

Community Health Care Investment and Community Involvement

Health Policy Commission

Committee Meeting

July 10, 2013



Agenda

- Approval of minutes from June 17, 2013 meeting
- Update on the One-Time Assessment
- Update on Proposed Regulations for the Distressed Hospital Trust Fund Grant Program
- Hospital Eligibility
- Discussion of Framework for the Distressed Hospital Trust Fund Grant Program
- 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 June 17, 2013, as presented.

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Fund overview – FY13 and FY14

- The one-time assessment is expected to generate approximately \$74.2 million by June 30, 2013
 - The amount to be deposited into the Fund is \$39.9 million, representing approximately 1/3 of the four-year total, as many surcharge payers opted for the “one lump sum” payment option
 - This is the total amount that will be available for distribution until the second year of the assessment is collected (June 30, 2014)
 - The amounts in years 2-4 will be \$26.3 million annually
 - Unexpended funds may be rolled over to the following year and do not revert to General Fund
-

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Overview of the Fund

Establishment of the Fund

- Section 2GGG of Chapter 224
- Funded by one-time assessment
- **Total amount of \$119.08 million**
 - \$128.25M, less \$9.17M provided in mitigation to qualifying acute hospitals
- Unexpended funds may be rolled-over to following year and do not revert to General Fund
- Competitive grant process to distribute funds
- Statutory eligibility criteria

Purposes of the 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**

Overview of 958 CMR 5.00: Grant administration

- *Establishes Key Definitions to Guide Administration of the Fund*
 - Defines **eligibility criteria** based upon statute

 - *Establishes Grant Application Requirements and a Process for Development of RFPs*
 - Adopts **statutory requirements** and establishes structure for **further program development**
 - Delegates authority to Executive Director to **issue RFPs**

 - *Establishes a framework for grant application, review and selection, and contractual requirements*
 - Adopts **statutory criteria** and confers authority to Executive Director to refine further criteria in RFPs
 - Establishes a **process for review and selection** as well as contract execution
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958 CMR 5.00 Establishes program operating structure and process

