MASSACHUSETTS
HEALTH POLICY COMMISSION

Meeting of the Market Oversight and Transparency Committee

February 9, 2022

Agenda

CALL TO ORDER

Approval of Minutes **(VOTE)**

Office of Patient Protection (OPP) Annual Report

Upcoming DataPoints Issue: Growth in Out-of-Pocket Spending for Pregnancy, Delivery, and Postpartum Care in Massachusetts

Children with Medical Complexity in the Commonwealth: Findings and Recommendations

Performance Improvement Plan (PIP) Process Update

Schedule of Upcoming Meetings

Agenda

Call to Order

APPROVAL OF MINUTES (VOTE)

Office of Patient Protection (OPP) Annual Report

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VOTE

Approval of Minutes

MOTION

That the Members hereby approve the minutes of the Committee meeting held on **October 6, 2021**, as presented.

Agenda

Call to Order

Approval of Minutes **(VOTE)**

OFFICE OF PATIENT PROTECTION (OPP) ANNUAL REPORT

Upcoming DataPoints Issue: Growth in Out-of-Pocket Spending for Pregnancy, Delivery, and Postpartum Care in Massachusetts

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Office of Patient Protection (OPP) Responsibilities

OPEN ENROLLMENT WAIVERS

Administering waivers to allow purchase of non-group health insurance outside of open enrollment

HEALTH INSURANCE APPEALS

Regulating internal appeals and administering external reviews for members of fully-insured health plans

RISK-BEARING PROVIDER ORGANIZATION APPEALS

Regulating internal appeals and administering external reviews for patients of risk-bearing provider organizations

CONSUMER ASSISTANCE AND INFORMATION

Serving as a resource for consumers through our hotline, website, and outreach efforts

OPP 2020 Year in Review

COLLABORATION

OPP collaborated with the Division of Insurance to ensure consumer access during the state of emergency.

OPEN ENROLLMENT EXTENDED

Enrollment was open for most of 2020 due to COVID-19. OPP directed consumers to the Connector for immediate coverage.

EXTERNAL REVIEWS

OPP received around the same health insurance external reviews as previous years, but fewer RBPO external reviews.

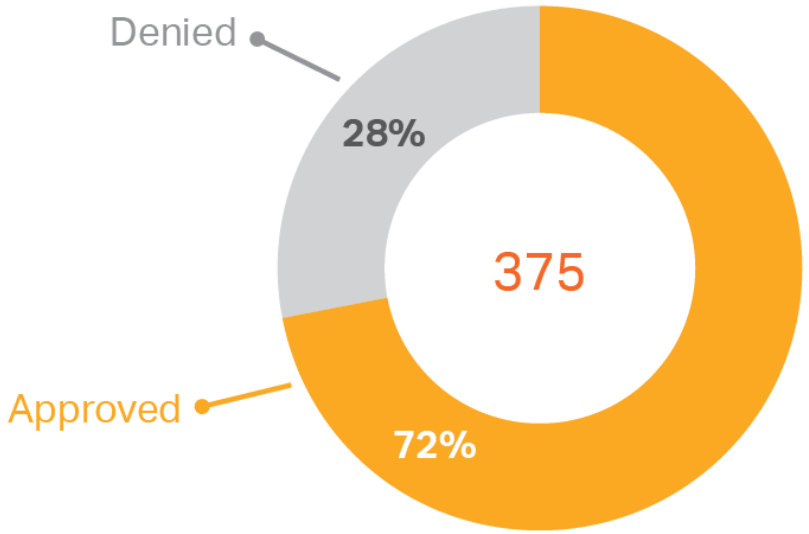
HOTLINE

OPP fielded fewer hotline calls than in previous years. OPP referred calls related to COVID-19 treatment and coverage to DPH or the DOI.

FULLY REMOTE OFFICE

OPP's operations transitioned to fully-remote in March 2020 with no interruptions to consumer services.

Open Enrollment Waiver Requests



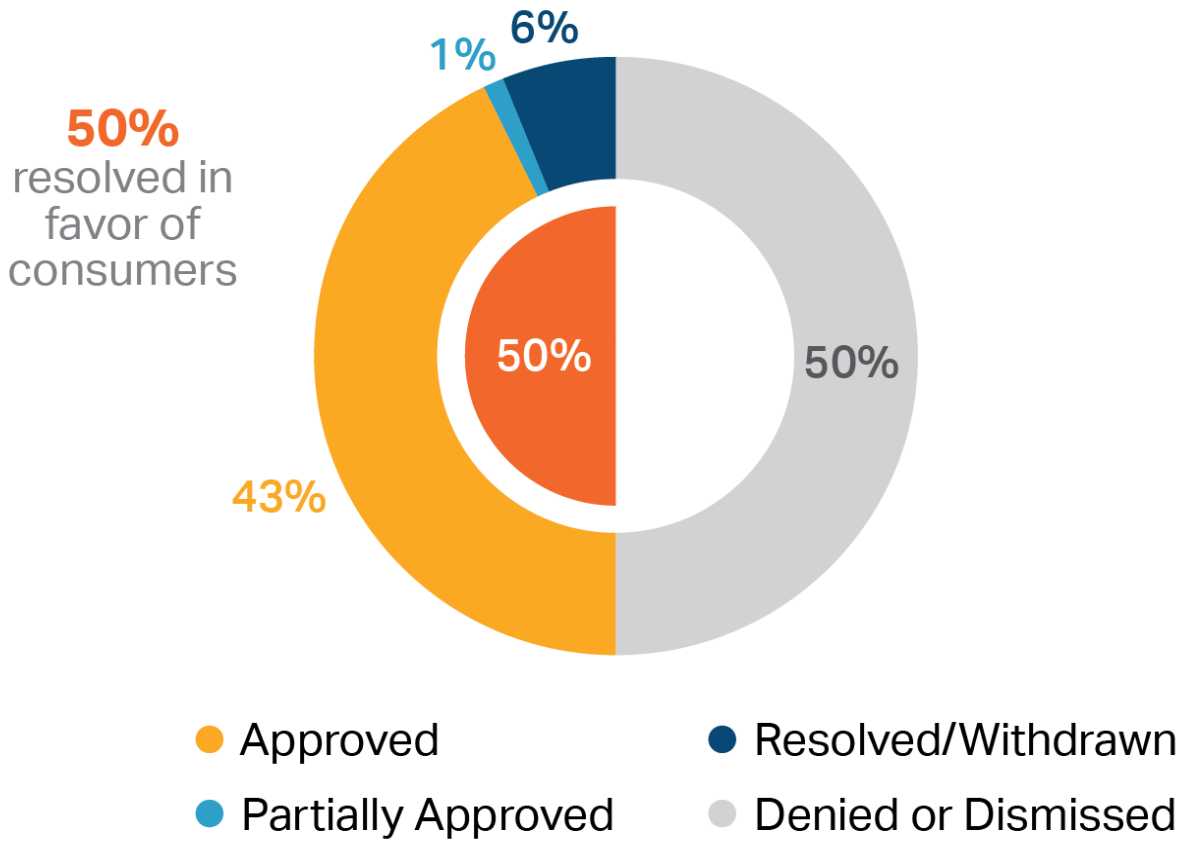
Year	Total Waiver Applications
2011	276
2012	576
2013	416
2014	316
2015	562
2016	355
2017	389
2018	840
2019	1342
2020	375

OPP received far fewer waivers in 2020 than in previous years, due to an extended open enrollment period.

Source: 2011-2020 Office of Patient Protection waiver data

Outcomes of Health Insurance Internal Appeals

Percentage of health insurance internal appeals by disposition, 2020

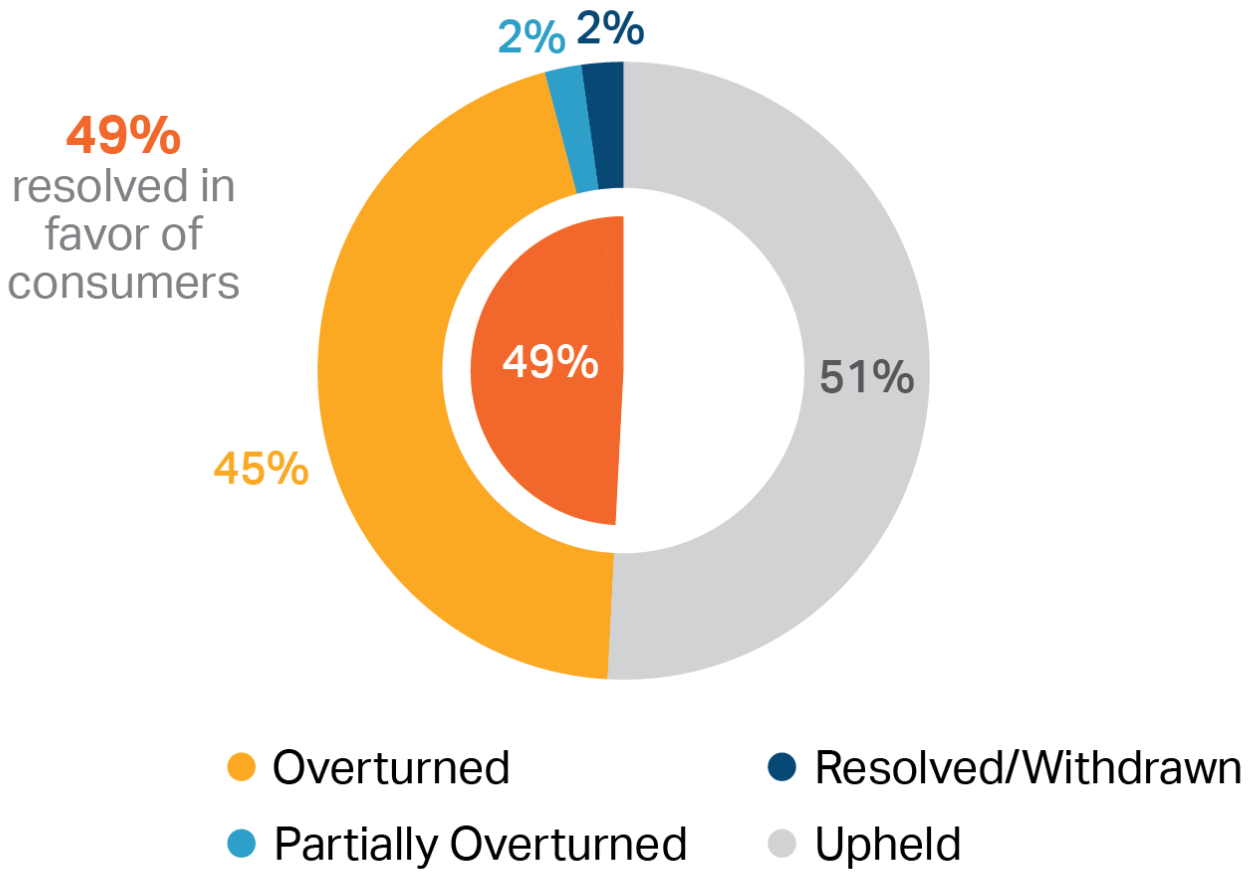


During 2020, health insurance companies received 11,650 internal appeals from members challenging a denial of coverage.

