# Commonwealth of Massachusetts HEALTH POLICY COMMISSION

September 9, 2015 Board Meeting



- Approval of Minutes from the July 22, 2015 Meeting
- Executive Director's Report
- Preview of 2015 Health Care Cost Trends Hearing
- Schedule of Next Meeting (October 21, 2015)
- Public Comment



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**Motion**: That the Commission hereby approves the minutes of the Commission meeting held on July 22, 2015, as presented.

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April 2013 to Present		
Type of Transaction	Number of Transactions	Frequency
Physician group merger, acquisition or network affiliation	12	26%
Acute hospital merger, acquisition or network affiliation	9	20%
Clinical affiliation	9	20%
Formation of a contracting entity	7	15%
Merger, acquisition or network affiliation of other provider type (e.g. post-acute)	5	11%
Change in ownership or merger of corporately affiliated entities	3	7%
Affiliation between a provider and a carrier	1	2%

### **Notices Received Since Last Commission Meeting**

- Acquisition of Saint Francis Care, a hospital system in Hartford, Connecticut, by Trinity Health Corporation, which owns Mercy Medical Center in Springfield, Massachusetts.
- Clinical affiliation between Tufts Medical Center Parent (Tufts) and Cape Cod Hospital (CCH) under which Tufts physicians will provide substantially all pediatric services at CCH.

## Update on notices of material change

### **Elected Not to Proceed**

- Acquisition of Braintree Rehabilitation Hospital and New England Rehabilitation Hospital by HealthSouth Acquisition Holdings
  - Our analysis indicated that there is limited scope for cost or market impacts from this transaction due, in part, to the fact that these hospitals primarily serve Medicare patients.
  - We did not find evidence suggesting negative impacts on quality or access to care.

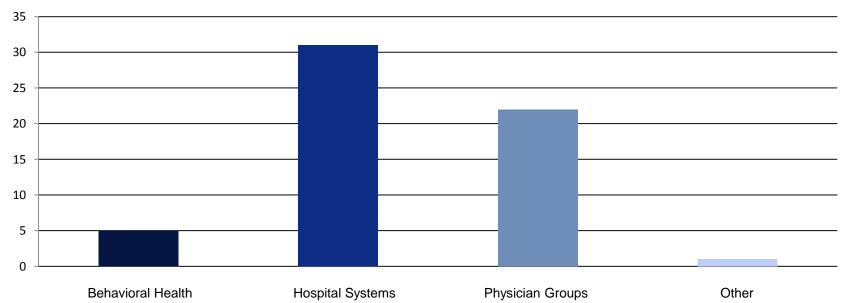
### Acquisition of Saint Francis Care by Trinity Health Corporation

- We found that the proposed transaction would have a limited impact on the operations, prices and contracting practices of Mercy Medical Center.
- While the transaction may result in a small increase in referrals between the Massachusetts and Connecticut providers, our analysis did not indicate that such changes are likely to have a negative impact on spending or on the competitive market.
- We did not find evidence suggesting negative impacts on quality or access to care.
- Affiliation between Tufts Medical Center Parent (Tufts) and Cape Cod Hospital (CCH)
  - Our analysis indicated that rates and referral patterns are unlikely to change as a result of this affiliation.
  - We also found that this affiliation has some potential to improve quality and access, as it will enhance CCH's ability to provide consistent pediatric coverage.