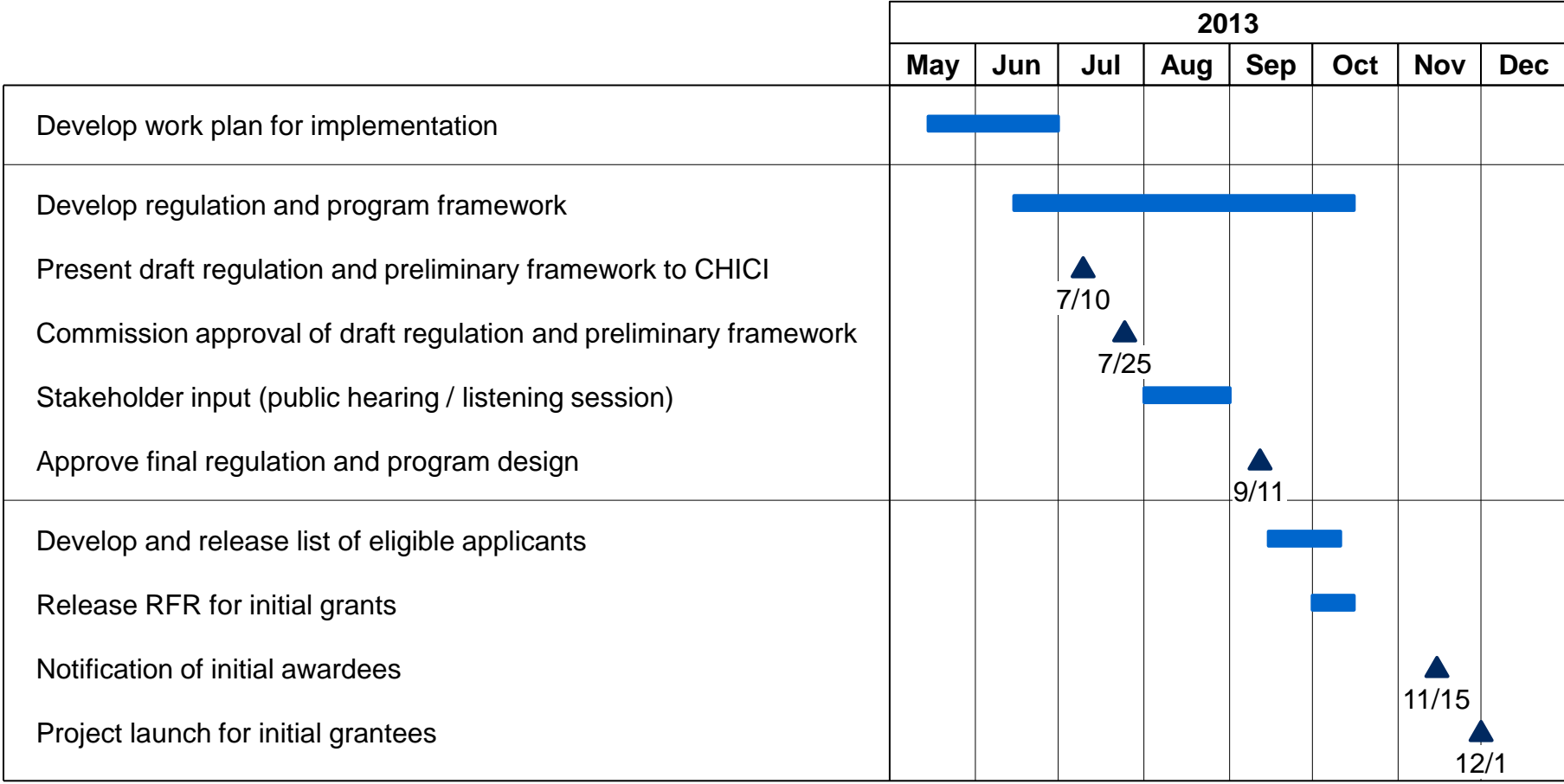
RFP Development and Grant Application

Review, Selection, and Award

Monitoring, and Evaluation

- Program framework approved by the Commission
 - Executive Director develops and releases RFP(s)
 - Eligibility lists developed and released at time of RFP issuance
 - Applications received and reviewed for completeness
 - Complete applications from qualified applicants directed to staff review committee
- All accepted applications reviewed by staff against criteria established in regulation and RFP
 - Executive Director recommends grant recipients for approval by Commission
 - Executive Director executes contract with selected awardees
 - Award period begins
- HPC staff monitor for contractual compliance
 - termination or amendment requires Commission action.
 - HPC provides framework and oversight for evaluation

Anticipated six month timeline



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Hospital eligibility criteria

Teaching Hospital

Acute care teaching hospitals, as defined by CHIA¹

- | | |
|---------------------------------------------|-----------------------------------------------|
| <i>Baystate Medical Center</i> | <i>Lahey Clinic</i> |
| <i>Berkshire Medical Center</i> | <i>Massachusetts Eye and Ear Infirmary</i> |
| <i>Beth Israel Deaconess Medical Center</i> | <i>Massachusetts General Hospital</i> |
| <i>Boston Medical Center</i> | <i>Mount Auburn Hospitals</i> |
| <i>Brigham and Women's Hospital</i> | <i>Saint Vincent Hospital</i> |
| <i>Cambridge Health Alliance</i> | <i>Steward Carney Hospital</i> |
| <i>Children's Hospital Boston</i> | <i>Steward St. Elizabeth's Medical Center</i> |
| <i>Dana-Farber Cancer Institute</i> | <i>Tufts Medical Center</i> |
| <i>Faulkner Hospital</i> | <i>Umass Memorial Medical Center</i> |

For-profit Status

Acute care hospital or health system with for-profit status²

- Steward Health System Hospitals*
- Vanguard Metro West Medical Center³*
- Vanguard St. Vincent's Hospital*

Relative Price Above Median

- Aggregate relative price index (hospital's prices as multiple of payer's network average, where network average = 1.0)
- Average across payers **weighted by hospital's payer mix** (revenue)
- Include if ≤ 1.0
- Excludes:

- | | |
|-----------------------------------|--------------------------------------|
| <i>Cape Cod Hospital</i> | <i>Nantucket Cottage Hospital</i> |
| <i>Clinton Hospital</i> | <i>Newton-Wellesley Hospital</i> |
| <i>Cooley Dickinson Hospital</i> | <i>North Adams Regional Hospital</i> |
| <i>Fairview Hospital</i> | <i>North Shore Medical Center</i> |
| <i>Falmouth Hospital</i> | <i>South Shore Hospital</i> |
| <i>Martha's Vineyard Hospital</i> | <i>Sturdy Memorial Hospital</i> |

1 Using fiscal year 2011 CHIA 403 Cost Reports
 2 As confirmed through MDPH licensure
 3 Leonard Morse and Framingham Union Campuses

Eligible hospitals as of July 10, 2013

Example Eligibility List

- Addison Gilbert Hospital
- Anna Jaques Hospital
- Athol Memorial Hospital
- Baystate Franklin Medical Center
- Baystate Mary Lane Hospital
- Beth Israel Deaconess Hospital - Milton
- Beth Israel Deaconess Hospital - Needham
- Beverly Hospital
- Emerson Hospital
- Harrington Memorial Hospital
- HealthAlliance Leominster Hospital
- Heywood Hospital
- Holyoke Medical Center
- Jordan Hospital
- Lawrence General Hospital
- Lawrence Memorial Hospital
- Lowell General Hospital
- Marlborough Hospital
- Melrose Wakefield Hospital
- Mercy Medical Center
- Milford Regional Medical Center
- New England Baptist Hospital
- Noble Hospital
- Saints Medical Center¹
- Signature Brockton Hospital
- Southcoast Charlton Hospital
- Southcoast St. Luke's Hospital
- Southcoast Tobey Hospital
- Winchester Hospital
- Wing Memorial Hospital

