MASSACHUSETTS
HEALTH POLICY COMMISSION

# Health Policy Commission
# Board Meeting

**July 27, 2016**

MASSACHUSETTS
HEALTH POLICY COMMISSION

## AGENDA

- Approval of Minutes from the June 1, 2016 Meeting
- Cost Trends and Market Performance
- Community Health Care Investment and Consumer Improvement
- Administration and Finance
- Report from the Executive Director
- Schedule of Next Meeting (September 7, 2016)

MASSACHUSETTS
HEALTH POLICY COMMISSION

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MASSACHUSETTS
HEALTH POLICY COMMISSION

**VOTE:** Approving Minutes

**MOTION:** That the Commission hereby approves the minutes of the Commission meeting held on June 1, 2016, as presented.

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HEALTH POLICY COMMISSION

## AGENDA

- Approval of Minutes from the June 1, 2016 Meeting
- **Cost Trends and Market Performance**
  - Update on Notice of Material Change
  - Update on Notice of Material Change Process
  - Discussion of Preliminary Cost and Market Impact Review (VOTE)
- Community Health Care Investment and Consumer Improvement
- Administration and Finance
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HEALTH POLICY COMMISSION

## AGENDA

- Approval of Minutes from the June 1, 2016 Meeting
- Cost Trends and Market Performance
  - **Update on Notice of Material Process**
  - Update on Notice of Material Change FAQ
  - Discussion of Preliminary Cost and Market Impact Review
- Community Health Care Investment and Consumer Improvement
- Quality Improvement and Patient Protection
- Administration and Finance
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# Types of Transactions Noticed

**April 2013 to Present**

| Type of Transaction | Number of Transactions | Frequency |
|---|---|---|
| Clinical affiliation | 16 | 26% |
| Physician group merger, acquisition or network affiliation | 14 | 23% |
| Acute hospital merger, acquisition or network affiliation | 11 | 18% |
| Formation of a contracting entity | 9 | 15% |
| Merger, acquisition or network affiliation of other provider type (e.g., post-acute) | 6 | 10% |
| Change in ownership or merger of corporately affiliated entities | 4 | 7% |
| Affiliation between a provider and a carrier | 1 | 2% |

# Update on Notices of Material Change

## Elected Not to Proceed

- **Clinical affiliation between Atrius Health (Atrius), a 750-physician multi-specialty group, and Winchester Hospital (Winchester), a 189-bed general acute care hospital, under which Winchester would become a preferred hospital for Atrius patients.**
  - Our analysis indicated that referral patterns for Atrius patients were not expected to shift significantly, and thus that there was limited scope for changes to health care spending.
  - We did not find evidence suggesting negative impacts on quality or access to care.
- **Acquisition of three long term care hospitals owned by Kindred Healthcare (Kindred), a national health care services company, by Curahealth Massachusetts (Curahealth).**
  - Our analysis indicated that there is limited scope for cost or market impacts from this transaction.
  - We did not find evidence suggesting negative impacts on quality or access to care.

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# Updates to the Notice of Material Change Process – ACO Activities

## Current Guidance

- Under current MCN guidance, there are three potential triggers under which certain ACO activities *could* require an MCN.
  - Formation of an ACO
  - Contracting Affiliation
  - Clinical Affiliation
- These triggers could potentially encompass various ACO activities, including those related to commercial, Medicaid, and Medicare contracting.
- To clarify those circumstances that require the filing of an MCN, the HPC is issuing updated MCN guidance regarding ACOs.

# Updates to the Notice of Material Change Process – ACO Activities requiring an MCN

At this time, ACO transactions involving **solely** ***Medicare*** or ***Medicaid populations*** will **not** be required to file an MCN. Information about ACO participation in public payer programs will be collected elsewhere (e.g., through HPC ACO Certification, Registration of Provider Organizations Program, and MassHealth).

## Formation of a New ACO

The ***formation*** of an ACO will require an MCN if the ACO plans to engage in ***commercial contracting***. Provider organizations forming the ACO with $25 million or more in NPSR must file.

## Contracting Affiliations

**Addition of New ACO Members:** An existing ACO with NPSR of $25 million or more that is ***adding new member*** provider organizations to join ***commercial contracts*** through the ACO will need to file an MCN if the affiliation would result in an increase in annual NPSR of $10 million or more. If any of the new member provider organizations joining commercial contracts have NPSR of $25 million or more, those provider organizations would also be required to file.

**Initiation of joint commercial contracting:** Existing Medicare or Medicaid ACOs with NPSR of $25 million or more that plan to ***initiate*** joint ***commercial contracting*** would be required to file an MCN as a new contracting affiliation.

## Clinical Affiliations

Medicare and Medicaid ACOs that create ***strategic clinical affiliations*** among their members that ***impact the care of commercially insured patients*** (e.g. designation of a hospital as a preferred tertiary partner for all patients) would need to file an MCN as a clinical affiliation.

HPC

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# Overview of Cost and Market Impact Reviews

The HPC conducts **cost and market impact reviews (CMIRs)** of transactions anticipated to have a significant impact on health care costs or market functioning.

## CMIR INPUTS

- Publicly available data and documents
- Confidential data and documents from parties, payers and other providers
- Support from expert consultants, including actuaries, accountants, economists and care delivery experts
- Feedback from Commissioners

## CMIR OUTPUTS

- Preliminary report
- Feedback from parties and other market participants
- Final report; transaction may close 30 days later
- Potential referral to Massachusetts Attorney General's Office

# Overview of the transactions under review

1. **Contracting Affiliation** between Beth Israel Deaconess Care Organization (BIDCO) and New England Baptist Hospital (NEBH)

2. **Contracting Affiliation** between BIDCO and MetroWest Medical Center (MetroWest)

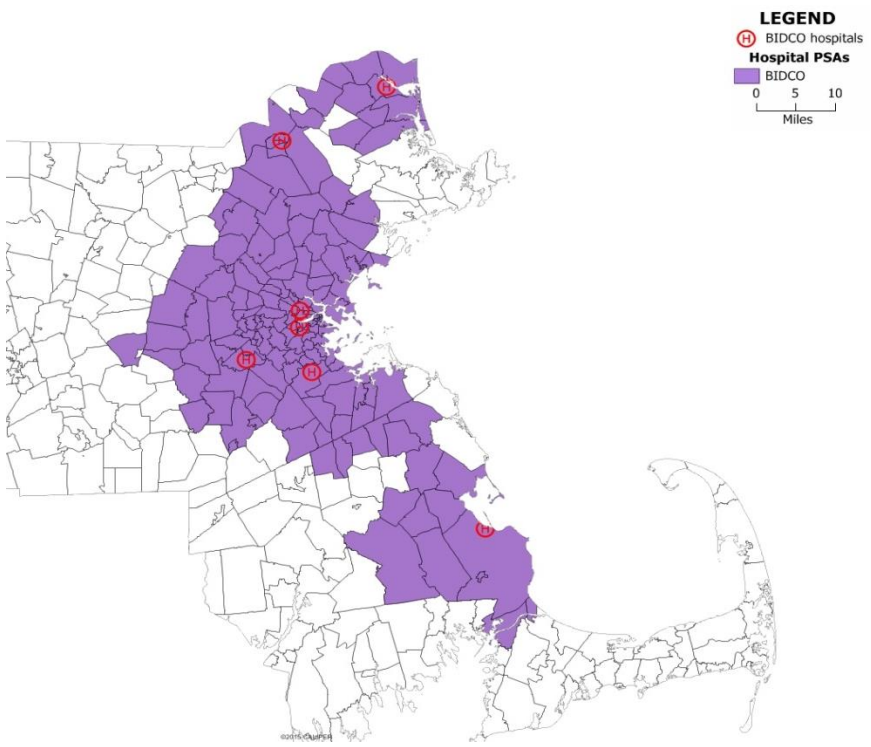
3. **Clinical Affiliation** between Beth Israel Deaconess Medical Center (BIDMC), Harvard Medical Faculty Physicians at BIDMC (HMFP), and MetroWest

# Beth Israel Deaconess Care Organization (BIDCO)

Beth Israel Deaconess
CARE ORGANIZATION

- Membership-based contracting entity and accountable care organization (ACO)
- Contracts on behalf of 7 hospitals (4 owned by BIDMC) and ~2,500 physicians
- One of nine participants nationally in CMS's Pioneer ACO Program
- Operates care integration and patient management programs

**Inpatient Primary Service Areas**



# Beth Israel Deaconess Medical Center (BIDMC) and Harvard Medical Faculty Physicians at BIDMC (HMFP)

Beth Israel Deaconess Medical Center

- 703-bed non-profit academic medical center and co-chair of the BIDCO board
- Owns three community hospitals totaling 261 beds: BID-Milton, BID-Needham, and BID-Plymouth, and two physician practices totaling ~417 physicians
- Preferred tertiary/quaternary referral partner for BIDCO hospitals, Atrius and others
- Strong financial performance

Harvard Medical Faculty Physicians at Beth Israel Deaconess Medical Center, Inc.

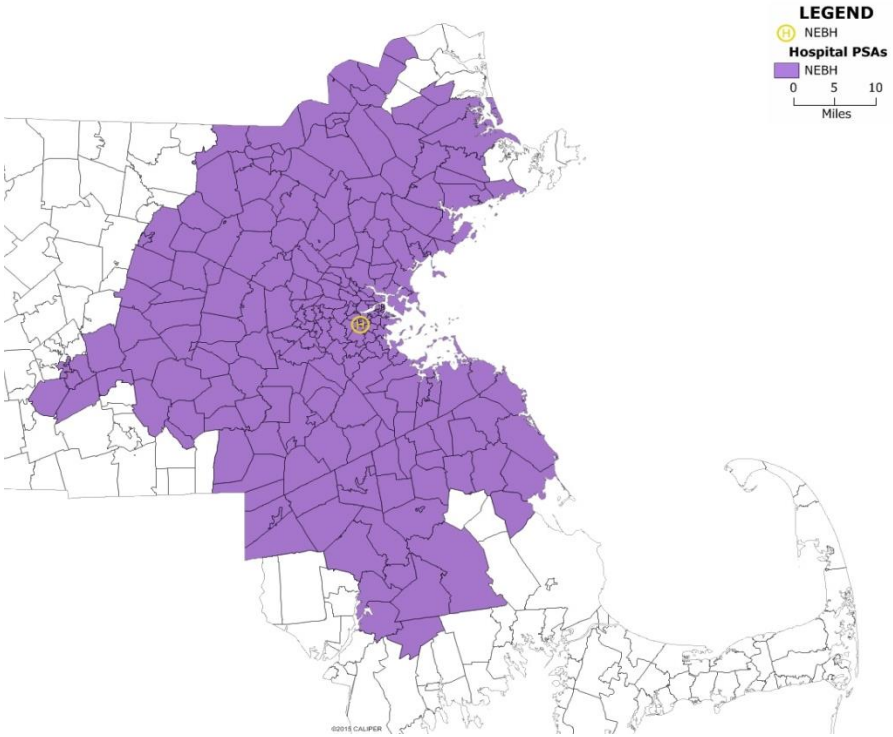
- Large physician group that employs physicians at BIDMC and its affiliates and co-chairs the BIDCO board
- ~700 specialists and ~100 PCPs
- Exclusive affiliation agreement with BIDMC for patient care, research, and teaching
- Comprises the majority of medical staff at BIDMC, and provides some specialty services to BIDMC clinical affiliates

# New England Baptist Hospital (NEBH)

NEW ENGLAND BAPTIST® HOSPITAL

- Only specialty orthopedic hospital in Massachusetts
- Non-profit, 95-bed orthopedic hospital in Boston
- Licensed outpatient orthopedic facilities in Brookline, Chestnut Hill, and Dedham
- Relatively strong financial position
- ~106 physicians (14 PCPs) in NEBH's owned physician group, New England Baptist Clinical Integration Organization (NEBCIO)

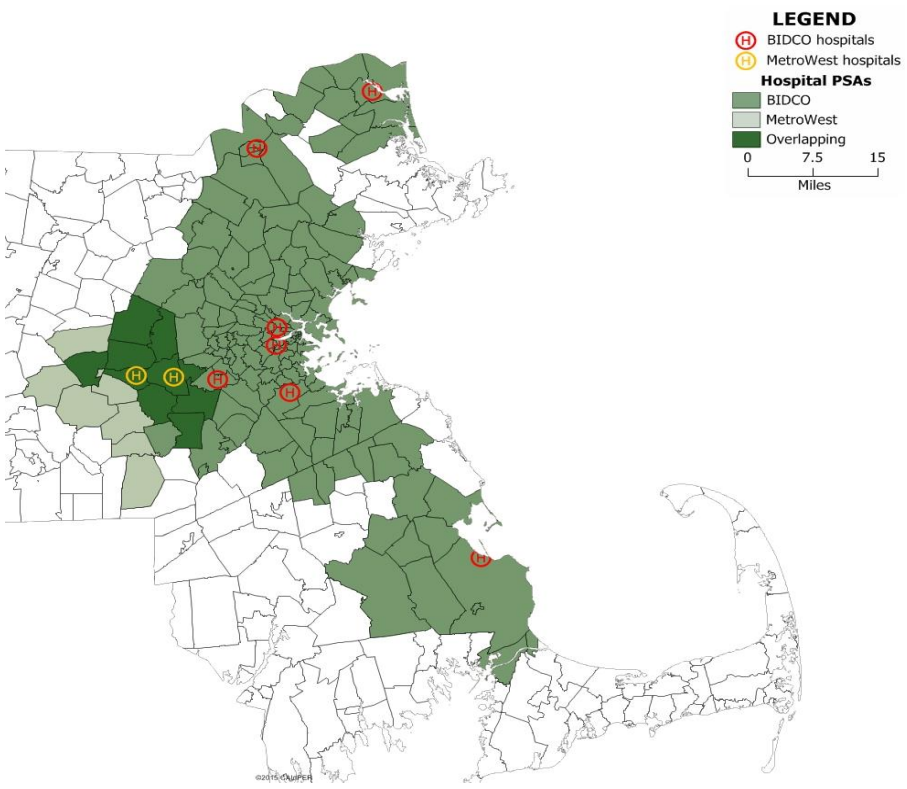
**Inpatient Primary Service Area - Orthopedics & Musculoskeletal Services**




HPC

# MetroWest Medical Center

**Inpatient Primary Service Areas (MetroWest + BIDCO)**




METROWEST MEDICAL CENTER
Framingham Union Hospital • Leonard Morse Hospital

- 284 staffed beds on two campuses: Framingham Union Hospital (Framingham) and Leonard Morse Hospital (Natick)
- Subsidiary of Tenet Healthcare Corporation
- Clinical affiliation with Tufts Medical Center
- Owns MetroWest Physicians Services (MWPS) with 29 physicians, part of MetroWest Accountable Healthcare Organization (MWAHO), a 238-physician practice that contracts through NEQCA
- Relatively weak financial performance from 2012 through 2014; improving in 2015