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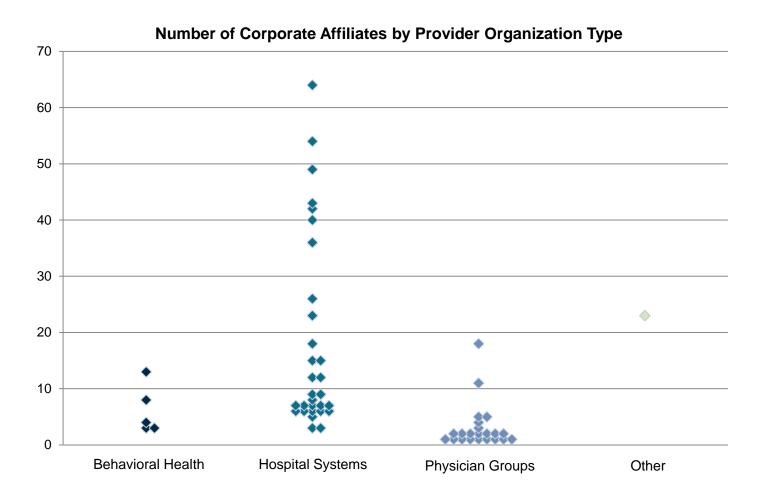


A total of 58 Provider Organizations have completed Part 1 of Initial Registration.



### Part 1 Registrants by Organization Type

**Behavioral Health** – Includes Provider Organizations that are exclusively or primarily providers of behavioral health services **Hospital Systems** – Includes Provider Organizations that own or control at least one hospital that is not a psychiatric hospital **Physician Groups** – Includes physician groups and contracting organizations that are not corporately affiliated with a hospital **Other** – Includes Provider Organizations that did not meet one of the three definitions above Provider Organizations vary in size and complexity.

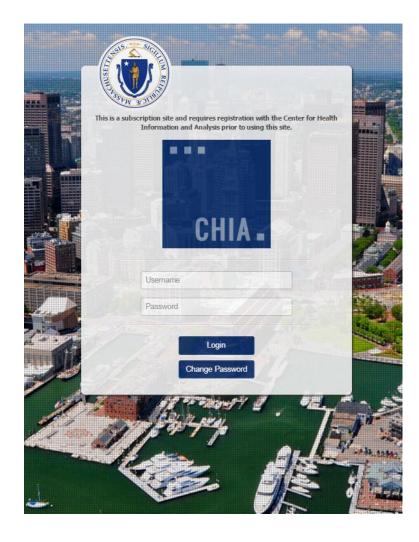


The data above represent the total number of corporate affiliates listed in each Provider Organization's final Part 1 materials. Fifty-eight Provider Organizations have completed Part 1 as of September 8, 2015. Four large, national health systems were only required to report a subset of their corporate affiliates.

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## **Registration of Provider Organizations – Part 2**

- Provider Organizations must submit their Part 2 materials to the HPC by October 30, 2015.
- The HPC held four group training sessions in different geographic regions of the Commonwealth in July and August to review the submission requirements and answer questions.
- Provider Organizations can now access the online submission platform.
  - Users can manually enter data or import completed Microsoft Excel templates into the online submission platform.
  - When users begin the reregistration process in two years, their 2015 data will be saved in the system and can be updated to reflect changes.
- The HPC is currently offering one-on-one meetings to all registrants. Please contact <u>HPC-</u> <u>RPO@state.ma.us</u> to set up a meeting.



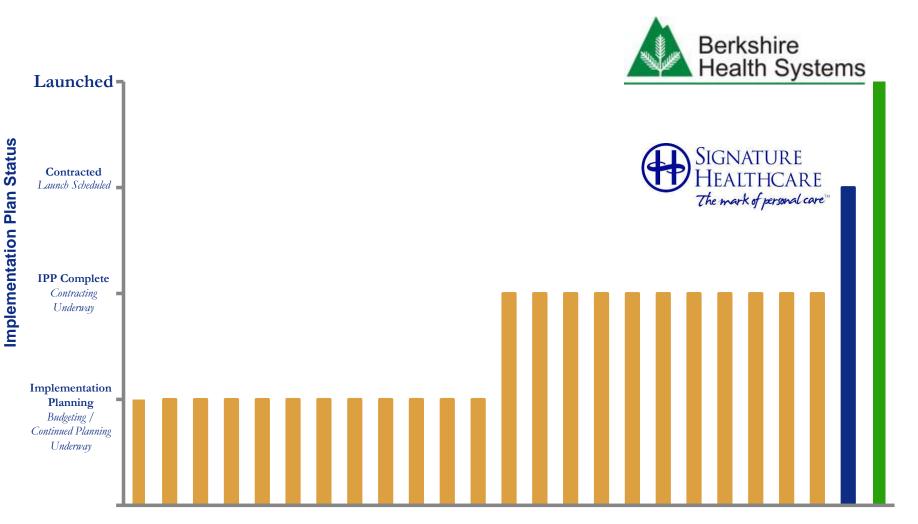
## **Registration of Provider Organizations – Part 2**