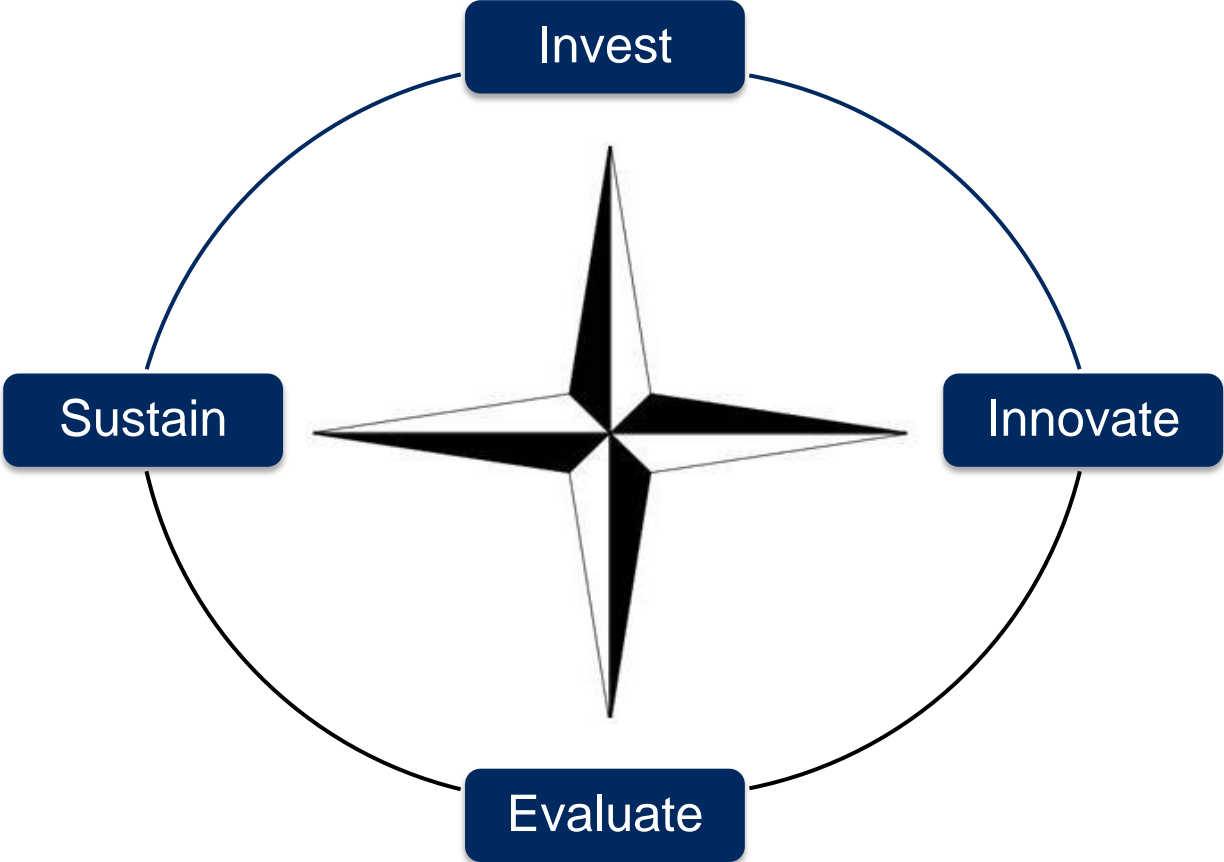
¹ Data prior to merger with Lowell General Hospital

Agenda

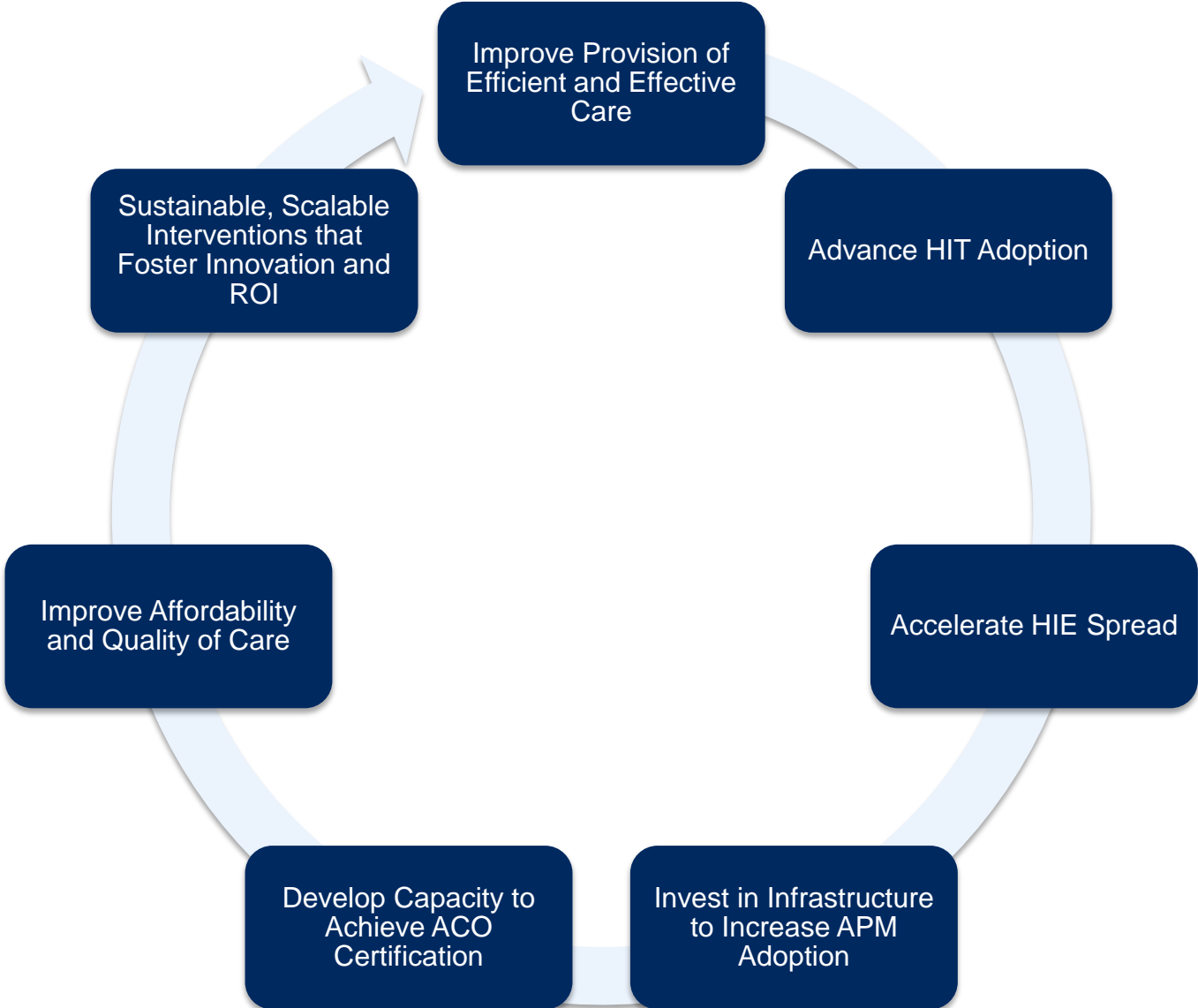
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HPC CHART Grants

