



AGO Presentation for 2017 Cost Trends Hearing

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Presentation Topics

- I. Aligning AGO Community Benefits Guidelines with Broader Population Health Initiatives
- II. A Related Question of Proportional Care for Underserved Communities



What Are Community Benefits?

- Hospitals have long been recognized for their charity care and efforts to improve the health of the communities they serve.
- Community Benefits are investments by hospitals and HMOs that further their charitable mission of addressing their communities' health and social needs.
- Community Benefits reporting programs have developed in many states, as well as federally through reporting to the IRS, as a way of formalizing the provision of these benefits and quantifying their community health impact.

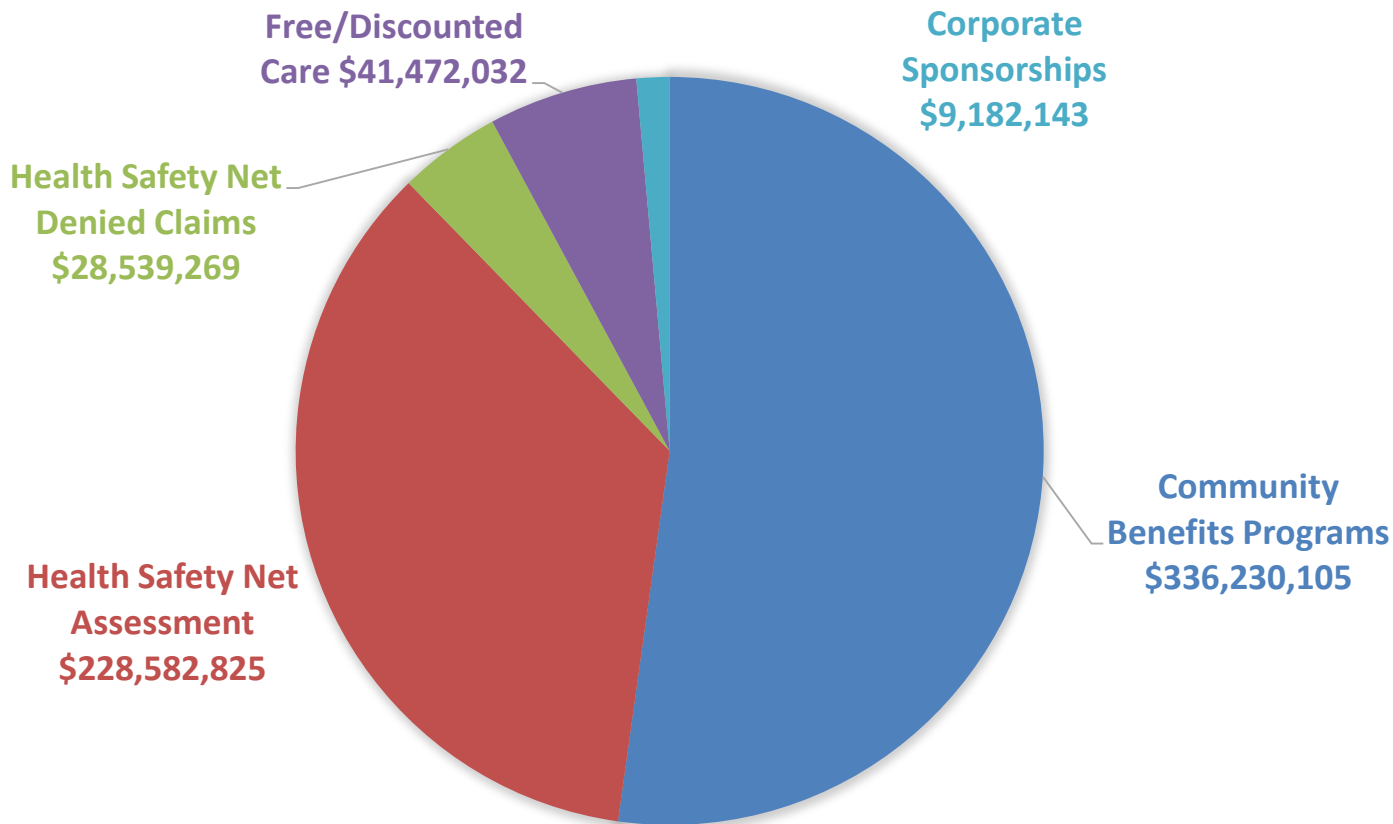


Goals for Updated Community Benefits Guidelines

- Align AGO Guidelines with IRS and DPH standards to decrease administrative burden on participants and harmonize resources for building long-term capacity to improve health outcomes and reduce disparities
- Improve coordination among participants and within regions, and enhance transparency around community engagement throughout the planning and implementation process
- Develop approaches to improving program assessment and transparency (e.g., by enhancing reporting on Community Benefits expenditures)

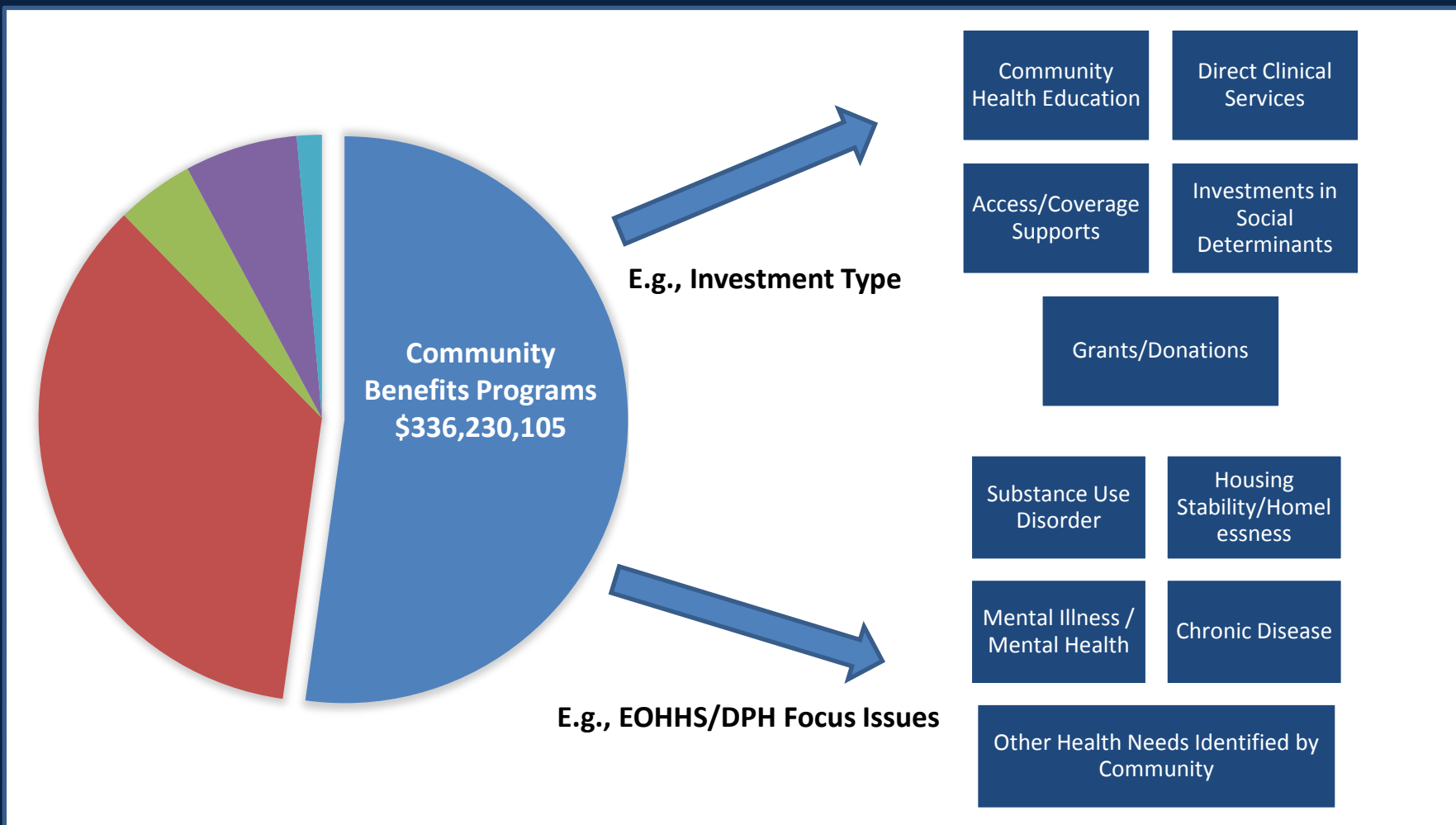


Breakdown of 2016 Hospital Community Benefits Spending





Opportunity for Increased Transparency into Substantial Community Health Investments





