Community Health Care Investment and Consumer Involvement

Health Policy Commission

Committee Meeting
September 4, 2013

Agenda

- Approval of minutes from August 29, 2013 meeting
- Review of testimony in response to proposed regulation *958 CMR 5.00: Administration of the Distressed Hospital Trust Fund (the CHART Investment Program)*
- Proposed amendments to 958 CMR 5.00 (VOTE)
- Discussion of CHART investment program framework development
- 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 August 29, 2013, as presented.

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Overview of 958 CMR 5.00: Investment program administration

- *Establishes key definitions to guide administration of the Fund*
  - Defines **eligibility criteria** based upon statute
- *Establishes application requirements and a process for development of RFPs*
  - Adopts **statutory requirements** and establishes structure for **further program development**
  - Creates process to issue RFPs
- *Establishes a framework for grant application, review and selection, and contractual requirements*
  - Adopts **statutory criteria** and creates a process to further refine criteria in the RFPs
  - Establishes a **process for review and selection** as well as contract execution

958 CMR 5.00 establishes program operating structure and process

RFP Development and Application

- Program framework approved by the Commission
- RFP(s) developed and released
  - 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

Review, Selection, and Award

- All accepted applications reviewed by staff against criteria established in regulation and RFP
- Executive Director recommends investment recipients for approval by Commission
- Commission executes contract with selected awardees
- Award period begins

Monitoring, and Evaluation

- HPC staff monitor for contractual compliance
  - termination or amendment requires Commission action
  - material change triggers Commission review of eligibility
- HPC provides framework and oversight for evaluation

Entities providing comment

CHART Eligible Hospitals

- Anna Jacques Hospital (oral)
- Harrington Memorial Hospital

Non-Eligible Providers

- Atrius Health
- Berkshire Health System

Other Entities

- Health Care for All (oral & written)
- Massachusetts Association of Behavioral Health Systems
- Massachusetts Hospital Association (MHA)
- National Alliance on Mental Illness (NAMI)
- Senator Brian A. Joyce

Key themes of comment received

Eligibility Criteria	▪ Broaden eligibility to include community-based teaching hospitals & hospitals with high Medicaid share ▪ Assign hospitals to systems and assess systems. Do not assess need/capacity of individual hospitals. ▪ Define “geographic need” to mean “geographically isolated hospitals.”
Program Framework	▪ A variety of comments, including: – Focus on critical services in needy communities – “go deep not broad” – Need is widespread - allow all hospitals access to funds ▪ Require strategic audits of all participants to ensure focus on reducing TME ▪ Award multiyear grants to promote sustainability. Emphasize dissemination & scalability ▪ Use fund to bolster ongoing investments/transformation activities (not new initiative)
Investment Priorities	▪ A variety of suggested priorities, including: – Behavioral health & integration of behavioral and physical health services – Care coordination & care transitions – Clinical-community linkages – Infrastructure enhancements – Increased efficiency and reduction in provider practice variation – Care for underserved populations – Culturally & linguistically appropriate services ▪ Some comments advocated for specific hospitals.

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Proposed amendments to 958 CMR 5.00 (1/2)

	Proposed Change	Justification for Adoption
Technical Consistency	▪ Citations of regulations and Massachusetts General Laws aligned	▪ Provides clarity to market participants about intent and proper citation
Definitions	▪ Acute hospital definition added, consistent with CHIA and DPH ▪ Teaching hospital definition amended	▪ Provides clarity regarding eligible entities ▪ Aligns definition with intended source, MedPAC ▪ Collaboration with community based organizations
Application Requirements	▪ Added substantive language to clarify and more explicitly state goals of CHART investment program, including: – improving access and quality – enhancing care coordination – increasing behavioral health and primary care integration – promoting IT investments that enhance clinical care delivery, and especially efficiency – to facilitate appropriate and evidence based care and population health management, especially for vulnerable populations – increasing community-clinical linkages – promoting CLAS	▪ Provides clarity regarding the Commission's intent, signaling to market participants how the Commission anticipates prioritizing elements of care delivery transformation

Proposed amendments to 958 CMR 5.00 (2/2)