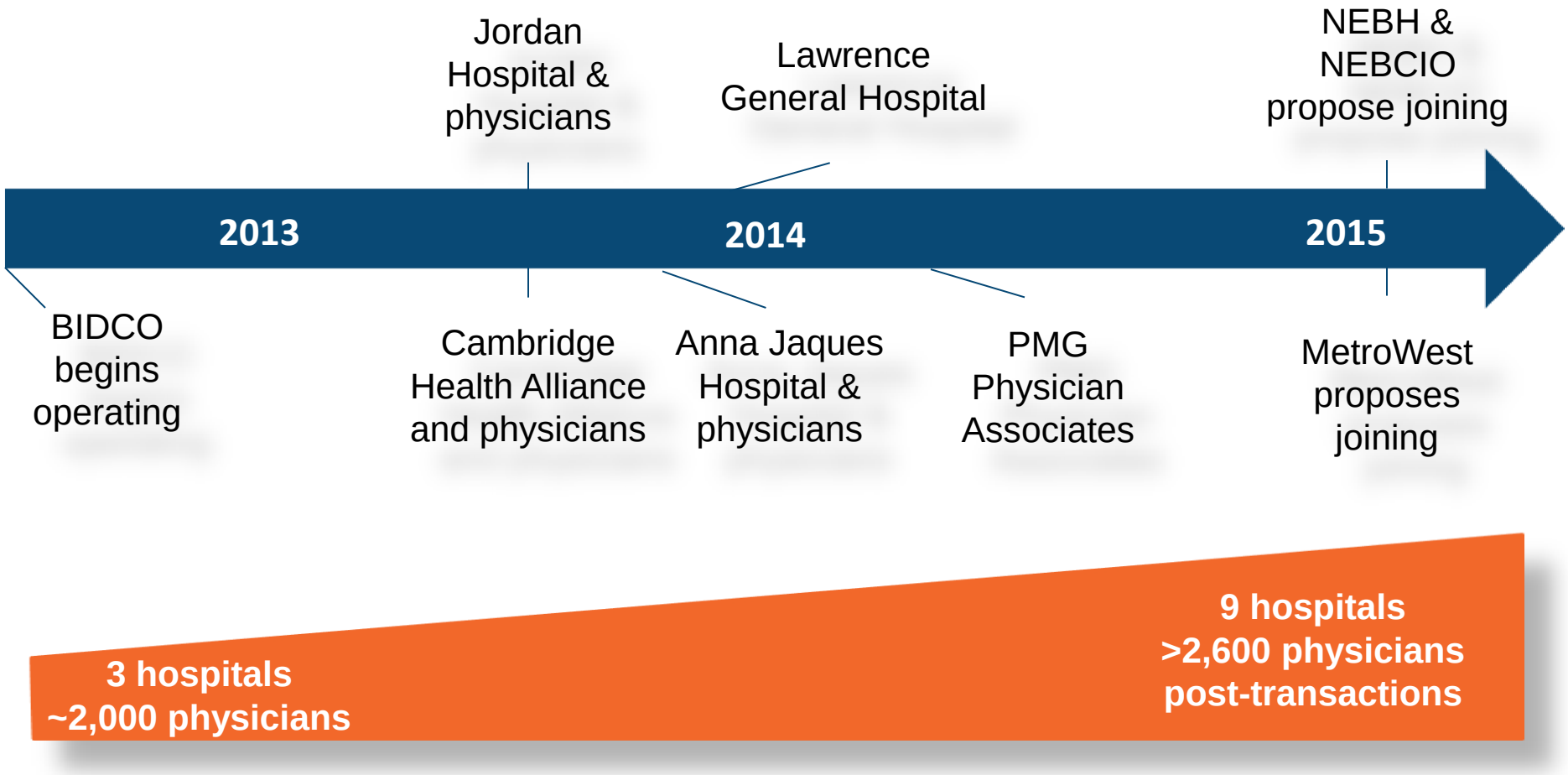
# Review structure

**Costs and Market Functioning** → **Care Delivery and Quality** → **Access**

Evaluated the **Baseline Performance** and current trends for each of the parties across these areas

Then, evaluated the **Impact of the Transactions** across these areas

# BIDCO Has Had Significant Growth Since 2013



# BIDCO is now the second largest hospital contracting network in the state

## Commercial inpatient market share statewide

2010, 2013, and 2015 CHIA hospital discharge data

| Hospital System | Statewide Share of All Discharges (2010) | Statewide Share of All Discharges (2013) | Statewide Share of All Discharges (2015) |
|---|---|---|---|
| Partners | 27.8% | 29.8% | 28.6% |
| **BIDCO** | **6.8%** | **7.4%** | **10.5%** |
| Lahey | 2.3% | 4.7% | 7.6% |
| UMass | 7.0% | 6.7% | 6.8% |
| Steward | 5.3% | 6.6% | 6.1% |
| All Other Combined | 50.8% | 44.8% | 40.5% |

# BIDCO is also one of the largest physician networks in the state

## Commercial adult primary care market share statewide

Current affiliations and 2013 APCD data

| System | Statewide Share of Primary Care Visits |
|---|---|
| Partners | 17.3% |
| Atrius | 14.8% |
| Steward | 12.1% |
| **BIDCO** | **10.4%** |
| NEQCA | 8.7% |
| All Other Combined | 36.7% |

# NEBH has a very high share of orthopedic and musculoskeletal services

## Commercial inpatient orthopedic and musculoskeletal market share in NEBH's PSA

2010 and 2015 CHIA hospital discharge data

| Hospital System | Share of Ortho/ MSK Discharges (2010) | Share of Ortho/ MSK Discharges (2015) |
|---|---|---|
| Partners | 32.5% | 30.5% |
| **NEBH** | **25.6%** | **27.9%** |
| Lahey | 3.7% | 9.5% |
| **BIDCO** | **5.4%** | **7.3%** |
| Wellforce | 1.8% (Tufts); 1.9% (Lowell) | 6.2% |
| All Other Combined | 29.1% | 17.4% |

# NEBH has a very high share of orthopedic and musculoskeletal services

## Commercial outpatient orthopedic surgery market share in NEBH's PSA

2013 CHIA APCD claims data

| Hospital System | Share of OP Ortho Surgery Visits (2013) |
|---|---|
| Partners | 34.7% |
| **NEBH** | **12.1%** |
| **BIDCO** | **11.5%** |
| Lahey | 8.1% |
| South Shore Hospital | 5.4% |
| All Other Combined | 28.2% |

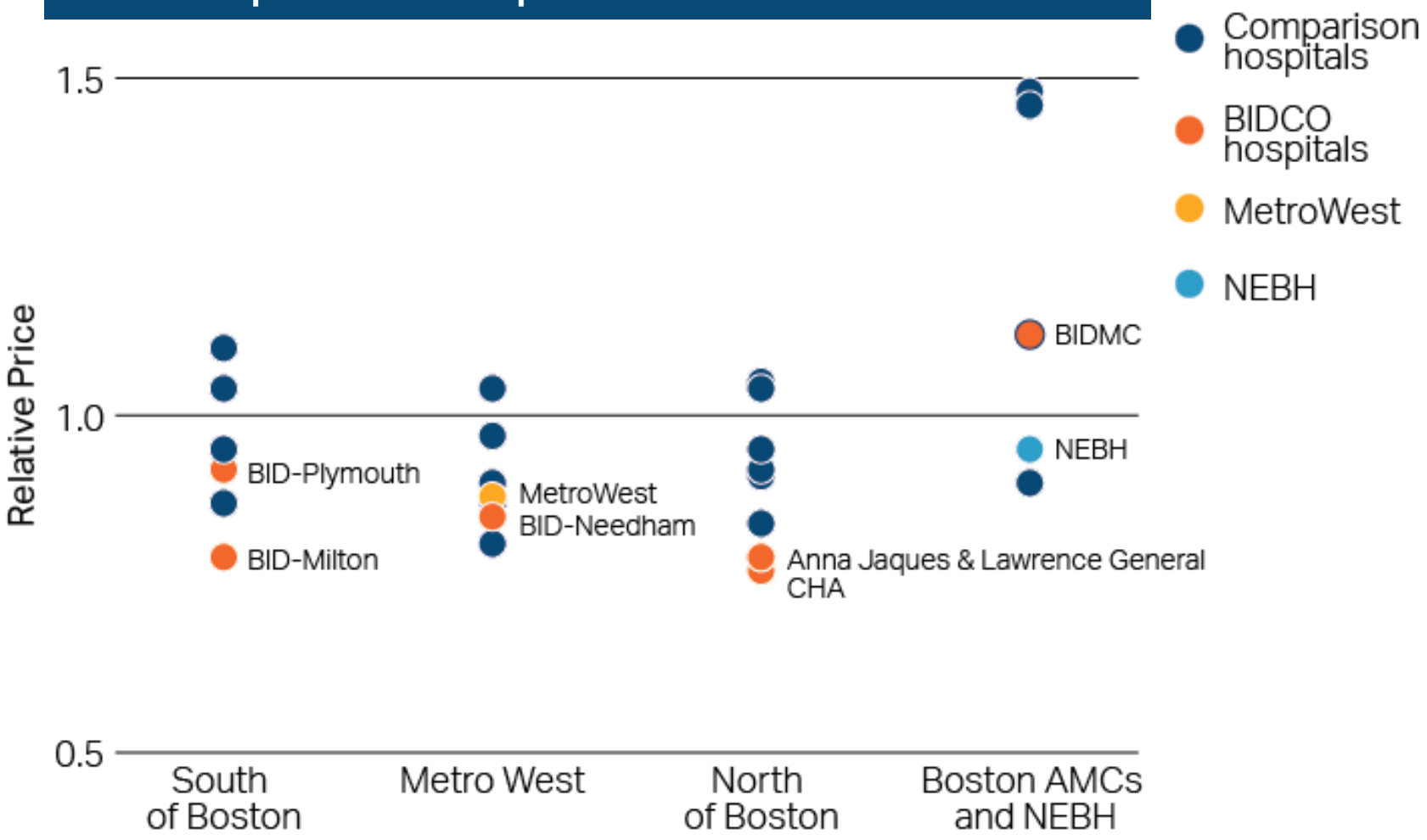
# MetroWest continues to be an important local provider, but its commercial market share has dropped significantly

**Commercial inpatient market share in MetroWest's PSA**
2010 and 2015 CHIA hospital discharge data

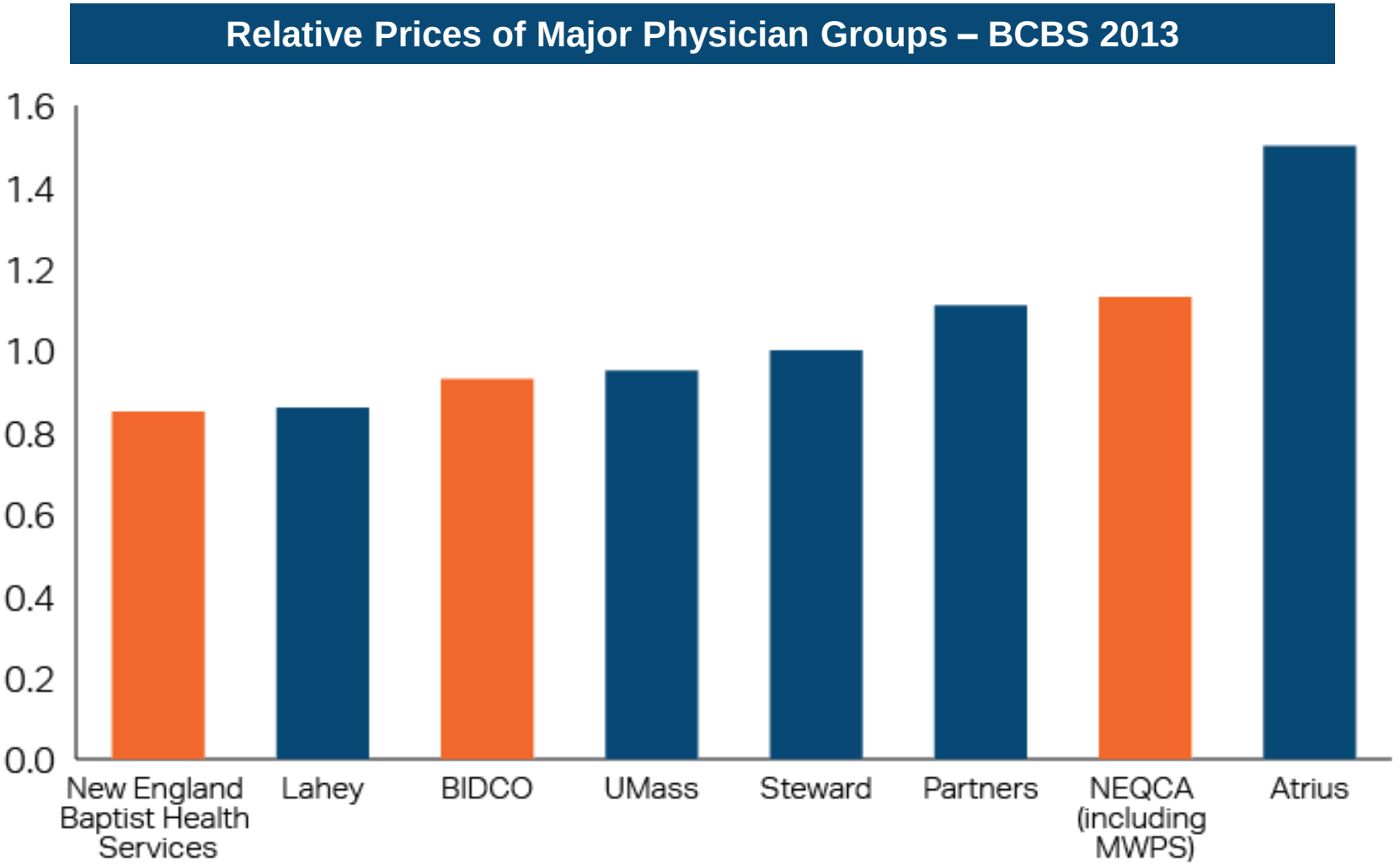
| Hospital System | Share of Discharges (2010) | Share of Discharges (2015) |
|---|---|---|
| Partners | 37.6% | 41.6% |
| *- Newton-Wellesley* | *18.0%* | *21.5%* |
| *- MGH and BWH* | *16.6%* | *17.4%* |
| *- Other Partners* | *3.1%* | *2.7%* |
| **Tenet** | **23.6%** | **15.3%** |
| *- MetroWest* | *22.9%* | *14.1%* |
| *- St. Vincent* | *0.7%* | *1.2%* |
| UMass | 9.6% | 11.8% |
| **BIDCO** | **8.7%** | **8.1%** |
| All Other Combined | 20.5% | 23.2% |

