

# Health Policy Commission Board Meeting

**September 15, 2021** 



- Welcome by HPC Chair Stuart Altman
- Approval of Minutes from July 14, 2021 Meeting
- Executive Director's Report
- Care Delivery Transformation and Innovation
- Market Oversight and Transparency
- Schedule of Upcoming Meetings



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**VOTE:** Approving Minutes

**MOTION:** That the Commission hereby approves the minutes of the Commission meeting held on **July 14, 2021** as presented.



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## **New and Upcoming Publications**

#### Health Equity Practice and Style Guide

July 2021



An internal reference tool that includes general guidance, specific recommendations, and useful resources.

#### **Certified Nurse Midwives and** Maternity Care in MA

Upcoming

Findings on the landscape of maternity care in the Commonwealth, focusing on the role of nurse midwives and outcomes associated with midwifery care.



#### **Targeted Cost Challenge Investments** (TCCI) Evaluation Report

Upcoming

Detailed findings from the TCCI Program, including cross-initiative themes, program impacts, and sustainability.

#### HPC Shorts: COVID-19's Impact on ED Visits

August 2021

This short video discusses types of ED visits and behavioral health ED boarding from January 2019 through September 2020.

#### **Children with Medical Complexities in the** Commonwealth



Upcoming

A report to the Massachusetts Legislature on characteristics of children with medical complexities, including health coverage, access, utilization, and spending.

#### **DataPoints #21: Quality Measure Alignment**

Upcoming

This DataPoints issue will promote transparency on current payer adoption of the Massachusetts Aligned Measure Set.





# 2021 HEALTH CARE COST TRENDS HEARING

# WEDNESDAY, NOVEMBER 17 AT 12PM



REGISTER ONLINE: TINYURL.COM/HPCCTH21



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## The HPC's Major 2021-2022 Responsibilities



# The final FY 2022 (FY22) state budget appropriated \$10,513,097 for the operation of the Health Policy Commission, a 5.1% increase from FY21.

#### **State Budget Process**

Governor's FY 2022 Budget Proposal, January 2021	
1450-1200: For the operation of the Health Policy Commission	

**HPC's FY 2022 Budget Proposal Submitted to Joint Committee on Ways and Means, March 2021** 1450-1200: *For the operation of the Health Policy Commission*......\$10,513,097

Conference Committee FY 2022 Budget Proposal, July 2021	
1450-1200: For the operation of the Health Policy Commission	.\$10,513,097

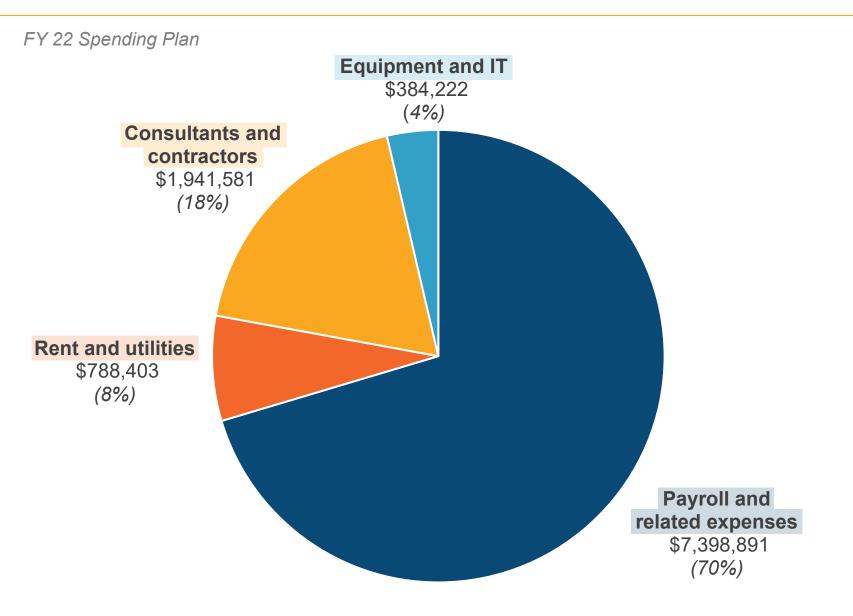
**Final Budget, July 2021** 1450-1200: *For the operation of the Health Policy Commission*.....\$10,513,097