	Proposed Change	Justification for Adoption
RFPs	▪ Specified that a given RFP may address only one or several goals of the Commission as specified in the regulation	▪ Clarifies that the Commission anticipates a multi-phase approach to investments, including RFPs that may be broad or specific
Criteria for Grant Award	▪ Specified that applications for award must demonstrate the ability to meet the proposed interventions as consistent with the Commission's goals	▪ Signals the need for comprehensive demonstration of capability and capacity in applications
Review & Selection	▪ Provides for the Chairman of the Commission to nominate designees to review CHART investment applications with staff and to provide scoring recommendation	▪ Provides clarity as to staff-Commission roles and responsibilities with respect to application review
Grant Contract	▪ Specified that multi-year investments are allowable and expected	▪ Provides clarity of Commission's intent

Comments not recommended for adoption

	Proposed Change	Justification for Non-Adoption
Eligibility	▪ Allow teaching, community hospitals to be eligible	▪ Statute precludes such amendment
	▪ Define RP calculation to include Caid/Care FFS	▪ Statute precludes such amendment unless adopted by CHIA
	▪ Define “health care delivery system” and accordingly assess all applicants by system, not hospitals only	▪ Commission will examine the relationships of each entity, but a single regulatory definition will not provide clarity of purpose
	▪ Adopt definition of “geographically isolated hospital” to specify reference to geographic need in §5.06 (4).	▪ Review of geography should be comparing relative need, not a yes/no criterion
Program Framework	▪ Clarify in regulation intent relative to broad vs shallow investments	▪ Such clarification should be provided in RFPs, not regulation
	▪ Clarify in regulation that further investment in current initiatives is allowable	▪ Such clarification should be provided in RFPs, not regulation, and may not be applicable to all rounds of investment
Investment Priorities	▪ Add numerous varied references to priorities	▪ The Commission has made a number of changes to 958 CMR 5.03, but additional detail may be provided in RFPs
	▪ Invest in infrastructure vs stimulating policy changes	▪ CHART is an opportunity for varying investments by Community Hospital and as priorities and needs dictate, such a restriction is unnecessary and inconsistent with the Commission’s stated goals

Vote: Approving final regulation

Motion: That the Community Health Care Investment and Consumer Involvement Committee hereby approves the attached PROPOSED final regulation on the administration of the distressed hospital trust fund, developed pursuant to section 2GGGG of Chapter 29 of the General Laws, and recommends that the Commission vote to approve and promulgate 958 CMR 5.00 at its meeting on September 11, 2013.

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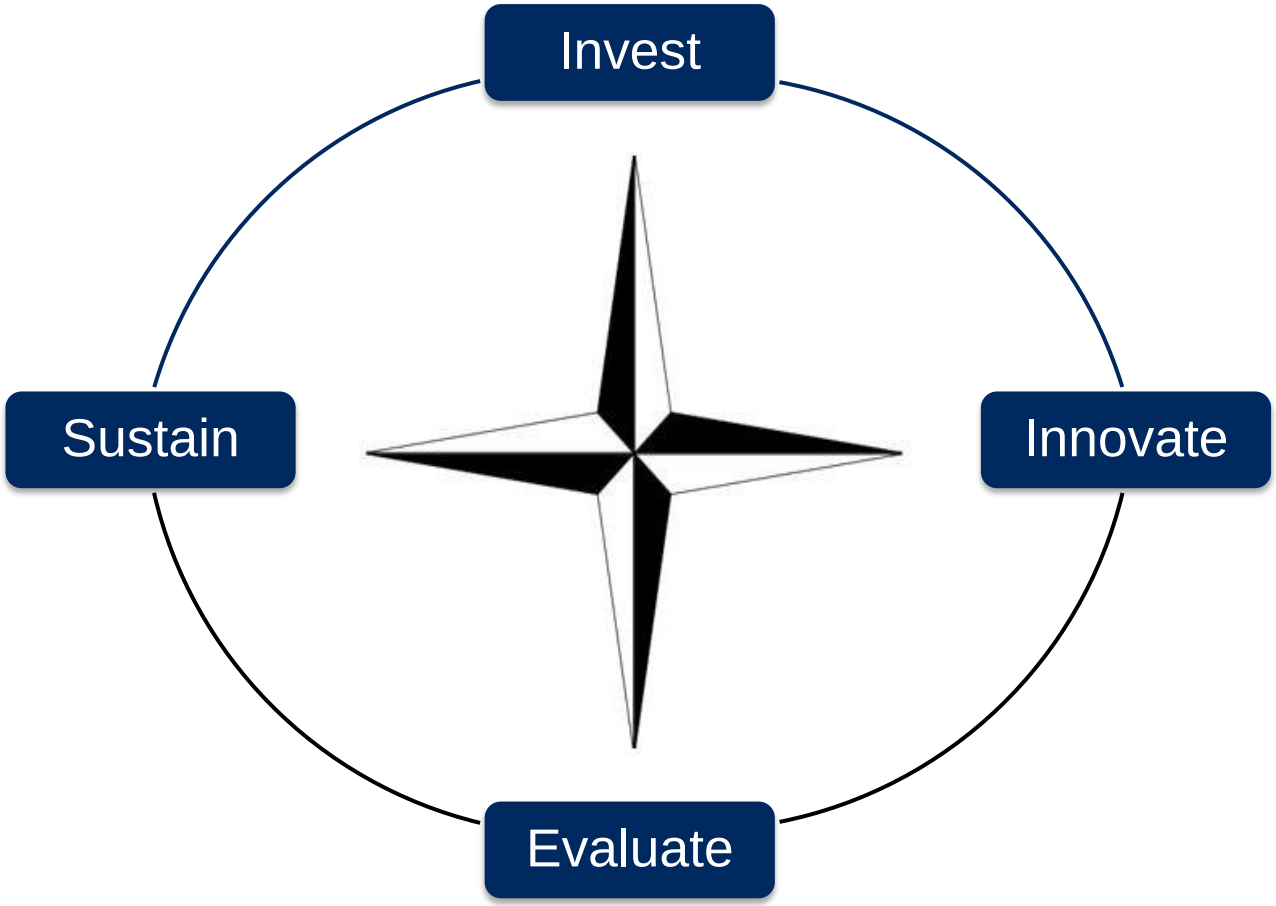
HPC CHART Investments: Status update