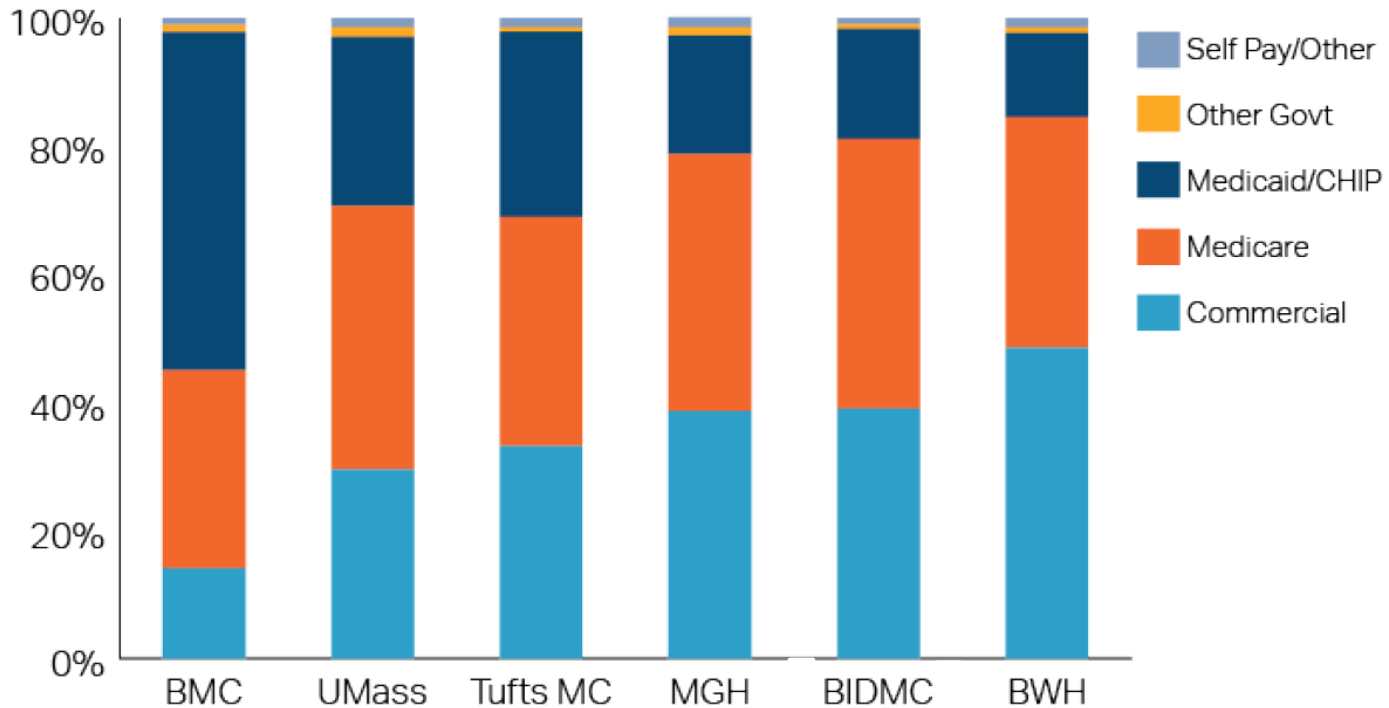
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Significant Variation in Payer Populations Served by Providers Is Well Documented by the HPC

Inpatient Payer Mix at AMCs Statewide



Source: Health Policy Commission CMIR (Sept. 7, 2016) at 57; based upon 2015 CHIA hospital discharge data.