# BIDCO Hospitals, Metrowest, and NEBH had Low to Mid-Range Prices

## Blended Inpatient and Outpatient Relative Prices - BCBS 2014

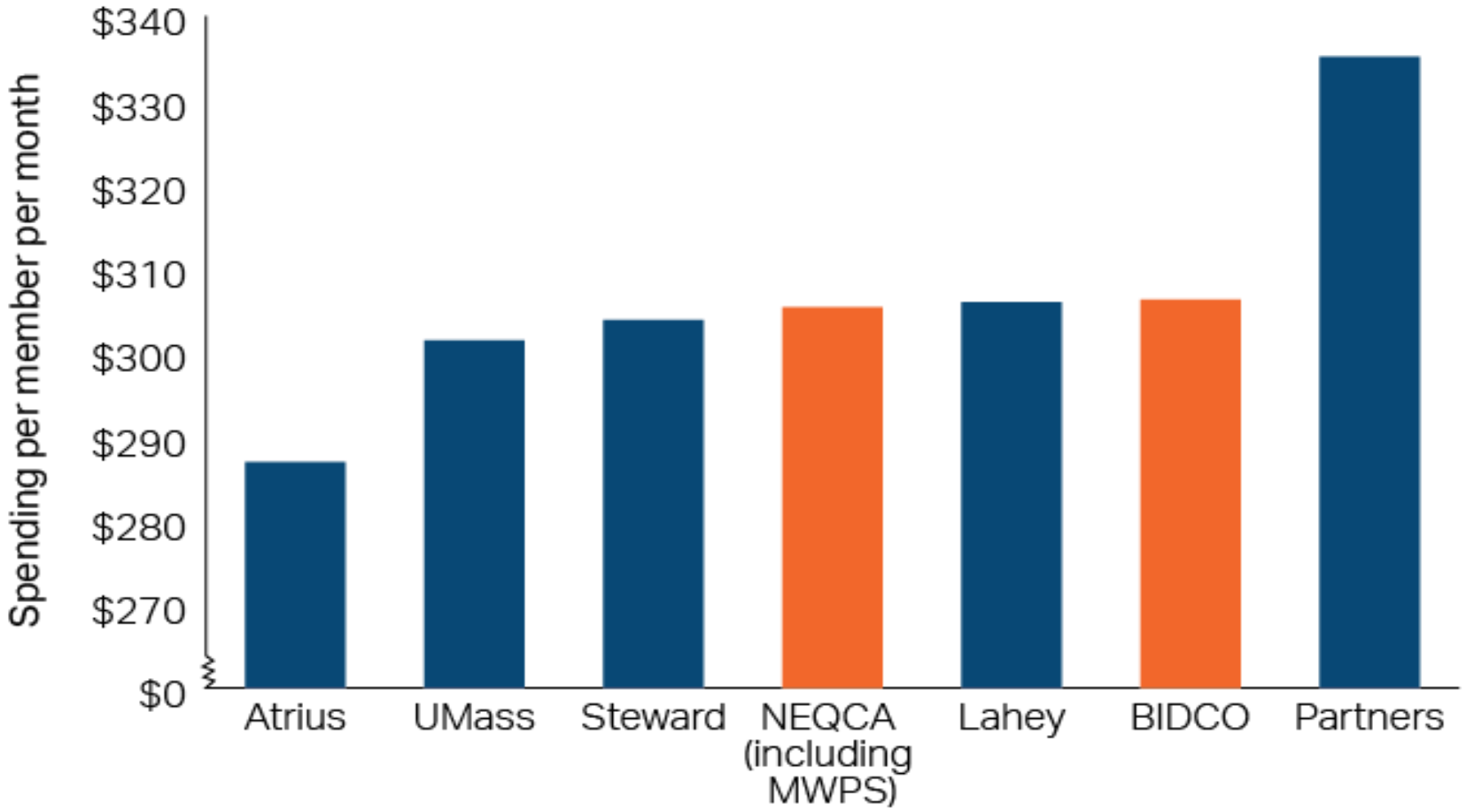


# BIDCO physician prices were low to mid-range; higher than NEBCIO and generally lower than MetroWest



# BIDCO's health status adjusted TME was also low to mid-range

## Health Status Adjusted TME of Major Physician Groups – HPHC 2014



# Principal findings: Cost and market baseline

- BIDCO has significant market share, and has grown rapidly in recent years. It is now the second largest hospital network in the state.
- NEBH has very large market share for orthopedic and musculoskeletal services.
- While MetroWest continues to be an important local provider, it has lost significant commercial market share in recent years.
- In the most recent available data, BIDCO, MetroWest, and NEBH/NEBCIO had low to mid-range hospital and physician prices and comparatively efficient medical spending.

# All of the parties have sought to develop structures to support care delivery improvement initiatives, although their approaches vary

**BIDCO's** structure particularly focuses on supporting risk contract performance

Beth Israel Deaconess CARE ORGANIZATION

**BIDMC** and **HMFP** have developed key structures to support clinical affiliates

Beth Israel Deaconess Medical Center

**NEBH's** care delivery structures focus on optimizing patient care processes

NEW ENGLAND BAPTIST HOSPITAL

**MetroWest** has structures to support targeted improvement programs

METROWEST MEDICAL CENTER
Framingham Union Hospital • Leonard Morse Hospital

# The HPC evaluated the parties' performance on a broad set of nationally endorsed quality measures

- **Hospital and physician clinical processes**

  (e.g., CMS Hospital Compare and HEDIS measures)

- **Hospital clinical outcomes**

  (e.g., CMS Hospital Compare, AHRQ, and Leapfrog measures)

- **Hospital and physician patient experience**

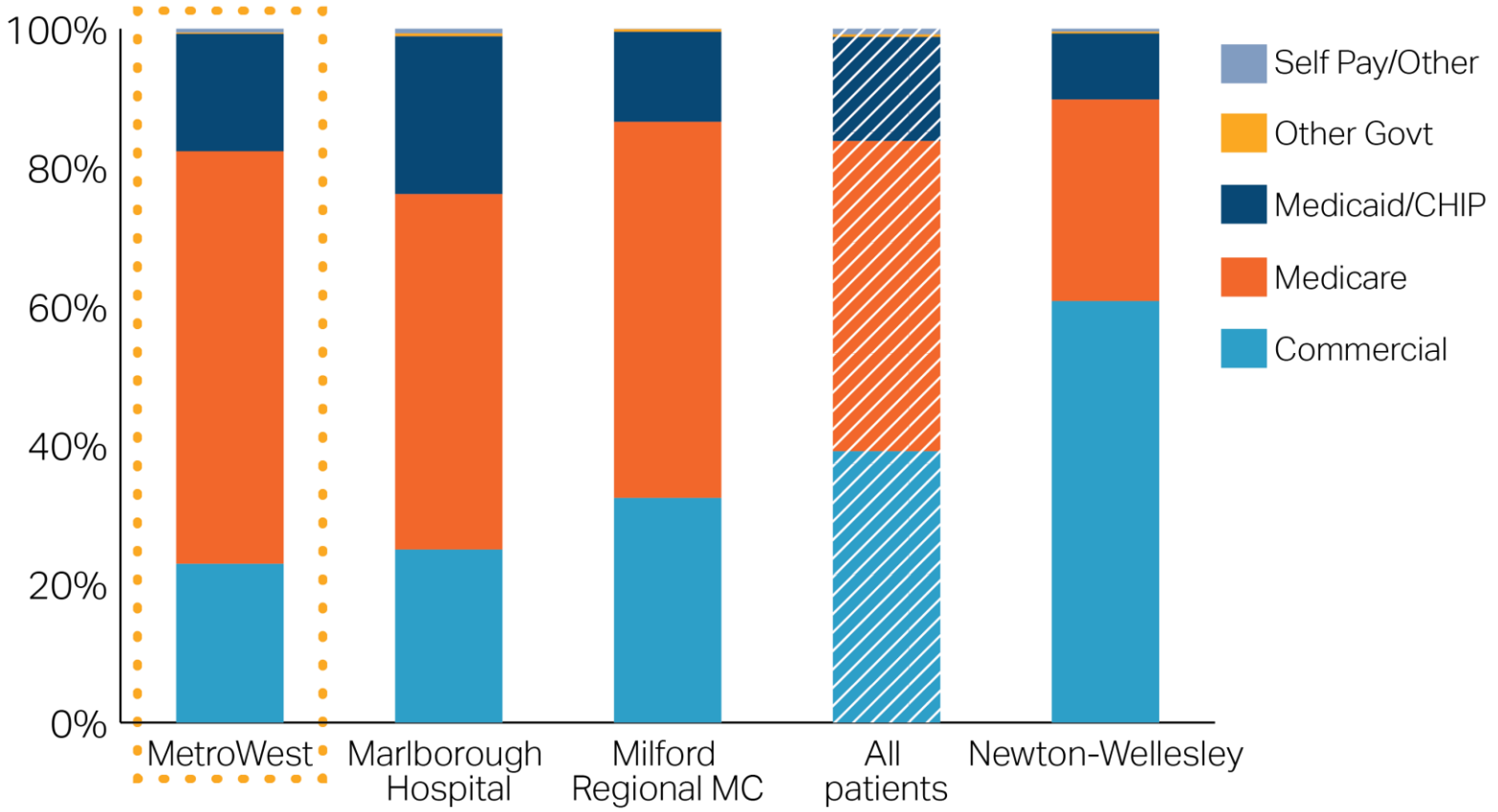
  (e.g., CMS HCAHPS and CG-CAHPS)

# Principal findings: Care delivery and quality baseline

- All of the parties have sought to develop structures to support care delivery improvement initiatives, although their approaches vary
- On most standard quality measures, both BIDCO hospitals and physician groups tend to be at or above the state's average performance, and BIDMC performance was comparable to its AMC peers, but individual performance varies
- Clinical affiliation with BIDMC has been correlated with improved performance by hospital affiliates on patient experience and process measures
- NEBH performs exceptionally well on measures most relevant to its core orthopedic and musculoskeletal services
- MetroWest generally performs close to the state average, with some strengths and weaknesses relative to BIDCO hospitals and local comparators

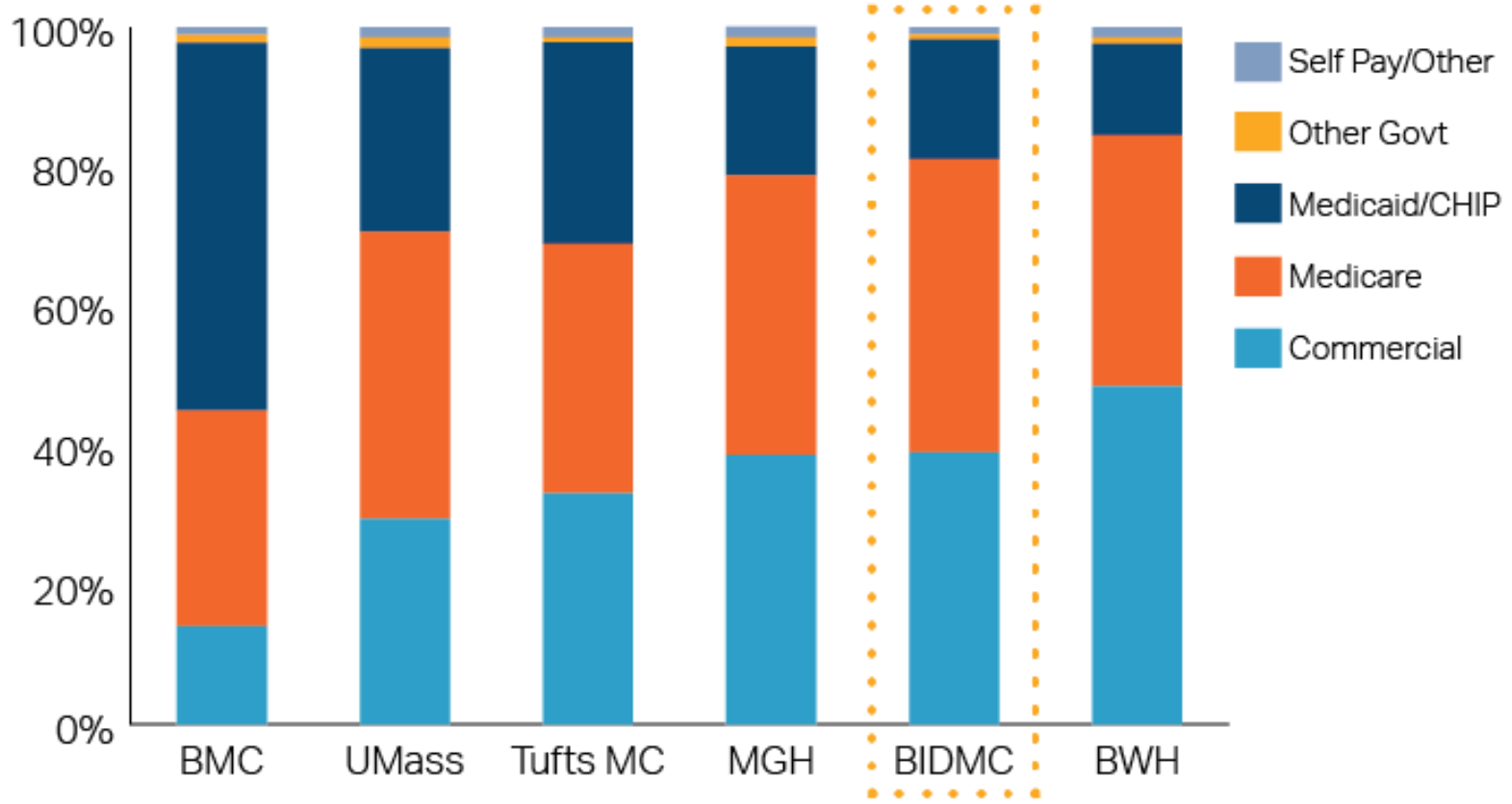
# MetroWest has high government payer mix and high Medicaid mix