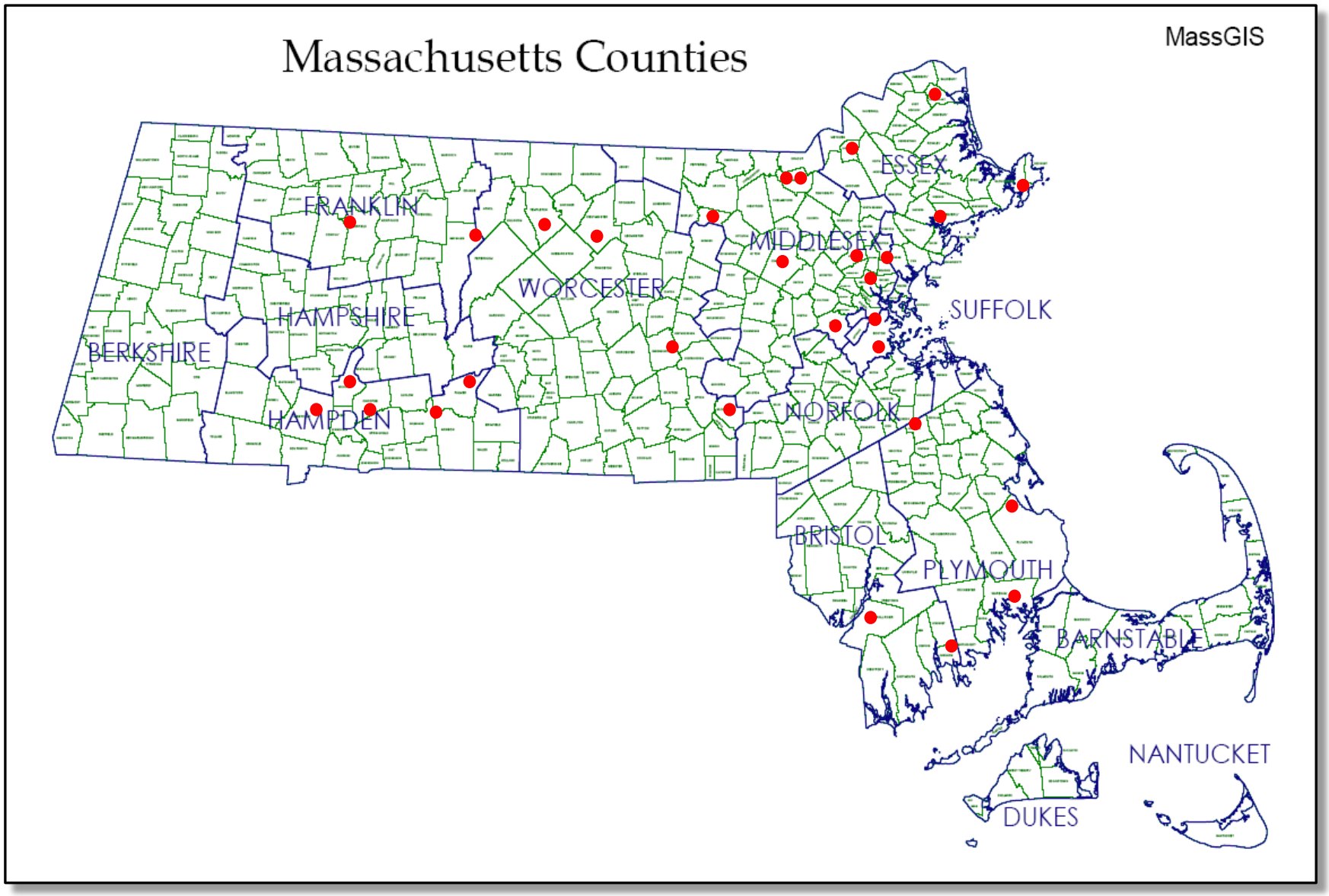


Consensus goals for CHART investments

Sustainable, Scalable Interventions with ROI

Efficient, Effective Care Delivery	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
Advance HIT Adoption	Enhance interoperable electronic health records systems and clinical support tools;
Advance HIE Spread	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
Increase APM Adoption	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;
Develop Capacity for ACO Cert.	Aid in the development of care practices and other operational standards necessary for certification as an accountable care organization
Improve Affordability & Quality	Enhance patient safety efforts, increase access to behavioral health services, and coordination between hospitals and community-based providers and organizations