Largest Provider Systems Tend to Have Higher Commercial Mix Than Government Mix

Proportion of Eastern MA GPSR Across Hospital Systems by Payer Type (2015)

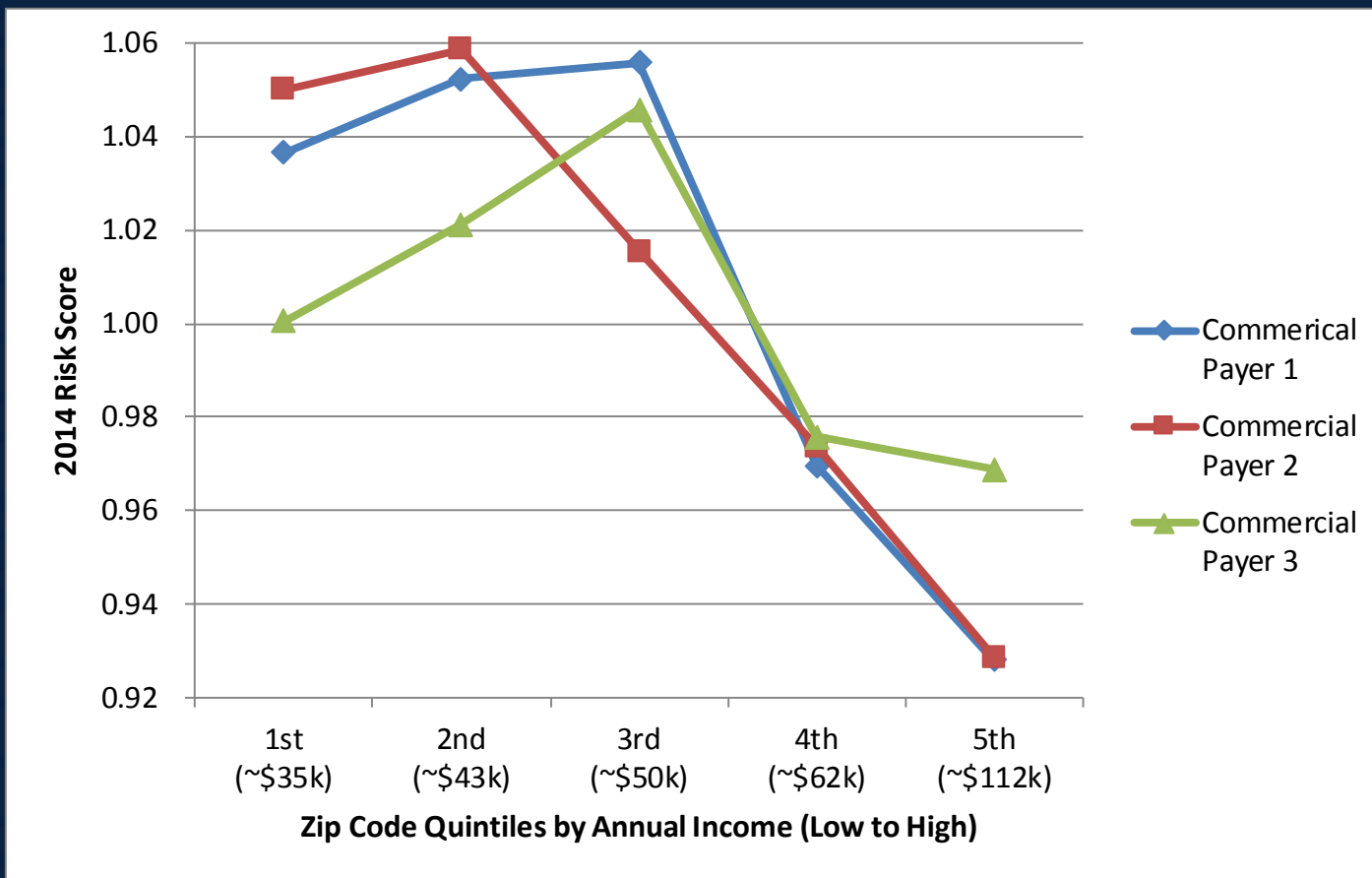


*Medicaid/Subsidized Populations includes MassHealth, Health Safety Net, and ConnectorCare.