Community Hospital Acceleration, Revitalization, and Transformation
Charting a course for the right care at the right time in the right place



Statutory goals



Principles to guide program development

1 Be sensitive to variation in circumstance

2 Be timely, transparent, and evaluative in all that we do

3 Value the power of alignment

4 Value efforts to address complex challenges



Opportunity to maximize ROI and achieve system-wide, sustainable impacts

Principles of applicant selection

**NECESSARY
QUALIFICATION**
*meets minimum eligibility
standards*

+

**SUFFICIENT
ENGAGEMENT**
*commitment to system
transformation*



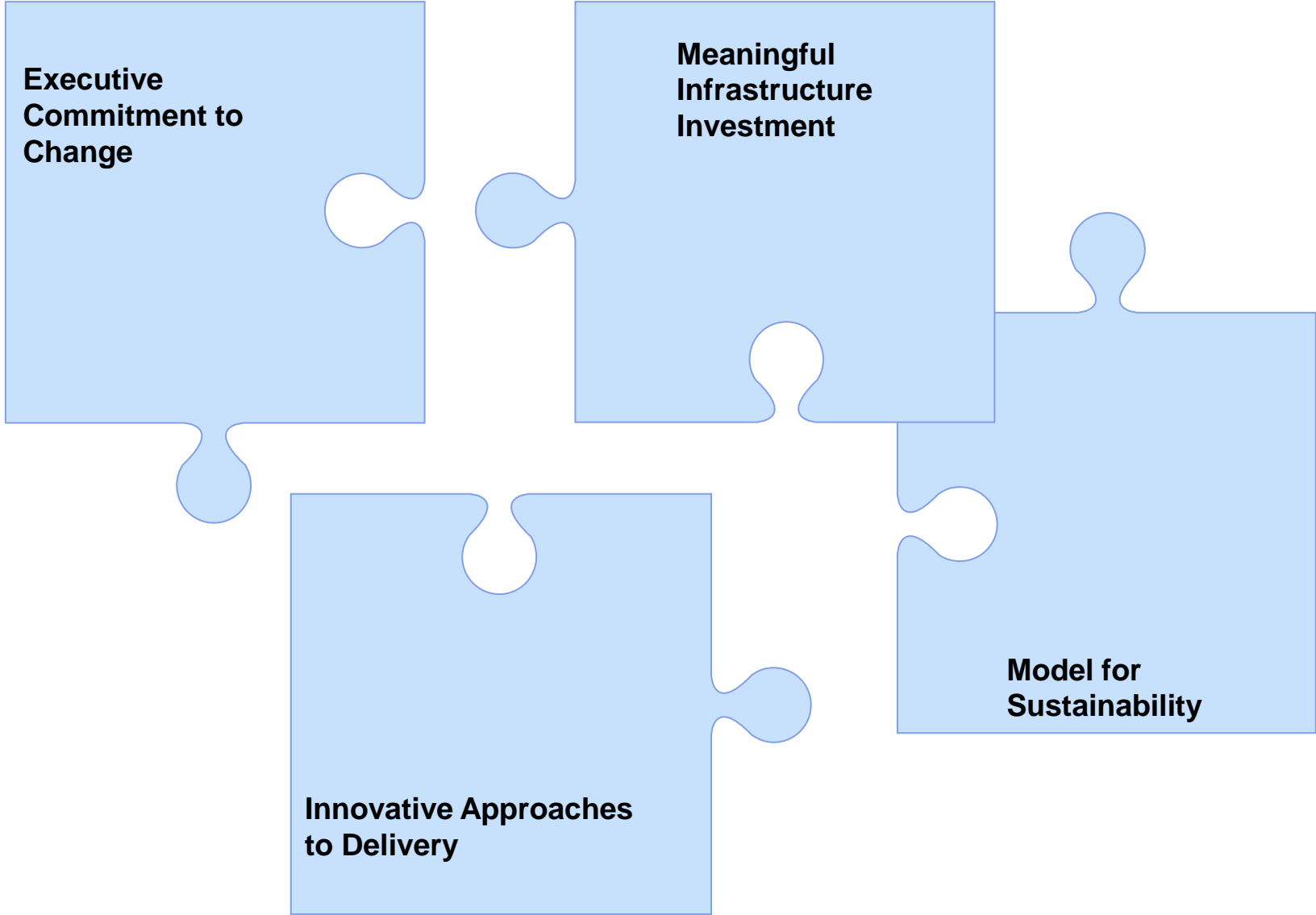
**COMPETITIVE
APPLICANT**

Statutory factors

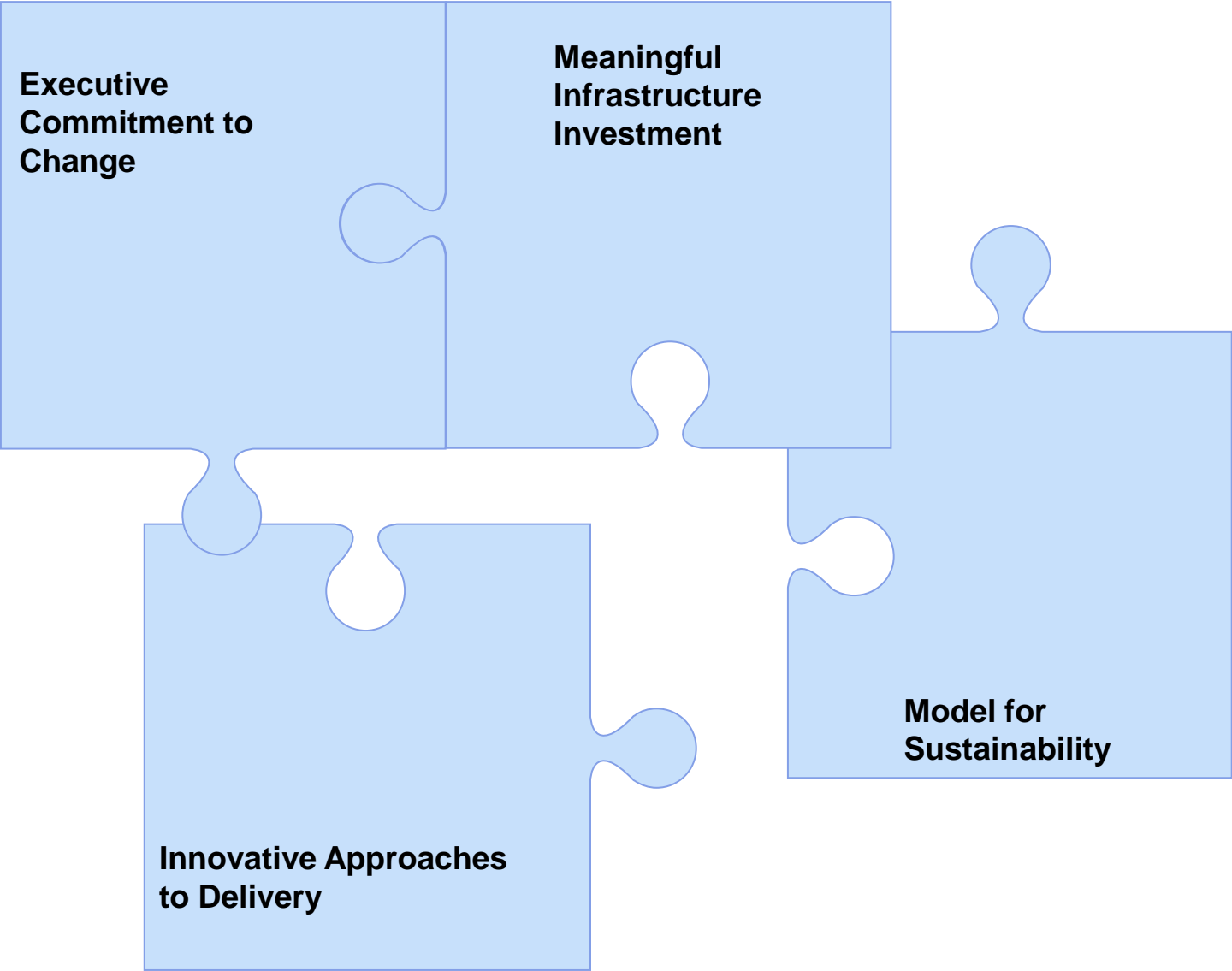
Selection and relative award of implementation grants should be tied to a variety of factors, including:

- Applicant's financial health and payer mix
- ROI of the investment
- Extent of innovation and potential for scaling up
- Affiliations of the applicant
- 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