#### FY22 Budget Background

- Beginning in 2017, the operating budget for the HPC was set in the annual state budget (GAA) through an industry assessed account, 1450-1200. The total amount is proportionally assessed on acute care hospitals, ambulatory surgical centers, and health insurance companies. Accordingly, the General Fund is "held harmless" for that amount as it is sourced from a dedicated revenue stream.
- For FY22, the HPC requested a maintenance level of funding at \$10,513,097, a 5.1% increase. This increase will not impact the General Fund and will support the HPC's performance of its core duties.
  - The final state budget included **full funding** at the HPC's the requested level of \$10,513,097.
- The HPC is also authorized to spend \$800,000 of funding previously appropriated in the FY20 GAA through a "PAC" to fund the recently Board-approved grant programs.
- While the line item amount is set by the state, the HPC's Board approves the spending plan to be managed by the HPC's Executive Director.



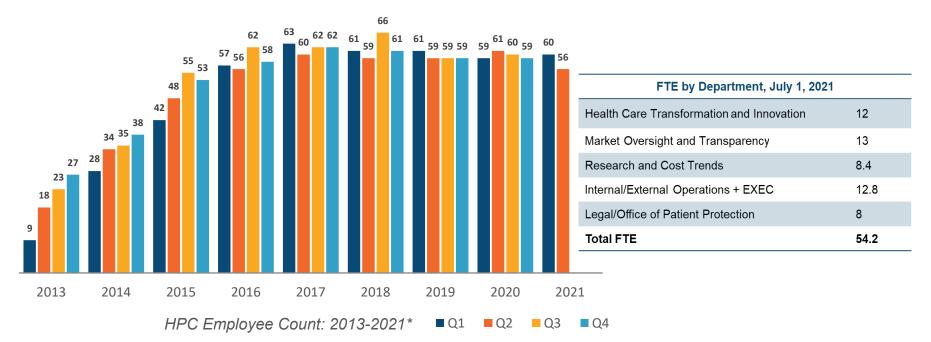
# Employee payroll and contracted consultants make up nearly 90% of the HPC's proposed FY22 spending plan, consistent with recent years.



#### Key Considerations for the HPC's Proposed FY22 Budget: Payroll

- The modest 5.1% increase (~\$500,000) as approved in the state budget will primarily support an increase in the HPC's payroll expenses. This will support:
  - Retention of HPC staff at current levels, including the annualized cost of regular salary adjustments and promotions;
  - Employee backfills for recent departures; and,
  - Targeted staff additions (2-3 FTEs), needed to fulfill the HPC's statutory obligations and ongoing COVID-19 interagency support. The HPC is currently dedicating 3-4 FTEs as in-kind support to DPH for COVID-19 data collection and daily reporting.

As shown below, the number of employees at the HPC has been stable for the past five years.



# Key Considerations for the HPC's Proposed FY22 Budget: Professional Services

The proposed spending plan also maintains ~\$2,000,000 for contracted consultants and professional services. This will allow the HPC to continue contracts with a range of experts that support the HPC's various workstreams, including:

- **1 MARKET OVERSIGHT.** The HPC contracts with economic, actuarial, financial, and care delivery experts who support the market oversight work of the HPC, including:
  - The regular review of material change notices;
  - Any approved Cost and Market Impact Reviews;
  - The annual Performance Improvement Plans (PIPs) review process;
  - Review of certain proposed provider expansions (e.g., proposed MGB expansions); and,
  - Review of high-cost drugs as potentially referred to the HPC by MassHealth.
- 2 **RESEARCH AND DATA ANALYSIS.** The HPC contracts with experts to support the annual research agenda, including:
  - The annual Health Care Cost Trends Report;
  - New legislatively mandated reports, such as the COVID-19 Impact Study and an examination of telehealth during the pandemic; and,
  - Other research priorities of the HPC, such as an examination of coding practices by Massachusetts providers and opportunities to reduce administrative complexity.
- **3 OTHER AGENCY NEEDS.** The HPC contracts with experts to support the care delivery transformation team's learning and dissemination and program evaluation workstreams, to support the agency's workplace diversity, equity, and inclusion agenda, and to support translation services for the Office of Patient Protection.



**VOTE:** HPC Fiscal Year 2022 Budget

**MOTION:** That the Commission hereby accepts and approves the Commission's total operating budget for fiscal year 2022, as discussed with the Commission's Administration and Finance Committee and as presented and attached hereto, and authorizes the Executive Director to expend these budgeted funds.