Part 2 Implementation Timeline															
	June 2015	July 2015	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	Aug 2016
Final DSM and templates released															
Group training sessions															
HPC offers one-on-one meetings to registrants															
Online submission platform launch															
Deadline to submit Part 2 materials					7										
Application review and approval															
Final data cleaning and release to the public															
	A	I date	es are	appr	oxim	ate.									

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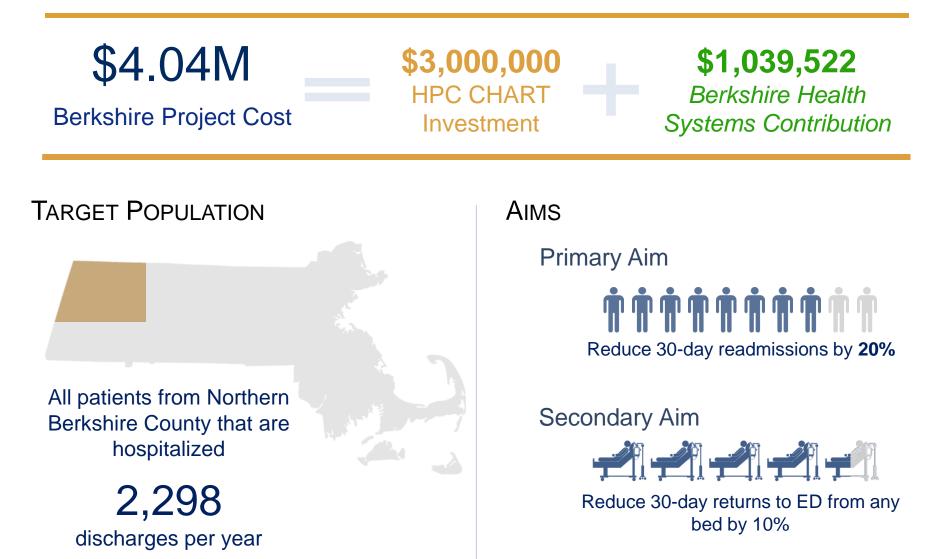


## **Implementation Plan Status Update by Hospital**



#### **CHART Phase 2 Hospitals**









## CHART PROJECT

Berkshire Health Systems will develop **individual care plans** for patients at high risk for unnecessary hospitalization, address social issues that lead to recurrent acute care utilization, provide enhanced care for chronical ill patients, increase access to behavioral health services (including both addiction medicine and psychiatry), and use enabling technology to support cross setting care and drive improvement. Enhanced services will be provided both at Berkshire Medical Center in Pittsfield (for patients from Northern Berkshire County), but in particular will **restore and expand healthcare services in North Adams** and surrounding communities.

The Brien Center (enhanced addiction treatment services) and EcuHealth (insurance enrollment and community supports) will partner with Berkshire Health Systems.

