AGENDA

▪ Call to Order

▪ Approval of Minutes from the April 6, 2016 Meeting (VOTE)

▪ Approval of Minutes from the May 18, 2016 Meeting (VOTE)

▪ Discussion of Proposed Regulation Governing Performance Improvement Plan

▪ Other Business

▪ Schedule of Next Meeting
Call to Order

 Approval of Minutes from the April 6, 2016 Meeting (VOTE)

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 Other Business

 Schedule of Next Meeting
VOTE: Approving Minutes

MOTION: That the Committee hereby approves the minutes of the Cost Trends and Market Performance meeting held on April 6, 2016, as presented.
AGENDA

- Call to Order
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- Schedule of Next Meeting
VOTE: Approving Minutes

MOTION: That the Committee hereby approves the minutes of the Cost Trends and Market Performance meeting held on May 18, 2016, as presented.
AGENDA

- Call to Order
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The HPC is drafting regulations modeled after the Interim Guidance.

Today’s Goal: Highlight areas of regulation requiring further clarification and seek commissioner feedback

The HPC released the Interim Guidance in March 2016 after holding conversations with stakeholders and subject matter experts.

The Interim Guidance tracks closely to statutory requirements with some additional detail.

The regulation and accompanying forms will provide further clarity on the process and standards that the HPC will use going forward.
Performance Improvement Plans: Overview

**PIP Process**

1. CHIA confidentially refers Health Care Entities to the HPC
2. HPC performs gated review of entities and potentially votes to require one or more PIPs
3. Health Care Entity submits a proposed PIP
4. HPC evaluates a proposed PIP and votes to advance to implementation
5. Health Care Entity implements the PIP
6. After implementation, Board votes on whether the PIP was successful

**Key Topics for Discussion**

- What, if any, additional factors should the HPC use during its review?
- What form should a PIP take?
- How should the HPC evaluate a proposed PIP?
- What type of reporting should the entity provide?
- How should the HPC evaluate success / failure?
CHIA Methodology for Confidential Referral

| 1 | CHIA confidentially refers Health Care Entities to the HPC |

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**Proposed Methodology Update**

- CHIA has issued an updated, proposed methodology for the confidential referral of health care entities to the HPC

- CHIA is accepting public comment on the proposed methodology until **5 p.m. ET on Friday, December 9, 2016**

- Following a review of the submitted comments, CHIA will issue a final methodology in December

See CHIA’s website for details: [http://www.chiamass.gov/regulations](http://www.chiamass.gov/regulations)
Current Gated Review Factors

2. HPC performs gated review of entities and potentially votes to require one or more PIPs

- Performance in CHIA-Identified books of business
  - Spending, pricing and utilization trends
  - Size and market share

- Performance across all books of business
  - Spending, pricing and utilization trends
  - Size and market share
  - Population served, product lines, services

- Mitigating factors and comparison to statewide trends
  - Factors outside of Entity’s control
  - Financial condition

- Information received during follow-up discussions with entity
  - Existing strategies to control growth
  - Factors that can’t be analyzed with public data
Additional Factors in Gated Review Process

HPC performs gated review of entities and potentially votes to require one or more PIPs

- Previous appearance on the CHIA list
- Recent transactions with claims of increased efficiency or lower spending
- Others?
# Components of the Performance Improvement Plan

Health Care Entity submits a proposed PIP

<table>
<thead>
<tr>
<th>Interim Guidance</th>
<th>Regulation &amp; Forms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per the statute, the PIP must include:</td>
<td>Provides additional guidance and clarification:</td>
</tr>
<tr>
<td>▪ Causes of growth</td>
<td>▪ Strategies cannot compromise quality or access to needed services</td>
</tr>
<tr>
<td>▪ Strategies to address growth</td>
<td>▪ Entities are encouraged to consult with the HPC in the development of the PIP</td>
</tr>
<tr>
<td>▪ Metrics, goals and timetables</td>
<td>▪ The PIP will include both a public-facing form and confidential appendices</td>
</tr>
<tr>
<td>▪ Request for technical assistance</td>
<td></td>
</tr>
<tr>
<td>▪ Supporting documentation</td>
<td></td>
</tr>
</tbody>
</table>
### Performance Improvement Plan Form
- Public-facing template that will be posted on the HPC website
- Describes interventions, expected outcomes, sustainability plan, etc.