Source: 2020 Insurance carrier reports to the Office of Patient Protection, pursuant to 958 CMR 3.600

Outcomes of Health Insurance External Reviews

Percentage of health insurance external reviews by disposition, 2020

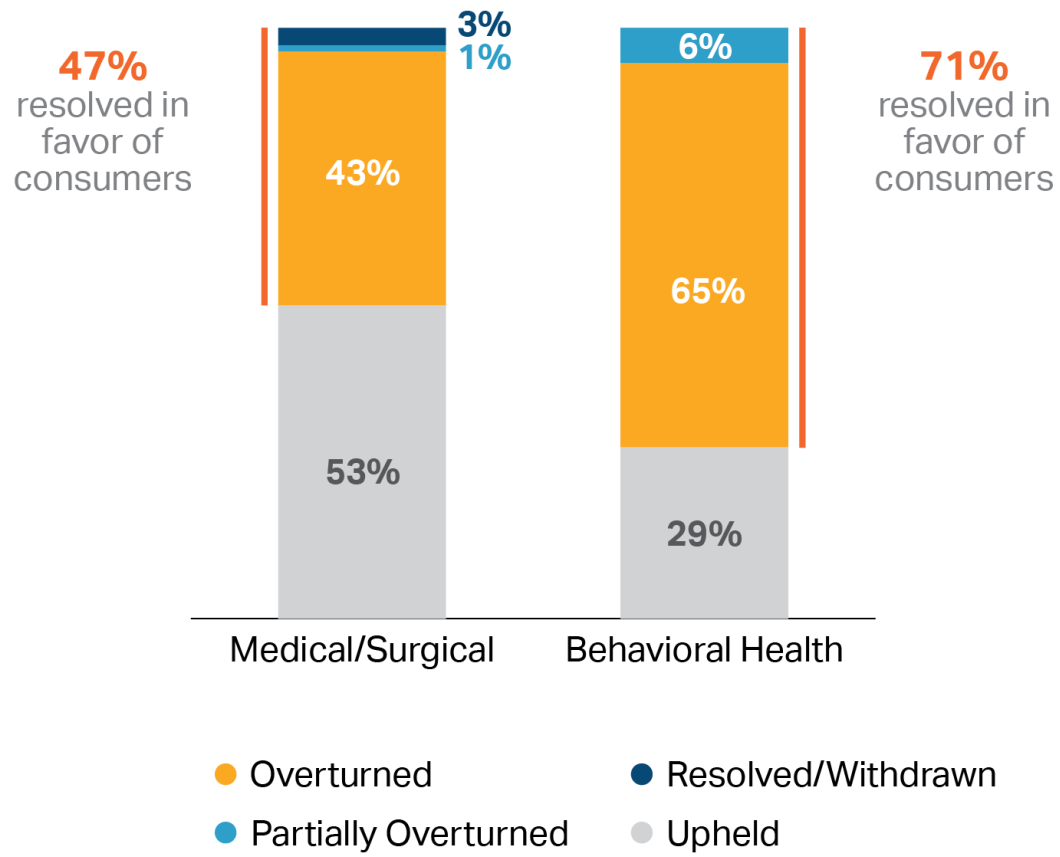


Source: 2020 Office of Patient Protection health insurance external review data

During 2020, OPP received 240 requests for external review, 174 of which were eligible.

Outcomes of Medical/Surgical and Behavioral Health External Reviews

Percentage of health insurance external reviews by disposition, by type of care, 2020

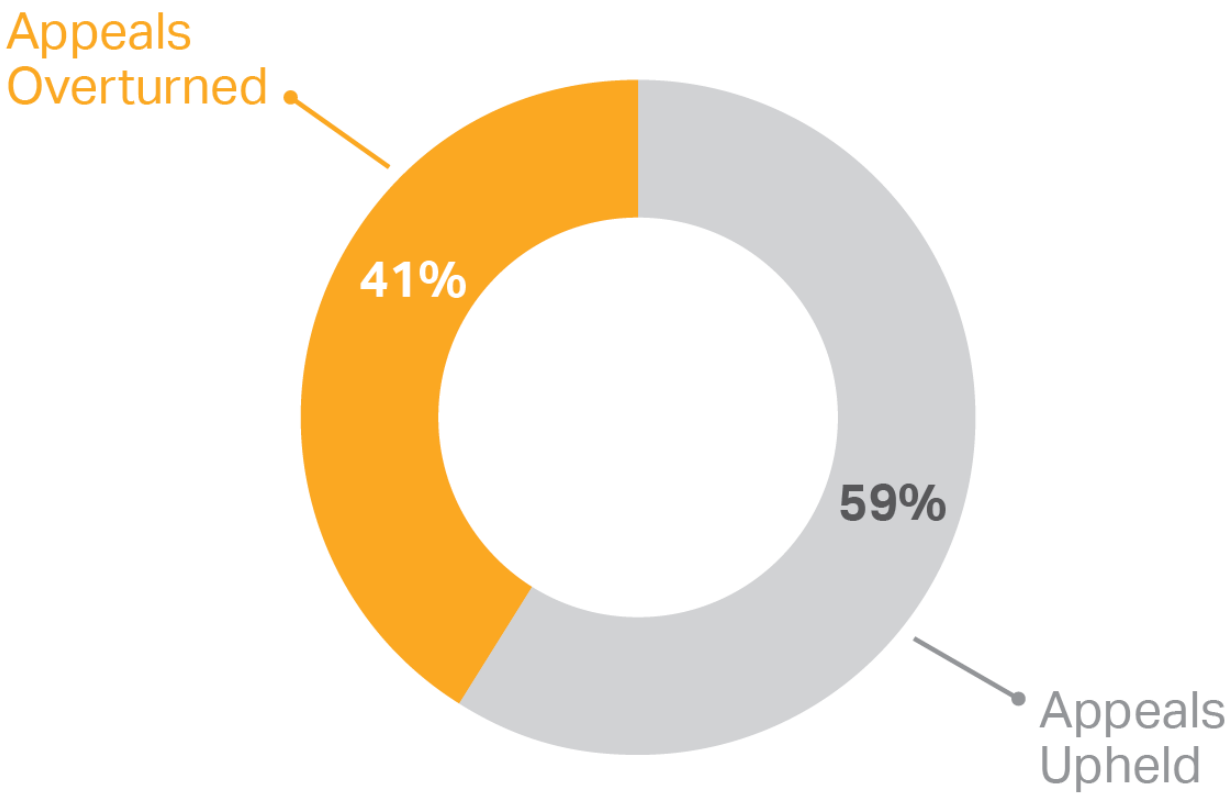


Source: 2020 Office of Patient Protection health insurance external review data

OPP received 157 eligible requests for external review of medical/surgical services versus 17 eligible requests for external review of behavioral health services.

Outcomes of Risk-bearing Provider Organization Internal Appeals

Percentage of RBPO internal appeals by disposition, 2020



- In 2020, patients requested 164 internal appeals challenging decisions by their provider organizations.
- 91% of internal appeals in 2020 pertained to referral restrictions and the rest pertained to restrictions on the type or intensity of service.
- OPP received 2 RBPO external reviews in 2020, both of which pertained to referral restrictions.

Source: 2020 RBPO/ACO reports to the Office of Patient Protection, pursuant to 958 CMR 11.23

Consumer Assistance and Information

887

Inquiries were made to the OPP hotline in 2020.

> *I am incredibly grateful for you and all your efforts. I have a huge sense of relief that the only treatment that has made a difference in my husband's condition ... can continue.*
>
> **- OPP Consumer**

OPP 2021 Updates

HOTLINE

OPP fielded over 1,300 calls through the hotline, an uptick from 2020.

OPEN ENROLLMENT EXTENDED

OPP again received fewer than usual waiver requests in 2021, as open enrollment was also extended last year.

EXTERNAL REVIEWS

OPP received 232 health insurance external review requests in 2021, and 21 RBPO external review requests.

ONLINE CONSUMER FORMS

Consumers submitted inquiries, requests for waivers, and external reviews through OPP's online forms.

CONTINUED COLLABORATION

OPP continued to collaborate with the Division of Insurance, the Connector, and MassHealth.

CONTINUED OUTREACH

OPP performed outreach to consumer groups in 2021 and plans to increase outreach in 2022.