Prior AGO Analysis Showed That Higher Income Communities Are Generally Healthier

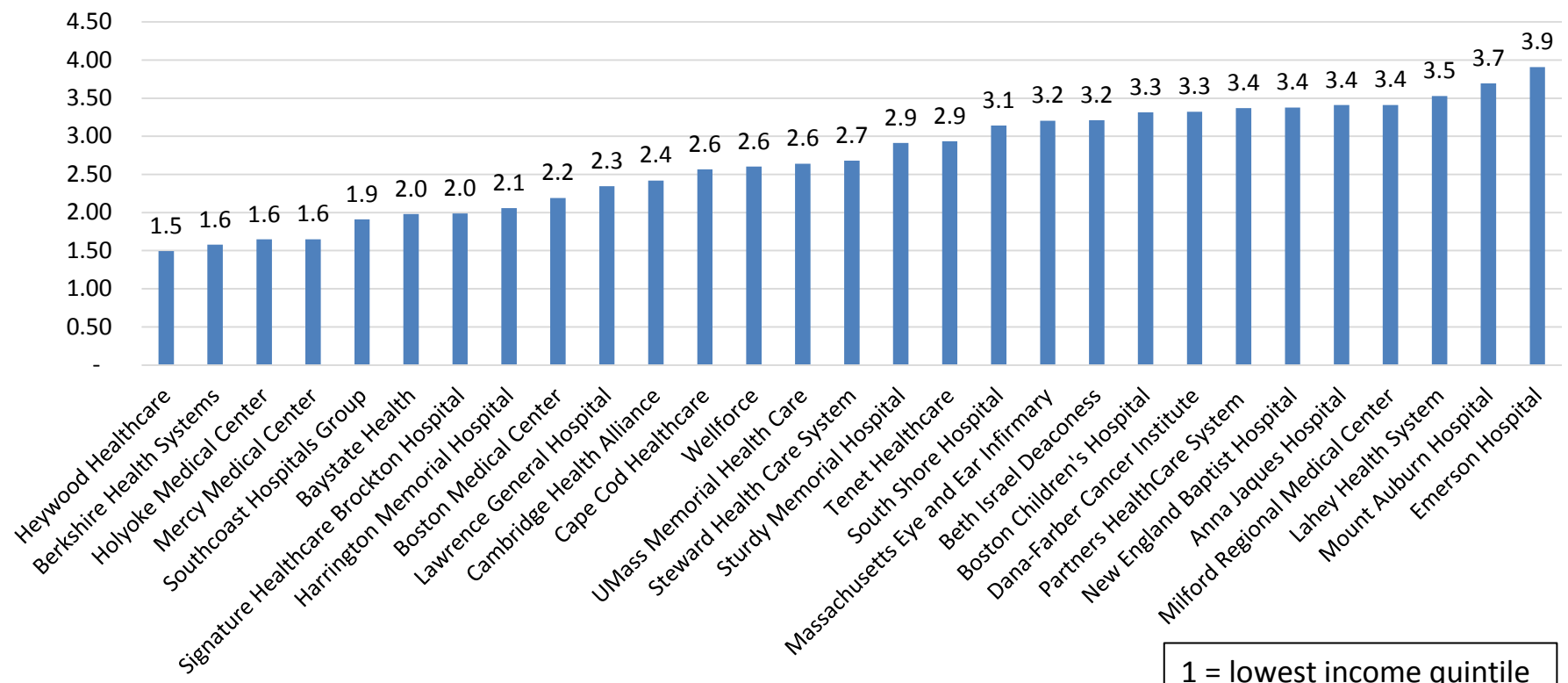
Health Risk Scores for Low and High Income Communities





Even Among Commercial Discharges, Hospitals Serve Different Proportions of Low-Income Patients

Average Income Quintile of Hospital/System's Commercial Discharges



1 = lowest income quintile
5 = highest income quintile



Opportunities for Coordinated Oversight of Access Questions

- Department of Public Health – e.g., Determination of Need Regulations
- Health Policy Commission – e.g., CMIRs, Performance Improvement Plans
- Attorney General’s Office – e.g., Health Care Market Oversight, Community Benefits