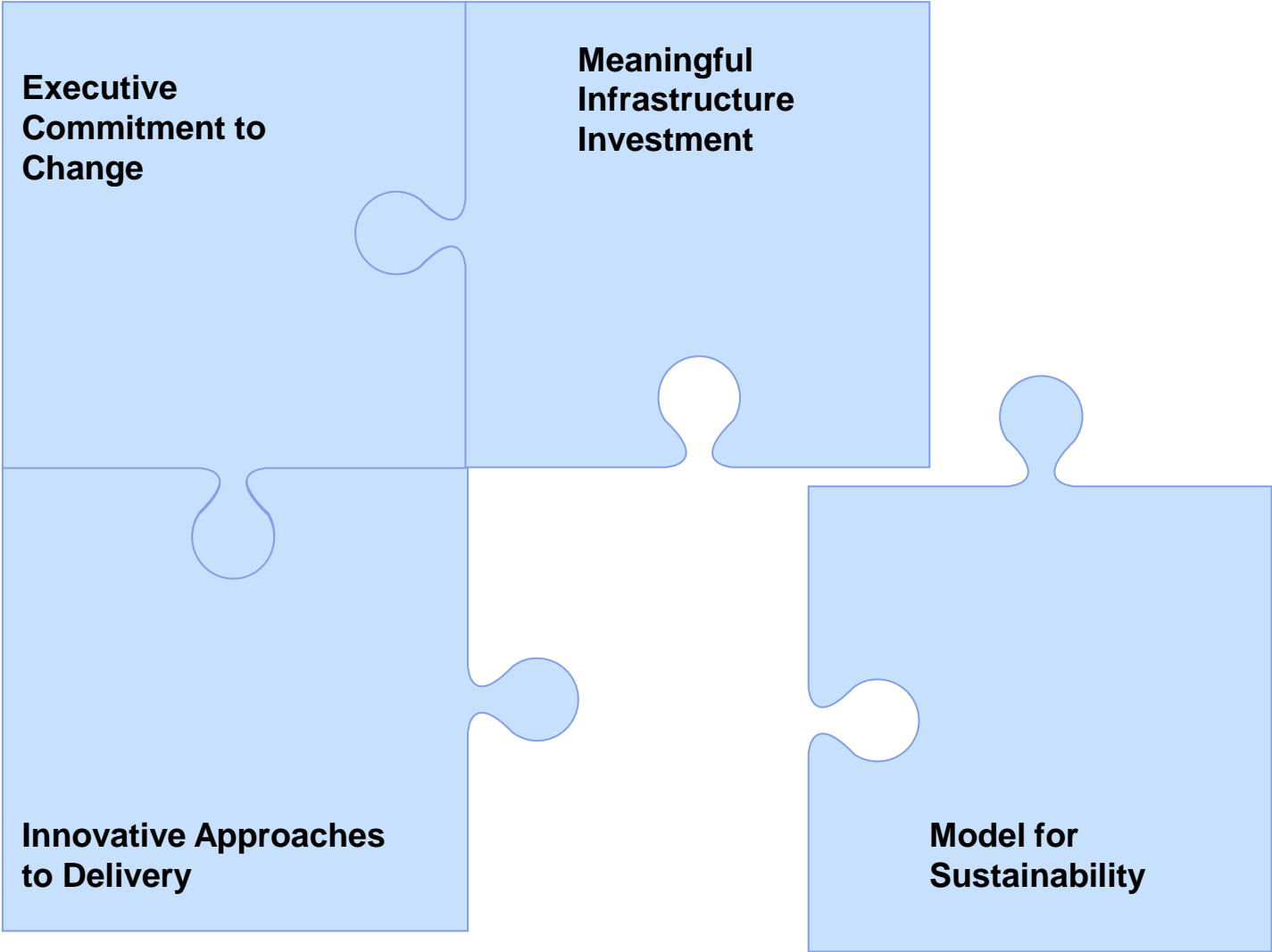
Necessary factors of change (1/4)



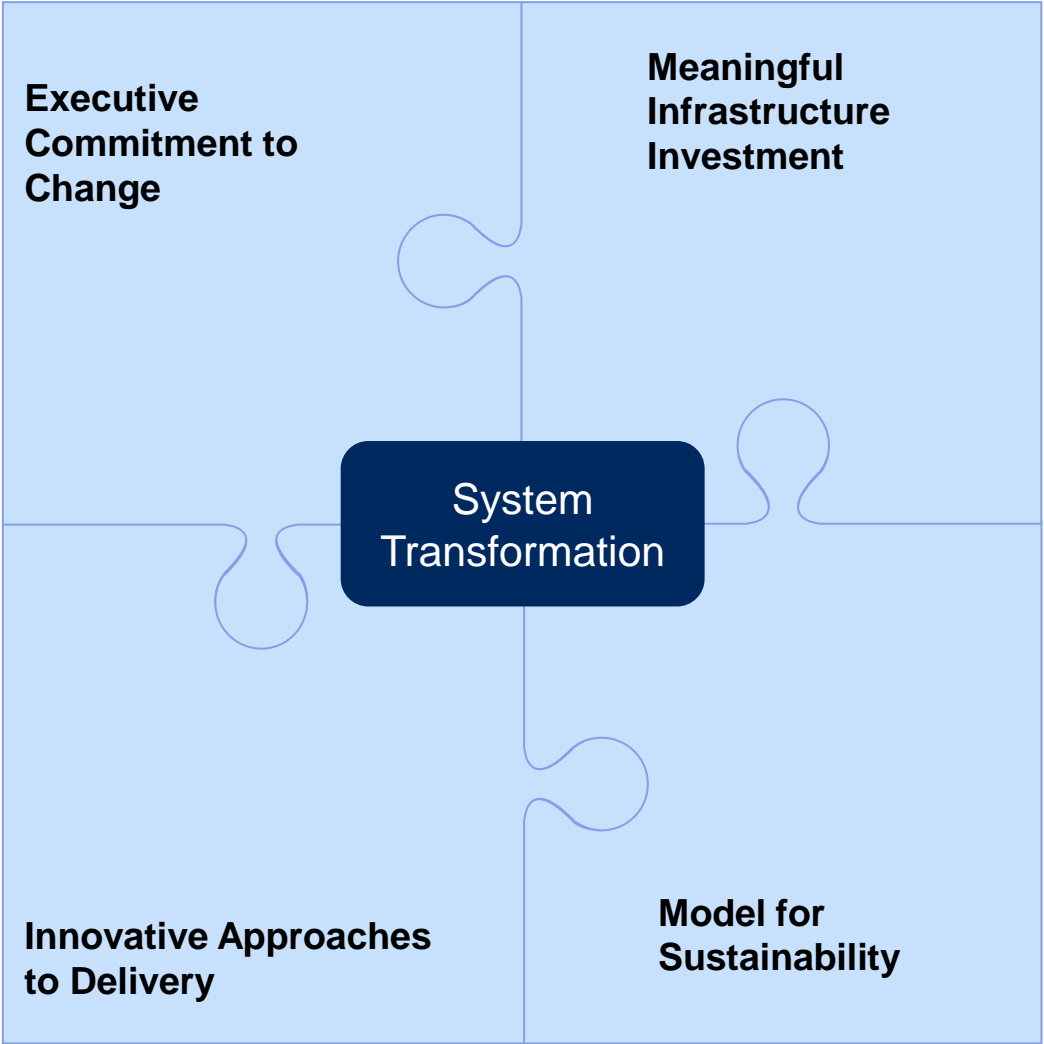
Necessary factors of change (2/4)



