

Cost Trends and Market Performance

Health Policy Commission

Committee Meeting

July 10, 2013



Agenda

- Approval of the minutes from the May 29, 2013 meeting
- Presentation by Martin Gaynor
- Update on the APCD data and cost trends RFR
- Update on the annual cost trends hearing
- Schedule of next committee meeting

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- **Approval of the minutes from the May 29, 2013 meeting**
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Vote: approving minutes

Motion: That the Cost Trends and Market Performance Committee hereby approves the minutes of the Committee meeting held on May 29, 2013, as presented.

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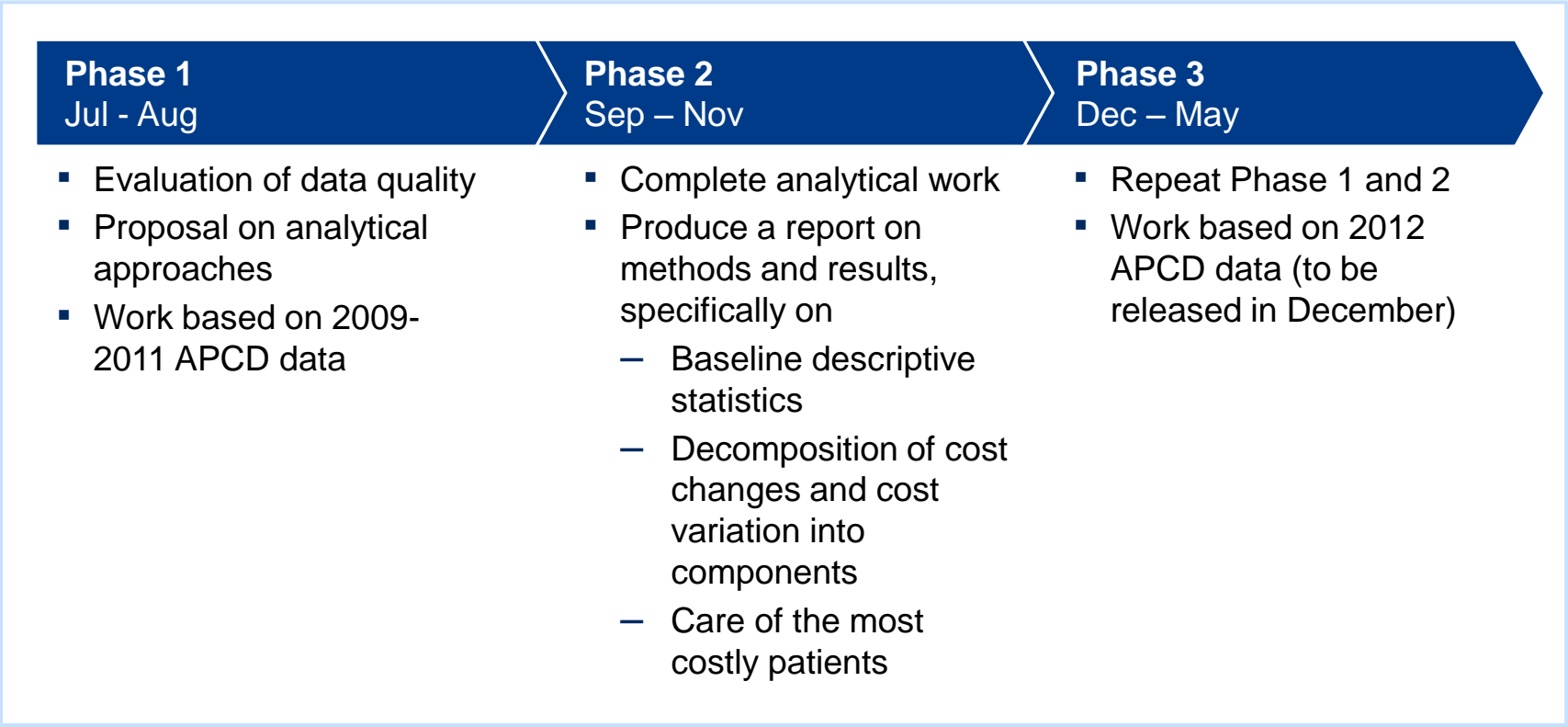
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Objectives for APCD RFR