Contact OPP

OFFICE OF PATIENT PROTECTION

Mass.gov/HPC/OPP

(800) 436-7757

(617) 624-5046

HPC-OPP@mass.gov

Agenda

Call to Order

Approval of Minutes **(VOTE)**

Office of Patient Protection (OPP) Annual Report

UPCOMING DATAPOINTS ISSUE: GROWTH IN OUT-OF-POCKET SPENDING FOR PREGNANCY, DELIVERY, AND POSTPARTUM CARE IN MASSACHUSETTS

Children with Medical Complexity in the Commonwealth: Findings and Recommendations

Performance Improvement Plan (PIP) Process Update

Schedule of Upcoming Meetings

Out-of-pocket spending for pregnancy, delivery, and postpartum care in Massachusetts has increased, presenting affordability challenges.

BACKGROUND

- Nationally, out-of-pocket (OOP) spending for birthing episodes for patients with employer-sponsored insurance grew by 49% from 2008-2015, driven by increased spending on deductibles.[1]
- Enrollment in high-deductible health plans (HDHP) has risen both nationally and in MA.[2,3]
- Health care affordability is an ongoing challenge, as commercial premiums and cost-sharing in MA continue growing faster than wages.[3,4]

PRIOR HPC FINDINGS

- Average OOP spending among commercially-insured MA residents increased 20% from 2015-2017.[5]
- The HPC has consistently found variation in spending for pregnancy, delivery, and postpartum care, as well as spending growth over time.[6,7]

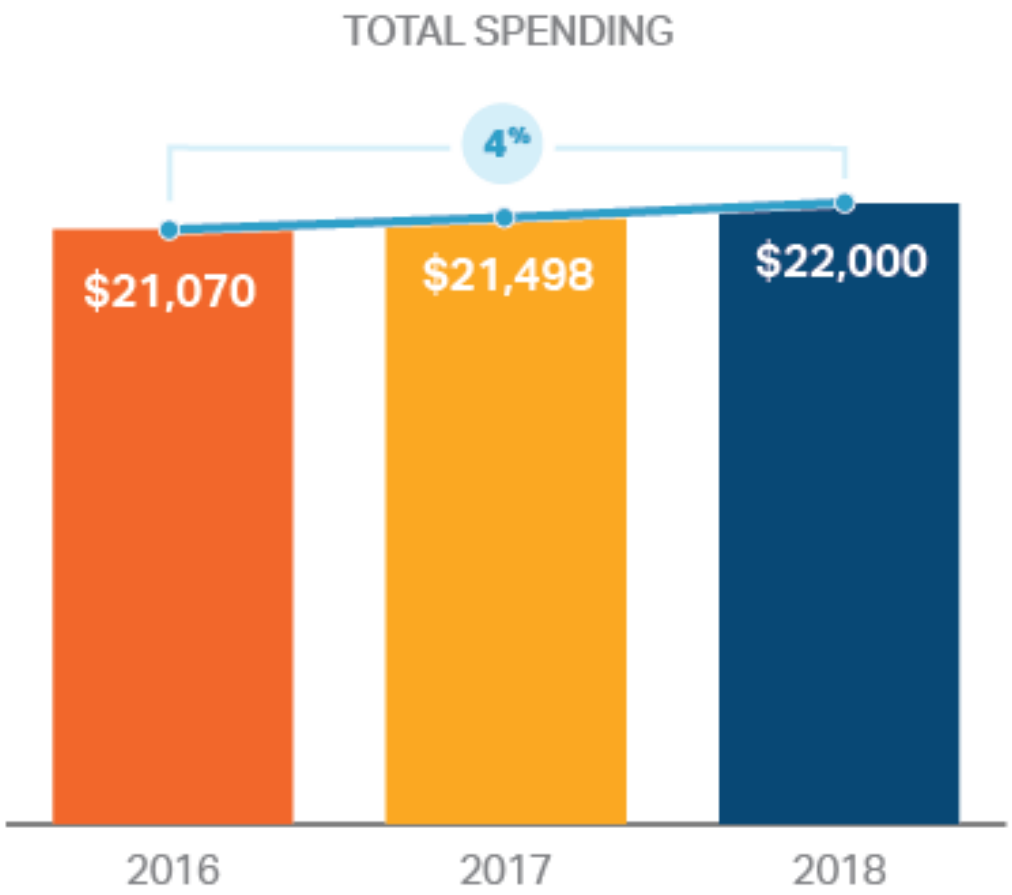
DATA AND METHODS

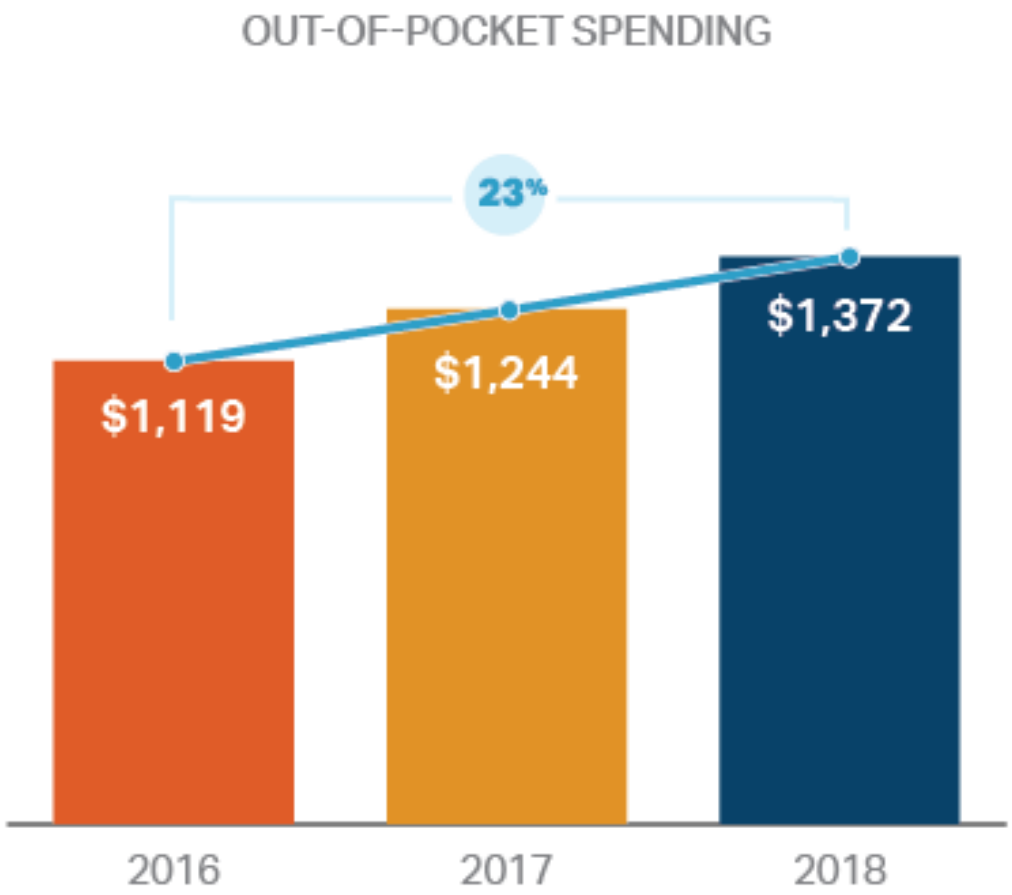
- Massachusetts All-Payer Claims Database (APCD) for 2016-2018, capturing five large commercial payers.
- Analyses used birthing episodes for individuals who gave birth from July 1, 2016 – September 30, 2018, including care for 6 months before admission for a labor-and-delivery inpatient hospital stay, during the inpatient stay, and for 3 months after discharge.

1 Moniz, Michelle H., A. Mark Fendrick, Giselle E. Kolenic, Anca Tilea, Lindsay K. Admon, and Vanessa K. Dalton. 2020. "Out-Of-Pocket Spending For Maternity Care Among Women With Employer-Based Insurance, 2008–15." Health Affairs 39 (1): 18–23. https://doi.org/10.1377/hlthaff.2019.00296. ; 2 2021 Employer Health Benefits Survey. Kaiser Family Foundation. November 10, 2021. Available at https://www.kff.org/health-costs/report/2021-employer-health-benefits-survey/ ; 3 Health Policy Commission. Health Care Spending and Affordability in Massachusetts. November 17, 2021. Available at https://www.mass.gov/doc/hpc-2021-cost-trends-hearing-presentation-slides-health-care-spending-and-affordability-in-massachusetts/download ; 4 Center for Health Information and Analysis. Performance of the Massachusetts Health Care System: Annual Report. March 2021. Available at https://www.chiamass.gov/assets/2021-annual-report/2021-Annual-Report.pdf ; 5 Health Policy Commission. HPC DataPoints, Issue 19: Persistently High Out-of-Pocket Costs Make Health Care Increasingly Unaffordable and Perpetuate Inequalities in Massachusetts. Available at https://www.mass.gov/info-details/hpc-datapoints-issue-19-persistently-high-out-of-pocket-costs-make-health-care#trends-in-out-of-pocket-spending- ; 6 Health Policy Commission. 2015 Cost Trends Report. Jan. 2016. Available at https://www.mass.gov/doc/2015-cost-trends-report-1/download ; 7 Health Policy Commission. Certified Nurse Midwives and Maternity Care in the Commonwealth: Report Findings. October 6, 2021. Available at https://www.mass.gov/doc/certified-nurse-midwives-and-maternity-care-in-massachusetts-1062021/download

Out-of-pocket spending for birthing episodes is growing more quickly than the total cost of care.

