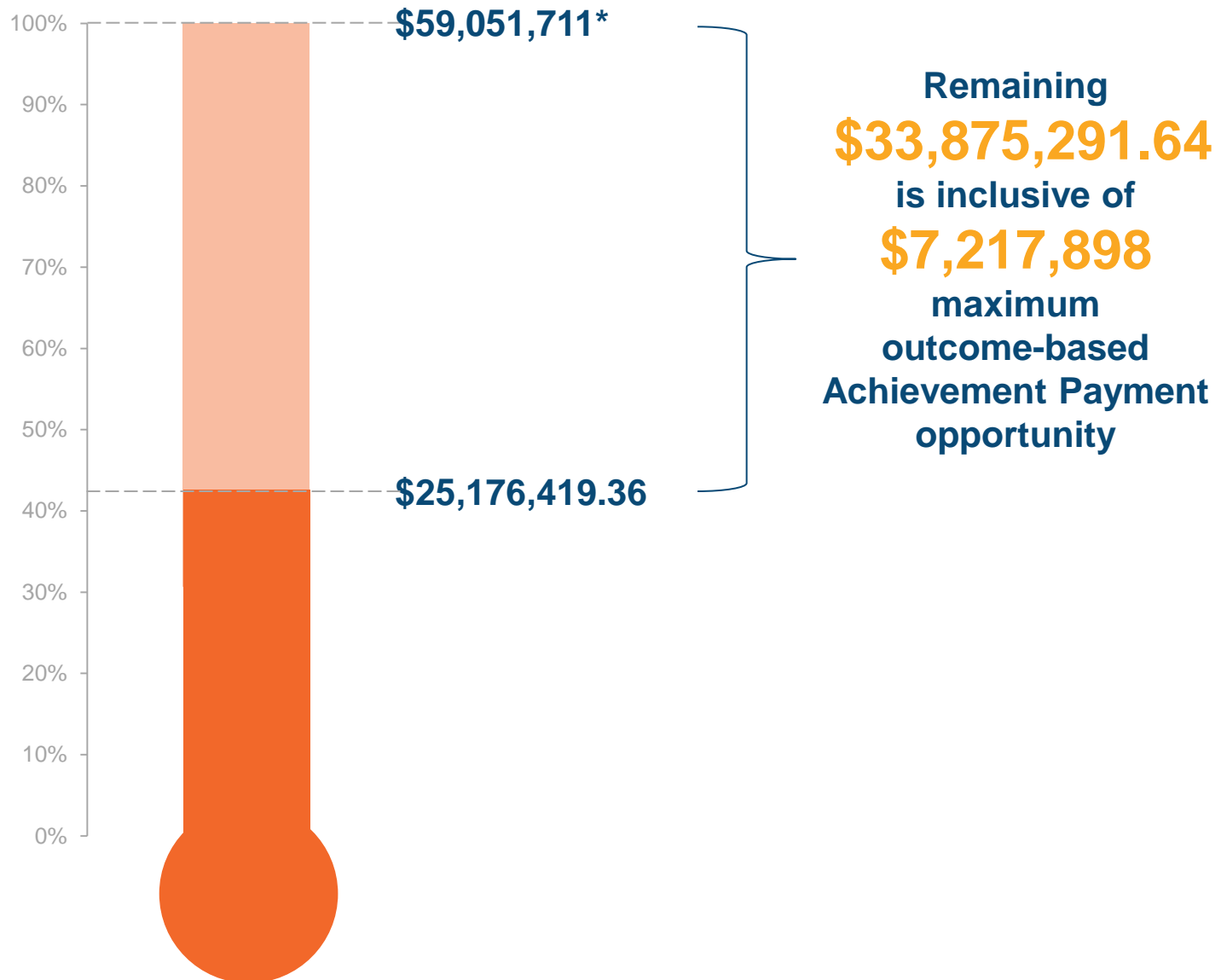