- Obtain analytic support in examining trends in health care costs sourced from Commonwealth's all-payer claims database (APCD)
 - Validate APCD for cost trends purposes
 - Prepare files for use by HPC
- Produce analyses that directly support annual cost trends report
- Build a foundation for more extensive work in future years
- Collaborate with CHIA to enhance value of APCD for all stakeholders

The scope of the contract is based on phases



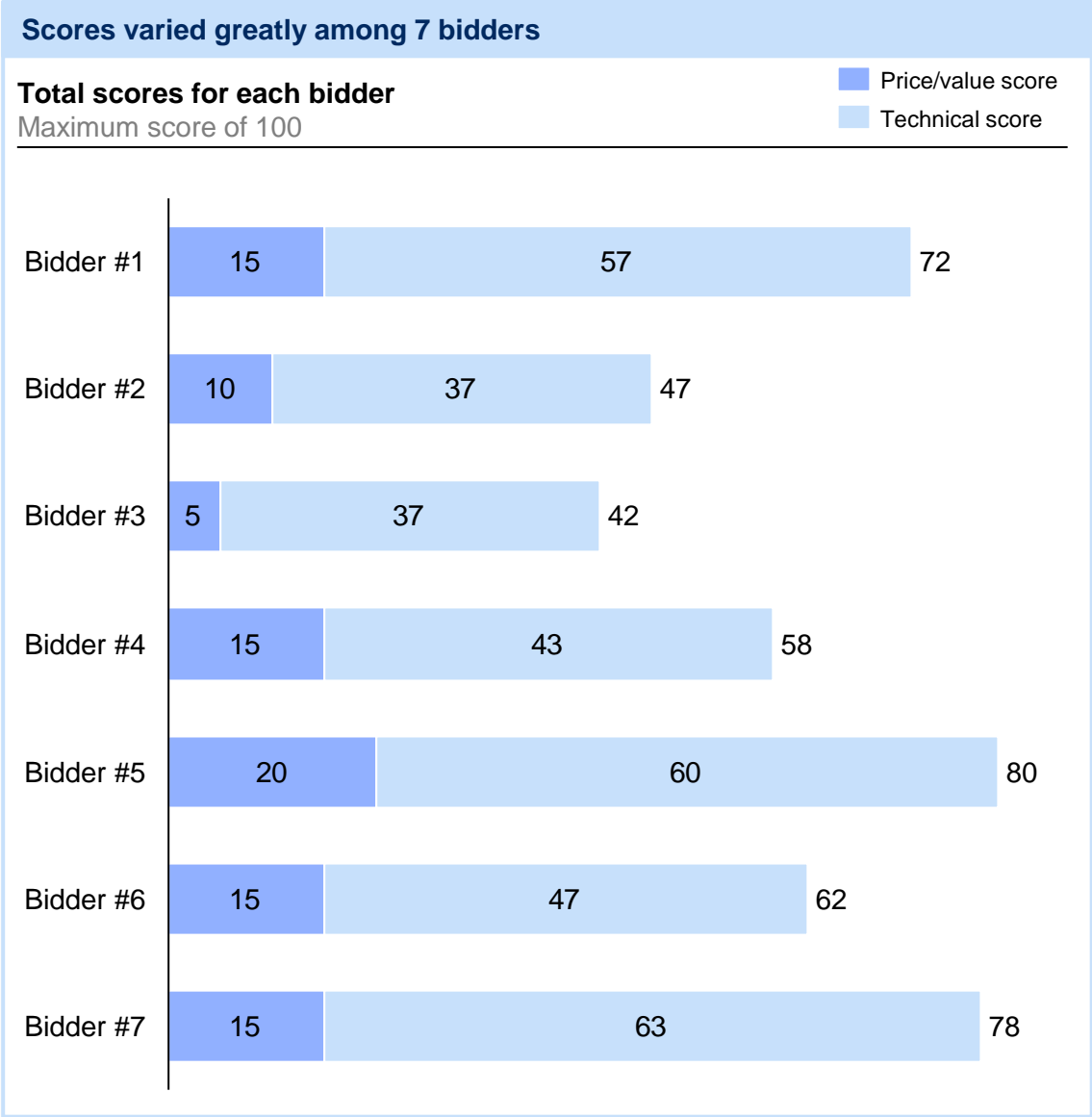
Contract runs through December 31, 2014, with an option to renew for up to three years