Eligible hospitals *(effective 7/10/13 – subject to change)*



Proposed framework for Year 1 investments (1/3)

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

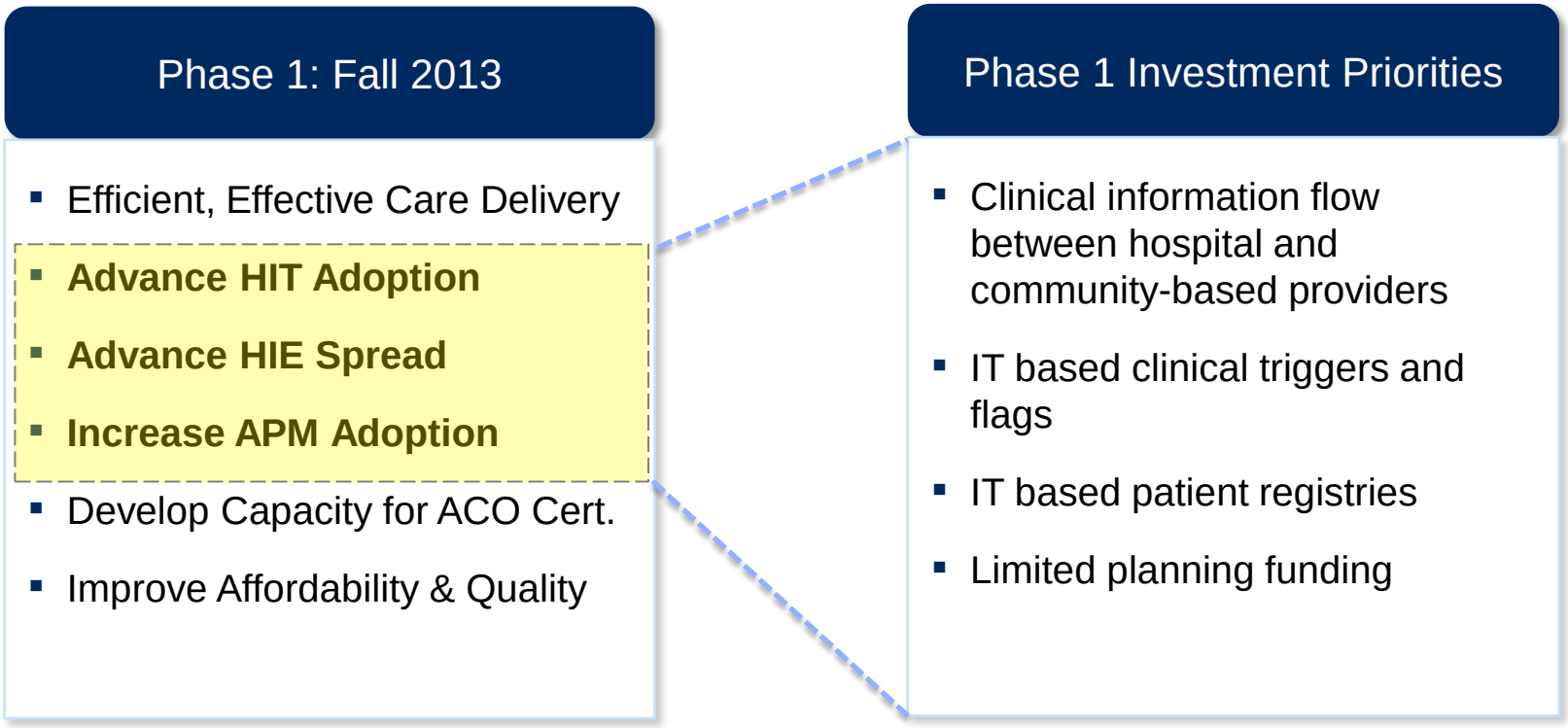
- Modest investment with many eligible hospitals receiving funds
- Short term, high-need expenditures
- $~10M funding pool:
  - Awards of ~$250-$500K stratified by demonstrated financial need, capacity, capability, and potential impact
  - Focused on infrastructure investments to facilitate downstream delivery system transformation
  - Limited funding (e.g ~$35K cap) for planning activities to provide staff capacity to minimize competitive advantages in downstream funding opportunities