### Attestation of Good Faith Implementation
- Signed by the PIP Custodian, who is responsible for PIP oversight
- Signed by the Executive Sponsor(s) (e.g., CEO, CFO, Board Chair)

### Appendices
- Confidential attachments that are protected from disclosure
- Provide greater detail and include supporting documentation, evidence, and data
## Evaluation of the Proposed Performance Improvement Plan

HPC evaluates a proposed PIP and votes to advance to implementation

<table>
<thead>
<tr>
<th>When should the Board approve a proposed PIP?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory Requirements</strong></td>
</tr>
<tr>
<td>▪ The PIP is likely to <strong>address the underlying cause</strong> of cost growth</td>
</tr>
<tr>
<td>▪ There is a reasonable expectation of <strong>successful implementation</strong></td>
</tr>
<tr>
<td><strong>Additional Considerations</strong></td>
</tr>
<tr>
<td>▪ The PIP has a reasonable economic, business, or medical rationale with a <strong>sufficient evidence base</strong></td>
</tr>
<tr>
<td>▪ The potential impact on the Commonwealth’s ability to <strong>meet the health care cost growth benchmark</strong></td>
</tr>
<tr>
<td>▪ Whether savings and efficiencies associated with the PIP are likely to <strong>continue after implementation</strong></td>
</tr>
<tr>
<td>▪ The extent to which a PIP carries a <strong>risk of negative consequences</strong> that would be inconsistent with other policy goals of the Commonwealth</td>
</tr>
<tr>
<td>▪ Whether the Entity has, if necessary, secured <strong>cooperation from third parties</strong></td>
</tr>
<tr>
<td>▪ Input from <strong>relevant agencies</strong> (e.g., MassHealth, DOI, DPH) and <strong>expert consultants</strong></td>
</tr>
</tbody>
</table>
### Performance Improvement Plan Implementation

**Health Care Entity implements the PIP**

**Key health care entity activities during PIP implementation**

<table>
<thead>
<tr>
<th>Implement Strategies</th>
<th>Measure Outcomes</th>
<th>Report to the HPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Health Care Entity must fully implement the activities of the PIP based on the approved timeline.</td>
<td>The Health Care Entity must collect data and calculate metrics at agreed upon intervals to assess performance.</td>
<td>The Health Care Entity must regularly report on progress of implementation and results in written and oral format.</td>
</tr>
</tbody>
</table>
After implementation, the HPC’s Board considers whether the PIP was successful

**Board evaluation of a completed PIP**

- To what extent the Entity has **addressed significant concerns** about its costs
- To what extent the Entity has **achieved the target** outcome and process measures
- Whether the Entity has fully implemented the PIP in **good faith**
- The **sustainability** of the efficiencies and cost savings
- Whether the PIP resulted in **negative outcomes** that are inconsistent with other policy goals of the Commonwealth
- The impact of **events outside of the PIP Entity’s control** on implementation or cost growth

**PIP Deemed Successful**

1. HPC monitoring is complete
2. Entity’s name is removed from public HPC list
After implementation, the HPC’s Board considers whether the PIP was successful

<table>
<thead>
<tr>
<th>PIP Deemed Unsuccessful</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Extend or amend the existing PIP</td>
</tr>
<tr>
<td>2. Require a new PIP</td>
</tr>
<tr>
<td>3. Waive or delay the requirement for a new PIP</td>
</tr>
<tr>
<td>★ HPC may levy fines in the case of willful noncompliance</td>
</tr>
</tbody>
</table>

HPC
Next Steps

December
- HPC receives new list from CHIA
- Perform gated review of entities

January
- Follow-up meeting with entities
- CTMP vote to advance draft regulation to Board

February
- Board vote to release draft regulation for public comment

March
- Public comment on proposed regulation

All dates are approximate.
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**CHIA’s Methodology for Referring Health Care Entities to the HPC**

| Statutory Requirement |  
|-----------------------|---
| ▪ Excessive HSA TME growth; and  
| ▪ Threatening to the health care cost growth benchmark. |

| Current Method |  
|---------------|---
| ▪ Each entity that had greater than 3.6% growth in HSA TME in at least one book of business |

| Proposed Method |  
|-----------------|---
| ▪ Each entity that had greater than 3.6% growth in HSA TME in at least one book of business  
| ▪ Threshold that may use a slightly lower HSA TME growth threshold combined with additional factors such as membership size, comparison with network average HSA TME, and unadjusted TME |

See CHIA’s website for details  
http://www.chiamass.gov/regulations