## **ENABLING TECHNOLOGY**

The investment in enabling technology will help the Complex Care Team manage patients that are high risk by **coordinating care** within a new platform, Allscripts Care Director. This platform gives the full care team the ability to more effectively manage care across the care continuum, including:

- Share clinical information and risk assessments across clinical settings and community partners
- Develop and share care plan elements, including education, transportation, counseling and goals
- Share care plans with the patient and family
- Share appropriate information with community health workers

Additional investments will support access to telepsychiatry throughout the region

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An amendment to M.G.L. c. 1760, §14(f) strengthened consumer protections for patients who face medical bills and who exercise their rights to pursue internal or external appeals of certain health insurance coverage decisions (changes indicated in bold below)

## **Credit Reporting**

Health care providers and their agents shall not provide information about unpaid charges for health care services to a consumer reporting agency while an internal or external review is pending or for **30 days** *(increased from 15 days)* following the resolution of the internal or external review

## **NEW: Debt Collection**

Health care providers and their agents, including any collection agency or debt collector, shall not initiate debt collection activities relative to unpaid charges for health care services while an internal or external review is pending or for 30 days following the resolution of the internal or external review

HPC has issued a bulletin to inform stakeholders about these new consumer protections. It can be found on our website at mass.gov/hpc/opp

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### Wednesday, September 16

### 9:30AM Care Delivery and Payment System Transformation

Agenda topics include: PCMH/ACO certification program design and next steps; presentation from MassHealth staff on developing payment reform strategy

### 11:00AM HPC Advisory Council Meeting

Agenda topics include: CHIA annual report and 2015 Cost Trends Hearing; FY16 state budget initiatives and care delivery pilots; establishment of new Administrative and Fiscal Management subcommittee

### Wednesday, September 22

### 1:00PM Quality Improvement and Patient Protection

Agenda topics include: Final proposed changes to the OPP regulations; FY16 state budget initiatives related to behavioral health

### Wednesday, October 14

### 9:30AM Cost Trends and Market Performance

Agenda topics include: Performance improvement plans process and procedures; presentation from HPC staff on prescription drug spending in MA

### 11:00AM Community Health Care Investment and Consumer Involvement

Agenda topics include: CHART Phase 2 program update; telemedicine pilot program design; innovation investment program design and next steps

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CENTER FOR HEALTH INFORMATION AND ANALYSIS

PERFORMANCE OF THE MASSACHUSETTS HEALTH CARE SYSTEM

ANNUAL REPORT SEPTEMBER 2015

PUBLIC PRESENTATION SEPTEMBER 2, 2015



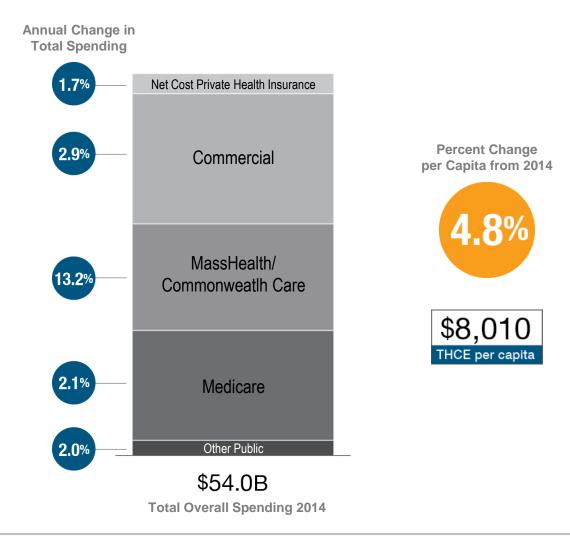


CHIA

# Per Capita Total Health Care Expenditures Grew 4.8% between 2013 and 2014 (Initial)

2014 THCE Growth

p. 11, fig. 2



# Cumulative State Program Enrollment (MassHealth, CommCare, and MSP) Dec. 2013 – Mar. 2015

1,800,000 1,600,000 **Total Mass Public Programs** 1,400,000 MassHealth Direct 1,200,000 1,000,000 +5% Non-Medicare 800,000 Enrollment 600,000 400,000 200,000 **MassHealth Transitional** 0 CommCare + MSP DEC MAR DEC 2013 2014 2015