Change in total and out-of-pocket spending for commercially-insured pregnancy, delivery, and postpartum care, 2016-2018

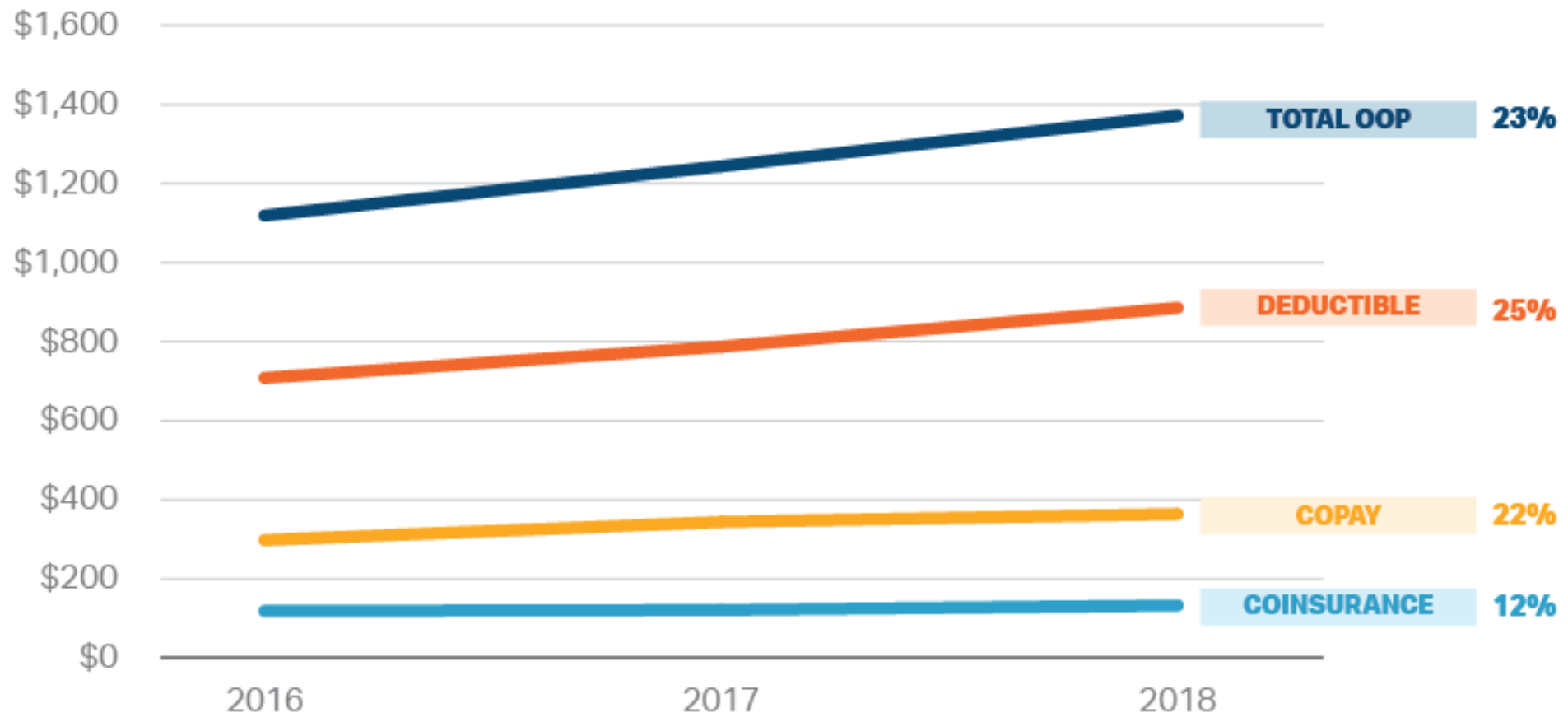




Source: HPC analysis of All-Payer Claims Database 8.0

Rising out-of-pocket spending for birthing episodes is driven by increased spending on deductibles.

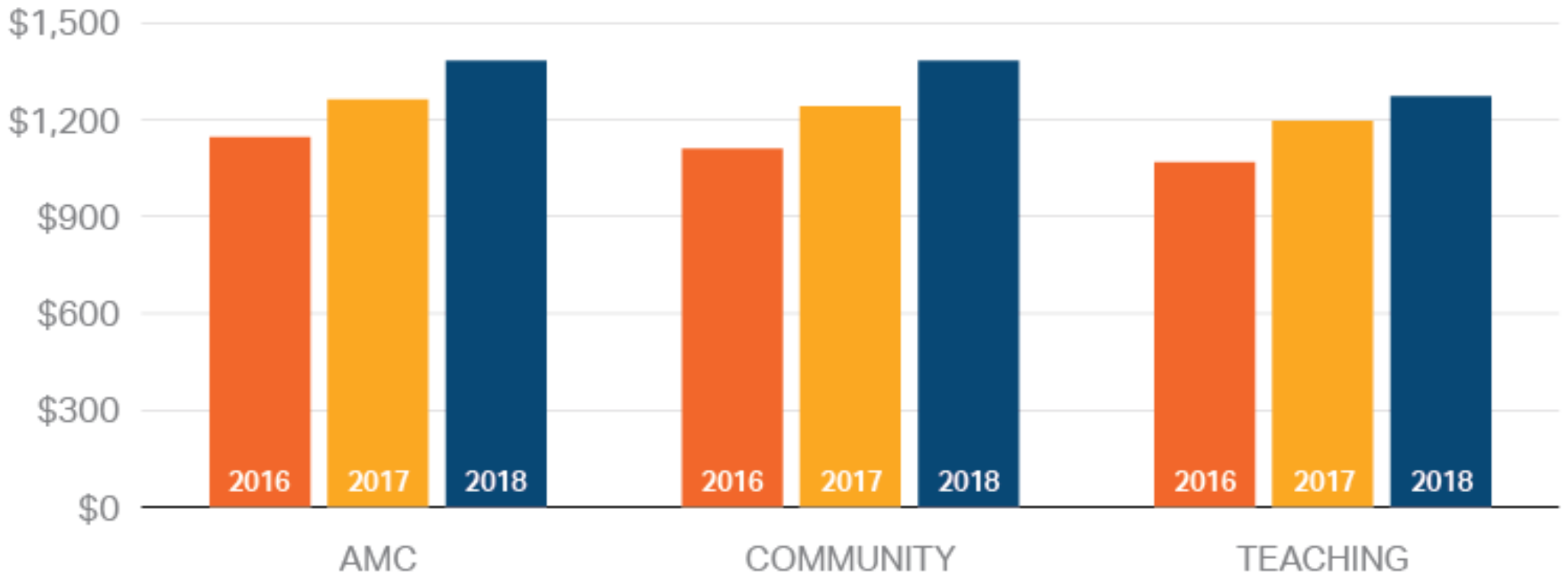
Total mean out-of-pocket spending and mean spending on deductibles, copays, and coinsurance for commercially-insured pregnancy, delivery, and postpartum care, 2016-2018



Source: HPC analysis of All-Payer Claims Database 8.0

Out-of-pocket spending for birthing episodes does not meaningfully differ by hospital cohort.

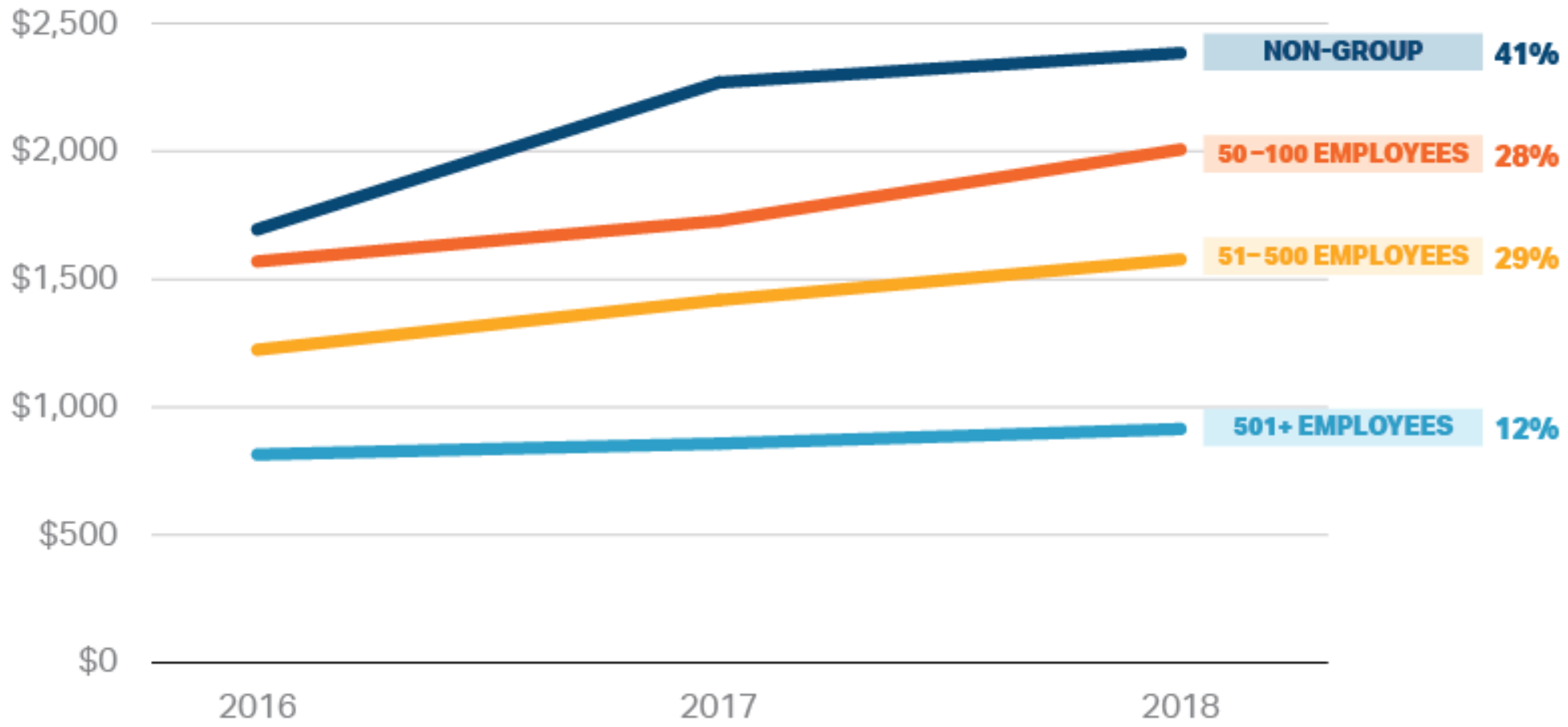
Out-of-pocket spending for commercially-insured pregnancy, delivery, and postpartum care at academic medical centers, community hospitals, and teaching hospitals, 2016-2018



Source: HPC analysis of All-Payer Claims Database 8.0

Firm size is the strongest predictor of out-of-pocket spending for birthing episodes, indicating that variation in OOP spend is driven by insurance benefits rather than care delivery.