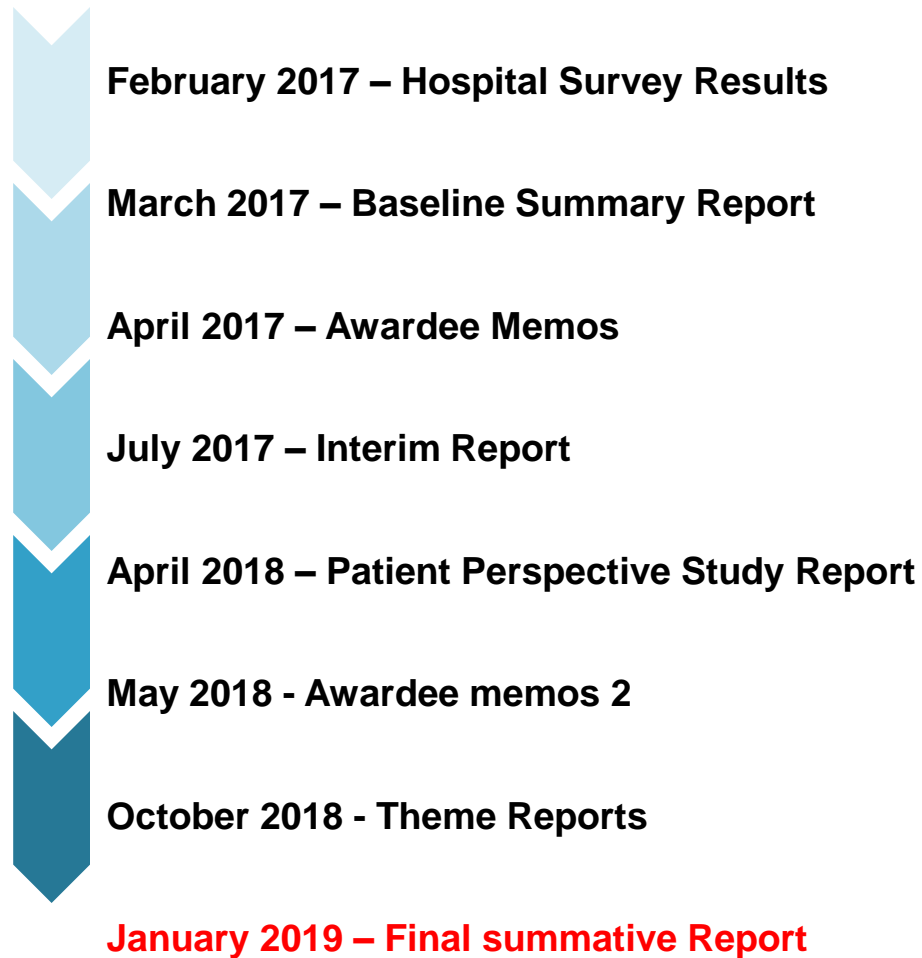HPC