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- The HPC, in consultation with the Department of Public Health and the Betsy Lehman Center, shall implement a two year pilot program to reduce pregnancy-related deaths and improve pregnancy outcomes.
- The commission shall select implementation sites through a competitive process in which applicants shall demonstrate: (i) community need; (ii) the capacity to address preventable causes of complications and death related to pregnancy and child birth; (iii) the ability to facilitate care coordination among health care providers; and (iv) a plan to formalize relationships between health care providers, including hospitals and community-based care providers.
- The commission shall collect data to gauge the success of the program in decreasing pregnancy-related deaths and track trends within the patient population, including, but not limited to, variance by age, race, and comorbidities.



# Birth Equity and Support through the Inclusion of Doula Expertise (BESIDE) Program Overview

The purpose of the BESIDE Investment Program is to address inequities in maternal health outcomes and improve the care and patient experience of Black birthing people by increasing access to and use of doula services. Specifically, the BESIDE Investment Program aims to:

- 1 Increase the number of Black birthing people who are informed about the benefits of doula care and offered the opportunity to work with doulas, particularly doulas who are from the communities (e.g., geographic, cultural) of or share lived experience of inequities with Black birthing people.
- 2 Improve the prenatal, labor and delivery, and postpartum care of Black birthing people through the support of doulas.
- 3 Support the development of a culture of understanding and mutual respect between doulas and clinical and administrative staff within Massachusetts birthing hospitals and birth centers.
- 4 Embed principles of racial equity and cultural humility in the design and implementation of programs offering doula services.



#### **BESIDE Program Structure**



The HPC will invest \$500,000 dollars in the BESIDE Investment Program.



The Period of Performance will be 24 months – comprised of a three month Planning Period and and a 21-month Implementation Period.



The HPC can award funding of up to \$150,000-\$200,000 to up to three eligible entities (birthing hospitals and birth centers).



Following the Period of Performance, there will be a six month Evaluation Period by the HPC and awardees will participate in evaluation-related activities.



## **Selection Criteria**

**Applicant:** Alignment of the applicant's patient population with the target population

#### Racial Equity Commitment:

- Demonstrated organizational commitment to addressing racial equity
- Understanding of the values, priorities, and needs of the target population
- Approach to ensuring a framework of cultural humility and racial equity

#### **Proposed Program:**

- Approach to raising awareness of the program and its benefits
- Feasibility of the approach to securing the doula workforce
- Alignment of the program with the requirements for the scope and duration of doula services
- Strength of the approach to providing a system for communication and care coordination
- Approach to ensuring a respectful and productive working environment

#### Measurement and Data Collection: Clarity and adequacy of proposed activities

**Budget:** Appropriateness and efficiency of the budget to achieve activities and goals

## Sustainability and Scalability:

- Presence of a plan to capture the results of the program to support considerations of long-term sustainability
- Feasibility of approach to scaling a successful program



#### **Award Recommendations**

# BAYSTATE MEDICAL CENTER

\$193,457

Baystate Medical Center proposes to build a **new doula program** for Black birthing people by contracting with Springfield Family Doulas.

#### **BOSTON MEDICAL CENTER**

\$196,924

Boston Medical Center proposes to **build on their existing Birth Sisters doula program** by expanding access to services for Black birthing people.



## **Baystate Medical Center**

Requested HPC Funding	Proposed Program
\$193,457	Training three additional doulas over the course
New or Existing Program?	of the program to build the doula workforce in Springfield
New	Engaging community members to increase
Doula Workforce	<ul><li>knowledge and understanding of doulas</li><li>Obtaining EHR access for doulas</li></ul>
Contracting with Springfield Family Doulas (two doulas)	<ul> <li>UMass School of Public Health and Health Sciences will provide evaluation support</li> </ul>
Target Enrollment	
30 patients over two years	

#### **Key Equity Features**

- Racial Disparities and Health Equity Committee in the OBGYN Department
- Team-wide cultural humility and anti-racism trainings led by a local organization led by women of color
- Surveys of community organizations to understand the unmet needs of Black birthing people



## **Boston Medical Center**

Requested HPC Funding	Proposed Program
\$196,924	Expanding the existing Birth Sisters Program
New or Existing Program?	<ul><li>with a focus on Black birthing people</li><li>Offering EHR training for Birth Sisters</li></ul>
Existing	<ul> <li>Measuring additional metrics focused on birth</li> </ul>
Doula Workforce	outcomes
Hiring one doula in year 1 and two more doulas in year 2	
Target Enrollment	
120 patients over two years	

