Community Health Care Investment and Consumer Involvement

Health Policy Commission

Committee Meeting
October 9, 2013
Agenda

- Approval of the minutes from September 4, 2013 meeting
- Discussion of Annual Cost Trends Hearings
- CHART RFP development
- Overview of Investment Program evaluation approach
- Schedule of next Committee meeting
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Vote: Approving minutes

Motion: That the Community Health Care Investment and Consumer Involvement Committee hereby approves the minutes of the Committee meeting held on September 4, 2013, as presented.
Agenda

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### Key themes

- Speakers highlighted the importance and challenges of ensuring access to high-quality behavioral health care in the right setting.
- The world is looking towards APMs, but FFS is not going away fast – efficiency and quality can and should be achieved now.
- Current incentives continue to drive behaviors contrary to optimal patient care (e.g., readmissions or cesarean sections).
- Population health, including community-clinical linkages, is a key focus of providers across the Commonwealth.
- Providers need new capacities to deliver coordinated, patient-centered care and to bear financial risk (e.g., use of clinical data).

### Implications for CHART

- Behavioral health should be a core area of focus, but scope might need to be narrowly defined to facilitate success.
- A statutory CHART goal is to promote APMs/risk, but activities that promote efficiency and quality in FFS models should be valued.
- CHART awards should promote changes within the recipient’s control, incentivizing right care, right place, right time.
- Capacity for population health management coupled with increased community-focused engagement is beneficial across providers.
- Capabilities in quality improvement, data accessibility and use, leadership engagement, etc. are necessary to move towards risk.

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**High-value, high impact investment program**
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Community Hospital Acceleration, Revitalization, and Transformation

Charting a course for the right care at the right time in the right place

HPC CHART Investments

Invest
Sustain
Evaluate
Innovate
## Regulatory goals for CHART investments

<table>
<thead>
<tr>
<th>Sustainable, Scalable Interventions with ROI</th>
<th>Efficient, Effective Care Delivery</th>
<th>Advance HIT Adoption</th>
<th>Advance HIE Spread</th>
<th>Increase APM Adoption</th>
<th>Develop Capacity for ACO Cert.</th>
<th>Improve Affordability &amp; Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficient, Effective Care Delivery</td>
<td>Enhance care coordination, advance integration of behavioral and physical health services, promote evidence-based care practices and efficient care delivery, and provide culturally and linguistically appropriate services</td>
<td>Enhance interoperable electronic health records systems and clinical support tools;</td>
<td>Accelerate the ability to electronically exchange information with other providers to ensure continuity of care and enhanced coordination across the continuum of providers and organizations in the community served by the Applicant</td>
<td>Enhance analysis performance management tools, including to promote transparency, to aggregate and analyze clinical data, and to facilitate appropriate care management, especially for vulnerable populations and those with complex health care needs;</td>
<td>Aid in the development of care practices and other operational standards necessary for certification as an accountable care organization</td>
<td>Enhance patient safety efforts, increase access to behavioral health services, and coordination between hospitals and community-based providers and organizations</td>
</tr>
</tbody>
</table>

**SOURCE:** 958 CMR 5.00
Necessary factors of change

- Executive Commitment to Change
- Meaningful Infrastructure Investment
- Innovative Approaches to Delivery
- Model for Sustainability

System Transformation
System transformation requires alignment of many factors

Transforming Healthcare Organizations

Hit all the notes on the xylophone or no music

Looking from Phase 1 to Phase 2

Phase 1: Fall 2013 – Foundational Activities to Prime System Transformation

- Modest investment with many eligible hospitals receiving funds
- Short term, high-need expenditures
- Participation not requisite for receipt of Phase 2 funds nor a guarantee of Phase 2 award
- Identified need to assess capability and capacity of participating institutions
- Opportunity to develop engagement and foster learning

Phase 2: Spring 2014 – Driving System Transformation

- Deeper investment in limited set of hospitals – competitive application process
  - Multi-year, system or service line transformations in Commission-identified areas of focus
  - Testing models of system transformation
- Opportunities for ‘all-play’ engagements – Pay for Success, or similar – non-competitive
- Close engagement between awardees and HPC