## Payer Mix for Residents of MetroWest's Service Area- 2015 Discharges



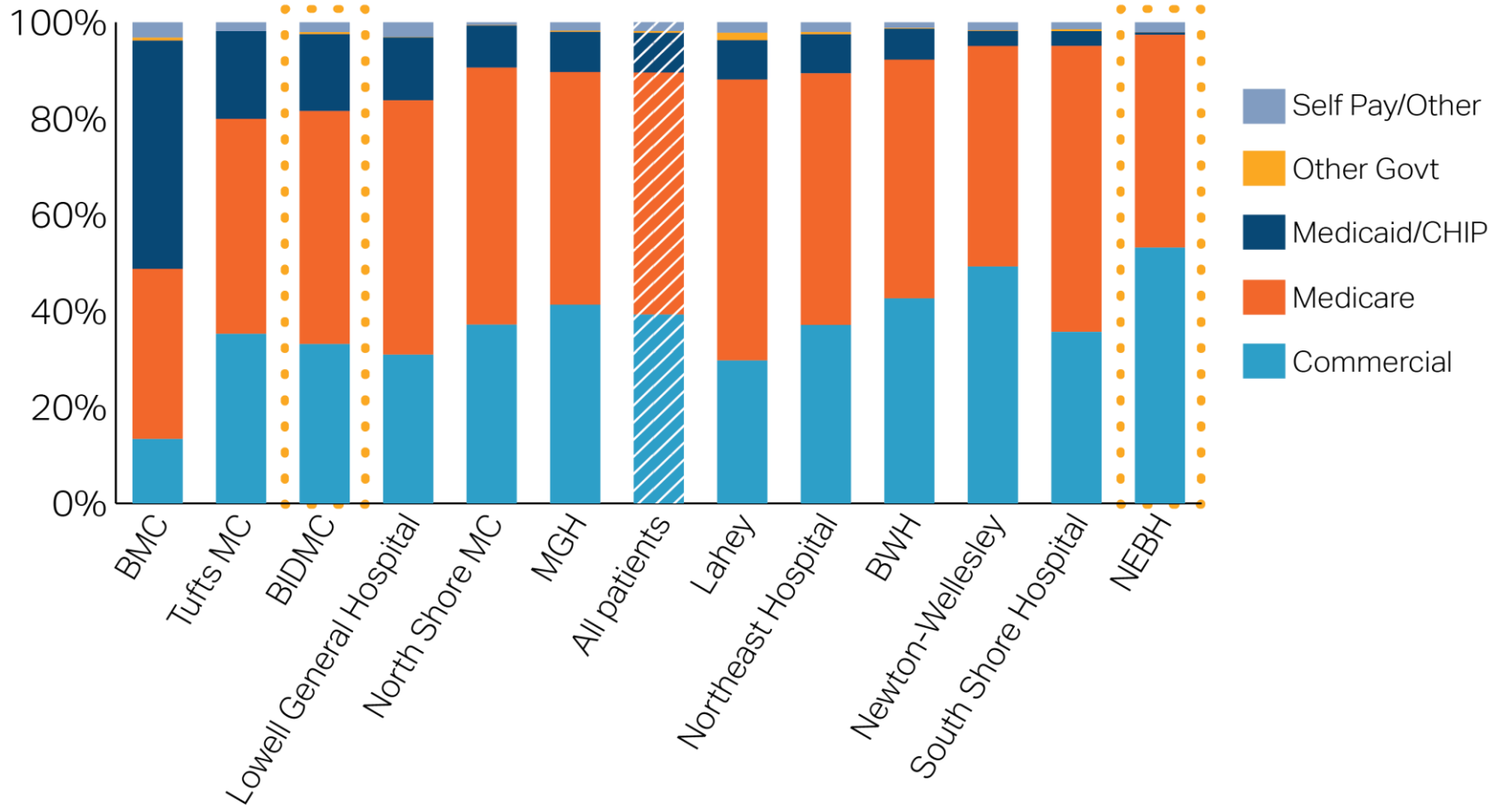
# BIDMC serves a relatively low proportion of government payer patients

## Payer Mix at AMCs - All 2015 Discharges



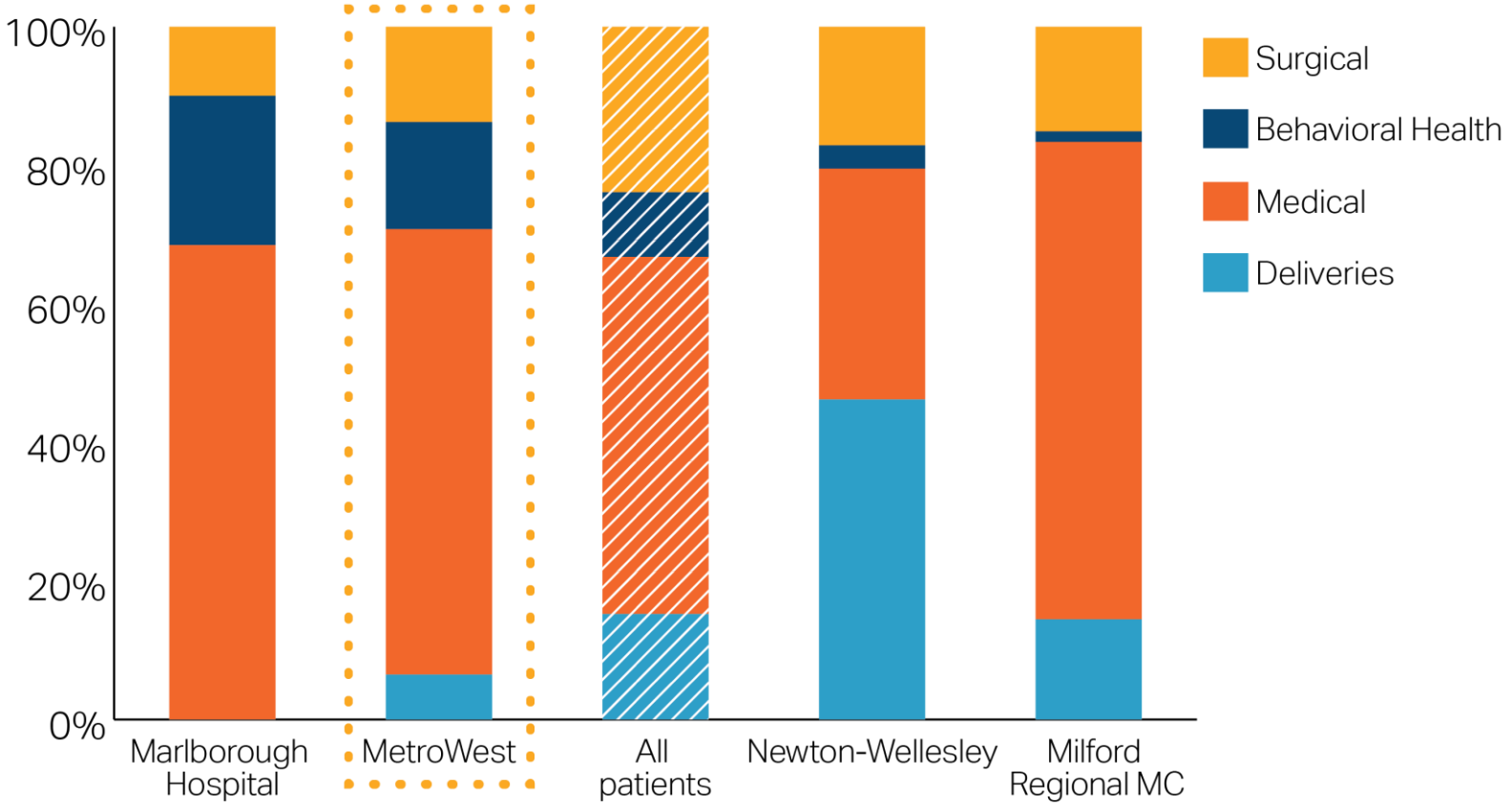
# NEBH also serves a low proportion of government payer patients. NEBH serves very few Medicaid patients in the most recent available data

## Payer Mix for Inpatient Orthopedic and Musculoskeletal Services – 2015 Discharges for NEBH PSA Residents



# MetroWest and some BIDCO community hospitals provide substantial proportions of behavioral health services to their communities

## Inpatient Service Mix for Residents of MetroWest's PSA - 2015



# Principal findings: Access baseline

- The BIDCO community hospitals and MetroWest are important safety net providers for their communities, providing greater shares of services to Medicaid and Medicare patients than many other local community hospitals.
- In contrast, both BIDMC and NEBH serve low proportions of government payer patients, with NEBH providing a very low share of orthopedic and musculoskeletal services to Medicaid patients.
- MetroWest and some of the BIDCO hospitals (e.g., Cambridge Health Alliance and Anna Jaques Hospital) are also significant providers of behavioral health services to their communities.

# Cost impact: Questions examined

- Will market leverage change?
- Will prices change?
- Will care shift to higher or lower priced providers?
- Will utilization change?

# BIDCO would solidify its position as the state's second largest hospital network

## Commercial inpatient market share statewide

2010, 2013, and 2015 CHIA hospital discharge data

| Hospital System | Statewide Share of All Discharges (2010) | Statewide Share of All Discharges (2013) | Statewide Share of All Discharges (2015) | Share of Discharges post-Transactions |
|---|---|---|---|---|
| Partners | 27.8% | 29.8% | 28.6% | 28.6% |
| **BIDCO** | **6.8%** | **7.4%** | **10.5%** | **13.4%** |
| Lahey | 2.3% | 4.7% | 7.6% | 7.6% |
| UMass | 7.0% | 6.7% | 6.8% | 6.8% |
| Steward | 5.3% | 6.6% | 6.1% | 6.1% |
| All Other Combined | 50.8% | 44.8% | 40.5% | 37.6% |

# The parties would become the largest providers of inpatient orthopedic and musculoskeletal services in the state and in many local areas

**Commercial Market Shares for Inpatient Orthopedic and Musculoskeletal Services in NEBH's PSA Post-Affiliation**
2015 CHIA hospital discharge data

| Hospital System | Share of commercial orthopedic/musculoskeletal discharges |
|---|---|
| **BIDCO + NEBH** | **35.3% (7.3% + 27.9%)** |
| Partners | 30.5% |
| Lahey | 9.5% |
| Wellforce | 6.2% |
| Steward | 5.8% |
| All Other Combined | 12.7% |

# The addition of MetroWest would expand the BIDCO network into new areas west of Boston

**Post-Affiliation Commercial Shares for Inpatient Services in MetroWest's PSA**
2015 CHIA hospital discharge data

| Hospital System | Share of commercial discharges after BIDCO-MetroWest affiliation |
|---|---|
| Partners | 41.6% |
| **BIDCO + MetroWest** | **22.2% (8.1% + 14.1%)** |
| UMass | 11.8% |
| Milford Regional Med. Ctr. | 5.9% |
| Boston Children's Hospital | 4.2% |
| All Other Combined | 14.2% |

# NEBH joining BIDCO would significantly increase market concentration for orthopedic and musculoskeletal services

**Inpatient HHIs for orthopedic and musculoskeletal services**
2015 CHIA hospital discharge data

| Hospital PSA | Pre-Affiliation HHI | Post-Affiliation HHI | HHI change |
|---|---|---|---|
| **MetroWest** | 2,655 | 2,936 | **+281** |
| **NEBH** | 1,948 | 2,357 | **+409** |
| **BIDMC** | 2,314 | 2,803 | **+489** |
| **BID-Plymouth** | 1,927 | 3,459 | **+1,532** |
| **BID-Milton** | 2,357 | 3,611 | **+1,255** |
| **BID-Needham** | 3,365 | 3,981 | **+615** |
| **CHA** | 2,554 | 2,987 | **+433** |
| **Anna Jaques** | 1,985 | 2,876 | **+891** |
| **Lawrence General** | 1,771 | 2,307 | **+537** |

# MetroWest joining BIDCO would also increase market concentration, particularly if NEBH also joins BIDCO

**Inpatient HHI calculations for all services: MetroWest and BID-Needham PSAs**
2015 CHIA hospital discharge data

| | BIDCO - MetroWest transaction | | | Combined impact of both BIDCO transactions | | |
|---|---|---|---|---|---|---|
| **Hospital PSA** | **Pre-Affiliation HHI** | **Post-Affiliation HHI** | **∆ HHI** | **Pre-Affiliation HHI** | **Post-Affiliation HHI** | **∆ HHI** |
| **MetroWest** | 2,256 | 2,486 | **+229** | 2,256 | 2,592 | **+335** |
| **BID-Needham** | 3,370 | 3,454 | **+84** | 3,370 | 3,584 | **+214** |

# Changes in NEBCIO physician rates are likely to result in a small to moderate increase in health care spending

**Impact on total medical spending of NEBCIO and MWPS physicians moving to BIDCO rates**
HPC analysis of CHIA relative price data for three largest commercial payers

| | Average Annual $ Change in Revenue | Approximate % Impact to Regional TME |
|---|---|---|
| **NEBCIO physicians** (beginning 2017) | Up to $4.5 million dollar increase | Up to 0.04% increase |
| **MWPS physicians** (beginning 2018) | No substantial impact | No substantial impact |

# The parties could reduce spending through changes in referrals and utilization, but the likelihood and extent of savings is unclear

## NEBH transaction

- BIDCO could reduce spending by directing more orthopedic care to NEBH rather than higher-priced/less-efficient providers. However, BIDCO already has strong incentives to refer risk patients to efficient providers.
- Spending could decrease if BIDCO hospitals adopt NEBH's efficient utilization practices. The parties are planning this effort, but have not yet developed a timeline or identified resource commitments that would allow us to assess the likelihood or scope of savings.

## MetroWest transactions

- If MetroWest attracts more commercial patients away from higher-priced providers, it would result in lower health care spending. However, based on analyses of trends for other BIDCO-affiliated community hospitals to date, it is not clear that such a shift would occur.

# Principal findings: Cost and market impact

- The proposed transactions would increase market concentration and solidify BIDCO's position as the second largest hospital network in the Commonwealth. This could strengthen BIDCO's ability to negotiate higher prices or other favorable contract terms.
- As NEBCIO physicians join BIDCO contracts, there would be a small to moderate increase in total health care spending of up to $4.5 million annually.
- If BIDCO retains its low to mid-range prices and redirects volume away from higher-priced systems, the transactions may reduce health care spending. However, BIDCO has had limited success to-date redirecting commercial patients away from higher-priced systems.

# Principal findings: Care delivery and quality impact for NEBH transaction

- Differences in performance between the parties on metrics related to orthopedic and musculoskeletal care quality, combined with the existing care delivery infrastructure of BIDCO, suggest potential for NEBH to help BIDCO hospitals improve performance on key quality measures

- However, the parties have not yet developed specific plans, timelines, or resource commitments to transmit best practices to non-owned BIDCO hospitals

# Principal findings: Care delivery and quality impact for MetroWest transactions

- The transactions are unlikely to significantly impact MetroWest's overall quality.
- However, clinical affiliation with BIDMC may improve performance in targeted areas (e.g. patient experience)
- Several specific elements of the BIDMC-HMFP-MetroWest clinical affiliation suggest the potential for some quality and care delivery improvement, including:
  - Enhanced electronic information sharing between BIDMC and MetroWest
  - Placement of BIDMC/HMFP staff at MetroWest in specific specialty service lines, particularly surgery and obstetrics
  - Capital investment by MetroWest to enhance its physical plant and equipment

# Principal findings: Access impact

- NEBH has stated it is committed to increasing access to its services for Medicaid patients. However, It is unclear how the affiliation with BIDCO would specifically help to increase access.

- The MetroWest transactions may increase access to certain services:
  - Evidence suggests that expansion of services targeted in BIDMC clinical affiliation will help to fill identified community needs.
  - The proposed transactions could represent an opportunity for collaboration among BIDCO hospitals serving significant behavioral health populations if the parties make such collaboration a priority

# Next steps

- Per M.G.L. c. 6D, § 13, the HPC issues a preliminary report
- The parties will have the opportunity to respond, and the Commission will issue a final report thereafter
- The parties may not close the transactions until at least 30 days following the issuance of the final report

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HEALTH POLICY COMMISSION

# Vote: Issuance of a Preliminary CMIR Report

**Motion**: That, pursuant to section 13 of chapter 6D of the Massachusetts General Laws, the Commission hereby authorizes the issuance of the attached preliminary report on the cost and market impact reviews of the proposed contracting affiliation between Beth Israel Deaconess Physician Organization, LLC d/b/a Beth Israel Deaconess Care Organization, New England Baptist Hospital, and New England Baptist Clinical Integration Organization, LLC, the proposed contracting affiliation between Beth Israel Deaconess Physician Organization, LLC d/b/a Beth Israel Deaconess Care Organization and MetroWest Medical Center, and the proposed clinical affiliation between Beth Israel Deaconess Medical Center, Harvard Medical Faculty Physicians and MetroWest Medical Center.