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
- ~$50+M funding pool:
  - Awards of varying size, stratified by demonstrated financial need, capacity, capability, and potential impact
  - Focused on system, population segment or service line transformations (e.g. reduction of ED boarding)
  - Varied potential funding and contractual models

Ongoing program development

Proposed framework for Year 1 investments (2/3)

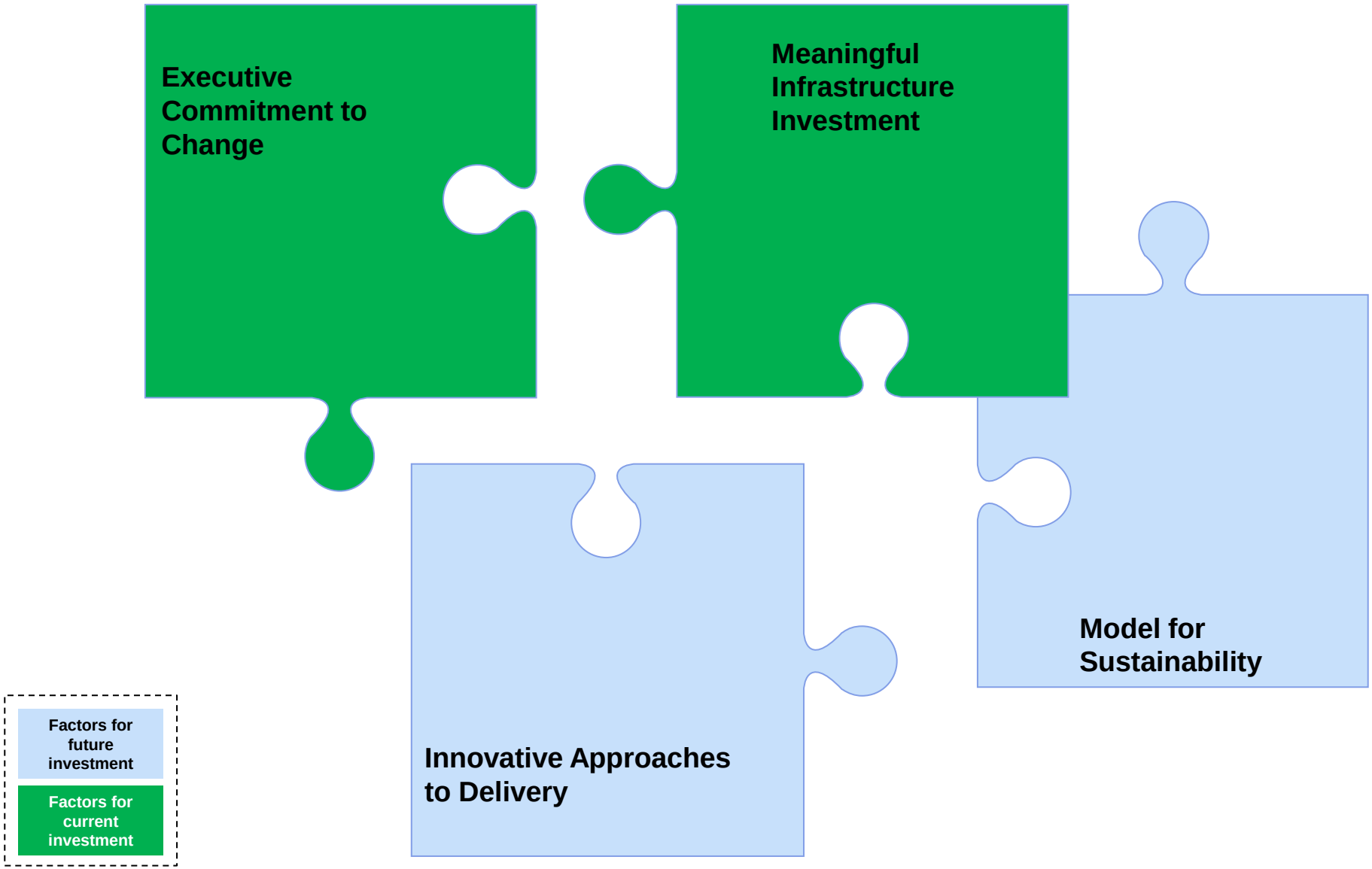


Proposed framework for Year 1 investments (3/3)

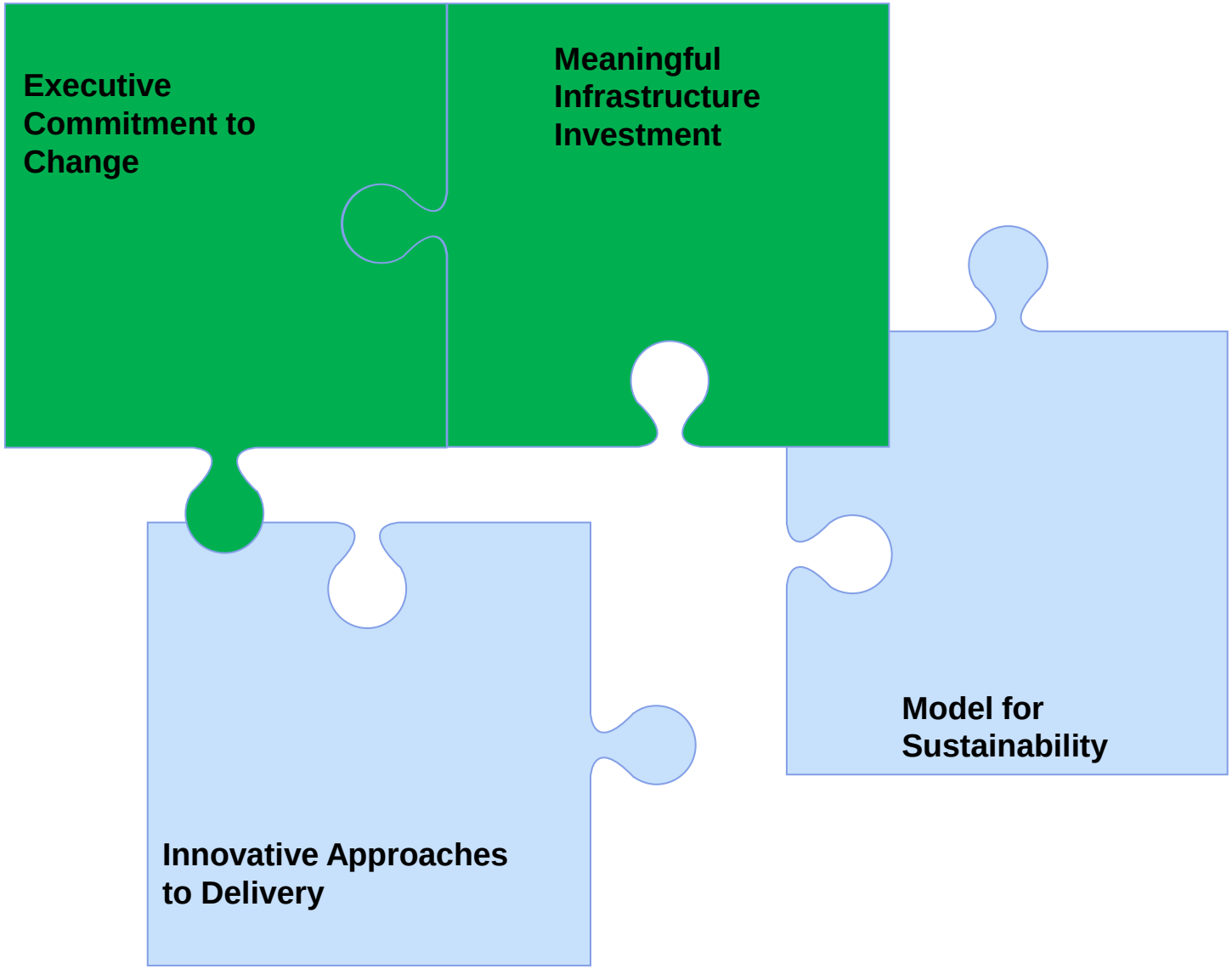
Goals and Considerations of Phased Investment Approach:

- Provide rapid investment to community hospitals with needs
- Maximize clinical/patient impact
- Low-risk, moderate return investments
- IT focused – prioritize simple tools that improve quality, safety, coordination, and communication
- Allows for ongoing development of a rigorous, evidence-driven investment strategy for downstream opportunities
- Allows for continued development of HPC staff capacity to support investment program implementation

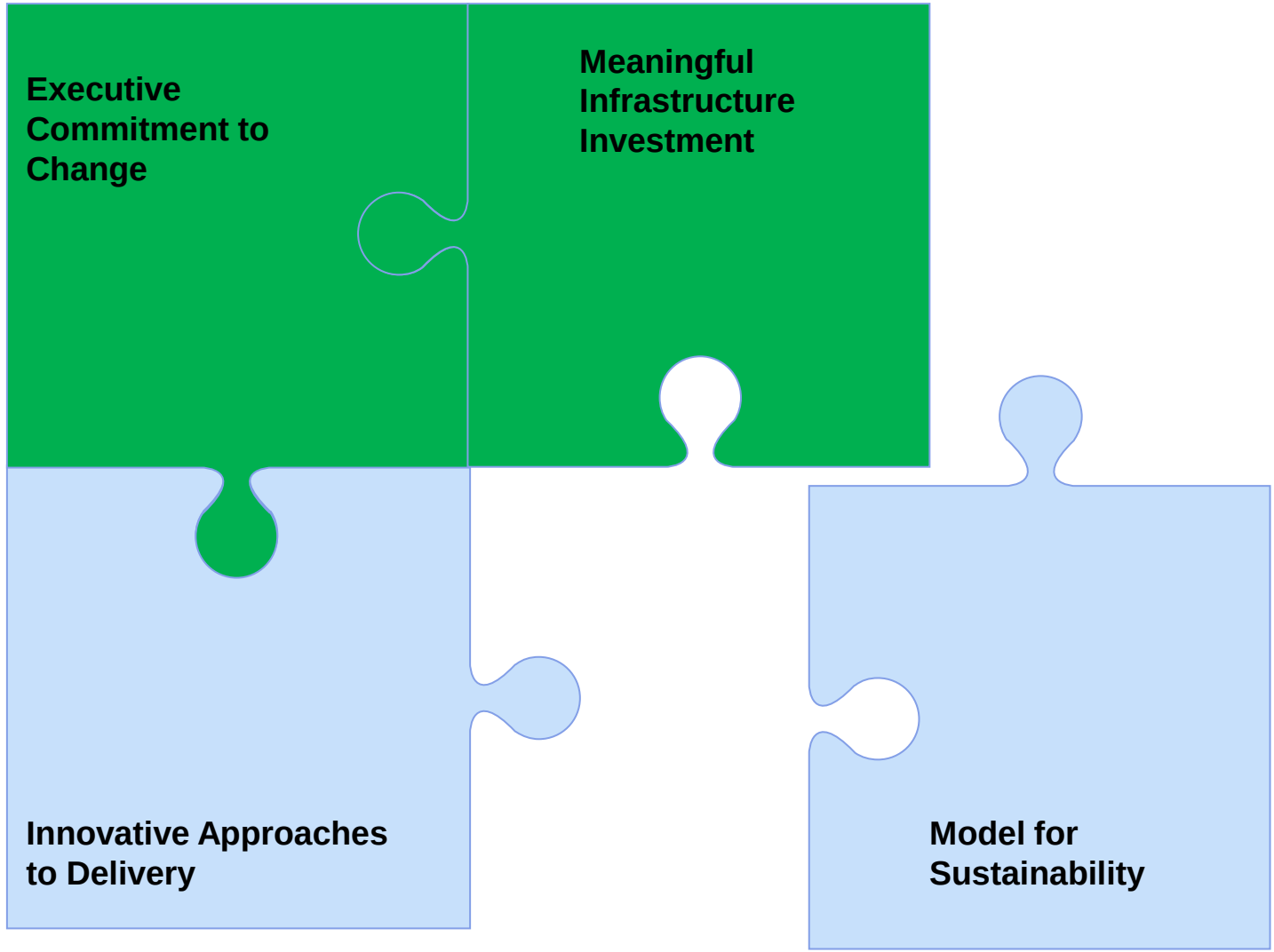
Necessary factors of change (1/4)