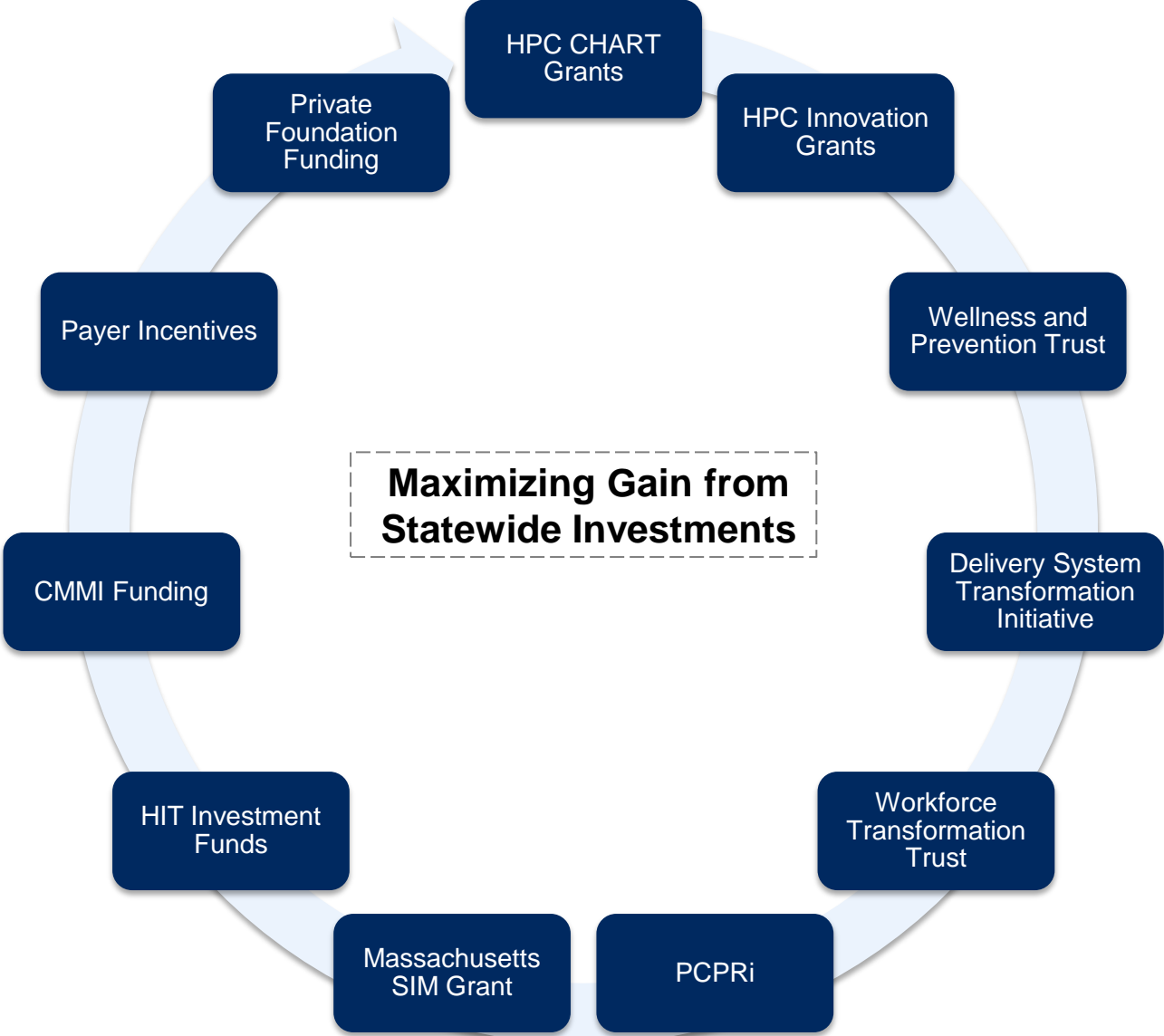
Necessary factors of change (3/4)