MASSACHUSETTS
HEALTH POLICY COMMISSION

## AGENDA

- Approval of Minutes from the June 1, 2016 Meeting
- Cost Trends and Market Performance
- **Community Health Care Investment and Consumer Improvement**
  - Recommendations for the HPC's Innovation Investment Awards (VOTE)
- Quality Improvement and Patient Protection
- Administration and Finance
- Report from the Executive Director
- Schedule of Next Meeting (September 7, 2016)

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HEALTH POLICY COMMISSION

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# HPC's Health Care Innovation Investment Program

The Health Care Innovation Investment Program aims to invest in innovative projects that further the HPC's goal of **better health and better care at a lower cost** across the Commonwealth.

Through a highly competitive process, the HPC sought the most compelling models to deliver on this goal. The HPC received **83** applications across three funding pathways.

The recommended first phase of investment, totaling **$11.3 million**, will support **20** initiatives that collectively represent more than over **140** organizations from the Berkshires to the Cape. Among the selected proposals, there is a particular focus on treating patient populations with the highest health care needs.

# Three Pathways of the Health Care Innovation Investment Program

## 1 Targeted Cost Challenge Investments

- **Goal:** To reduce health care cost growth while or improving quality and access$7 million total funding available
- Up to $750,000 per award

## 2 Telemedicine Pilots

- **Goal:** To increase access to behavioral health care using telemedicine for children and adolescents, older adults aging in place, and individuals with substance use disorders residing in the Commonwealth.
- $2 million total funding available
- Up to $500,000 per award

## 3 Mother and Infant-Focused Neonatal Abstinence Syndrome (NAS) Interventions

- **Goal:** To develop and/or enhance programs designed to improve care for infants with Neonatal Abstinence Syndrome (NAS) and for women in treatment for opioid use disorder during and after pregnancy.

Two subcategories for funding

- Category A: 15 mo. program
  - $1 million funding available
  - $250,000 per award
- Category B: 27 mo. program
  - $2 million funding available
  - $1 million per award

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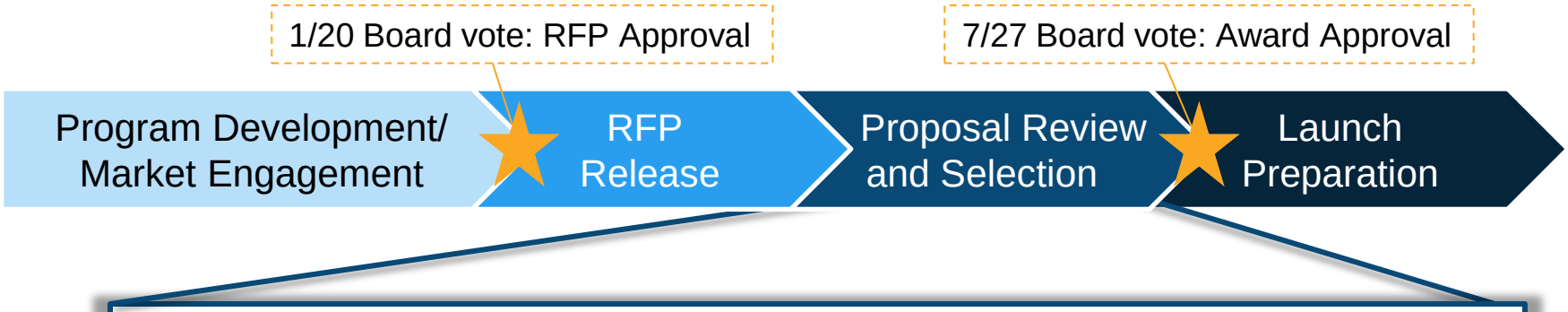
# Process Overview




## Multi-Step Review Process

- Technical review
- Substantive review and evaluation against selection criteria in RFP
- In-person review committee deliberation
- Budget and financial need review
- Finalist interviews as needed

## Reviewers Included:

- Three HPC Commissioners
- Representatives of Three State Agencies
- Subject Matter Experts
- National Consultants
- Members of HPC Staff

# Overview of Targeted Cost Challenge Investments

**10 initiatives**
Funded by the HPC

**$6,600,000**
HPC funding

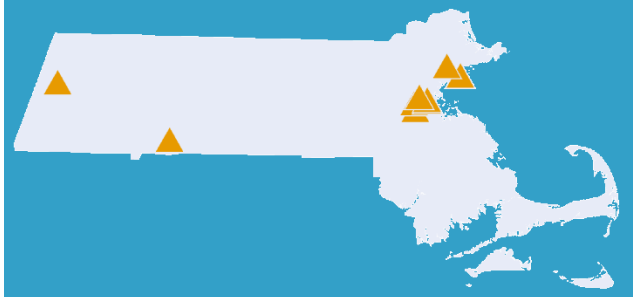
**>$40,000,000**
estimated impact in health care cost savings

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

**5 out of 8**
Targeted cost challenge areas funded

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

**Initiatives span the Commonwealth:**
From the Berkshires to Boston



**>$8,000,000**
combined investment with 25% of initiative costs being contributed by the applicants

# Recommended Targeted Cost Challenge Investments

| Applicant | Challenge Area | Funding Cap |
|---|---|---|
| Behavioral Health Network | Social Determinants of Health | $750,000 |
| Berkshire Medical Center | Behavioral Health Integration | $741,920 |
| Boston Health Care for the Homeless Program | Social Determinants of Health | $750,000 |
| Boston Medical Center | Social Determinants of Health | $747,289 |
| Brookline Community Mental Health Center | Behavioral Health Integration | $418,583 |
| Care Dimensions | Serious Advancing Illness/End-of-Life Care | $750,000 |
| Commonwealth Care Alliance | Site and Scope of Care | $598,860 |
| Hebrew SeniorLife | Social Determinants of Health | $421,742 |
| Lynn Community Health Center | Site and Scope of Care | $690,000 |
| Spaulding Hospital Cambridge | Post-Acute Care | $746,487 |
| **10** Applicants and **52** Partners | **5 of 8** Cost Challenges | **$6,614,880** total in funding |

HPC

# Targeted Cost Challenge Investment Awardee Highlight: *Boston Health Care for the Homeless Program*

BOSTON HEALTH CARE *for the* HOMELESS PROGRAM

| Challenge Area | Proposed Award |
|---|---|
| **Social Determinants of Health** | **$750,000** |

**Partners**

- Bay Cove Human Services
- Boston Public Health Commission
- Boston Rescue Mission
- Casa Esperanza
- Massachusetts Housing and Shelter Alliance
- The New England Center and Home for Veterans
- Pine Street Inn
- St. Francis House
- Victory Programs

**Primary Aim**

Reduce ED visits and admissions by 20% for high cost and high need homeless patients

**Innovative Model**

**Coordinated care hub for primary care, behavioral health care, housing agencies and shelters, and social services providers**

BHCHP will serve as a hub for a team of primary, acute, and specialty medical providers along with shelters, and advocacy organizations to identify patients, track utilization, and provide intensive case coordination for patients whose needs and day-to-day paths span many types of services and providers.

**Evidence Base**

- Yamhill Community Care Organization's Community Hub, Oregon; 2015
- Veteran's Health Administration's Homeless Patient Aligned Care Team Program, USA; 2016

| Total Initiative Cost | Estimated Savings |
|---|---|
| $919,085 | $1,496,000 |

HPC

# Targeted Cost Challenge Investment Awardee Highlight: *Spaulding Hospital Cambridge*

SPAULDING REHABILITATION HOSPITAL

PARTNERS HEALTHCARE

| Challenge Area | Proposed Award |
|---|---|
| **Post-Acute Care** | **$750,000** |

**Partners**

- Partners Healthcare at Home
- Care Dimensions
- Fresenius Medical Care
- New England Home Therapies
- Life Care Centers of North Shore and Bridgewater
- Neville Center at Fresh Pond
- Newbridge on the Charles
- Hebrew Rehab Center Recuperative Services Unit
- CareOne at Lexington
- Chelsea Center
- German Centre for Extended Care
- Laurel Ridge Rehabilitation and Skilled Care Center
- The Spaulding Nursing and Therapy Center West Roxbury

**Primary Aim**

Reduce total medical expenditures by $1,500,000 for 300 chronically critically ill patients.

**Innovative Model**

**Transitions of care support for chronically critically ill patients**

Spaulding will deploy a continuity team of RN case managers and social workers to support patients in reducing their long-term acute care hospital length of stay and transitioning to a lower-acuity care setting as appropriate (e.g. skilled nursing facilities, home or both) for 30 days after the end of a care episode.

**Evidence Base**

Critical Care Continuity Team Pilot at the Brigham and Women's Hospital and Spaulding Hospital Cambridge

| Total Initiative Cost | Estimated Savings |
|---|---|
| $897,727 | $1,500,000 |

HPC

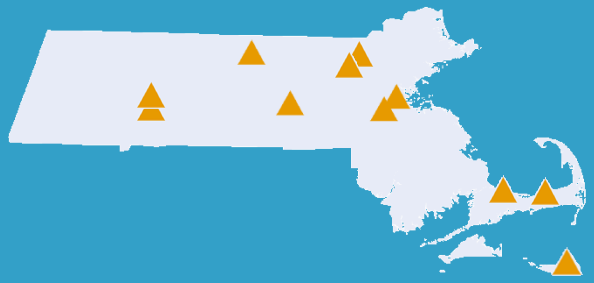
# Overview of Telemedicine Pilots

**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



**>$2,000,000**
combined investment with 20% of initiative costs being contributed by the applicants

HPC

# Recommended Telemedicine Pilots

| Applicant | Population | Funding Cap |
|---|---|---|
| Heywood Hospital | Children and Adolescents | $425,570 |
| Riverside Community Care | Older Adults Aging in Place | $499,860 |
| UMass Memorial Medical Center | Individuals with SUD | $496,184 |
| Pediatric Physician's Organization at Children's Hospital | Children and Adolescents | $341,175 |
| **4 Organizations** | | **$1,762,789** |

HPC

# Telemedicine Pilot Awardee Highlight:
## *Riverside Community Care*

Riverside Community Care

Beth Israel Deaconess Medical Center

| Target Population | Proposed Award |
|---|---|
| **Older Adults Aging in Place** | **$499,860** |

**Partners**

- Springwell (ASAP)
- HESSCO (ASAP)
- Mystic Valley Elder Services (ASAP)
- Beth Israel Deaconess Medical Center
- MedOptions Connect

| Total Initiative Cost | Proposed Award |
|---|---|
| $641,294 | $499,860 |

**Primary Aim**

Provide behavioral health assessments and therapeutic counseling for 160 older adults aging in place

**Secondary Aims**

- Expand knowledge of what tele-BH strategies work best with elders
- Develop more precise predictors of overall demand, psychiatry need and caseload size
- Assess change in depression and use of ED and inpatient acute care

**Innovative Model**

**Home-based video consultations for homebound patients with BH needs**

ASAP case managers will identify BH needs of their homebound older adult patients during regularly-scheduled home visits. Once referred for care, the case managers will assist the patient in connecting with a specialist (either an RCC counselor or a MedOptions geriatric psychiatrist) for remote video-based therapy in the home. Partners will share data on care and outcomes to refine telemedicine model.

HPC

# Telemedicine Pilot Awardee Highlight:
## *Pediatric Physician's Organization at Children's Hospital*

PPOC
Pediatric Physicians' Organization at Children's
A preferred Boston Children's Hospital Community of Care Member

Boston Children's Hospital

| Target Population | Proposed Award |
|---|---|
| **Children and Adolescents** | **$341,175** |

### Partners

- Boston Children's Hospital Department of Psychiatry
- Briarpatch Pediatrics (serves Sandwich, Yarmouthport, and Nantucket)
- Greater Lowell Pediatrics (serves Lowell and Westford)
- Holyoke Pediatric Associates (serves Holyoke and South Hadley)

| Total Initiative Cost | Proposed Award |
|---|---|
| $466,627 | $341,175 |

### Primary Aim

Perform initial diagnostic evaluations by a Child and Adolescent Psychiatrist for 75% of youth with complex psychiatric presentations within 15 days, using telepsychiatry

### Secondary Aims

- Decrease on measures of symptom change and increase in functional status
- Reduction of BH-related ED visits and inpatient admissions 6 months post initial assessment
- Decrease in TME for youth who received telepsychiatry evaluation and management services

### Innovative Model

**Practice-based psychiatric consultations for underserved pediatric patients**

PPOC will build upon an existing organization-wide Behavioral Health Integration program to step up psychiatric care to pediatric patients who live in "behavioral health deserts" with limited access to CAP services. Facilitating a remote video consults from their offices, PCPs will link their patients with a Boston Children's Hospital psychiatrist for diagnostic and follow-up care.

HPC

# Overview of Mother and Infant-Focused NAS Interventions

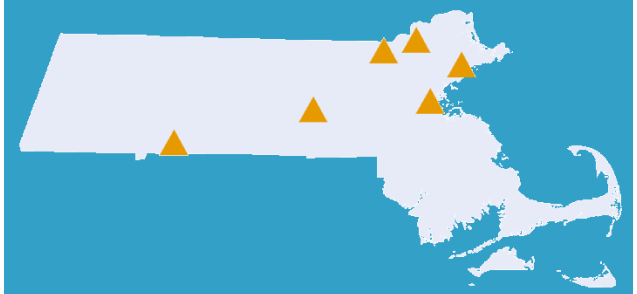
**6 initiatives**
Funded by the HPC

**$3,000,000**
HPC funding

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

**>450 infants with NAS**
Collectively treated by HPC's proposed awardees in 2015

**Initiatives span the Commonwealth:**
From the Springfield to Middlesex County



**>$5,000,000**
combined investment with 30% of initiative costs being contributed by the applicants

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# Recommended Mother and Infant-Focused NAS Interventions

| Applicant | Category | Funding Cap |
|---|---|---|
| Baystate Medical Center | Category A | $249,778 |
| Boston Medical Center | Category A | $248,976 |
| UMass Memorial Medical Center* | Category A | $249,992 |
| Lahey Health- Beverly Hospital | Category B | $1,000,000 |
| Lawrence General Hospital | Category B | $250,000 |
| Lowell General Hospital | Category B | $999,032 |
| **6 Organizations** | | **$2,997,778** |

*UMass is also receiving funding through the “Moms Do Care” program, as administered by DPH and funded by SAHMSA. The other “Mom Do Care” sites are Cape Cod Hospital and Falmouth Hospital.

