

Community Health Care Investment and Consumer Involvement

Health Policy Commission

Committee Meeting

April 10, 2013



Agenda

- Approval of summary of February 27, 2013 public hearing
- Summary of Consumer-Driven Health Plan Report
- Update on One-Time Assessment
- Update on Distressed Hospital Program
- Presentation on the Delivery System Transformation Initiative (DSTI) by Lawrence General Hospital
- Discussion of CHICI implementation timeline for 2013
 - Discussion of consumer engagement priorities for 2013
- Schedule of next Committee meeting

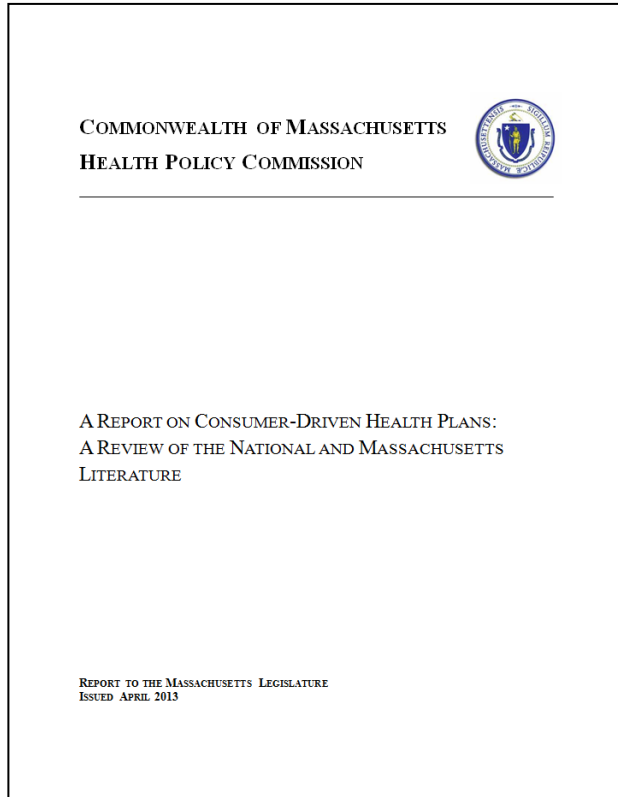
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Report on Consumer-Driven Health Plans



- Issued on April 1, 2013
- Available from:
<http://www.mass.gov/anf/docs/hpc/health-policy-commission-section-263-report-vfinal.pdf>

Key findings

- Theory of CDHPs is to provide added financial incentives for consumers to be more active value purchasers
- Literature to date focuses primarily on consumer behavior for those enrolled in CDHPs
 - Massachusetts-specific data is limited
- Studies suggest some reduction in the use of medical services by participants of CDHPs
 - Not yet clear what impact such reductions have on longer-term health outcomes or on total medical spending over many years

Areas of future research

- Understanding the Massachusetts landscape for the current and future use of CDHPs
- Comprehending the dynamics of intermediaries (employers, payers and brokers) that are influencing the take-up of CDHPs
- Gaining knowledge of provider organizations' considerations that are affecting consumers' decisions to switch providers based on price

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Update on One-time Assessment

Surcharge Payors

Update

- 70% of Data Verification Forms received
- For remaining surcharge payors, certified letters sent with final deadline of April 15, 2013

Next steps

- Invoices to be sent week of April 21, 2013
- Payments due by June 30, 2013

Acute Hospitals

- 100% of Data Verification Forms received
- All invoices sent as of April 4, 2013

- Acute hospitals have until April 25, 2013 to submit waiver or mitigation application
- Staff will make recommendations regarding any applications to the Commission on June 19, 2013
- Payments due by June 30, 2013

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Distressed Hospital Trust Fund