Ongoing program development

QI, Collaboration, and Leadership Engagement
Measurement & Evaluation
HPC Partnership with Awardees
Key elements of Phase 1

- $10M total opportunity
- $500K cap per applicant
- 3 pathways for proposals
- Menu of selection criteria
- HPC-awardee engagement
- Approach to evaluation
- Pathway to Phase 2
Phase 2: Spring 2014 – Driving System Transformation

- **Behavioral Health, e.g.:**
  - ED boarding
  - Inpatient treatment of SA
  - BH integration

- **Care Coordination and Care Transitions, e.g.:**
  - Readmission/preventable hospitalization reduction
  - Hot-spotting/PHM

- **Service Line Efficiency, e.g.:**
  - OB/GYN
  - ICU/Med-Surg
  - Resource stewardship
### CHART framework – driving to deep investment in Phase 2

#### Phase 1: HPC Operations

- **HPC partnership with awardees**
  - QI, efficiency, collaboration, and leadership engagement
  - Capability, capacity, and culture assessment and development
  - Data capacity development
  - Building learning environments

- **Early evaluation**

#### Phase 2: Spring 2014 – Driving System Transformation

- **Behavioral Health, e.g.:**
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### CHART framework – driving to deep investment in Phase 2

#### Phase 1: Approach
- **Pathway A: Simple pilots in higher performing systems**
  - <6 month model testing programs in areas aligned with CHART goals
- **Pathway B: Capability and capacity development**
  - Clinical information flow between hospital and community-based providers
  - Tools and training to promote cost reduction and quality improvement (e.g., Lean)
  - Clinical triggers and flags
  - Building to collaboration
- **Pathway C: Planning**

#### Phase 1: HPC Operations
- **HPC partnership with awardees**
  - QI, efficiency, collaboration, and leadership engagement
  - Capability, capacity, and culture assessment and development
  - Data capacity development
  - Building learning environments
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#### Phase 2: Spring 2014 – Driving System Transformation
- **Behavioral Health, e.g.**:
  - ED boarding
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- **Care Coordination and Care Transitions, e.g.**:
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CHART framework – driving to deep investment in Phase 2

Phase 1: Approach

- **Pathway A: Simple pilots in higher performing systems**
  - <6 month model testing programs in areas aligned with CHART goals

- **Pathway B: Capability and capacity development**
  - Clinical information flow between hospital and community-based providers
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  - Building to collaboration

- **Pathway C: Planning**

Phase 2

- **Pathway A: Simple pilots in high performing systems**
  - Early evaluation metrics must be available prior to submission of Phase 2 application
  - Relatively few awards – current capability and capacity must be previously established or enhanced with a concurrent Pathway B application
  - May serve as proof of concept (PDSA) for Phase 2 application
  - May include expansion of current initiatives
  - Implementation of models for which an evidence base exists
CHART framework – driving to deep investment in Phase 2

Phase 1: Approach

- **Pathway A: Simple pilots in higher performing systems**
  - <6 month model testing programs in areas aligned with CHART goals

- **Pathway B: Capability and capacity development**
  - Clinical information flow between hospital and community-based providers
  - Tools and training to promote cost reduction and quality improvement (e.g., Lean)
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  - Building to collaboration

- **Pathway C: Planning**

- **Pathway B: Capability and capacity development**
  - Foundational investments (staff or infrastructure) to facilitate engagement in ongoing transformation
  - All investments should be aligned with goals of CHART program – may serve as the basis for Phase 2 investment but are meaningful as a stand-alone spend
  - Identified, high-need investments that can be tied to awardees plan for transformation
  - Prioritize acquisition or implementation of simple tools and approaches that improve cost reduction, quality improvement, patient safety, care coordination, and communication
CHART framework – driving to deep investment in Phase 2

**Phase 1: Approach**

**Pathway A: Simple pilots in higher performing systems**
- <6 month model testing programs in areas aligned with CHART goals

**Pathway B: Capability and capacity development**
- Clinical information flow between hospital and community-based providers
- Tools and training to promote cost reduction and quality improvement (e.g., Lean)
- Clinical triggers and flags
- Building to collaboration

