

# **PERFORMANCE IMPROVEMENT PLAN FORMS AND INSTRUCTIONS**

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**Health Policy Commission**

*Draft for Public Comment*

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## General Instructions

The attached forms should be used to submit a proposed Performance Improvement Plan (PIP), or a request to waive the requirement to file a PIP, to the Health Policy Commission (HPC or Commission), as required under M.G.L. c. 6D, sec. 10 and 958 CMR 10.00: *Performance Improvement Plans*. Capitalized terms in this form are defined in 958 CMR 10.02.

### Requirement to File and Submission Guidelines

M.G.L. C. 6D, § 10 and 958 CMR 10.00 require any CHIA-Identified Entity from which the Commission has voted to require a Performance Improvement Plan (a PIP Entity) to submit, within 45 days, a PIP proposal, a request to waive the requirement to file a proposed PIP, or a request to extend the timeline for filing a PIP proposal.

To submit a PIP proposal: A PIP Entity should submit one electronic copy of its PIP proposal in portable document format (.pdf), including all attachments, and noting any materials that are confidential to [HPC-PIPS@state.ma.us](mailto:HPC-PIPS@state.ma.us).

To submit a request for a waiver from the requirement to file a PIP proposal: A PIP Entity should submit one electronic copy of the attached waiver request form in portable document format (.pdf), including all attachments, and noting any materials that are confidential to [HPC-PIPS@state.ma.us](mailto:HPC-PIPS@state.ma.us).

To submit a request for an extension of the requirement to file a PIP proposal: A PIP Entity should submit an email request to [HPC-PIPS@state.ma.us](mailto:HPC-PIPS@state.ma.us) specifying the requested extension date and providing any supporting documents, noting any materials that are confidential.

### Development of a PIP Proposal

PIP Entities are encouraged to partner with and utilize the assistance of the HPC during the development the PIP proposal. The HPC can assist the PIP Entity by providing opportunities to discuss the proposal, answers to any questions, and consultation regarding the form and attachments to maximize the likelihood that criteria for approving the PIP proposal will be met. Once the PIP proposal has been finalized, the PIP Entity must submit the required affidavits of truthfulness and the PIP proposal will be brought before the Commission for a vote.

### Criteria for Approval

PIP proposals must include both narrative descriptions in response to the questions below and attachments with data sufficient to substantiate the narrative descriptions. Final PIP proposals must also include affidavits signed by the PIP Custodian, Your President/CEO, and Your Board Chair, if applicable. Proposed PIPs that lack any of these formal elements will not be approved.

Under M.G.L. C. 6D, § 10(j) and 958 CMR 10.10, the Commission will approve a PIP proposal if it is:

1. Reasonably likely to address the underlying cause(s) of the PIP Entity's cost growth; and
2. Reasonably expected to be successfully implemented.

To determine whether the PIP proposal meets these two broad criteria, the Commission may consider:

1. Whether the proposed strategy or activity has a reasonable economic, business, or medical rationale with a sufficient evidence base;
2. The scope and likelihood of potential savings and the potential impact on the Commonwealth's ability to meet the health care cost growth benchmark;
3. Whether savings and efficiencies associated with the PIP proposal are likely to continue after its implementation;
4. The extent to which a PIP proposal carries a risk of negative consequences that would be inconsistent with other policy goals of the Commonwealth (e.g., negative impacts on the quality of care or access to needed services); and
5. Any other factors the Commission determines to be in the public interest.

### **Publication and Confidentiality**

The final PIP proposal, excluding any non-public materials as discussed below, shall be a public record and the final PIP proposal form will be posted on the Commission's website after the Board has voted to approve the proposal. Pursuant to 958 CMR 10.14, the Commission shall keep confidential all nonpublic information and documents submitted by the PIP Entity in connection with a PIP, including such material submitted in attachments, and shall not disclose the information or documents to any person without the consent of the PIP Entity except in summary form in evaluative reports or when the Commission believes that such disclosure should be made in the public interest after taking into account any privacy, trade secret, or anticompetitive considerations. The confidential information and documents provided to the Commission by the PIP Entity in connection with PIP activities shall not be public records and shall be exempt from disclosure under M.G.L. c. 66, § 10 and c. 4, § 7(26).

## Contact Information

PIP Entity Name:  
Date of Filing:  
Federal Tax ID #:

### PIP Entity Contact Information

Business Address 1:  
Business Address 2:  
City, State, Zip:  
Business Website:

### PIP Custodian Contact Information

First Name, Last Name:  
Salutation (Mr., Ms., Dr., etc.):  
Title:  
Phone, Ext.:  
Email:

### Executive Officer Contact Information

First Name, Last Name:  
Salutation (Mr., Ms., Dr., etc.):  
Title:  
Phone, Ext.:  
Email:

### Board Chair Contact Information

First Name, Last Name:  
Salutation (Mr., Ms., Dr., etc.):  
Title:  
Phone, Ext.:  
Email:

### Other Contacts:

*List names and emails of any additional individuals who should be copied on communications from the HPC concerning the Performance Improvement Plan.*

First Name, Last Name:  
Salutation (Mr., Ms., Dr., etc.):  
Title:  
Phone, Ext.:  
Email:

## PIP Proposal

**Narrative Responses:** Provide a concise but comprehensive written response to each of the below questions (~ 500 words per question). Responses must provide sufficient detail for the reader to understand the justification for and framework of the proposal as well as Your plan for implementation. Narrative responses should not include any non-public information. Narrative responses will be posted publicly after proposal approval.