CHART Investment Program: Priorities

CHART investment priorities are structured to support transformation at the system, hospital, and patient care levels

Building a foundation for system transformation

Creating a framework for hospital transformation

Improving care for patients

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CHART Investment Program: Looking from Phase 1 to Phase 2 to Phase 3

2013 — QI, Collaboration, and Leadership Engagement / Measurement and Evaluation / Partnership → **2018**

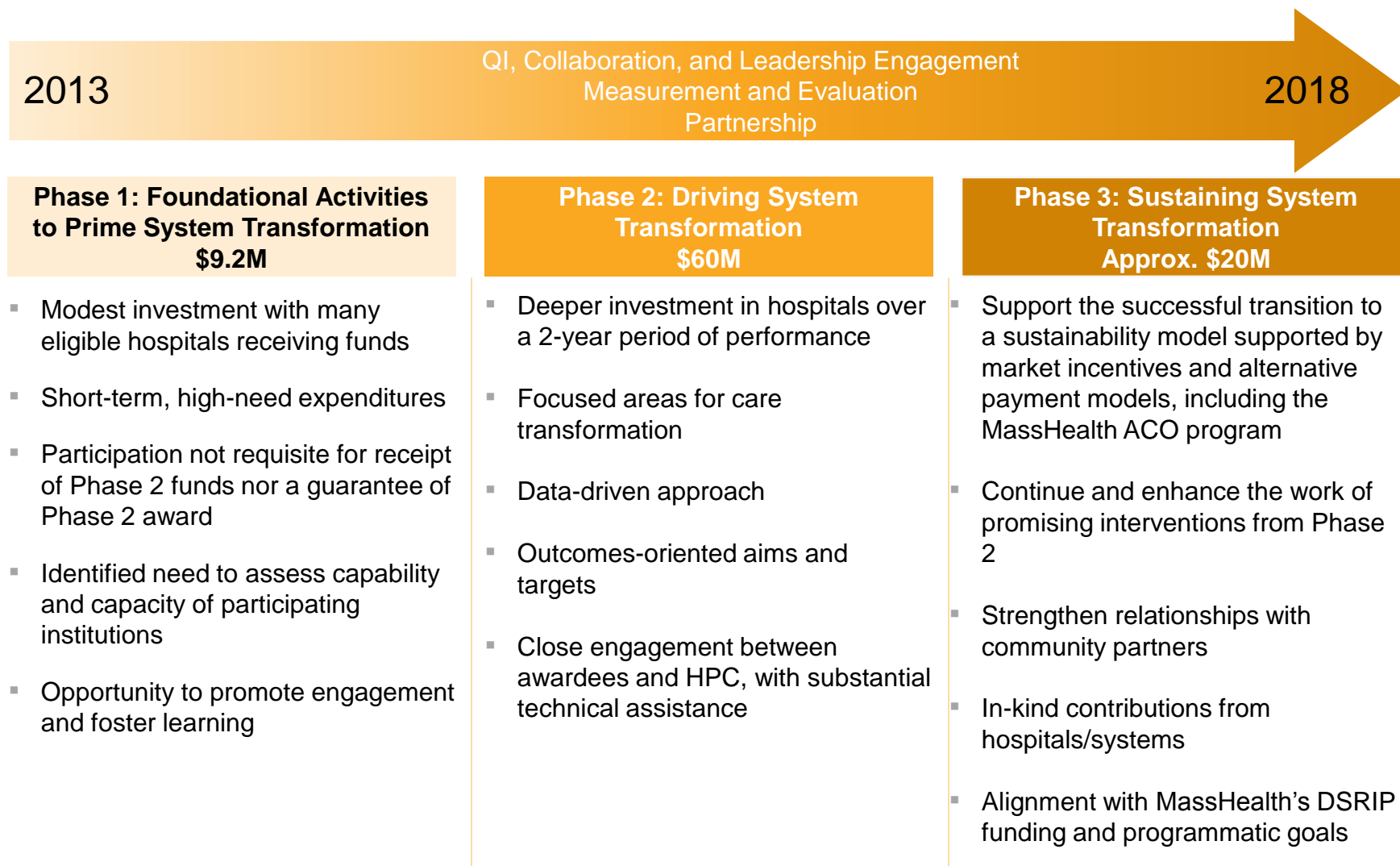| **Phase 1: Foundational Activities to Prime System Transformation $9.2M**	**Phase 2: Driving System Transformation $60M**	**Phase 3: Sustaining System Transformation Approx. $20M**
▪ Modest investment with many eligible hospitals receiving funds ▪ Short-term, high-need expenditures ▪ Participation not requisite for receipt of Phase 2 funds nor a guarantee of Phase 2 award ▪ Identified need to assess capability and capacity of participating institutions ▪ Opportunity to promote engagement and foster learning	▪ Deeper investment in hospitals over a 2-year period of performance ▪ Focused areas for care transformation ▪ Data-driven approach ▪ Outcomes-oriented aims and targets ▪ Close engagement between awardees and HPC, with substantial technical assistance	▪ Support the successful transition to a sustainability model supported by market incentives and alternative payment models, including the MassHealth ACO program ▪ Continue and enhance the work of promising interventions from Phase 2 ▪ Strengthen relationships with community partners ▪ In-kind contributions from hospitals/systems ▪ Alignment with MassHealth's DSRIP funding and programmatic goals