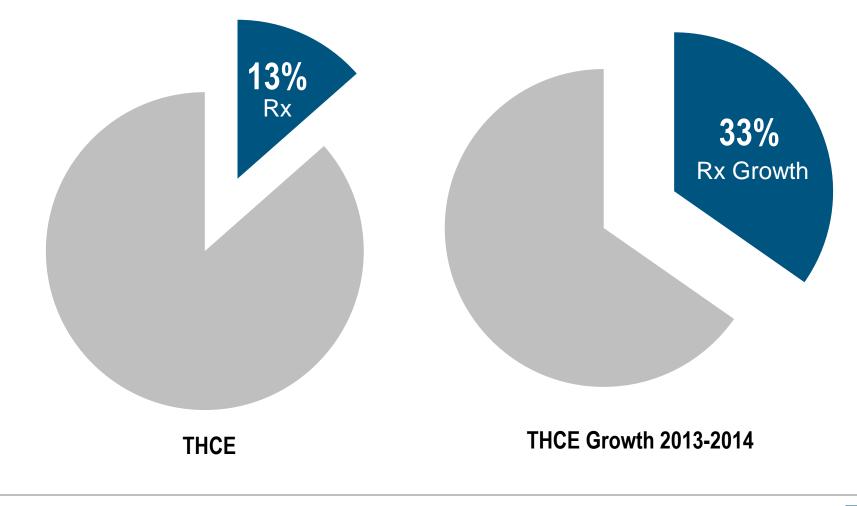
p. 9-11

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# **Prescription Drug Trends are a Significant Part of TME Trends**

Pharmacy Spending

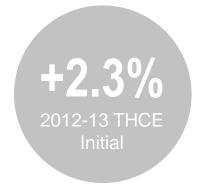
p.18, fig.1



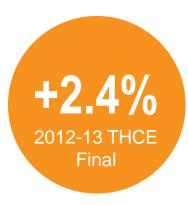


# 2014 THCE and TME Statistics are Initial and Will be Finalized Next Year

Initial THCE vs. Final Assessment p. 12,20



## 2014 Annual Report



## 2015 Annual Report

# Measured Provider Quality was Similar to National Performance, with Variation among Providers

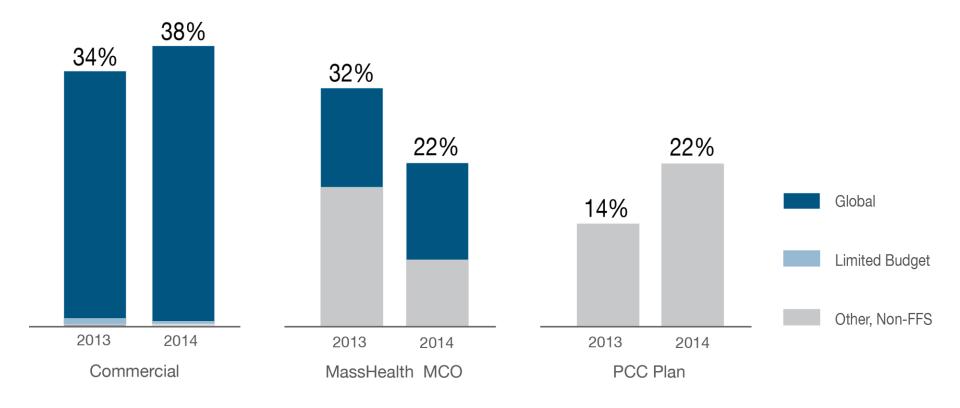
**Quality of** 

#### Adult Primary Care Patient Experience by Race and Ethnicity, 2014 White Black Asian Hispanic 100 80 60 Score 40 20 0 Organizational Provider Integration Knowledge Rating of Willingness Office Staff Access Communication of Care of Patient to Recommend