**Pathway C: Planning**
- Foundational investments to improve strategic and operational planning
- Output is a written plan to HPC documenting opportunities for improvement of business strategy and operations of core community hospital service lines
- Eligible applicants must demonstrate lack of capacity to otherwise conduct planning
- HPC may also award Planning funds to facilitate enhancement of unsuccessful Pathway A or B applications
- Recipients of Planning funds will be subject to participation and output requirements
Scope of Phase 1

Fund allocation, structure, and required activities

- Staff propose a $10M funding pool, with a cap of $500K per awardee
  - No more than $100K may be expended on planning activities
  - Eligible entities may apply for funding within one or more Pathways, with the total requested sum not to exceed the cap
  - Evaluation of resources will be part of the award determination. For eligible hospitals with relatively greater resources, including affiliation with larger systems, proposals including internal cash contributions may be considered more favorably

- Funds flow would take the form of 50% of award upon execution of contracts and 50% upon completion of project

- Upon execution of contracts for Phase 1 awards, Staff propose initiating a comprehensive set of improvement-focused training and collaborative activities in which executive leadership and Board participation would be requisite
  - Requisite activities may include but not be limited to completion of a comprehensive improvement capability assessment tool and a culture survey, as well as attendance at a series of HPC led events

1 HPC anticipates receipt of additional relative price data and updating eligibility list prior to issuance of RFP
Engagement and technical assistance

Approaches

- HPC to develop capacity (staff and consultant) to provide engagement and technical assistance
  - CHART statute allows for expenditure of up to 10% of Trust Fund on such activities
  - Staff to return to Commission with proposed CHART budget

- All hospitals to complete HLQAT (or similar tool) to facilitate identification of core needs

- All hospitals to complete a culture survey (specific tool TBD) to facilitate identification of areas for improvement

- Staff to engage with hospitals to optimize technical assistance based upon indicators as well as needs identified in Phase 1 awards

SOURCE: http://www.hlqat.org/
Selection factors – statutory and beyond

Selection and relative award of implementation grants should be tied to a variety of factors, including:

- Applicant’s financial health and payer mix
- ROI of the investment
- Extent of innovation and potential for scaling up
- Extent of potential for supporting future transformation activities
- Affiliations of the applicant, access to resources
- Extent to which the proposal meets an identified geographic/population need
- Extent to which the proposal demonstrates alignment and synergy with ongoing investments in the Commonwealth
- Extent to which the proposal meets an identified institutional need

*Bold* indicates emphasis in Phase 1
Selection of applicants

Eligible Entities per Statute

- Non-teaching hospital
- Non-profit status
- Relative price below median

Applicants 1 to 5

Alignment of project with RFP objectives
Demonstrated need met by project
Ability to complete project
Project scope & hospital / affiliate resources

Finalists

Awardees

Applicants 1 to 3

Applicants 4 to 5

$ $ $$
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General evaluation framework

*Develop CHART evaluation within a wider context*

**Evaluation Objectives**

- System transformation – cost, quality, access, patient experience of care, population health
- Sustainable, scalable interventions with ROI
- Deep investments into system transformation
  - Case studies on best practices
- Capability and capacity development to prime system transformation
  - Project targets and measurements

**HPC Investments**

- CHART & Innovation Grants
- PCMH & ACO

**Statewide Investments\(^1\)**

- SIM & ICB Grants
- Payment Reform

** Hospitals**

- Hospital A
- Hospital B
- Hospital C
- Hospital D
- Hospital E
- Hospital F

\(^1\) Examples only – HPC anticipates developing evaluation framework in the context of many activities across the Commonwealth, including all Chapter 224 investments
## Project Evaluation

### CHART Investment Goals and Objective

- 3 bullets on final CHART report on sustainable, scalable interventions with ROI
  - 80% of clinical units score 80% or higher on culture survey (indicating improvement)
  - 50% reduction in waste (service line specific)
  - 50% reduction in ED boarding (or similar measure for narrow domain)
  - 50% improvement in hospitals with capability for ACO certification

### Example

#### Phase 1 Priming System Transformation

<table>
<thead>
<tr>
<th>Objective</th>
<th>Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build BH capacity in emergency department to reduce ED boarding</td>
<td>Redesign ED workflow to maximize efficiency</td>
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<tr>
<td></td>
<td>Hire case manager + process measures</td>
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<tr>
<td></td>
<td>- Number of intake evaluations</td>
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<tr>
<td></td>
<td>- Reduction in length of stay</td>
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</tbody>
</table>