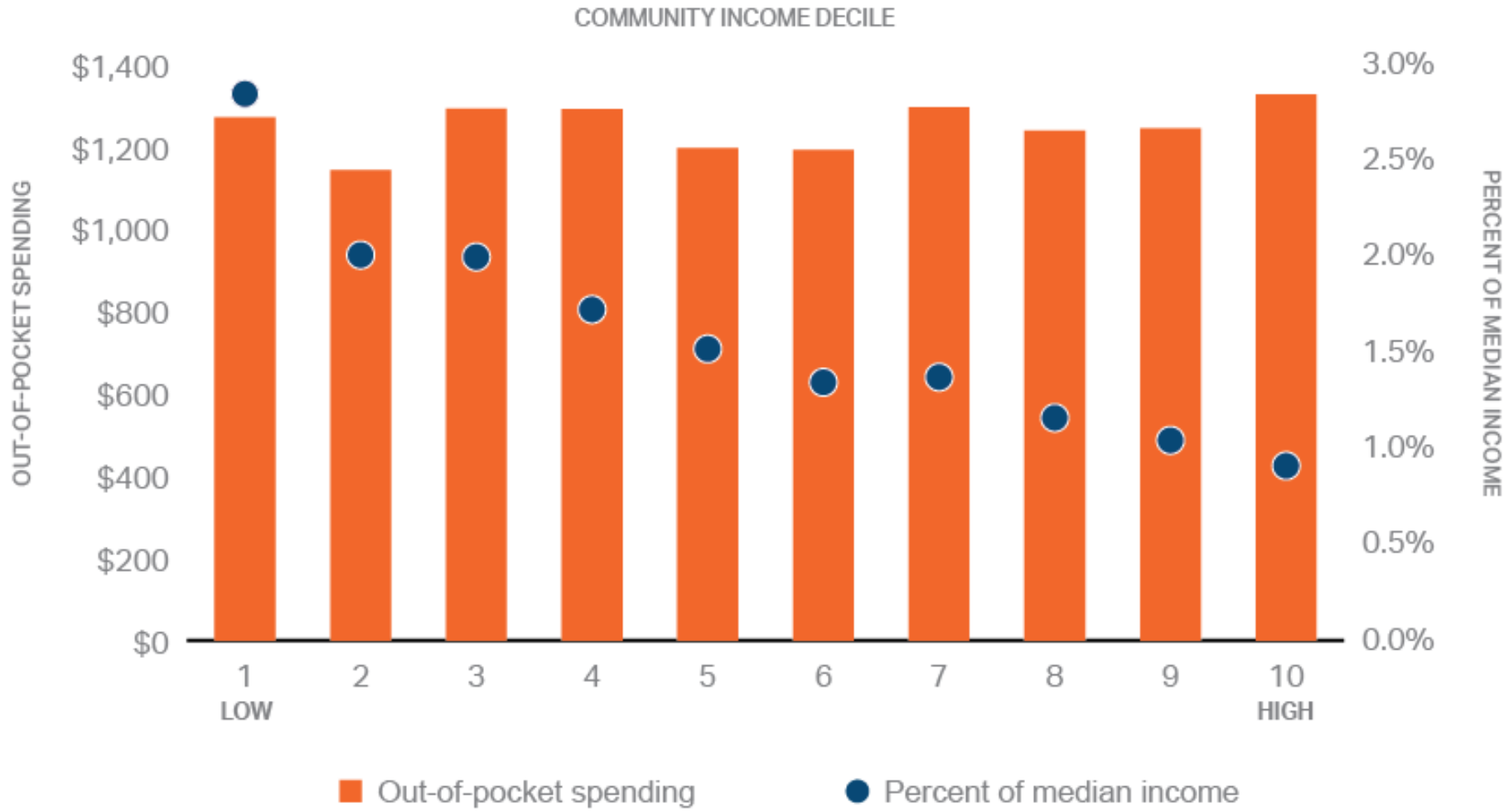
Out-of-pocket spending for commercially-insured pregnancy, delivery, and postpartum care among individuals with non-group coverage and those employed at small, medium, and large firms, 2016-2018



Source: HPC analysis of All-Payer Claims Database 8.0

Out-of-pocket spending for birthing episodes can comprise a significant proportion of total income for some residents.

Average out-of-pocket costs for birthing episodes during 2016-2018 and proportion of median income in zip code of patient's residence comprised by their out-of-pocket spending



Source: HPC analysis of All-Payer Claims Database 8.0

Conclusions

- Commercially-insured patients, especially those employed at smaller companies, are bearing a growing share of the cost of pregnancy, delivery, and postpartum care.
- This trend is driven by spending on deductibles, reflecting growth in high-deductible health plan (HDHP) enrollment as health insurance premiums have become increasingly unaffordable.
- High OOP spending is particularly burdensome for lower-income residents, who are also disproportionately likely to forgo needed care due to cost.[1]
- Rising OOP costs raise racial equity concerns: birthing people of color continue to experience disproportionately high rates of perinatal morbidity in MA, which can come with significant financial costs.[2,3]
- The HPC's findings indicate that solutions to rising OOP costs for pregnancy, delivery, and postpartum care will be found in insurance design, rather than care delivery.

1 Health Policy Commission. Health Care Spending and Affordability in Massachusetts. November 17, 2021. Available at https://www.mass.gov/doc/hpc-2021-cost-trends-hearing-presentation-slides-health-care-spending-and-affordability-in-massachusetts/download
2 Massachusetts Department of Public Health. Massachusetts State Health Assessment. Boston, MA; October 2017
3 O'Neil S, Platt I, Vohra D, Pendl-Robinson E, Dehus E, Zephyrin L, Zivin K. The High Costs of Maternal Morbidity Show Why We Need Greater Investment in Maternal Health. The Commonwealth Fund. November 12, 2021. Available at https://www.commonwealthfund.org/publications/issue-briefs/2021/nov/high-costs-maternal-morbidity-need-investment-maternal-health

Agenda

Call to Order

Approval of Minutes **(VOTE)**

Office of Patient Protection (OPP) Annual Report

Upcoming DataPoints Issue: Growth in Out-of-Pocket Spending for Pregnancy, Delivery, and Postpartum Care in Massachusetts

CHILDREN WITH MEDICAL COMPLEXITY IN THE COMMONWEALTH: FINDINGS AND RECOMMENDATIONS

Performance Improvement Plan (PIP) Process Update

Schedule of Upcoming Meetings

Legislative Charge

*To better understand the landscape of care for **children with medical complexity (CMC)** in the Commonwealth, the Massachusetts Legislature enacted Chapter 124 of the Acts of 2019, **An Act Relative to Children's Health and Wellness**.*

Section 7 of Chapter 124 tasks the Massachusetts Health Policy Commission (HPC) with estimating the number of CMC in the Commonwealth, their demographics, primary diagnoses, health coverage, access to and utilization of health care, associated costs, and recommendations for ongoing data collection and reporting.

Report to the Legislature: Children with Medical Complexity in the Commonwealth

- Children with medical complexity (CMC) are a high-need population, with significant use of health and social services.
- The health system is not always set up to adequately support CMC, for whom health care and health coverage are often fragmented, and who require coordination across multiple overlapping medical and social service settings and systems.
- To understand the population of CMC and their health care landscape in the Commonwealth, the HPC investigated demographics, health coverage, health service utilization, and spending.
- The HPC also met with stakeholders to understand issues of care not measurable in administrative data, including access, care continuity, and social complexity for families.

Children with Medical Complexity

CHARACTERISTICS

- Serious, chronic, and multiple medical, behavioral, or developmental health conditions, including functional limitations, high health service needs, and high utilization.[1]
- Often require surgery or inpatient services, or rely on durable medical equipment and supplies, medical technology, or home health services.[2-4]
- Disproportionately high health spending compared with healthier children.[3]

PREVALENCE IN MA

- 32% of Massachusetts residents ages 1-21 with hospital stays in 2018 were CMC (8,067 individuals).[5]
- Mirroring national findings[6-9] on CMC prevalence, in 2018 CMC represented:
  - 4.5% of the commercial population ages 1-21 (9,117 individuals)
  - 6.4% of beneficiaries ages 1-21 enrolled in MassHealth MCO/ACO plans (7,651 individuals)[10]

1 Berry JG, Agrawal RK, Cohen E, Kuo DZ. The Landscape of Medical Care for Children with Medical Complexity. Children's Hospital Association. June 2013. Available at: http://www.columbia.edu/itc/hs/medical/residency/peds/new_compeds_site/pdfs_new/PL3%20new20readings/Special_Report_The_Landscape_of_Medical_Care_for_Children_with_Medical_Complexity.pdf
2 Doupnik SK, Rodean J, Feinstein J, Gay JC, Simmons J, Bettenhausen JL, Markham JL, Hall M, Zima BT, Berry JG. Health Care Utilization and Spending for Children With Mental Health Conditions in Medicaid. Academic Pediatrics. 2020; 20(5):678-686.
3 Berry JG, Hall M, Neff J, Goodman D, Cohen E, Agrawal R, Kuo D, Feudtner. Children With Medical Complexity And Medicaid: Spending And Cost Savings. Health Affairs. 2014; 33(12): 2199-2206.
4 Kuo DZ, Melguizo-Castro M, Goudie A, Nick TG, Robbins JM, Casey PH. Variation in Child Health Care Utilization by Medical Complexity. Maternal and Child Health Journal. 2015; 19: 40-48.
5 HPC Analysis of the Center for Health Information and Analysis (CHIA), Hospital Inpatient Discharge Database, 2018
6 Berry JG, Hall M, Neff J, Goodman D, Cohen E, Agrawal R, Kuo D, Feudtner. Children With Medical Complexity And Medicaid: Spending And Cost Savings. Health Affairs. 2014; 33(12): 2199-2206.
7 Reuland CP, Collins J, Chiang L, Stewart V, Cochran AC, Coon CW, Shinde D, Harguani D. Oregon's approach to leveraging system-level data to guide a social determinants of health-informed approach to children's healthcare. BMJ Innovations. 2020; 7(1): 1-8.
8 NASHP. National Care Coordination Standards for Children and Youth with Special Health Care Needs. Oct 16, 2020. Available at: https://www.nashp.org/national-care-coordination-standards-for-children-and-youth-with-special-health-care-needs/#toggle-id-1
9 Children's Hospital Association. Coordinating All Resources Effectively for Children with Medical Complexity (CARE Award): Early Lessons Learned from the Project. Sept 2016. Available at: https://www.childrenshospitals.org/-/media/Files/CHA/Main/Programs_and_Services/Quality_Safety_and_Performance/CARE/CARE_award_early_lessons_learned_sept2016.pdf
10 HPC Analysis of All-Payer Claims Database 8.0

Prior Findings

DEMOGRAPHICS

- CMC are all types of children and live in all parts of Massachusetts. Similar rates of CMC are found across all demographic groups and regions of the Commonwealth.