HPC engaged in a thorough procurement process

Activity	Apr	May	Jun	Jul
Notice of Intent to Procure posted	▲ 26 Apr 2013			
RFR APCD-A posted for solicitation of bids			■	
Submission of written questions			▲ 20 Jun 2013	
Responses to questions posted			▲ 21 Jun 2013	
Submission of responses due			▲ 28 Jun 2013	
Interviews with finalists			▲ 2 Jul 2013	
CTMP: presentation of staff recommendation				▲ 10 Jul 2013
Board: vote to authorize contract				▲ 25 Jul 2013

7 bidders were scored on 9 evaluation criteria

Evaluation criteria used	
Criteria	Value
Understanding value in broader MA context	10
Technical understanding of methods for analyses	10
Creative and feasible approaches to analyses	10
Demonstrated and relevant expertise	10
Demonstrated experience working with APCD	10
Educational, professional qualifications	10
Ability to work creatively and successfully	5
Supplier diversity plan	10
Price/value	25



Based on our review of the proposals, we recommend The Lewin Group

Summary of results for 3 finalists		
	<u>Evaluation score</u>	<u>Cost (Phase 1)</u> \$ 000s
Lewin	80	\$536 (\$211)
Finalist #2	78	\$870 (\$129)
Finalist #3	72	\$799 (\$487)

- ### Rationale for The Lewin Group
- Demonstrated understanding of HPC needs and objectives
 - Experience working with APCD
 - Highest evaluation score
 - 2nd lowest total cost
 - Able to articulate approaches to deal with unique APCD issues, such as risk adjustment in a multi-payer database
 - Final products will include code and files which allow for replication in the future



Our final recommendation is
The Lewin Group

Vote: endorsing staff's recommendation for contract award

Motion: That the Committee hereby endorses staff's recommendation to award a contract to The Lewin Group, Inc. to analyze cost trends using the all-payer claims database maintained by the Commonwealth's Center for Health Information and Analysis and recommends that the Commission authorize this contract at the next Commission meeting.

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Objectives for the annual cost trends hearing

- Discuss stakeholders' observations of performance against the cost growth target
- Engage experts and witnesses to identify particular challenges and opportunities in the Commonwealth
- Identify innovations that can work in the Commonwealth to help drive the HPC's core objectives
- Examine experience of stakeholders to inform the annual cost trends report

Timeline for cost trends hearing

Activity	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Finalize location and date	■						
Set theme and agenda	■						
Continue engagement with AGO/CHIA	■						
CTMP: objectives, themes, format		▲					
		10 Jul 2013					
Commission: overview		▲					
		25 Jul 2013					
Issue requests for pre-filed testimony		▲					
		1 Aug 2013					
Receive pre-filed testimony			■				
				▲			
				31 Aug 2013			
Commission: hold hearings					■		
Incorporate findings into annual cost trends report					■		
Release annual cost trends report							■

Themes for cost trends hearing

Day 1: Advancing efficient delivery of high-quality care

- Welcome and opening remarks
 - Health care costs in MA
- **Panel:** High-value care for high-need patients
- **Panel:** Addressing structural barriers to efficiency
- Closing remarks

Day 2: Advancing a value-based market

- Welcome and opening remarks
- **Panel:** Evolving market structure – impact on cost and quality
- **Panel:** Empowering purchasers through information, incentives, and choice
- Closing remarks

Each panel will involve:

- 30 minutes of presentation from an invited expert
- 60 minutes of testimony from MA market participants

Next steps on annual cost trends hearing

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- Solicit feedback from commissioners
 - Present at July 25, 2013 Board meeting
 - Invite experts and witnesses
 - Prepare pre-filed testimony questions
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Contact information

For more information about the Health Policy Commission:

- Visit us: <http://www.mass.gov/hpc>
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