# Alternative Payment Methodology Adoption is Growing Slowly in the Commercial Market

APM Adoption

p.21, fig.4



# Premiums Increased Modestly, but Cost Sharing Increased Faster (2013-2014)

Premiums Cost Sharing Benefit Levels p.28,30-31 fig.3



+4.9% Cost Sharing



## **Other Insurance Market Trends**

**Other Market** Trends

p.26, 27







## **The Annual Report is More Than a Report** Report, Chartpack, Databooks, Technical Appendices

15 .	r for Health Information and Analysis Annual Report on the Performance of the M ment in the Insurance Market, Commercial Premi				ial Payer U	G Jse of Funds	н		Datab	ook
epte	mber 2015									
	Tab Contents			Popu	lation:			Breakouts by:		
ak #	Description	Time Period	Data Type	Fully- Insured	Self- Insured	Payer	Funding Type (Flor SI)	Market Sector (Employer Size)	Product Type (HMO/PPO/Other)	Benefit Design (HDHP/Tiered Network)
1a	Enrollment by Payer	CY2012 - CY2014	Member Months	х	X	х				
b	Enrollment by Funding Type and Payer	CY2012 - CY2014	Member Months	х	X	X	X			
1c	Enrollment by Product Type and Payer	CY2012 - CY2014	Member Months	х	X	X			X	
1d	Enrollment by HDHP/Tiered Network and Payer	CY2012 - CY2014	Member Months	х	X	X				Х
1e	Enrollment by Market Sector and Payer	CY2012 - CY2014	Member Months	X	X	Х		X		
1F	Enrollment by Funding Type, Product Type, and Payer	CY2012 - CY2014	Member Months	X	X	х	X		X	
lg	Enrollment by Funding Type, Market Sector, and Payer	CY2012 - CY2014	Member Months	X	X	X	X	X		
1h	Enrollment by HDHP/Tiered Network, Market Sector, and Payer	CY2012 - CY2014	Member Months	x	x	х		×		×
2a	Cost of Coverage by Payer	CY2012 - CY2014	Cost of Coverage	х	X	Х				
2b	Cost of Coverage by Market Sector and Payer	CY2012 - CY2014	Cost of Coverage	Х	X	х		X		
2c	Cost of Coverage by Product Type and Payer	CY2012 - CY2014	Cost of Coverage	Х	X	Х			X	
2d	Cost of Coverage by HDHP/Tiered Network and Payer	CY2012 - CY2014	Cost of Coverage	X	X	X				Х
2e	Premiums by Payer	CY2012 - CY2014	Cost of Coverage	X		X				
2f	Premiums by Market Sector and Payer	CY2012 - CY2014	Cost of Coverage	X		X		X		
2g	Premiums by Product Type and Payer	CY2012 - CY2014	Cost of Coverage	X		Х			X	
2h	Premiums by HDHP/Tiered Network and Payer	CY2012 - CY2014	Cost of Coverage	X		х				х
2i	ADJUSTED Premiums by Market Sector and Payer	CY2012 - CY2014	Cost of Coverage	X		X		X		
2j	Premium Equivalents by Payer	CY2012 - CY2014	Cost of Coverage		X	X				
2k	Premium Equivalents by Market Sector and Payer	CY2012 - CY2014	Cost of Coverage		X	Х		X		
21	Premium Equivalents by Product Type and Payer	CY2012 - CY2014	Cost of Coverage		X	X			X	
2m	Premium Equivalents by Homer neileu wetwork and Rever	CY2012 - CY2014	Cost of Coverage		X	X				X
3a	Claims and Cost-Sharing by Payer	CY2012 - CY2014	Claims	X	X	Х				
3b	Claims and Cost-Sharing by Market Sector and Payer	CY2012 - CY2014	Claims	X	X	Х		X		
3c	Claims and Cost-Sharing by Funding Type and Payer	CY2012 - CY2014	Claims	X	X	х	X			
3d	Claims and Cost-Sharing by Product Type and Payer	CY2012 - CY2014	Claims	X	X	X			X	
3e	claims and cost-snanný bý HDHFritier Network	CY2012 - CY2014	Claims	х	X	X				Х
4a	Benefit Levels by Payer	CY2012 - CY2014	P/A Ratios	х	X	X				
4b	Benefit Levels by Market Sector and Payer	CY2012 - CY2014	P/A Ratios	X	X	X		X		
łc	Benefit Levels by Funding Type and Payer	CY2012 - CY2014	P/A Ratios	X	X	X	X			
łd	Benefit Levels by Product Type and Payer	CY2012 - CY2014	P/A Ratios	X	X	Х			X	
4e	Benefit Levels by HDHP/Tiered Network and Payer	CY2012 - CY2014	P/A Ratios	X	X	Х				Х
4f	Benefit Levels by Payer	CY2012 - CY2014	Actuarial Values	X	X	х				
5a	Retention by Payer	CY2012 - CY2014	Premium	X		X				
5b	Retention by Market Sector and Payer	CY2012 - CY2014	Prentúm	х		х		X		
5c	Retention by Product Type and Payer	CY2012 - CY2014	Premium	х		Х			X	
īd	Retention by HDHP/Tiered Network and Payer	CY2012 - CY2014	Prentúm	X		X				Х
5e	Retention Decomposition (Non-Merged Market Only)	CY2012 - CY2014	Premium	X		X				
àa	Loss Ratios by Payer	CY2012 - CY2014	Loss Ratios	×		X				
7a	Self-Insured Administrative Service Fees by Payer	CY2012 - CY2014	ASFs		X	Х				
	ACA 3R Transfer Amounts	CY2012 - CY2014	3Bs	x		Х				