UTILIZATION

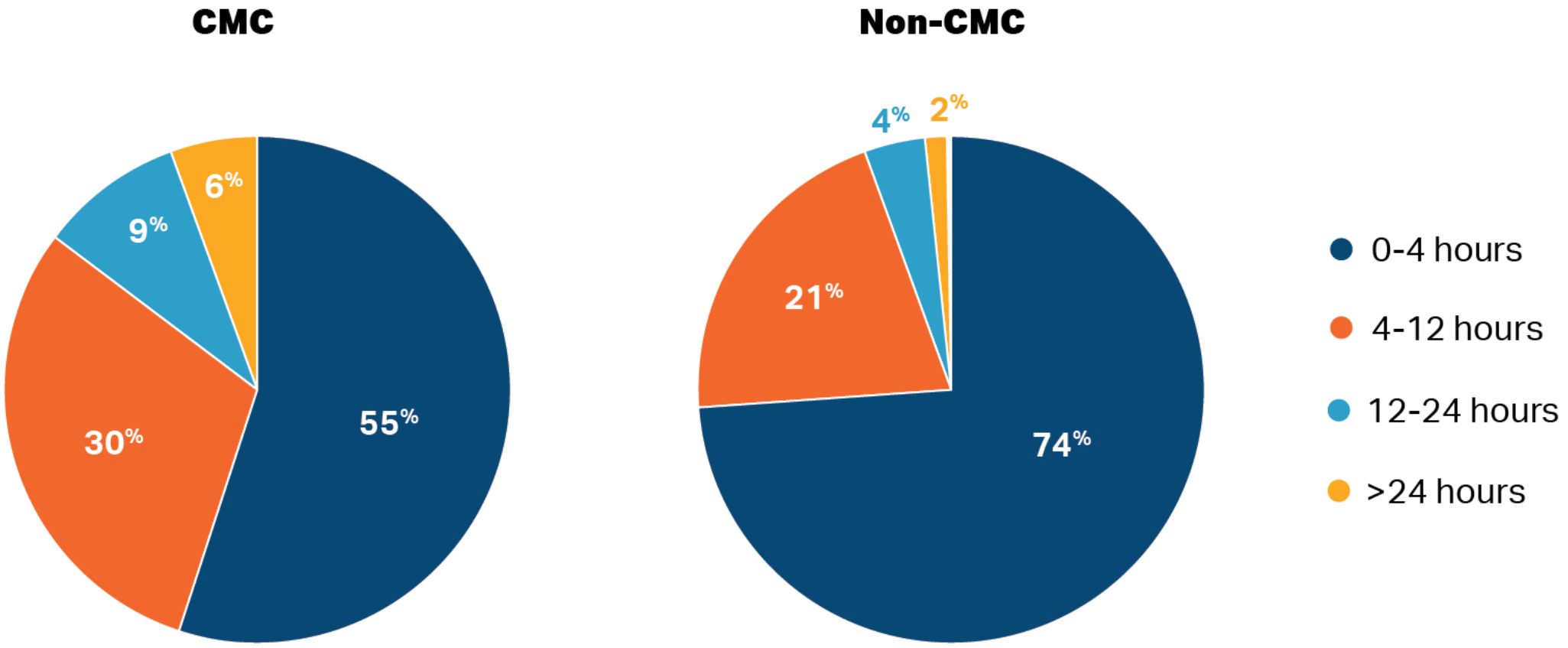
- CMC who are hospitalized have nearly double the length of inpatient stay of non-CMC who are hospitalized (6.5 vs. 3.6 days). A plurality of CMC (36%) are hospitalized at Boston Children's Hospital.

SPENDING

- Annual commercial medical spending for CMC is 18 times that of non-CMC ($30,578 vs. $1,691).
- Annual MassHealth MCO/ACO medical spending for CMC is 16 times that of non-CMC ($22,439 vs. $1,435).
  - 65% of CMC with primary MassHealth MCO/ACO coverage also receive services covered by MassHealth on a fee-for-service basis.

CMC spend longer in the emergency department (ED) than non-CMC and are more likely to experience ED boarding.

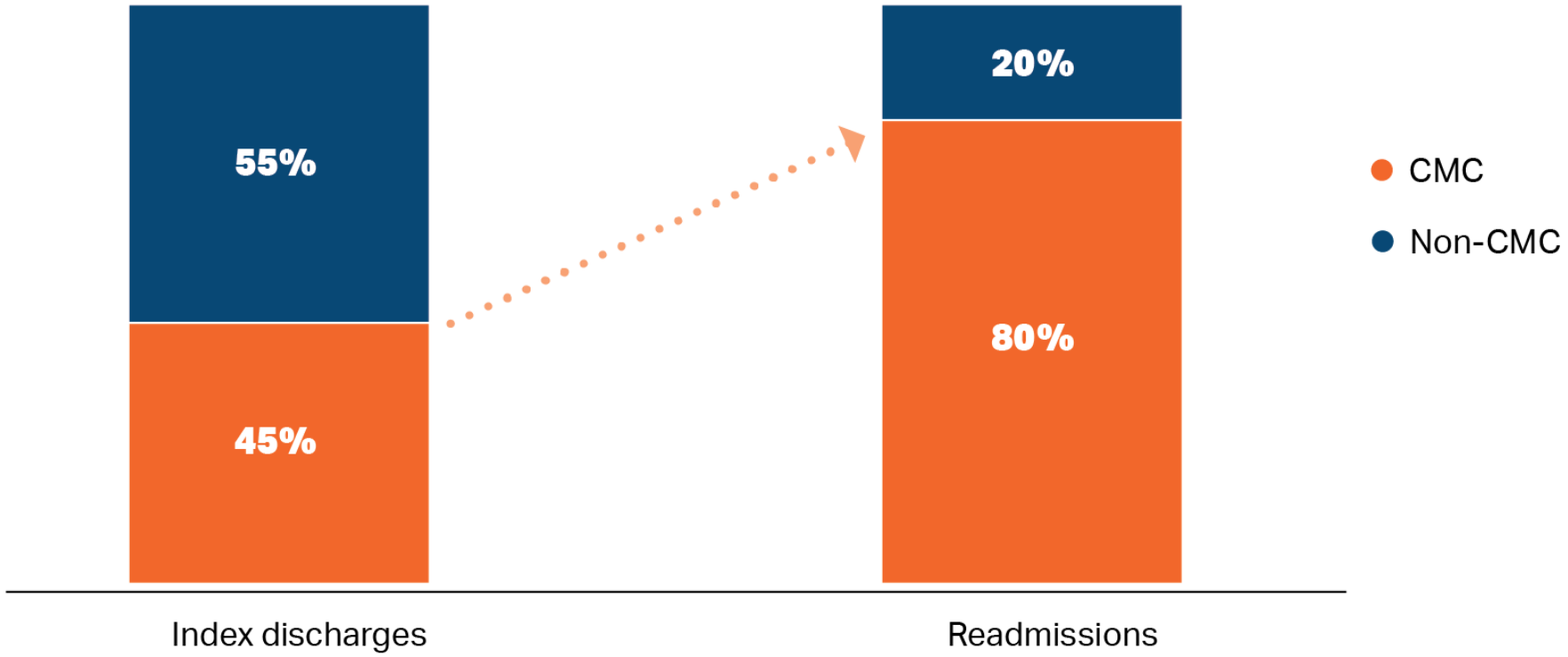
Mean emergency department length of stay in hours for CMC and non-CMC, 2018



Note: Analysis excludes individuals <1 year old.
Source: HPC Analysis of the Center for Health Information and Analysis (CHIA), Emergency Department Discharge Database, 2018

CMC have high rates of hospital readmissions compared to non-CMC.