# Mother and Infant-Focused NAS Interventions Awardee Highlight (Category A): *Boston Medical Center*

**Proposed Award**

**$248,976**

**Primary Aim**

Decrease length of inpatient stay for infants with NAS by 40%

**Target Population**

In 2015, BMC served 117 NAS infants with an average LOS of 16.5 days

**Secondary Aims**

1. Reduce pharmacotherapy by 30%
2. Improve breastfeeding initiation rates by 15%
3. Improve maternal presence at the bedside by 20%
4. Institute bedside psychotherapy for mothers

**Operational Approach**

Increasing focus on non-pharmacologic care, improving pharmacologic care, and initiating new hospital care models

**Innovative Model**

- Increasing parental presence at bedside
- Implementing peer support to introduce the benefits of breastfeeding and rooming-in
- Optimizing NAS pharmacologic treatment with methadone as a first-line therapy instead of morphine
- Improved approaches to NAS symptom scoring
- Ensuring timely access to wrap-around outpatient services for woman and infant
- Implementation of prenatal care curriculum that includes brief individual obstetric evaluation, group discussion, education, peer support, and relapse prevention.

| Total Initiative Cost | Estimated Savings |
|---|---|
| $349,879 | $1,614,670 |

# Mother and Infant-Focused NAS Interventions Awardee Highlight (Category B): *Lowell General Hospital*

Lowell General Hospital

**Proposed Award**

**$999,032**

## Partners

- WomanHealth (OB/GYN practice)
- Lowell Community Health Center
- OB/GYN Associates of Merrimack Valley
- Clean Slate (buprenorphine provider)
- Habit Opco (methadone provider)
- South Bay Lowell Mental Health Clinic (Behavioral Health services)
- South Bay Lowell Early Childhood Services (Early Intervention provider)
- Thom Anne Sullivan Center (Early Intervention provider)
- MA WIC Nutrition Program

## Primary Aim

- Develop and implement a *NAS Family Support Program* that leverages and builds upon existing hospital and community resources to accomplish a 20% increase in MAT for pregnant women with an opioid use disorder.

## Operational Approach

- Identify pregnant women with opioid use disorder early in their pregnancies, guide them in accessing pharmacotherapy, and support families through pregnancy, delivery, and six months postpartum
- Participate in DPH's "Moms Do Care" program, including technical assistance and evaluation

## Target Population

- During FY15, 45 mothers delivered infants with NAS with an average LOS of 21 days.
- This program will enroll a minimum of 25 pregnant women per year.

## Total Initiative Cost

**$1,425,693**

# HCII Next Steps

The HPC will engage in a 90-day process to ready the program and awardees for a fall 2016 launch

| PROGRAM FOCUS | ACTIVITIES |
| --- | --- |
| **Contract Development** | ▪ Determine final scope and budgets with awardees<br>▪ Finalize award plans<br>▪ Communicate program reporting requirements |
| **Learning and Dissemination** | Identify and engage audience and goals for innovation model learning and dissemination |
| **Evaluation** | Define the program-level and awardee-level strategies for assessing impact on cost-savings, quality, access and sustainability and scalability |

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# **Vote:** Approval of the HCII Program Awards

**Motion**: That the Commission hereby accepts and approves the Executive Director's recommendations that the Applicants for the Innovation Investment Programs listed on Exhibit A attached to this vote receive award funding pursuant to section 7 of chapter 6D and section 2GGGG of chapter 29 of the Massachusetts General Laws, section 161 of chapter 46 of the Acts of 2015, section 2 of chapter 46 of the Acts of 2015 (Account Number 1599-1450), and 958 CMR 5.07, up to the amounts and subject to the terms set forth on Exhibit A, and authorizes the Executive Director to determine the final amount of each award based on satisfaction of such terms, in his sole discretion.

MASSACHUSETTS
HEALTH POLICY COMMISSION

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  - Approval of CHART TA Contract
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# State Fiscal Year 2017 Budget

**Line-Items**

1450-1200: *For the operation of the Health Policy Commission*... $8,479,800

**Outside Sections**

Section XX. The health policy commission, in consultation with the department of public health, shall implement a 2-year pilot program to further test a model of emergency department initiated medication-assisted treatment, including but not limited to buprenorphine and naltrexone, for individuals suffering from substance use disorder...The commission may direct not more than $3,000,000 from the Distressed Hospital Trust Fund established in section 2GGGG of chapter 29 of the General Laws to fund the implementation of the program. The commission shall report to the joint committee on mental health and substance abuse and the house and senate committees on ways and means not later than 12 months following completion of the program on the results of the program, including effectiveness, efficiency and sustainability.

# HPC Budget Overview: Background and Recommendations

**One Time Assessment**
- FY2013 to FY2016
- Mandated by Chapter 224
- Funded the Health Care Payment Reform Trust Fund (HCPRTF) and the Distressed Hospital Trust Fund (DHTF)
  - HCPRTF was a multi-year "***glide-path***" to build infrastructure and capacity
  - DHTF supports the CHART Investment Program and related expenses

**Annual HPC Assessment**
- FY2017 and onward
- Mandated by Chapter 224 and described in HPC regulation
- Supports annual operating cost of the HPC
- Amount is set in a line-item in the state's annual budget.

**State Budget Operating Expenses** 1

- Recommendation: **$9,529,800**
- Use: HPC Operating
- Level-funding to the HPC's FY16 Board-approved operating budget

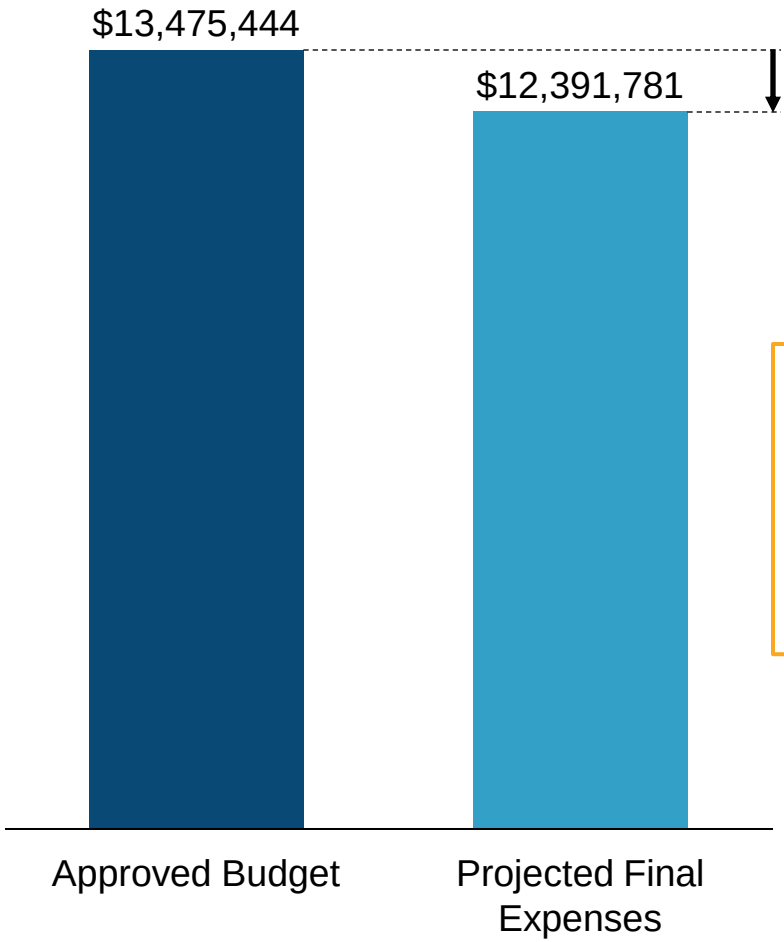
**Payment Reform Trust Fund Operating Expenses** 2

- Recommendation: **$1,000,000**
- Use: Direct technical assistance and investments

**Distressed Hospital Trust Fund** 3

- Recommendation: **$3,795,764**
- Use: CHART direct grants and administrative costs

# FY16 Budget Overview: Projected Final Combined Operating Expenses




**$1,083,663**
Below Budget in FY2016

Lower than anticipated spending is primarily due to the HPC's deliberate approach to hiring, professional services contracting, and overall program development.

# HPC Budget FY16 Overview: State Appropriations

| Line-Item | Purpose | Amount Appropriated | Total Expended in FY16 |
|---|---|---|---|
| 1599-1450 | $500,000 for hospital grant program to address substance exposed newborns; $100,000 for a technical assistance program to train PCPs on Narcan | $600,000 | $0 |
| 1599-2004 | $250,000 for a pilot program to implement paramedicine in the Greater Quincy Area | $250,000 | $0 |
| 1599-2012 | $250,000 for technical assistance for HPC certified PCMHs to enhance behavioral health integration | $250,000 | $50,000 |

# HPC Budget FY17 Overview: General Operating Appropriation

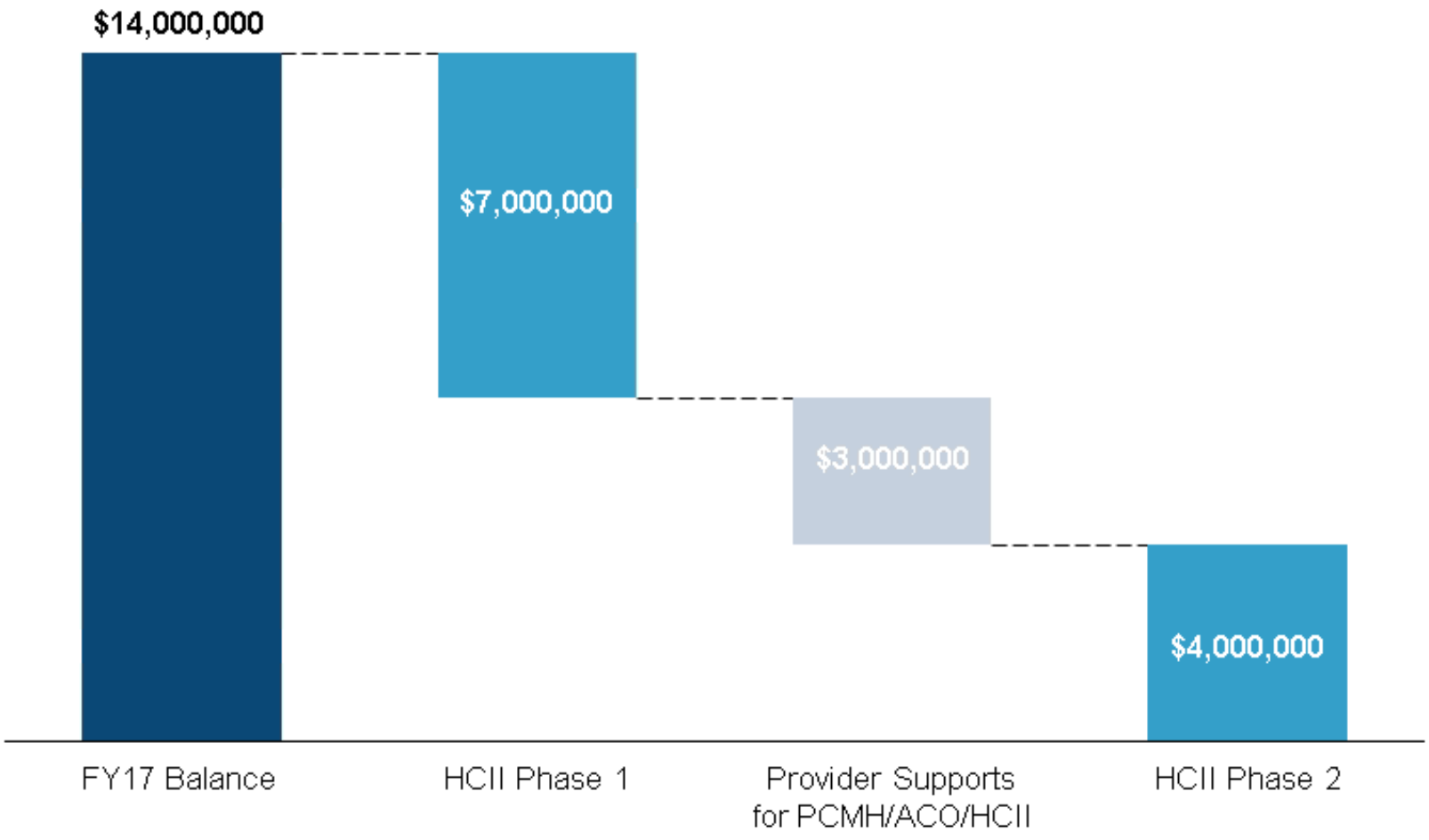
| FY16-FY17 Crosswalk for Operating Expenses | | | |
|---|---|---|---|
| Category | Approved FY16 Spending (PRFT) | Proposed FY17 Spending (1450-1200) | Difference (FY17 minus FY16) |
| Payroll | $4,521,710.00 | $4,725,800.00 | $204,090.00 |
| Rent/Utilities | $555,040.00 | $607,750.00 | $52,710.00 |
| Professional Services | $2,800,000.00 | $2,700,000.00 | -$100,000.00 |
| Admin/IT Support | $470,050.00 | $446,250.00 | -$23,800.00 |
| Transfer out to CHIA | $133,000.00 | | -$133,000.00 |
| **Total** | **$8,479,800.00** | **$8,479,800.00** | |
| | | | |
| CTR Trust Assessment | $739,831.00 | | -$739,831.00 |
| Employee Fringe Assessment | $1,244,621.00 | $1,515,878 | $217,257.00 |
| **Totals** | **$10,464,252.00** | **$9,995,678** | **-$468,574.00** |

*Note: The FY17 Employee Fringe Assessment is included in the annual assessment on health plans, hospitals, and ambulatory surgery centers, but is *not* included in the state appropriation. The difference between FY16 and FY17 is driven by a significant increase in the fringe rate, from 29.17% to 33.5%.