HPC

CHART Investment Program: Stakeholder Input to Date

Input received from current CHART hospitals, other agencies, experts, and community providers

Strong support for goal of sustainability through alternative payment models

Required community partnerships

Importance of alignment with MassHealth ACO program/DSRIP

HPC

CHART Phase 3: Preliminary Proposal for Structure as Discussed at March 25 CHICI Meeting

THEME
Enhancing and ensuring sustainability of community-focused, collaborative approaches to care delivery transformation and the successful adoption of alternative payment models, including the MassHealth ACO program

FUNDING
Proposed total funding of approximately $20M

FOCUS AREAS
Two pathways:
1. Limited bridge funding to continue promising interventions from Phase 2. Awards would be selective and would require hospital financial support, with a continued focus on:
  - Reducing unnecessary hospital utilization (readmissions, ED visits, ED Boarding, etc.)
  - Addressing whole patient needs with multi-disciplinary care teams
  - Identifying and engaging in real time with complex patients
  - Addressing social determinants of health
  - Strengthening community partnerships
2. Funding to support the successful adoption of alternative payment models, including strong alignment with the MassHealth ACO program, through continued capacity-building activities in various areas. For example:
  - Analytics/risk stratification expertise
  - Data exchange
  - Legal support for community partnership contracting
  - Business planning

HPC

CHART Phase 3: Preliminary Proposal for Structure (continued)

COMPETITIVE FACTORS

- Solid sustainability plan
- Required in-kind funds from hospitals/systems to promote sustainability
- Supportive, but not duplicative, of DSRIP goals
- Participation in risk contracts with substantive quality measures and/or partnership with a provider organization seeking HPC ACO certification in 2017
- Performance in Phase 2
- Demonstration of understanding of the drivers of utilization
- Collaborative multi-disciplinary team approach to care delivery
- Strong relationships with community partners

OUTCOMES

- Address at least one or all of the HPC's key target areas for reducing unnecessary utilization and improving quality:
  - Reduce all-cause 30-day hospital readmissions
  - Increase the integration of behavioral health into primary care
  - Reduce the rate of discharge to institutional care following hospitalization
  - Reduce the rate of behavioral health related ED utilization

HPC

CHART Phase 3: Next Steps

HPC to continue developing Phase 3 design, including:

- Comprehensive stakeholder engagement
- Increased specificity of focus areas and targets
- Adapting administrative framework to reflect early lessons learned from Phases 1 and 2
- Review of CHART Phase 2 performance at the one year mark

HPC to continue goal-setting activities, including evaluation framework and performance targets

Present RFR to Board on May 10, 2017, with planned release following Board vote

HPC

CHART Phase 3: Proposed Timeline

	Jan. 2017	Feb. 2017	March 2017	April 2017	May 2017	June 2017	July 2017	Aug. 2017	Sept. 2017	Oct. 2017	Nov. 2017	Dec./ Jan. 2018
Design discussion	Advisory Meeting	Board meeting	CHICI meeting									
Stakeholder engagement												
Procurement and evaluation development												
RFR vote and release					Board meeting and RFR release		Responses due					
Board vote on Awardees									Board meeting			
Majority of Phase 2 Awards end										Phase 2 Ending		
Contracting												
Launch												★

AGENDA

- Presentation: Advisory Council Membership (2017-2018 Term)

- Discussion: Strategic Priorities (2017-2018)

- Presentation: Executive Director's Report

- **Schedule of Next Meeting: July 12, 2017**

Contact Information

For more information about the Health Policy Commission:

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