Hospital discharges and 30-day readmissions for CMC and non-CMC, 2018



Note: Analysis excludes individuals <1 year old. Readmissions analysis used CMS/Yale Hospital-Wide All-Cause Unplanned 30-day Readmission methodology, in which a set of index visits is identified and matched with readmissions within a 30-day time period. Hospital transfers, rehabilitation, admissions for labor and delivery care, discharges against medical advice, and deaths while hospitalized were excluded as index admissions. "Always planned" admissions for maintenance chemotherapy, rehabilitation, and transplant care were excluded as readmissions. Following methodology from CHIA, data cleaning and collapsing included removing duplicate records, collapsing overlapping stays, and combining adjacent admissions. For more information, see: https://www.chiamass.gov/assets/docs/r/pubs/18/Readmissions-Technical-Appendix-2011-2017.pdf
Source: HPC Analysis of the Center for Health Information and Analysis (CHIA), Hospital Inpatient Discharge Database, 2018

Pediatric-to-Adult Care Transitions

Care transitions for CMC occur gradually from ages 18 to 22.[1] The HPC estimates that about 20% of Massachusetts CMC (3,385 individuals) were 18-21 years old in 2018.[2]

Care transition challenges include:

- **Eligibility cutoffs.** While preferable to a single eligibility "cliff," variable age cutoffs among public programs for CMC[3] create an extended period when a young adult's provider network is in flux.
- **Access to adult providers.** Many young adults with complex medical needs have trouble finding adult providers equipped to care for patients with pediatric-onset chronic conditions.[4]
- **Self-management.** Young adults may have difficulty learning to independently manage their many medical relationships,[3] and many transition to adult care while also entering workplaces or colleges that may lack supports for individuals with chronic health needs.[5]

1 Department of Public Health Division for Children & Youth with Special Health Needs. Health Transition for Youth and Young Adults with Special Health Needs. Available at: https://www.mass.gov/health-transition-for-youth-and-young-adults-with-special-health-needs
2 HPC Analysis of All-Payer Claims Database 8.0
3 e.g., DPH's Pediatric Palliative Care program covers children under 19 years old, while eligibility for several MassHealth programs expires when young adults turn 21, and eligibility for Title V-funded DPH programs vary by program. See: M.G.L 111, section 24 (k). Available at: https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXVI/Chapter111/Section24K ; Centers for Medicare & Medicaid Services. Early and Periodic Screening, Diagnostic, and Treatment. Available at: https://www.medicaid.gov/medicaid/benefits/early-and-periodic-screening-diagnostic-and-treatment/index.html ; MassHealth. MassHealth coverage types for individuals and families including people with disabilities. Available at: https://www.mass.gov/service-details/masshealth-coverage-types-for-individuals-and-families-including-people-with ; Department of Public Health Division for Children & Youth with Special Health Needs. Financial Assistance for Hearing Aids. Available at: https://www.mass.gov/financial-assistance-for-hearing-aids ; Division for Children & Youth with Special Health Needs. Medical Review Team. Available at: https://www.mass.gov/medical-review-team
4 Steinway C, Gable J, Jan S. Transitioning to Adult Care: Supporting Youth with Special Health Care Needs. Children's Hospital of Philadelphia. PolicyLab Evidence to Action Brief. Spring 2017. Available at: https://policylab.chop.edu/sites/default/files/pdf/publications/Transitions_Of_Care.pdf
5 Lemly DC, Lawlor K, Scherer EA, Kelemen S, Weitzman ER. College Health Service Capacity to Support Youth With Chronic Medical Conditions. Pediatrics. 2014;134(5):885-891.

Data collection can help identify needs and gaps in services for CMC, improve how care is delivered, and track progress towards these goals.

To support care coordination, the Commonwealth should:

- Consider creating a central database on children receiving multiple public services to facilitate information-sharing, coordination, and service integration.
- Explore data needs and appropriate care coordination structures at the regional and state level.

To support measurement, the Commonwealth should:

- Track and report on measures related to CMC to ensure their timely access to needed care, including distance, wait times, and regional availability of primary and specialty providers.
- Identify a dedicated hub for this work.

Agenda

Call to Order

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PERFORMANCE IMPROVEMENT PLAN (PIP) PROCESS UPDATE

Schedule of Upcoming Meetings

Process Update on Mass General Brigham's Performance Improvement Plan (PIP)

Completed Steps

- On January 25, 2022, the HPC's Board voted to require a PIP from Mass General Brigham (MGB).
- On January 27, MGB received formal notice that, by March 13, it must file:
  - A proposed PIP;
  - A waiver request; or
  - A request for an extension to file a PIP.
- MGB is identified as an entity required to file a PIP on the HPC's website.
  - Further documents related to MGB's PIP will be posted as they become available.

Potential Next Steps

- If MGB files a proposed PIP, the Board will vote to approve or deny the proposal:
  - If approved: MGB will begin implementing the PIP.
  - If denied: MGB will have up to 30 days to resubmit a proposal.
- If MGB files a waiver request, the Board will vote to approve or deny the request.
  - If approved: MGB's name will be removed from the HPC website and no further action will be required.
  - If denied: MGB will have 45 days to submit a proposed PIP or 15 days to request an extension of the filing deadline.
- If MGB files a request for an extension to file a PIP:
  - If approved: The filing deadline will be extended.
  - If denied: MGB will have 45 days to submit a proposed PIP.

Process Update on Mass General Brigham's PIP

- As required by statute, the **Notice of Requirement to File a PIP** sent to MGB includes the HPC's basis for requiring a PIP.
- The HPC's **basis for requiring a PIP** was also presented at the January 25, 2022 Board meeting and is summarized below.

  - MGB's high baseline spending levels for its primary care population, both on a health status adjusted and unadjusted basis, combined with the fact that its total medical expenses have been growing apace or even faster than the payer network average, has resulted in greater cumulative commercial spending growth in excess of the benchmark from 2014 to 2019 than any other provider, totaling $293 million. MGB acknowledged that this spending growth was not driven by a worsening of the health status of its primary care population.
  - Even in alternative payment method contracts, spending for MGB's primary care patients is growing at rates above the benchmark across multiple years and multiple payers.
  - MGB's hospital and physician prices are higher than nearly all other providers in the Commonwealth and price and mix were bigger drivers of spending growth for MGB's primary care patients than utilization.
  - MGB stated that its primary strategies for controlling spending growth would be to continue current efforts around clinical and care management programs, shifting patients to lower cost settings, and taking on more risk in its payer contracts. These strategies have not been sufficient to restrain spending to date.

Next Steps: Assessment of a Proposed PIP

STANDARD FOR APPROVAL

- The HPC's Board shall approve a PIP proposal if the proposal meets the regulatory requirements[1] and the Board determines that:
  - The PIP is reasonably likely to successfully address the underlying causes of the entity's cost growth; and
  - The entity will be capable of successfully implementing the plan.

REGULATORY FACTORS FOR CONSIDERATION

- Whether the PIP proposes a strategy or activity that has a reasonable economic, business, or medical rationale with a sufficient evidence base;
- The scope and likelihood of potential savings and the potential impact on the Commonwealth's ability to meet the benchmark;
- Whether savings and efficiencies are likely to continue after implementation;
- The extent to which a proposed PIP carries a risk of negative consequences that would be inconsistent with other policy goals of the Commonwealth; and
- Any other factors the HPC determines to be in the public interest.

1. MGL 6D S. 10(i) and 958 CMR 10.09(2) list a number of criteria that must be included in a PIP proposal. Those criteria are embedded in the PIP proposal form posted on the HPC's website.

Overview of a Proposed PIP

- A proposed PIP must be filed using the forms listed here as 1 through 3 and which are available on the PIPs Webpage.
- Any final PIP proposal shall be a public record and will be posted on the HPC's website after the Board has voted.
- The entity may identify supporting data and evidence used to support its proposal as nonpublic clinical, financial, strategic or operational information.

1. Contact Information

- Identifying information for the Executive Officer, Board Chair, and PIP Custodian

2. Proposal

- Concise but comprehensive plan, with responses to relevant questions
- Entities are encouraged to consult with the HPC in developing proposals
- Final proposal to be posted on the HPC's website

3. Affidavits of Truthfulness

- Required for final proposals
- Signed by Executive Officer, Board Chair, and PIP Custodian

4. Attachments

- Opportunity to provide supporting documentation, evidence, and data
- May contain non-public information that the HPC can protect from disclosure

Overview of a Proposed PIP

- The entity must develop the PIP proposal, meeting the regulatory requirements and using the forms available on the PIPs Webpage.
- The entity may consult with the HPC throughout development of the PIP to ensure that all requirements have been met.

SECTIONS OF A PIP PROPOSAL		
I	Description of Your Organization	Supporting evidence and data throughout
II	Savings Target	
III	Causes of Growth	
IV	Interventions, Evidence and Impacts	
V	Measures	
VI	Reporting and Revising	
VII	Other Filings	
VIII	Sustainability	
IX	Timeline	
X	Requests for Technical Assistance	

Request for Waiver, Filing Extension, and/or Non-Compliance

- Entities must follow the Instructions posted on the HPC's website if they seek a waiver or a filing extension.
- The HPC's website includes forms for requesting a waiver or extension.
- **Non-Compliance:** As a last resort, the HPC may assess a fine of $500,000 for non-compliance with the PIP requirement.

Request for Waiver

- The entity must provide a justification for the waiver request along with new supporting data and evidence.
- The HPC will consider a waiver request based on the factors laid out in the regulation, which largely mirror the factors reviewed in determining to require a PIP (e.g., cost, price, and utilization trends over time, ongoing strategies for cost containment).

Request for Filing Extension

- The entity must provide a justification for the extension request, including the requested filing date, along with supporting data and evidence.
- The HPC will consider whether an extension is necessary to provide sufficient time for the creation and submission of a plan that will be reasonably likely to successfully address the underlying cause(s) of the PIP entity's cost growth.

Agenda

Call to Order

Approval of Minutes **(VOTE)**

Office of Patient Protection (OPP) Annual Report

Upcoming DataPoints Issue: Growth in Out-of-Pocket Spending for Pregnancy, Delivery, and Postpartum Care in Massachusetts

Children with Medical Complexity in the Commonwealth: Findings and Recommendations

Performance Improvement Plan (PIP) Process Update

SCHEDULE OF UPCOMING MEETINGS

The HPC's authority to modify the benchmark is prescribed by law and subject to potential legislative review.