#### Phase 2 – Driving System Transformation

<table>
<thead>
<tr>
<th>Objective</th>
<th>Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral Health Integration</td>
<td>Number of case managers</td>
</tr>
<tr>
<td></td>
<td>Outcome measures</td>
</tr>
<tr>
<td></td>
<td>- Reduction in readmission</td>
</tr>
<tr>
<td></td>
<td>- Reduction in TME for BH patients</td>
</tr>
</tbody>
</table>

#### Data Collection

- Statistics provided by grantees
- Cross-Commonwealth benchmarking through available DPH data
- Initial baseline report (in proposal)
- Final report (bonus grants for successful completion?)

#### Program Monitoring

- Statistics provided by grantees
- Onsite visits
- Interviews
- Survey/Case studies
- Publicly available HEDIS/ACES data
- Initial baseline report (in proposal)
- Yearly report (payment disbursed after meeting milestones)
- Final report
Selection of metrics

**Ascribed Metrics**
1. HPC will assign metrics for evaluation to proposed investment priorities
   a) Baseline scenarios
   b) Industry and/or organization benchmarks
2. Applicants will need to satisfy all ascribed metrics

**Menu of Metrics (SQMS, CMMI)**
1. HPC will assign metrics for evaluation to proposed investment priorities
   a) Baseline scenarios
   b) Industry and/or organization benchmarks
2. Applicants will choose from a menu of metrics to be evaluated for success

**Applicant Proposed Metrics**
1. HPC will receive individual metrics for evaluation from different proposals
2. Applicants propose metrics as related to program objectives
   a) Baseline scenarios
   b) Industry and/or organization benchmarks
Revisit key elements of Phase 1

- $10M total opportunity
- $500K cap per applicant
- 3 pathways for proposals
- Menu of selection criteria
- HPC-awardee engagement
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## Anticipated timeline

<table>
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<tr>
<th>Event</th>
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<tbody>
<tr>
<td>Stakeholder input (public hearing / listening session)</td>
<td>9/11</td>
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<tr>
<td>Commission approval of draft regulation and preliminary framework</td>
<td>7/10</td>
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<tr>
<td>Phase 1 project launch</td>
<td>7/25</td>
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<tr>
<td>Present draft regulation and preliminary framework to CHICI</td>
<td>7/25</td>
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<tr>
<td>Commission approval of draft regulation and preliminary framework</td>
<td>9/11</td>
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<tr>
<td>Committee approval of RFP framework</td>
<td>10/9</td>
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<tr>
<td>Information meetings for CHART-eligible hospitals</td>
<td>10/16</td>
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<tr>
<td>Release of RFP for Phase 1 investments</td>
<td>10/23</td>
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<tr>
<td>Phase 1 applications due</td>
<td>10/16</td>
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<td>Phase 1 award period</td>
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<td>Phase 2 development</td>
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Next steps

Staff activities and Committee engagement

- **Finalize RFP and requisite application materials** (financial plan, operational plan, aims and drivers for improvement, evaluation metrics, etc.)

- **Apply quantitative measures to selection criteria** to allow for stratifying investment across eligible hospitals (e.g. as a proportion of volume, payer mix, operating margin, cash reserves, prior investments, etc.)

- **Finalize administrative protocols** for review and evaluation of applications

- **Present draft RFP to Commission** at October 16 meeting for approval – plan for release 5-7 days later

- One-on-one meetings with awardees / grantees throughout the funding lifecycle, to build **strong relationships** and truly understand our cohort

- **Ongoing development of full CHART framework**, building towards significant fund allocation in Spring 2014

- **Ongoing coordination of CHART activities with key partners** (e.g. Prevention and Wellness Trust Fund, Infrastructure and Capacity Building Grants, MeHI e-Health investments, SIM, etc.)

1 Distressed Hospital Trust funding pool after mitigation for select health systems
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Schedule of next Committee meeting
Contact information

For more information about the Health Policy Commission:

- Visit us: [http://www.mass.gov/hpc](http://www.mass.gov/hpc)
- Follow us: @Mass_HPC
- E-mail us: HPC-Info@state.ma.us