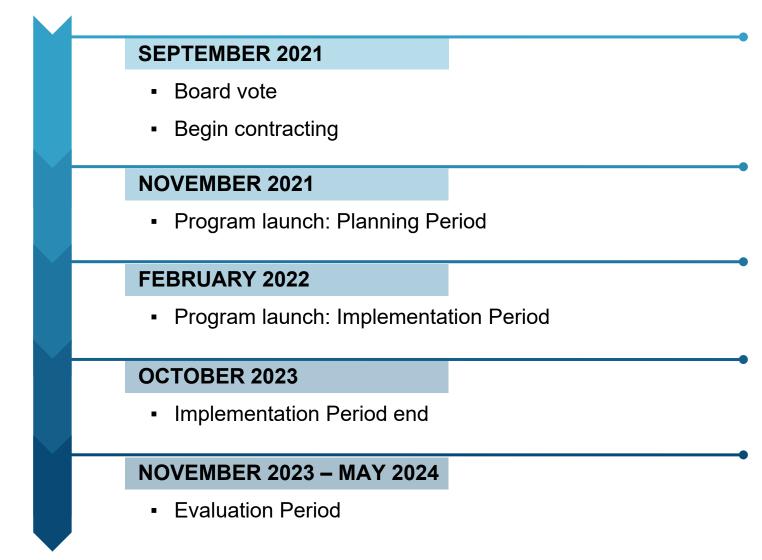
#### **Key Equity Features**

- Maternal and Child Equity Workgroup with Birth Sisters representation
- OBGYN Department equity climate survey
- Currently conducting equity QI work based on organizational data on outcomes by race
- Advisory committee of former Birth Sisters clients, Birth Sisters, and clinical staff
- Cultural humility, anti-racism, and implicit bias training

#### Additional BESIDE funds will be used in alignment with program goals.



#### **Anticipated BESIDE Program Timeline**







**VOTE:** Birth Equity and Support through the Inclusion of Doula Expertise (BESIDE) Investment Program: Awardee Selection

**MOTION:** The Commission hereby accepts and approves the Executive Director's recommendation that the Applicants for the Birth Equity and Support through the Inclusion of Doula Expertise (BESIDE) Investment Program receive award funding pursuant to Section 88 of Chapter 41 of the Acts of 2019 up to the amounts presented and subject to successful completion of Awardee contracting, and authorizes the Executive Director in his discretion to determine the final terms and amount of each award.



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# **Types of Transactions Noticed**

TYPE OF TRANSACTION	NUMBER	FREQUENCY
Formation of a contracting entity	29	22%
Physician group merger, acquisition, or network affiliation	26	20%
Clinical affiliation	25	19%
Acute hospital merger, acquisition, or network affiliation	24	19%
Merger, acquisition, or network affiliation of other provider type (e.g., post-acute)	19	15%
Change in ownership or merger of corporately affiliated entities	5	4%
Affiliation between a provider and a carrier	1	1%



#### ELECTED NOT TO PROCEED

The proposed acquisition of Walden Behavioral Care, a multistate eating disorder treatment provider primarily specializing in inpatient care with eight sites in Massachusetts, by Monte Nido Corporate Holdings, a national eating disorder treatment provider primarily specializing in residential treatment with two sites in Massachusetts.

#### **CURRENTLY UNDER REVIEW**

- The proposed acquisition of Joslin Diabetes Center, a diabetes research institution and provider of outpatient diabetes services, by Beth Israel Lahey Health.
- The HPC is reviewing Determination of Need (DoN) applications by Mass General Brigham proposing the expansion of Mass. General Hospital and Brigham & Women's Faulkner Hospital and the construction of new ambulatory service centers. The HPC expects to provide comment on these applications to the Department of Public Health.

#### **RECEIVED SINCE 7/14**

- The proposed acquisition of Curahealth Stoughton by PAM Cubed, a national for-profit system of outpatient clinics and specialty, rehabilitation, and surgical hospitals. Curahealth Stoughton is an 88-bed inpatient long-term acute care hospital in Stoughton, Massachusetts, which is part of the national for-profit system Curahealth Hospitals.
- The HPC, as a party of record, is also conducting an initial review of a DoN application recently filed by **Boston Children's Hospital** for three ambulatory sites outside of Boston.