Necessary factors of change (4/4)

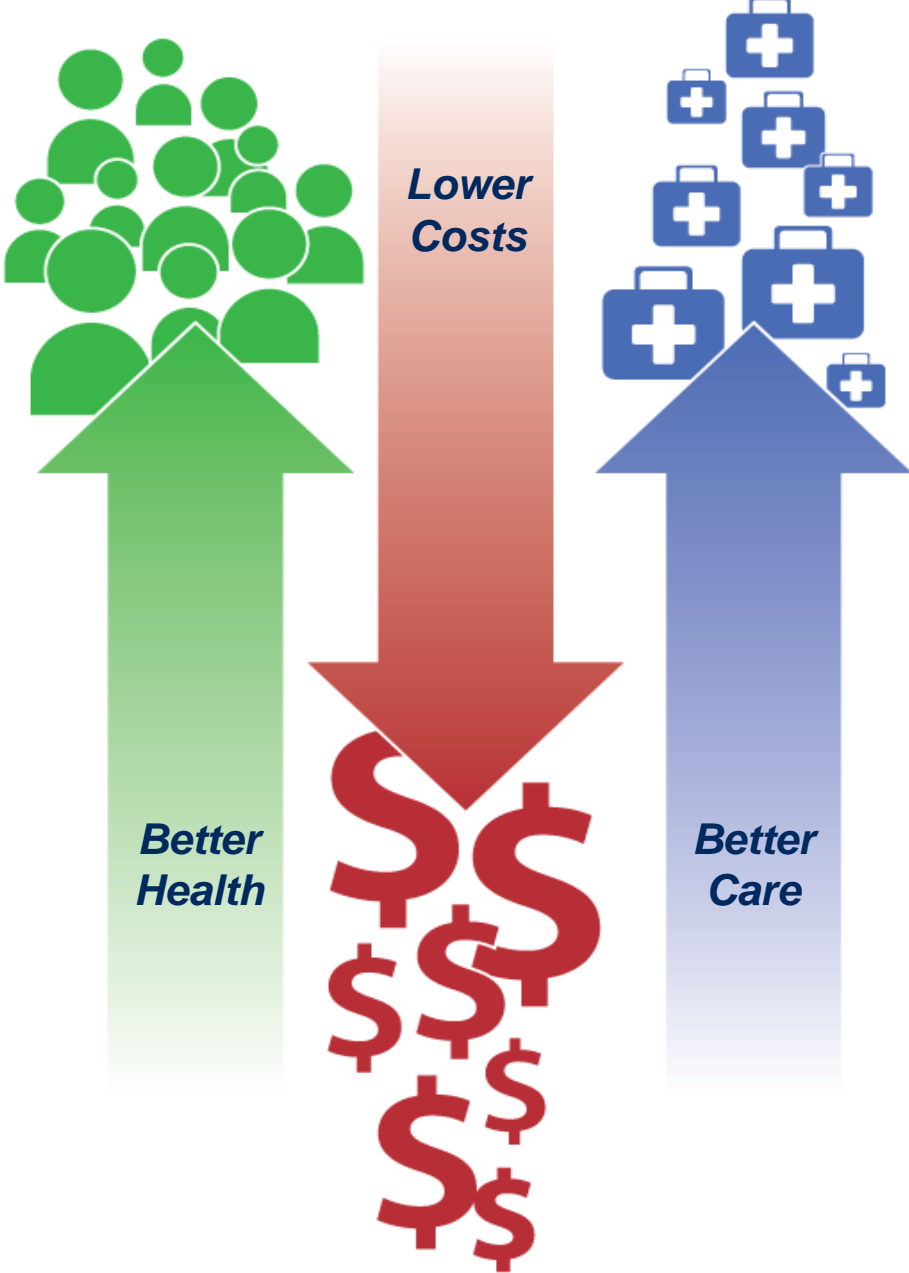


Alignment with investments across agencies and programs



Evaluating our success

- HPC is developing a comprehensive, cross-program, **unified evaluation framework**
- Our core goals in evaluating success will be achievement of our mission and vision – **effectively the Triple Aim**
- **Ongoing**, comprehensive monitoring, engagement, and **technical assistance** will be provided by program leadership



Discussion – key areas of consideration

Program Structure, Process, and Framework:

- Innovation and infrastructure investments - joint or separate RFPs?
- Timing of grant cycles - Annual? Biannual? As needed?
- Phased or concurrent innovation approach?
 - Timing considerations?
- Topic-specific RFPs or open submission within statutory goals?
- Weighting criteria for awards:
 - Affiliation with large systems?
 - ROI?
 - Scalability?
 - Infrastructure?

Prioritization and Alignment

- Prioritizing breadth versus depth in grant selection
 - Maximum award size for innovation grants?
 - Infrastructure?
- Preferentially selecting projects with previous (or current) investment, or gap-filling?
- Other strategies to maximize value?
- Strategies to optimally engage communities and key partners?

Evaluation & Fund Development

- Opportunity for requisite, comprehensive, strategic audits?
- Requirements for dissemination?
- Opportunities to build fund, either through development programming or HPC grant applications?

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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