**Attachments:** Provide any information and documentation necessary to support Your proposal as attachments, identifying the section of the proposal to which each attachment relates. Certain sections below note where attachments are required, but you may supplement any section of Your public-facing response with attachments. Any information you want the HPC to keep confidential should be included only in attachments, and must clearly identified. Attachments may also include public information.

### I. Description of Your Organization

Briefly describe Your organization.

### II. Savings Target

*The overarching aim of the PIP must be to substantially reduce healthcare spending for Your members or patient population. The HPC will evaluate savings targets in the context of Your historic spending and growth trends.*

- 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

Describe the factors you have identified as the main cause(s) of your excessive cost growth.

**Attachments:** Provide data and evidence sufficient to support Your narrative response.

### IV. Interventions, Evidence, and Impacts

*You may choose to implement a single intervention or many interventions to achieve Your savings target. In reviewing the proposed interventions, the HPC will consider: a) how the intervention is likely to influence total health care expenditures across a broad population; and b) whether the total associated savings will be sufficient to reach Your savings target.*

- A. Describe the specific strategies, adjustments, and/or action steps You propose to implement to achieve the savings target described above. State the goals that you anticipate achieving for each

intervention (e.g., quantify utilization reductions, care referral shifts, reductions in contract rates for specific books of business, etc.).

- B. Describe how Your proposed interventions will translate into savings in total health care expenditures in the Commonwealth (i.e., demonstrate that savings will accrue to consumers, rather than solely to Your organization through reducing internal expenses).
- C. Identify the rationale (e.g., economic, business, clinical) for Your intervention(s).
- D. Describe any ways in which your proposed interventions may generate new costs or increase existing costs and the steps You will take to mitigate any potential cost increases.
- E. Describe any anticipated non-spending impacts of the PIP, including any positive or negative impacts on service availability, quality of care, or service or network access for underserved populations. Describe the steps You will take to mitigate any potential negative impacts of the PIP in these areas, and provide the rationale for the effectiveness of these steps.
- F. Identify any other entities (e.g., contracting affiliates, clinical affiliates, community partners, suppliers, or other third parties) that will be directly involved as voluntary partners in the activities contemplated under the PIP.

Attachments: Provide evidence, such as peer-reviewed literature or internal data, sufficient to show that the proposed interventions are reasonably likely to address Your underlying cost growth and to be implemented successfully. Provide data or documents to support Your planned steps to mitigate any potential negative impacts of the PIP, including any steps to ensure service availability, quality of care, and access for underserved or government payer populations. Internal data must be provided in native file format (e.g., as Microsoft Excel files). To the extent Your proposed interventions or mitigation steps require the cooperation of a third-party, provide documentation or evidence that You have secured or are likely to secure that party's support.

## **V. Measures**

*For each section below, describe how Your organization will measure its progress toward the stated target(s). For each proposed measure, define key terms (e.g., "avoidable readmission", "low-value care", etc.), units of measurement, and data sources. State the intervals at which you propose to measure each result.*

- A. Savings Target: Describe how Your organization, the HPC, and other stakeholders will measure Your progress toward Your savings target. The measure(s) You propose must be objective, numerical, and sufficient to determine whether savings have been passed on to payers (for provider PIP Entities) and /or consumers (for payer or provider PIP Entities).
- B. Interim Targets: Describe any interim outcomes expected from implementation of the PIP (e.g., X% reduction in readmissions, renegotiation of Y contracts). Interim targets should include both process goals (e.g., reducing avoidable readmissions by X) as well as financial targets (e.g., an estimated savings of \$X for each prevented readmission, for a total of \$Y), as applicable.
- C. Balancing Measures: Describe the measures Your organization will track to ensure that the proposed interventions are not negatively impacting quality or access.

Attachments: For any measures Your organization already collects, provide Your baseline performance data in native file format (e.g. as Microsoft Excel files).

## **VI. Reporting and Revising**

*Your reporting and revising plan should reflect the types of interventions and measures that the Your organization has proposed. While the HPC expects at least quarterly reporting in any PIP proposal, some plans, such as those that aim to affect care delivery patterns, may warrant more frequent reporting (e.g., monthly dashboards).*

- A. Describe Your plan for reporting to Your leadership and the HPC on implementation of the proposed interventions, savings target measure results, interim target measure results, balancing measure results, and any unexpected outcomes.
- B. 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 from the proposed interventions.

## **VII. Other Filings**

Do You anticipate that any regulatory filings with the HPC or other state or federal agencies will be necessary in order to implement the proposed interventions?