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## REPORT

- Introduction
- 2 Trends in Spending and Care Delivery
- Understanding Patterns of Health Care Spending, Utilization, Affordability, and Access for Commercially-Insured Massachusetts Residents With Lower Incomes
- 4 Policy Recommendations
- 5 Dashboard of HPC Performance Metrics

## **CHARTPACK**

- Commercial Price Trends
- 2 Hospital Utilization
- 3 Post-Acute Care
- 4 Alternative Payment Methods
- 5 Provider Organization Performance Variation





#### 2021 Annual Health Care Cost Trends: NEW Online Interactive Report

This year, for the first time, the HPC is concurrently releasing an **online, interactive version** of the Health Care Cost Trends Report. This improvement will allow for greater public engagement with the rich data findings included in the 2021 Report.

	View Report View Chartpack View Policy Recommendations		
ost Trends Report Chapters:			
Trends in Spending and Care	Welcome to the 2021 Cost Trends Report Interactive Dashboard		
Delivery	In this annual report, the HPC presents new research to enhance the collective		
Health Care Use for Commercially- Insured Adults with Low Incomes	understanding of health care spending trends and cost drivers in the Commonwealth and evaluates the state's progress in meeting several cost containment, care delivery, and payment system goals set by the Commonwealth and the HPC.		
hartpack Sections:	The chartpack presents updated results and trends for topics previously reported on		
Commercial Price Trends	by the HPC. This year, the HPC has added a new section analyzing trends in price growth across a range of services. The dashboard summarizes performance on key measures. This year's dashboard is expanded to 30 measures, including a new section on measures of health equity and disparities.		
Hospital Utilization	Based on findings from this and other HPC research and programs, the report includes a set of recommendations for controlling health care costs, increasing affordability, and advancing equity in Massachusetts. These recommendations are		
Post-Acute Care	presented here.		
Alternative Payment Methods			
Provider Organization Performance Variation	Click on the question mark button above for Interactive Dashboard navigation tips.		
IPC System Performance Metrics:			
Dashboard			
MASSACHUSETTS HEALTH POLICY COMMISSION			



As the Commonwealth approaches the ten year anniversary of its benchmark-anchored cost containment effort, the HPC recommends the Commonwealth take immediate action to strengthen and enhance the state's strategy for addressing the intersecting challenges of **cost containment, affordability, and health equity** to improve outcomes and lower costs for all. In addition to implementing the following items, this includes sustaining the successful innovations made during the COVID-19 pandemic, such as expanded access to telehealth, workforce flexibilities, and new care models.

		AREAS OF FOCUS		
1	2	3	4	5
Strengthen	Constrain	Make Health	Advance	Implement
Accountability	Excessive	Plans	Health	Targeted
for Excessive	Provider	Accountable for	Equity for All	Strategies and
Spending	Prices	Affordability		Policies

Strengthen Accountability for Excessive Spending. Strengthen the mechanisms for holding providers, payers, and other health care actors responsible for spending performance by improving the metrics used in the annual performance improvement plan (PIP) process, increasing financial penalties for above-benchmark spending or non-compliance, and considering additional tools to reflect and respond to underlying variation in the relative level of provider prices.



- 2 **Constrain Excessive Provider Prices.** Since prices continue to be a primary driver of health care spending growth in Massachusetts and divert resources away from smaller, community providers, the HPC recommends the following actions:
  - a. Establish Price Caps for the Highest Priced Providers in Massachusetts. As a complement to the statewide benchmark, cap prices for the highest priced providers (i.e., limiting the highest, service-specific commercial prices with the greatest impact on spending) and limit price growth (e.g., limiting annual service-, insurer-, and provider-specific price growth) to reduce unwarranted price variation and promote equity.
  - **b.** Limit Facility Fees. Require site-neutral payments for certain common ambulatory services (e.g., basic office visits) and limit the cases in which both newly licensed and existing sites can bill as hospital outpatient departments and require clear disclosure of facility fees to patients, prior to delivering care.
  - **c.** Enhance Scrutiny and Monitoring of Provider Expansions and Ambulatory Care. Improve data collection on ambulatory care and continue to closely examine the impact of plans for major expansions of services or new facilities, particularly for outpatient services and for higher-priced providers, on health care costs, quality, access, and market competition, and ensure that any such expansions are well informed by health equity considerations.
  - d. Adopt Default Out-of-Network Payment Rate. As a constraint on the spending and market impact of excessive prices charged by out-of-network providers, the Legislature should enact the default out-of-network payment rate for "surprise billing" situations recommended by the Executive Office of Health and Human Services in its <u>Report to the Massachusetts Legislature: Out-of-Network Rate</u> <u>Recommendations</u>.