1-5 years

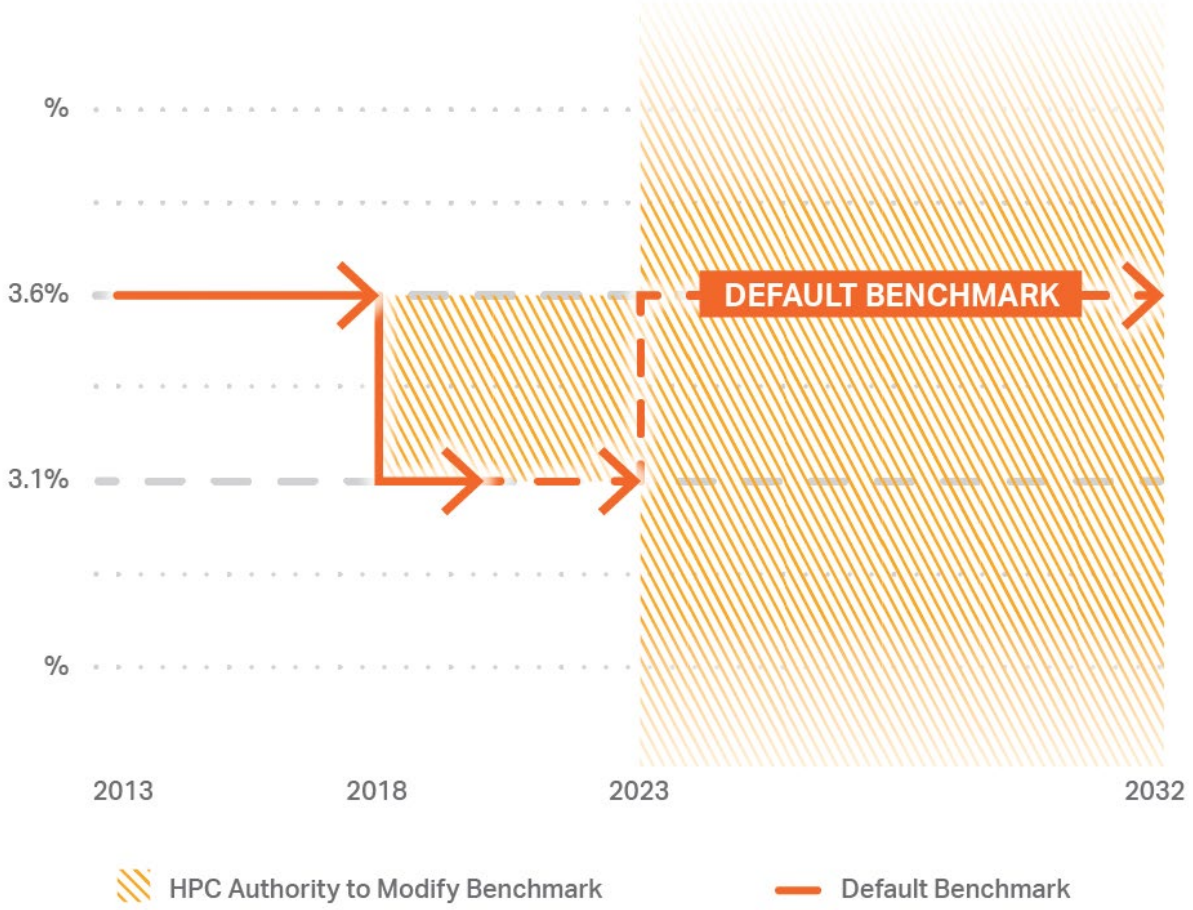
Benchmark established by law at PGSP (3.6%)

6-10 years

Benchmark established by law at a default rate of at PGSP minus 0.5% (3.1%); HPC can modify the benchmark up to 3.6%, subject to legislative review.

10-20 years

Benchmark established by law at a default rate of PGSP; HPC can modify to any amount, subject to legislative review.



MASSACHUSETTS
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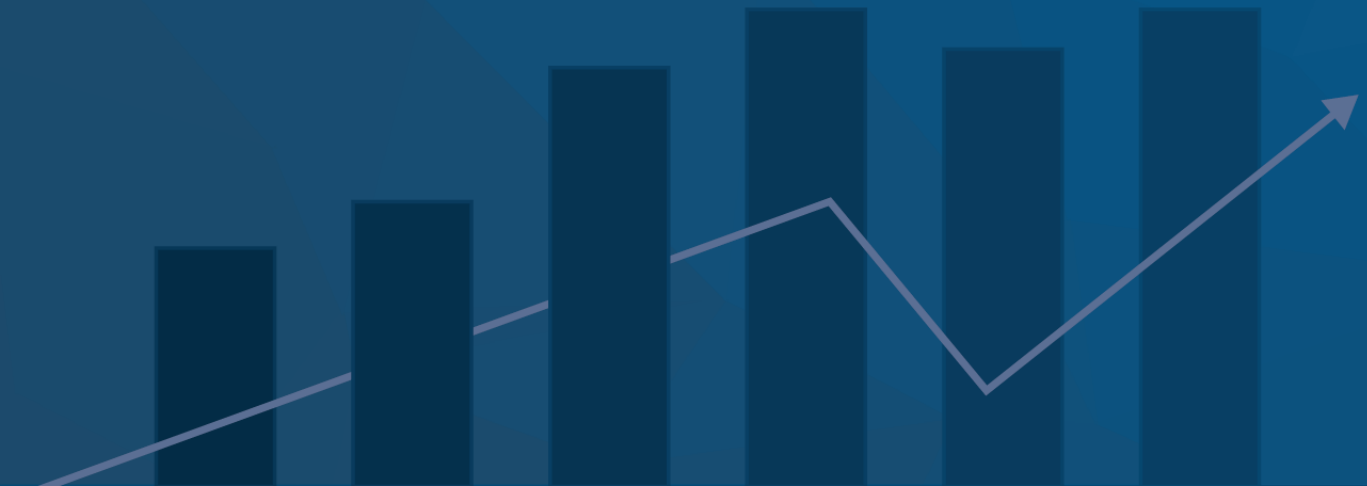
HEARING ON THE POTENTIAL MODIFICATION OF THE

HEALTH CARE COST GROWTH BENCHMARK



When:
Wednesday, March 16, 2022
12:00 – 3:00 PM

Livestream:
tinyurl.com/hpc-video

More info:
tinyurl.com/hpc-benchmark

Testimony registration:
tinyurl.com/2022benchmark-reg

Written testimony due:
5:00 PM on March 18, 2022
HPC-testimony@mass.gov

CHIA.

Joint Committee on
Health Care Financing

Schedule of Upcoming Meetings

BOARD

April 13

June 8

July 13

September 14

December 14

COMMITTEE

May 11

October 12

ADVISORY COUNCIL

March 30

June 22

September 21

December 7

SPECIAL EVENTS

March 16
Benchmark Hearing

November 2
Cost Trends Hearing

Mass.gov/HPC

HPC-info@mass.gov

@Mass_HPC

tinyurl.com/hpc-linkedin

MASSACHUSETTS
HEALTH POLICY COMMISSION

Appendix

Proposed PIP Highlights: Savings Target and Causes of Growth

- The overarching aim of the PIP must be to successfully reduce health care spending for the entity's members or patient population.
- The HPC will evaluate savings targets in the context of the entity's historic spending and growth trends.

II. Savings Target

A	Briefly describe your quantitative target for spending reduction and your timeline, including a phrase such as, "My organization will reduce healthcare spending by at least _____ on or before _____."
B	Explain why your organization selected this target and how the target will address concerns regarding your organization's spending growth.

III. Causes of Growth

A	Describe the factors your organization has identified as the main cause(s) of excessive cost growth.

Supporting evidence and data throughout

Proposed PIP Highlights: Interventions, Evidence and Impacts

- The entity may propose a single intervention or many interventions to achieve it savings target.
- The HPC will consider:
  - Whether the intervention(s) is likely to influence total health care expenditures (i.e., that savings will accrue to consumers); and
  - Whether the total associated savings will be sufficient to reach the savings target.
- Proposed interventions must be detailed and well supported.
- The entity must consider potential negative impacts of the intervention(s) and plan mitigation strategies.

IV. Interventions, Evidence and Impacts

A	Describe the specific strategies, adjustments, and/or action steps You propose to implement to achieve the savings target described above.
B	Describe how Your proposed interventions will translate into savings in total health care expenditures in the Commonwealth
C	Identify the rationale (e.g., economic, business, clinical) for Your intervention(s).
D	Describe any ways in which Your proposal may generate new costs or increase existing costs and the steps You will take to mitigate any potential increases.
E	Describe any anticipated non-spending impacts of the PIP. Describe the steps You will take to mitigate any potential negative impacts of the PIP.
F	Identify any other entities that will be directly involved as voluntary partners in the activities contemplated under the PIP.

Supporting evidence and data throughout

Proposed PIP Highlights: Measures

- The entity must describe how it will measure progress toward its savings target during PIP implementation.
- Each measure must be clearly defined, and specify a unit of measurement and data source.

V. Measures		
A	**Savings Target:** Describe the measure(s) that Your organization will use to assess and publicly report on Your progress toward Your savings target.	Supporting evidence and data throughout
B	**Interim Targets:** Describe any interim outcomes expected from implementation of the PIP (e.g., X% reduction in readmissions) and related financial targets (e.g., estimated savings for each prevented readmission)	
C	**Balancing Measures:** Describe the measures Your organization will track to ensure that the proposed interventions are not negatively impacting quality or access.	

Proposed PIP Highlights: Reporting and Revising, Sustainability

- The HPC expects at least quarterly reporting in any PIP proposal, though some may warrant more frequent reporting.
- The entity must for plan for potential changes to the interventions if they are not working as expected.
- The entity must ensure that the progress is sustainable after PIP implementation ends.

VI. Reporting and Revising

A	**Reporting:** Describe Your plan for reporting to Your leadership and the HPC
B	**Revisions:** Describe Your approach to revising Your interventions as needed, including if interventions are not producing the expected results on the expected timeline, or if unanticipated negative consequences arise.

VIII. Sustainability

A	Summarize Your plans to ensure that any savings or efficiencies achieved through the PIP will continue after the 18-month implementation period.

Supporting evidence and data throughout