Yes \_\_\_\_ Please list: \_\_\_\_\_

No \_\_\_\_

## **VIII. Sustainability**

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

## **IX. Timeline**

Submit a timeline for the implementation of Your PIP, which is not to exceed 18 months. Your timeline must indicate start dates, end dates, and key milestones for Your implementation, measurement, and reporting activities. Your timeline must include the dates on which You plan to report on Your progress to, consult with, or seek feedback from, HPC staff, the HPC Board, Your leadership team, and any relevant external stakeholders. Key milestones, including all measurement results, must be included in progress reports delivered to the HPC on at least a quarterly basis via in-person meetings, written reports, or testimony before the HPC Board.

## **X. Requests for Technical Assistance**

*Please note that the provision of technical assistance by the HPC is discretionary, and that the amount and nature of technical assistance is subject to HPC staff capacity and expertise.*

Request for Technical Assistance: ☐ Yes ☐ No



Attachments: Provide a detailed description of the nature of technical assistance being requested.

## **Affidavit of Truthfulness and Good Faith Implementation**

*Your organization is required to submit signed affidavits of truthfulness and good faith implementation upon submission of a final PIP proposal. Early drafts submitted for review and discussion with HPC staff need not be accompanied by signed affidavits.*

*Submit affidavits signed by Your PIP Custodian, Executive Officer, and Board Chair, as applicable.*

I, the undersigned, certify that:

1. I have read 958 CMR 10.00: Performance Improvement Plans and the Technical Guidance.
2. I have read the attached Performance Improvement Plan proposal and certify that the information contained therein is accurate and true.
3. I am authorized to bind the PIP Entity to good faith implementation of the Performance Improvement Plan.
4. Should the Performance Improvement Plan proposal be approved by the HPC, the PIP Entity will implement all components of the Performance Improvement Plan and reporting requirements in good faith.

Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ under the pains and penalties of perjury.

Name (Printed): \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

## Explanations and Definitions

<b>Board Chair</b>	The chairperson of Your board of directors or equivalent management body
<b>Executive Officer</b>	The President, CEO, or other ranking officer of the PIP Organization
<b>PIP Custodian</b>	An employee of the PIP Entity who will have day-to-day responsibility for developing and implementing the PIP, communicating with the HPC, and ensuring compliance with reporting requirements under the PIP
<b>You or Your organization</b>	The PIP Entity or and any of its predecessors, successors, assigns, direct and indirect corporate parents, affiliates, subdivisions, officers, directors, trustees, partners, agents, servants, and/or employees

## Request for Waiver

*Narrative responses to be posted publicly*

This form should be used to request a waiver of the requirement to file a PIP.

### Criteria for Approval

To determine whether the requested waiver shall be granted, the HPC will evaluate all information received from the PIP Entity under 958 CMR 10.04, any additional information submitted with this waiver request, and other information received or obtained by the HPC, and will base its determination on a consideration of the following factors:

- a) The costs, price, and utilization trends of the PIP Entity over time, and any demonstrated improvement to reduce health status adjusted total medical expenses;
- b) Any ongoing strategies or investments that the PIP Entity is implementing to improve future long-term efficiency and reduce cost growth;
- c) Whether the factors that led to increased costs for the PIP Entity can reasonably be considered to be unanticipated and outside of the control of the PIP Entity;
- d) The overall financial condition of PIP Entity;
- e) A significant difference between the growth rate of potential gross state product and the growth rate of actual gross state product, as determined under section M.G.L. c. 29 § 7H 1/2; and
- f) Any other factors the HPC considers relevant.

### General Instructions and Confidentiality

Narrative Responses: Provide a concise but comprehensive response to each of the below questions (~ 500 words per question). Responses must provide sufficient detail for the reader to understand the justification for the request. Narrative responses should not include any non-public information.

Attachments: You may provide any information and documentation necessary to support Your request as attachments. Any information you want the HPC to keep confidential pursuant to 958 CMR 10.14 should be included only in attachments, and must clearly identified as confidential. The Commission shall keep confidential all nonpublic information and documents submitted by the PIP Entity in connection with a waiver request, and shall not disclose the information or documents to any person without the consent of the PIP Entity except in summary form in evaluative reports or when the Commission believes that such disclosure should be made in the public interest after taking into account any privacy, trade secret or anticompetitive considerations. The confidential information and documents provided to the Commission by the PIP Entity in connection with PIP activities shall not be public records and shall be exempt from disclosure under M.G.L. c. 66, § 10 and c. 4, § 7(26).

### I. Description of Your Organization

Briefly describe Your organization.

## **II. Causes of Growth**

Describe the factors you have identified as the main cause(s) of your excessive cost growth.

Attachments: Provide data and evidence to support Your narrative response.

## **III. Justification for Waiver**

*You may address some or all of the criteria for approval of a waiver request, but should include, at a minimum, information not reasonably available to the HPC at the time the HPC Board voted to issue a PIP Notice to Your organization.*

Provide the reasons Your organization should be exempt from the requirement to file a PIP, along with all supporting information.

Attachments: Provide data and evidence to support Your narrative response.