## **Cost Trends Report Recommendations (3/5)**

- 3 Make Health Plans Accountable for Affordability. Require greater accountability of health plans for delivering value for consumers and ensure that any savings that accrue to health plans (e.g., from provider price caps as described above) are passed along to consumers.
  - a. Set New Affordability Targets and Affordability Standards. Set measurable goals that identify and track improvement on indicators of affordability, including measures that capture the differential impact of both health plan premiums and consumer out-of-pocket spending by income, geography, market segment and other factors, and develop new health plan affordability standards.
  - **b. Improve Health Plan Rate Approval Process.** Require greater transparency and public participation in the Division of Insurance health plan rate approval process and require that new health plan affordability standards be a key factor in the approval of health plan rate filings.
  - **c. Reduce Administrative Complexity.** Require greater cross-payer standardization of policies, programs and processes to reduce administrative complexity, enhance affordability, and improve equity.
  - **d. Improve Benefit Design and Cost-Sharing.** Develop alternatives to high deductible health plans and other benefit designs that can impede access and perpetuate inequities, such co-payments and deductibles for high value medical care and structure premium contributions to reflect different employee wage levels.
  - e. Alternative Payment Methods. Increase adoption and effectiveness of APMs, especially in the commercial market where expansion has stalled (e.g., increased use of primary care capitation, APMs for preferred provider organization (PPO) populations, episode bundles and two-sided risk models).



- Advance Health Equity for All. The Commonwealth and all actors in the health care system should be accountable in efforts to achieve health equity for all.
  - a. Set New Health Equity Targets. Set measurable goals to advance health equity. Such goals should focus on eliminating disparities that manifest in both health and health care and be developed through a collaborative approach that is guided by the perspectives of individuals and communities most affected by these disparities.
  - b. Address Social Determinants of Health. Examine and address the social determinants of health (SDOH) that can lead to poor health outcomes for individuals and communities by making and supporting key community investments and enhancing provider efforts to address the healthrelated social needs of individual patients by collaborative relationships with community-based social service agencies.
  - **c. Improve Data Collection.** Collaborate to improve the collection of reliable patient data on race, ethnicity, language, disability status, sexual orientation, and gender identity to inform the integration of equity considerations into quality improvement, cost-control, and affordability efforts.



## **Cost Trends Report Recommendations (5/5)**

- 5 **Implement Targeted Strategies and Policies.** To further advance cost containment, affordability, and health equity, the Commonwealth should adopt the following additional strategies and policies.
  - **a. Examine Increases in Medical Coding Intensity and Improve Patient Risk Adjustment.** Continue to investigate medical coding and risk adjustment trends and incentives and take action to mitigate the impact of changes in clinical documentation practices on spending and performance measurement and support the development of alternative risk adjustment methods and performance metrics.
  - **b. Reduce Drug Spending, Align Pricing with Value, and Improve Affordability.** Increase oversight and transparency for the full drug distribution chain, such as by authorizing the expansion of the HPC's drug pricing review authority to include drugs with a financial impact on the commercial market in Massachusetts and by increasing state oversight of pharmacy benefit managers' (PBMs) practices and pursuing strategies to maximize value and enhance access.
  - c. Improve Primary and Behavioral Health Care. Specific areas of focus should include:
    - **i.** Focus Investment in Primary Care and Behavioral Health Care. Hold entities accountable for increasing spending devoted to primary care and behavioral health while adhering to the Commonwealth's total health care spending benchmark, prioritizing non-claims-based spending such as capitation, infrastructure, and workforce investments.
    - **ii. Improve Access to Behavioral Health Services.** Increase access to behavioral health services and provide resources and support to individuals and families suffering from the effects of the opioid epidemic, by implementing the <u>EOHHS Roadmap for Behavioral Health Reform.</u>
  - **d. Support Efforts to Reduce Low-Value Care.** Develop strategies, incentives and action steps to eliminate low-value care and provide patients access to information useful in making high-value treatment decisions.





**VOTE:** 2021 Health Care Cost Trends Report

**MOTION:** That, pursuant to section 8(g) of chapter 6D of the Massachusetts General Laws, the Commission hereby authorizes the issuance of the annual report on cost trends as presented.



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