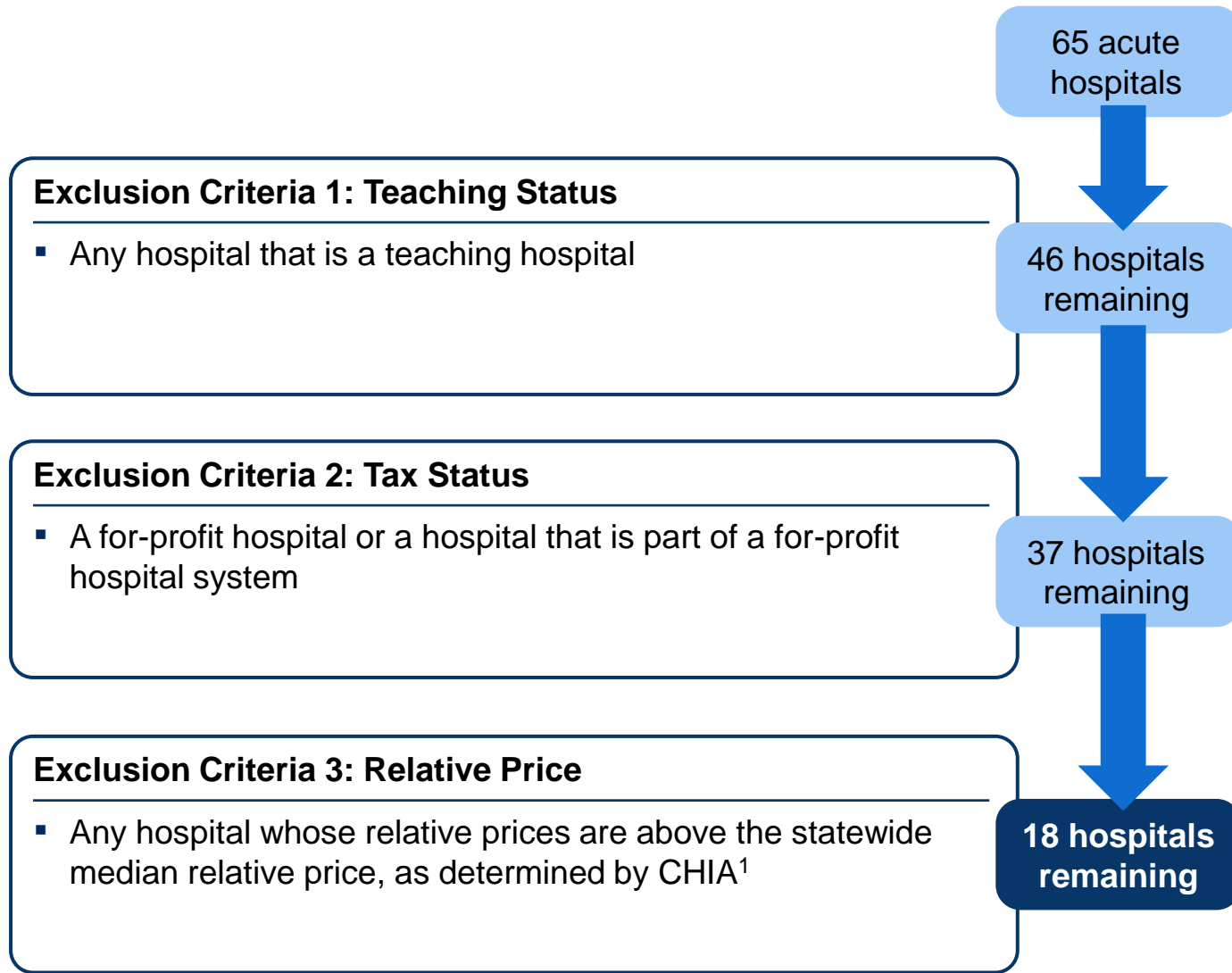
Establishment of Distressed Hospital Trust Fund

- Section 2GGG of Chapter 224
- Funded by one-time assessment
- Total amount of \$128.25 million
 - Less if waiver or mitigation provided to qualifying acute hospitals
- Unexpended funds may to be rolled-over to following year and do not revert to General Fund
- Competitive proposal process to receive funds
- Strict eligibility criteria (on next slide)

Purposes of Distressed Hospital Trust Fund

1. Improve and enhance the ability of community hospitals to serve populations efficiently and effectively
2. Advance the adoption of health information technology
3. Accelerate the ability to electronically exchange information with other providers in the community to ensure continuity of care
4. Support infrastructure investments necessary for the transition to alternative payment methodologies
5. Aid in the development of care practices and other operational standards necessary for certification as an ACO
6. Improve the affordability and quality of care

Distressed Hospital Trust Fund eligibility criteria



¹ Relative price data from CY2010 used for this preliminary analysis

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CHICI 2013 Implementation Timeline

First quarter (Jan – Mar)

- ✓ Promulgate regulations on the administration of the one-time assessment of qualifying hospitals and surcharge payors
- ✓ Begin working with other state agencies to minimize duplicative requirements
- ✓ Research and prepare a report to the legislature on Consumer-Driven Health Plans
- ✓ Begin to develop strategies for engaging constituencies regarding the implementation of Chapter 224

Second quarter (Apr – Jun)

- Consider any applications for a waiver or mitigation of the one-time assessment by qualifying hospitals
- Collect the first installment of the one-time assessment
- Begin to develop a competitive grant program to enhance the ability of certain distressed community hospitals to implement system transformation

Third quarter (Jul – Sep)

- Propose and adopt final regulations on the competitive grant program for distressed hospitals
- Begin to accept applications from distressed hospitals

Fourth quarter (Oct – Dec)

- Monitor the launch of consumer cost-sharing transparency tools by the health plans
- Distribute the first round of grants to distressed hospitals

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Contact information

For more information about the Health Policy Commission:

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