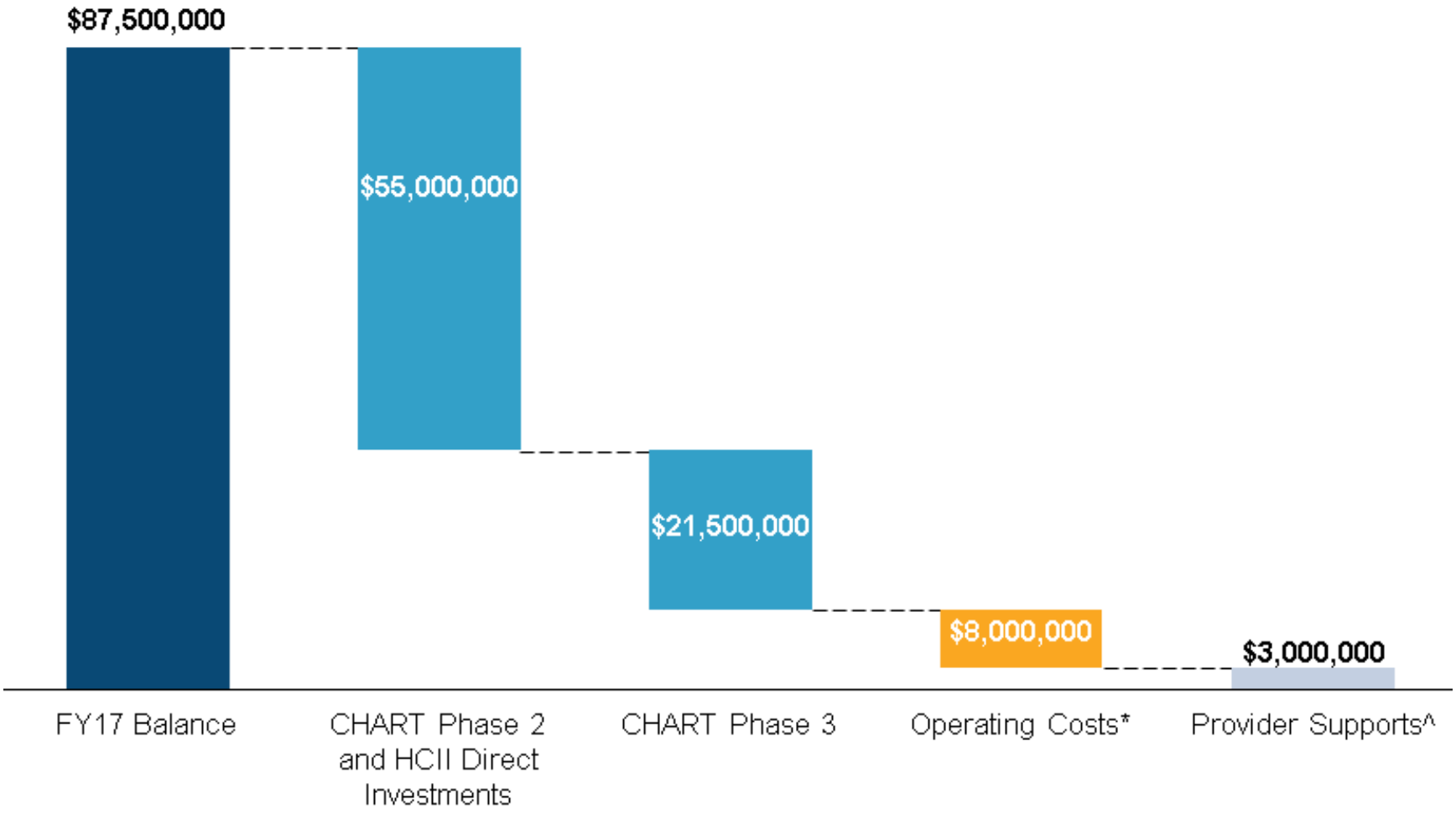
# HPC Budget FY17 Overview: Other State Budget Accounts

| State Budget One-Time Appropriations (FY17) | | | | |
|---|---|---|---|---|
| Line-Item | Purpose | Amount Available | HPC Spending | Transfer to DPH |
| 1599-1450 | $500,000 for hospital grant program to address substance exposed newborns; $100,000 for a technical assistance program to train PCPs on Narcan | $600,000 | $500,000 | $100,000 |
| 1599-2004 | $250,000 for a pilot program to implement paramedicine in the Greater Quincy Area | $250,000 | $75,000 | $175,000 |
| 1599-2012 | $250,000 for technical assistance for PCMHs certified by HPC to enhance behavioral health integration | $200,000 | $200,000 | $0 |

# HPC Budget FY17-FY20 Overview: Payment Reform Trust Fund



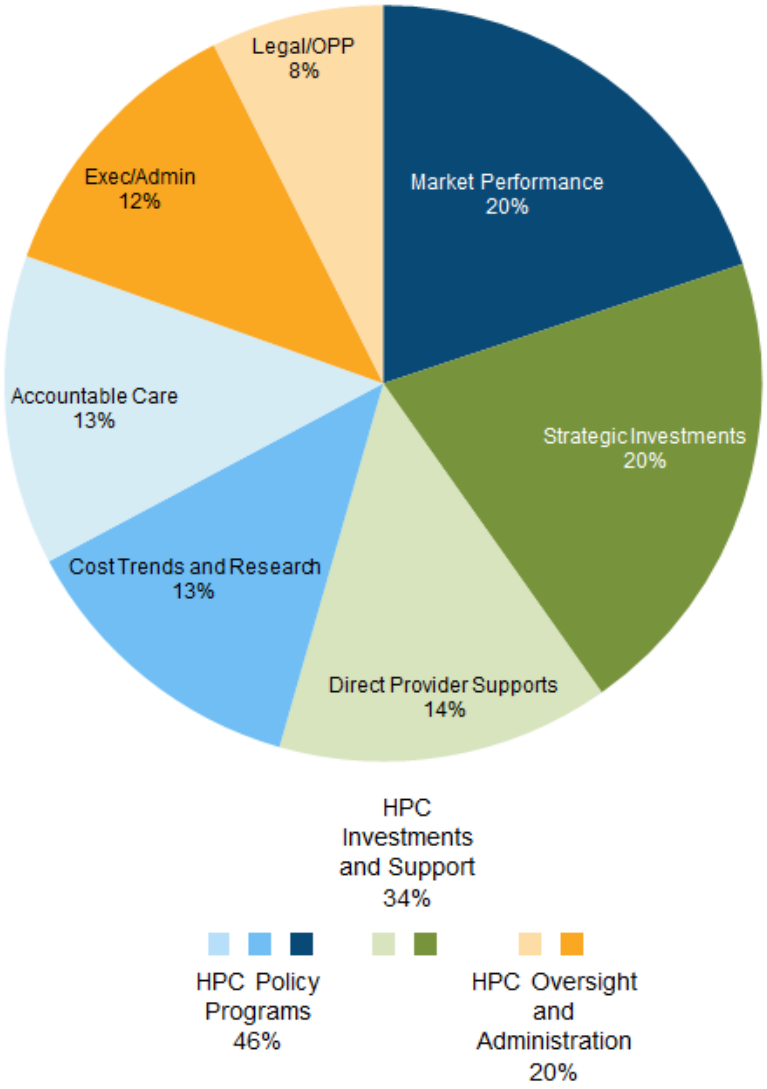
# HPC Budget FY17-FY20 Overview: Distressed Hospital Trust Fund

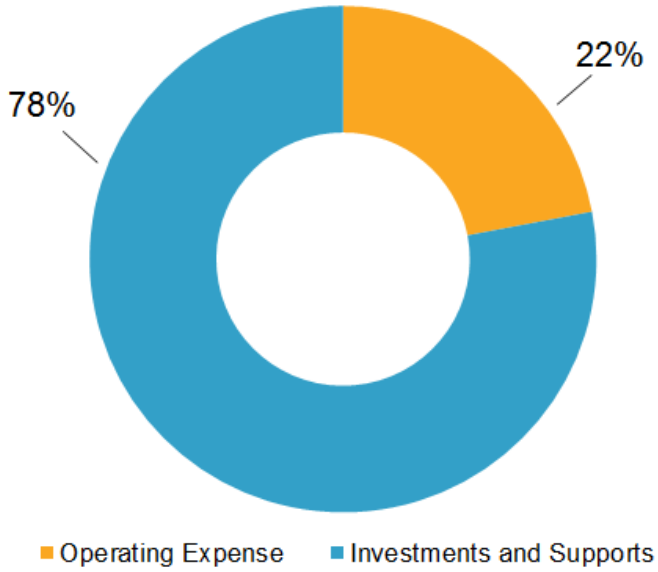



*Operating Costs include expenses related to the HPC's contract with BUSPH for the evaluation of CHART Phase 2

^Provider Supports include the Interagency Service Agreement with the Department of Public Health for technical assistance related to the "Moms Do Care" replication awards

# HPC Budget FY17 Overview: Combined Spending Graphs




**Total Projected Spend: $ 51,700,766**

# HPC Budget FY17 Overview – Summary of Combined Spending

## Summary of Combined FY17 Spending*

| | Appropriations | PRFT | DHTF |
|---|---|---|---|
| **Expenditures** | | | |
| Payroll/Benefits | $ 4,725,800 | $ - | $ 1,144,214 |
| Rent/Utilities | $ 607,750 | $ - | $ 107,250 |
| Professional Services | $ 2,700,000 | $ - | $ 900,000 |
| Administration/IT Support | $ 446,250 | $ - | $ 78,750 |
| **Total Expenditures** | **$ 8,479,800** | **$ -** | **$ 2,230,214** |
| **State Levies** | | | |
| CTR Trust Fund Assessment | $ - | $ 90,000 | $ 264,421 |
| Employee Fringe Assessment** | $ - | $ - | $ 402,420 |
| **Total Levies** | **$ -** | **$ 90,000** | **$ 666,841** |
| **Investments** | | | |
| Direct Investments | $ 575,000 | $ 2,321,097 | $ 35,054,105 |
| Provider Supports^^ | $ 200,000 | $ 910,000 | $ 600,000 |
| **Total Investments** | **$ 775,000** | **$ 3,231,097** | **$ 35,654,105** |
| **Transfers Out** | | | |
| DPH - ISA | $ 275,000 | $ - | $ 298,709 |
| **Total Transfers Out** | **$ 275,000** | **$ -** | **$ 298,709** |
| **Total** | **$ 9,529,800** | **$ 3,321,097** | **$ 38,849,869** |

**Combined FY2017 Spending $ 51,700,766**

*Does not include direct investments authorized by the Board or expenditures funded by the one-time FY16 appropriations.
**The FY17 Employee Fringe Assessment for payroll in 1450-1200 is included in the annual assessment, but is not included in the state budget line-item.

MASSACHUSETTS
HEALTH POLICY COMMISSION

**Vote:** Approval of FY2017 Operating Budget

**Motion:** That the Commission hereby accepts and approves the Commission's total operating budget for fiscal year 2017, as recommended by the Commission's Administration and Finance Committee and as presented and attached hereto, and authorizes the Executive Director to expend these budgeted funds.

MASSACHUSETTS
HEALTH POLICY COMMISSION

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# Practices participating in PCMH PRIME

*Since January 1, 2016 program launch:*

**2 practices**
**are PCMH PRIME Certified**
**Fenway South End**
**Lynn Community Health Center**


**5 practices**
have applications under review for PCMH PRIME Certification

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


**2 practices**
are working toward NCQA PCMH Recognition and PCMH PRIME Certification concurrently

HPC

# PCMH PRIME technical assistance background

## TA Goals and Objectives

- ✓ Increase the capacity of primary care practices to identify and treat behavioral health conditions, in coordination with behavioral health providers as appropriate
- ✓ Increase the number of PCMH PRIME certified practices in the Commonwealth
- ✓ Increase the number of PCMH PRIME criteria that practices are able to meet
- ✓ Facilitate knowledge transfer between “leading” practices and those newer to implementing behavioral health integration
- ✓ Support primary care practices that may vary in geographic location, setting, primary care model, patient population, and other characteristics (including those serving special high-risk populations) to achieve PCMH PRIME certification
- ✓ Identify areas of need for further behavioral health integration support among primary care practices in the Commonwealth

# PCMH PRIME TA contractor recommendation

## Recommendation

**Health Management Associates**

## Factors

- Demonstrated understanding of PCMH PRIME TA program objectives
- Presentation of a cohesive, evidence-based approach to TA
- Depth of expertise in BHI models and implementation challenges
- Extensive knowledge of the MA healthcare landscape
- TA approach focusing on in-person TA
- TA approach with flexibility to accommodate practices on varying timelines
- Evaluation approach to support forecasting of future TA needs

## Budget

**Up to $1,000,000 total cost**

Period of Performance: 2 years,  (expected August 2016 – 2018)

HPC

# Summary of HMA proposed approach

**TA Modes**

**Cohort approach:**
Practices will be divided into 4 cohorts that each receive 6 months of TA

| Learning Collaboratives: | Regional Knowledge Sharing Opportunities: | Webinars and Virtual Learning Community: | Practice Coaching: |
|---|---|---|---|
| Subject matter experts will lead full-day, in-person sessions for practice teams. Curriculum will include BHI topics relevant to a broad audience and emphasize small group and participatory learning. | 2-3 hour, in-person sessions will include provider presentations and group discussions. RKSOs aim to facilitate peer-to-peer learning. | Monthly webinars will be held on PCMH PRIME-specific topics. TA website will include tools, FAQs, TA calendar, blog, etc. | Readiness assessment will divide practices into "Preliminary" and "Advanced" categories based on current BHI capabilities. "Preliminary" practices will receive on-site and telephonic practice coaching. |

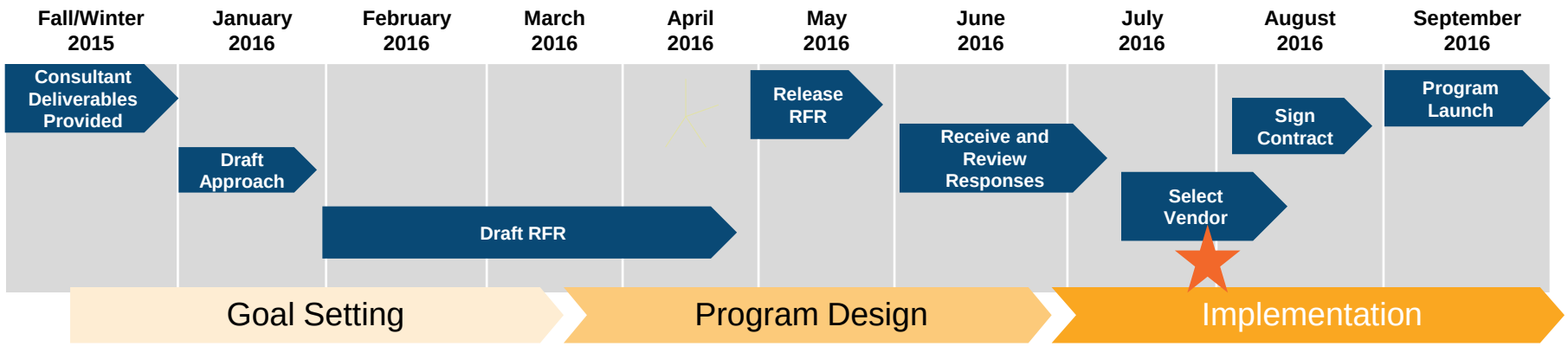
**Evaluation**

HMA will report on TA activities and practice feedback each 6-month period. HMA will subcontract with Day Health Strategies to evaluate TA delivery. Evaluation will include quantitative data (# practices achieving PCMH PRIME, patient-level goals, etc.), analysis of TA evaluations, and practice interviews. Reporting and evaluation activities will be used to refine TA program and project future need.

HPC

*HMA and HPC will work together to finalize TA design and approach*

# PCMH PRIME TA timeline and next steps




**Activities**

**Goal Setting**

- ☑ Meet with subject matter experts and stakeholders on program design considerations
- ☑ Scan MA for existing BHI TA models
- ☑ Decide on TA framework, present to QIPP (Feb. 10)

**Program Design**

- ☑ Draft RFR
- ☑ Release RFR
- ☑ Receive and review proposals from vendors
- ☐ Selection of vendor

**Implementation**

- ☐ Finalize program design, measurable goals, and contract requirements with vendor'(s)
- ☐ Begin TA program
- ☐ Support program implementation as needed and monitor performance

**Output**

**Goal Setting**

- Program Goals
- Current Landscape

**Program Design**

- RFR development
- Proposal process
- Vendor selection

**Implementation**

- Operational planning
- Program monitoring

HPC

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## **Vote:** Approval of PCMH PRIME Technical Assistance Contract

**Motion**: That, pursuant to Section 6.2 of the Health Policy Commission's By-Laws, the Commission hereby authorizes the Executive Director to enter into a contract with Health Management Associates, Inc. (HMA) for professional services to design and implement a technical assistance program for the HPC PCMH certification program for a two year time period, for a total contract amount up to no more than $1,000,000, subject to further agreement on terms deemed advisable by the Executive Director.