Available today at www.chiamass.gov/2015AnnualReport

## What's Next?

## Health Policy Commission's Health Care Cost Trends Hearing October 5<sup>th</sup> and 6<sup>th</sup> at Suffolk University Law School

## **Performance of the Massachusetts Health Care System Briefing Series** Fall 2015/Winter 2016

- A Focus on Provider Quality
- Member Cost-Sharing
- Tiered Networks

## **Quarterly Enrollment Trends** January 2016

- High Deductible Health Plans
- Relative Price

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# The Superbowl of Health Care is Rapidly Approaching

Save the Date October 5&6, 2015

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## **2015 Health Care Cost Trends Hearing**

Charlie Baker Governor













Robert DeLeo Speaker of the House



Stan Rosenberg Senate President

## **EXPERT SPEAKERS**



Dr. Leemore Dafny



Dr. Amitabh Chandra

## PANEL 1: CHALLENGES TO THE HEALTH CARE COST GROWTH BENCHMARK

*Panel Theme:* An examination of trends that impacted the state's ability to meet the Cost Growth Benchmark in 2014 and that may threaten future performance.

### PANEL 2: CARE DELIVERY TRANSFORMATION AND INNOVATION

*Panel Theme:* An examination of care delivery trends and innovations aimed at improving access to behavioral health services and primary care, and reducing utilization of higher-cost, acute care settings (e.g. emergency department), services, and/or providers.

## PANEL 3: VALUE-BASED PAYMENT REFORM – PROGRESS AND OPPORTUNITIES

*Panel Theme:* An examination of payment reform trends and innovations aimed at increasing the adoption of alternative payment methodologies and enhancing financial incentives for providers to deliver efficient, high-quality, integrated care.

### PANEL 4: PROVIDER MARKET STRUCTURE TO PROMOTE VALUE

*Panel Theme:* An examination of the changing provider landscape in Massachusetts and the impact of recent changes on cost, quality, market competitiveness, referral patterns and access.

### PANEL 5: TRANSPARENCY AND PURCHASER INCENTIVES TO PROMOTE VALUE

*Panel Theme:* An examination of "demand-side" incentives to promote value-based health care purchasing decisions by employers, employees, and consumers, including through the promotion of price transparency and innovative product design.

### PANEL 6: MEETING THE BENCHMARK IN 2015 AND BEYOND

*Panel Theme:* An examination of future spending and market trends in Massachusetts that will impact the state's ability to meet the Cost Growth Benchmark in 2015 and future years.

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