MASSACHUSETTS
HEALTH POLICY COMMISSION

## AGENDA

- Approval of Minutes from the June 1, 2016 Meeting
- Cost Trends and Market Performance
- Community Health Care Investment and Consumer Improvement
- Administration and Finance
  - Approval of HPC FY2017 Budget
  - Approval of PCMH PRIME TA Contract
  - **Approval of CHART TA Contract**
  - Approval of Final Regulation on Annual Assessment
- Report from the Executive Director
- Schedule of Next Meeting (September 7, 2016)

# CHART Phase 2 technical assistance background

## TA Goals and Objectives

- ✓ Build capability and capacity for sustainable transformation
- ✓ Promote success of CHART Phase 2 initiatives, including:
  - ✓ Identifying, engaging, and serving target population patients
  - ✓ Understanding effective service, using data to improve operations, and prioritizing efforts to achieve results
  - ✓ Consolidating lessons learned
  - ✓ Sustaining programs for the future

HPC

# Collaborative Healthcare Strategies scope of services (FY17)

- Make CHART hospital team TA intensity recommendations to HPC staff
- Conduct regular in-person TA working meetings for CHART hospital teams, with written recommendations for HPC staff follow up
- Provide ad hoc TA responsive to issues identified by contractor, HPC staff, or hospital request
- Develop and facilitate regional convenings for shared learning
- Provide strategic consulting to HPC supporting program strategy and implementation

HPC

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HEALTH POLICY COMMISSION

## **Vote:** Approval of CHART Technical Assistance Contract

**Motion**: That, pursuant to Section 6.2 of the Health Policy Commission's By-Laws, the Executive Director is hereby authorized to amend the Commission's contract with Collaborative Healthcare Strategies for an additional amount of up to $300,000 through June 30, 2017, as endorsed by the Administration and Finance Committee, for clinical expertise in ongoing technical support of the Commission's Community Hospital Acceleration, Revitalization and Transformation (CHART) Investment Program, subject to further agreement on terms deemed advisable by the Executive Director.

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HEALTH POLICY COMMISSION

## AGENDA

- Approval of Minutes from the June 1, 2016 Meeting
- Cost Trends and Market Performance
- Community Health Care Investment and Consumer Improvement
- Administration and Finance
  - Approval of HPC FY2017 Budget
  - Approval of PCMH PRIME TA Contract
  - Approval of CHART TA Contract
  - **Approval of Final Regulation on Annual Assessment**
- Report from the Executive Director
- Schedule of Next Meeting (September 7, 2016)

# Final Regulation for the HPC's Annual Assessment: Background

## FY2013 – FY2016

- HPC operations have been supported by a portion of the One-Time Assessment on certain hospitals and surcharge payors and a portion of gaming license fees, as authorized in Chapter 224.
- Pursuant to 958 CMR 2.00, the HPC collected the funds from the One-Time Assessment over the past four years.
  - *Assessed hospitals and payors elected to pay in a single payment or in four equal annual installments.*
- FY16 is the last year of receipt of funds under the One-Time Assessment.

## FY2017

- Chapter 224 directs the HPC to collect an annual assessment from acute hospitals, ambulatory surgical centers and surcharge payors to fund HPC operations and programs.
  - *The statute provides that the assessed amount for hospitals and ambulatory surgical centers be at least 33% of the amount appropriated by the General Court in the state budget, and the assessed amount for surcharge payors to also be at least 33% of the appropriated amount*.
- The statutory language authorizing the HPC's industry assessment *(MGL. c. 6D, Section 6)* mirrors the statute governing CHIA's annual assessment (*MGL. c. 12C, s. 7).*

# Development of HPC's Final Annual Assessment Regulation

**Advisory Council Administration and Finance Committee**

- January 25, 2016
- April 18, 2016

**CHIA**

- Consulted with CHIA on the process used for operationalizing and collecting its annual assessment

**Administration and Finance Committee Meeting**

- March, 2016
- June 1, 2016 (Endorsed Proposed Regulation)

**Health Policy Commission Board Meeting**

- June 1, 2016 (Endorsed Proposed Regulation and released for public comment)

**Public Hearing on Proposed Regulation**

- July 13, 2016

**Administration and Finance Committee Meeting**

- July 27, 2016 (Endorsed Final Regulation)

# Administration and Finance Committee Public Hearing: Summary of Testimony

| Organization | Comment | HPC Recommendation |
|---|---|---|
| **Massachusetts Hospital Association** | Revise 9.03(3) to require acute hospitals and ambulatory surgical centers to pay 1/3 of commission expenses; surcharge payors to pay 1/3 of commission expenses; and the General Fund to contribute 1/3 of commission expenses.<br><br>Include new provision that limits the acute hospital and ambulatory surgical center assessment and surcharge payor liabilities from increasing each year by no more than the health care cost growth benchmark as set by the HPC. | No change recommended to assessment method as it follows model established by CHIA and annual budget assumes a 50/50 split.<br><br>No change recommended as amount of assessment is appropriated in the annual state budget. |
| **Massachusetts Association of Health Plans** | Revise 9.03(3) to require acute hospitals and ambulatory surgical centers to pay 1/3 of commission expenses; surcharge payors to pay 1/3 of commission expenses; and the General Fund to contribute 1/3 of commission expenses. | No change recommended (see above). |
| **Conference of Boston Teaching Hospitals** | Include new provision that limits the acute hospital and ambulatory surgical center assessment and surcharge payor liabilities from increasing each year by no more than the health care cost growth benchmark as set by the HPC. | No change recommended (see above). |

# Final steps in the regulatory process


- **ANF Committee advances final regulation to HPC Board**
- **HPC Board vote to issue final regulation**
- **Regulation effective date**
- **Preliminary payments due to HPC**

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## **Vote:** Proposed Regulation on Annual Assessment

**Motion:** That the Commission hereby approves and issues the attached FINAL regulation on the annual assessment, pursuant to M.G.L. c.6D, Section 6.

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HEALTH POLICY COMMISSION

## AGENDA

- Approval of Minutes from the June 1, 2016 Meeting
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- **Report from the Executive Director**
  - Discussion of 2016 Cost Trends Report
- Schedule of Next Meeting (September 7, 2016)

# 2016 HPC Fellowship Program

## >150 Applicants
## 11 HPC Fellows
## 10 Weeks

**Accountable Care**
Esther Velasquez, Harvard School of Public Health, Sc. D
Hallie Tosher, Harvard Kennedy School, MPP

**Market Performance**
Jason Flood, Harvard Kennedy School, MPP/Harvard Business School, MBA
Emma Wager, Columbia Mailman School of Public Health, MPH

**Research and Cost Trends**
Benjamin Bigelow, Harvard School of Public Health, MPH
Evelyn Brand, UMass Amherst Center for Public Policy and Administration, MPP

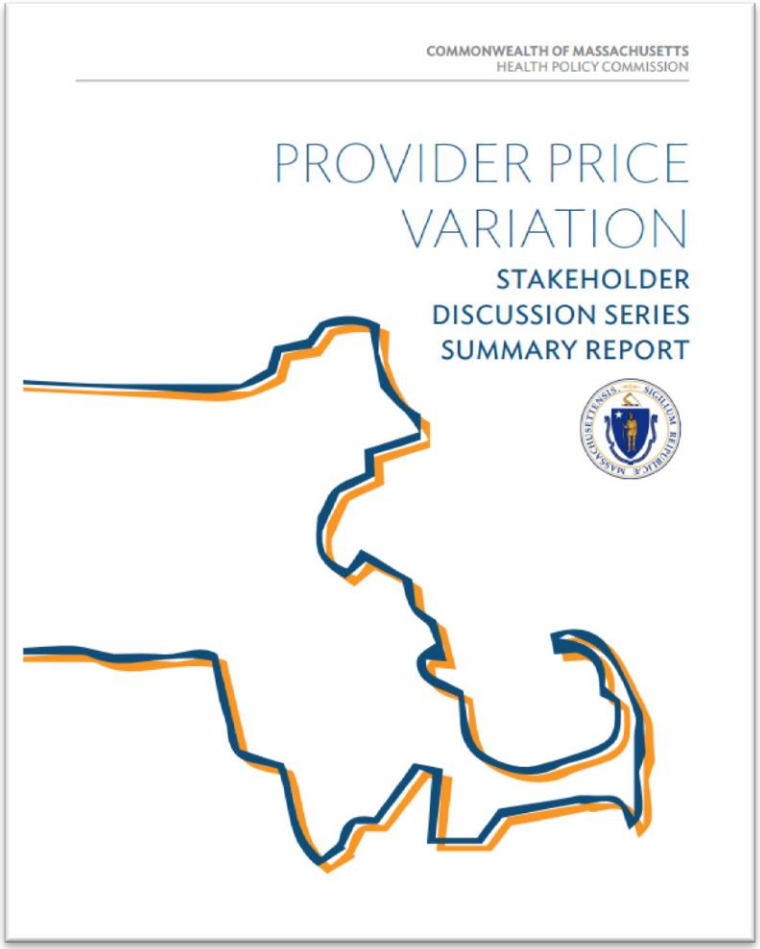
**Strategic Investment**
Louise Secordel, Simmons College School of Management, MBA
Iman Kundu, Drexel University School of Public Health, MPH

**Office of the General Counsel**
Ben Agatston, Boston College Law School, JD/MPH

**Office of the Chief of Staff**
Eric Popp, Boston College Law School, JD
Diana Lindsey, Boston University School of Public Health, MPH

# HPC Key Activities since June 1, 2016 Board Meeting

- ✓ Released summary report of stakeholder series on Provider Price Variation
- ✓ Approval of Health Care Investment Program Awards (Phase One)
- ✓ Approval of behavioral health technical assistance contract
- ✓ Partner with CHIA for next phase of RPO data collection
- ✓ Release of Preliminary Cost and Market Impact Review



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# SAVE THE DATE

## 2016 HEALTH CARE COST TRENDS HEARING

October 17 and 18, 2016
Suffolk University Law School
120 Tremont Street

# 2016 Cost Trends Hearing Update

## Pre-File Testimony

### Goals

- Fulfill statutory obligation under Ch. 224
- Build on previous pre-filed testimony to track progress over time
- Inform presentations at the Cost Trends Hearing
- Obtain information for policy development and the Cost Trends Report
- Add information to the public dialogue

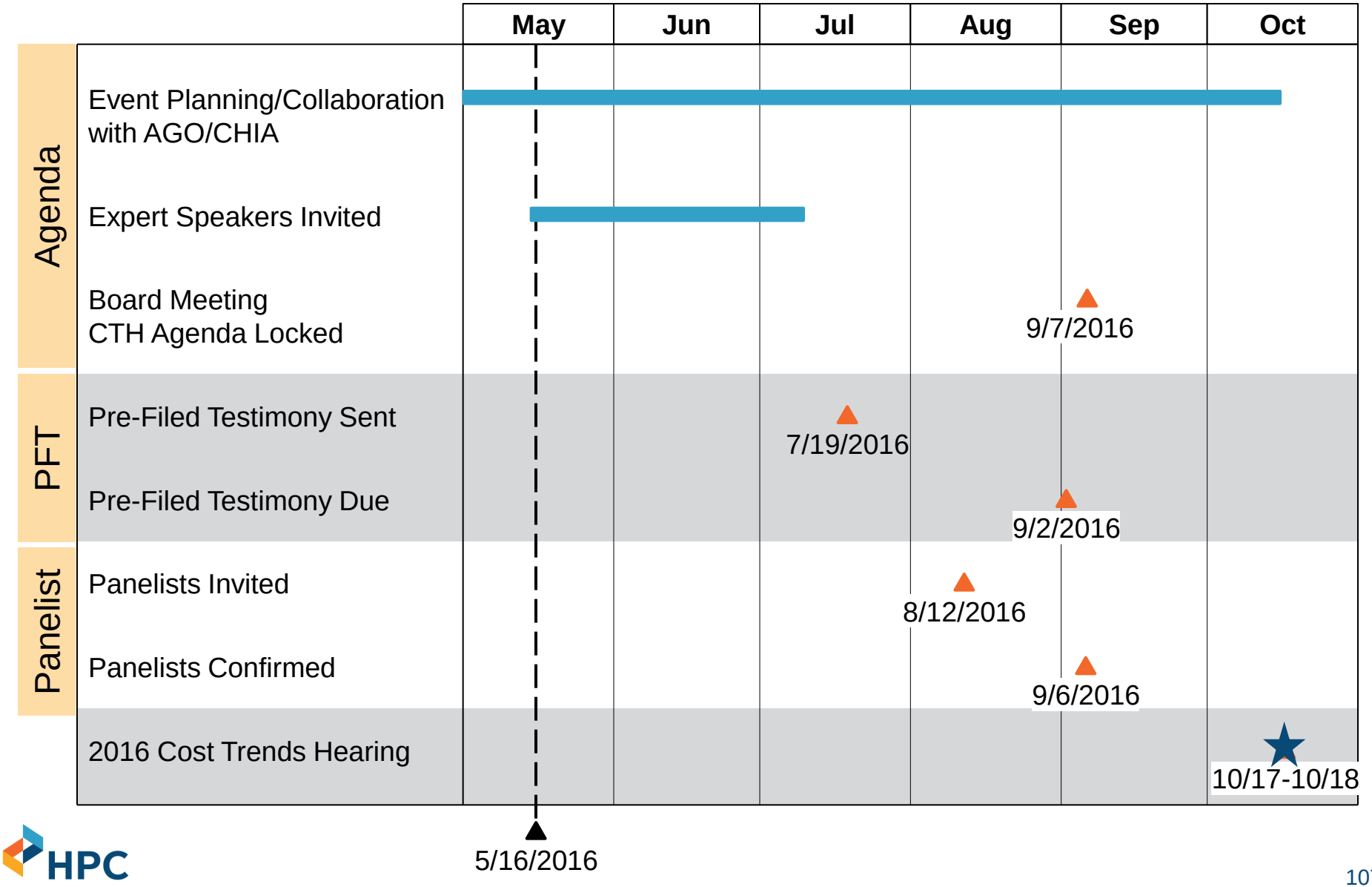
### 2016 Questions

- Overall Spending Trends, Opportunities and Challenges
- Pharmaceutical Spending
- Alternative Payment Methodologies
- Behavioral Health Integration
- Social Determinants of Health
- High-Value Consumer Choices
- Price Transparency

### 2016 Improvements

- Overall number of identified witnesses is reduced compared to 2015
- Requests sent to witnesses three weeks earlier compared to 2015
- Witnesses provided an additional two weeks to respond compared to 2015
- Overall number of questions consistent with past years, but simplified with less narrative questions and more “multiple choice” questions

# 2016 Cost Trends Hearing



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HEALTH POLICY COMMISSION

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# Contact Information

For more information about the Health Policy Commission:

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Follow us: @Mass_HPC

E-mail us: HPC-Info@state.ma.us