Necessary factors of change (2/4)



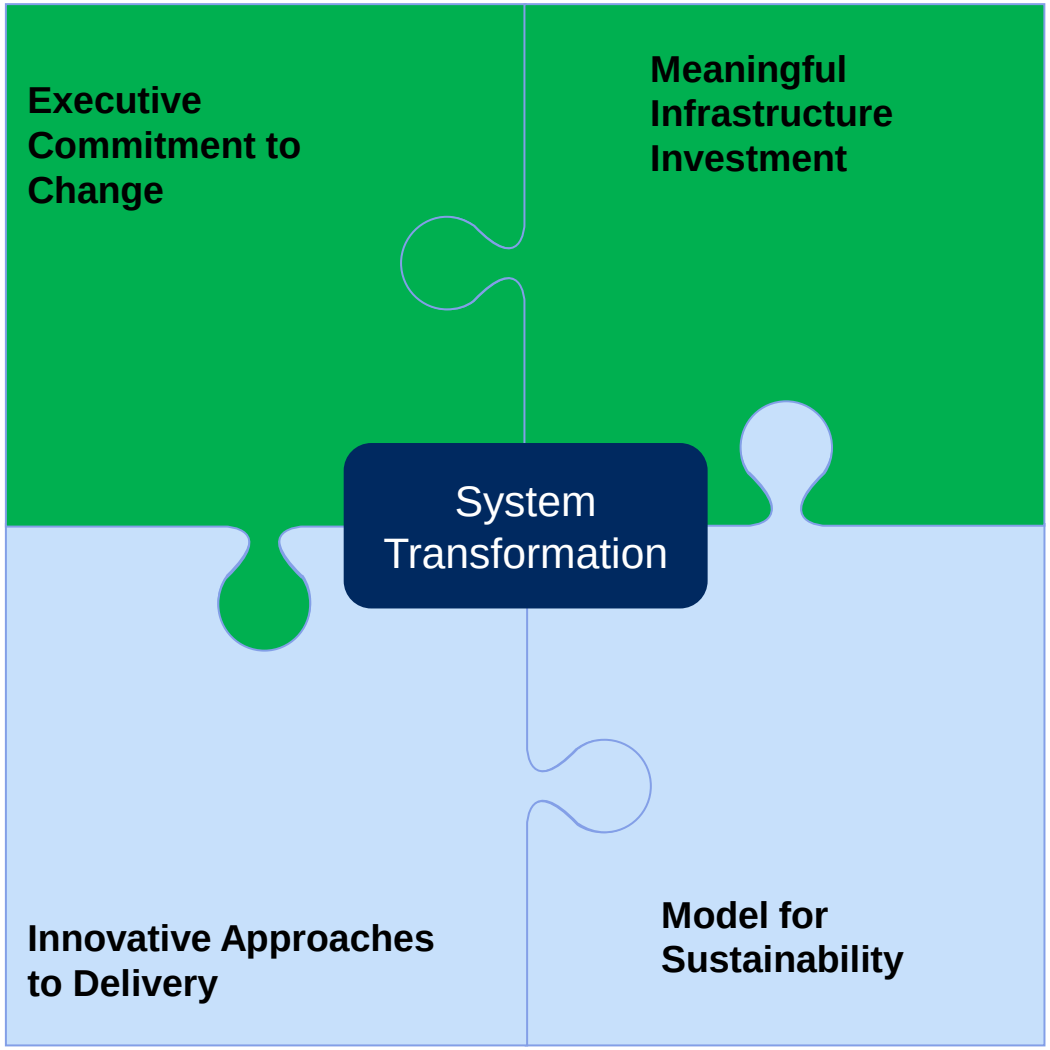
Necessary factors of change (3/4)



Factors for future investment

Factors for current investment

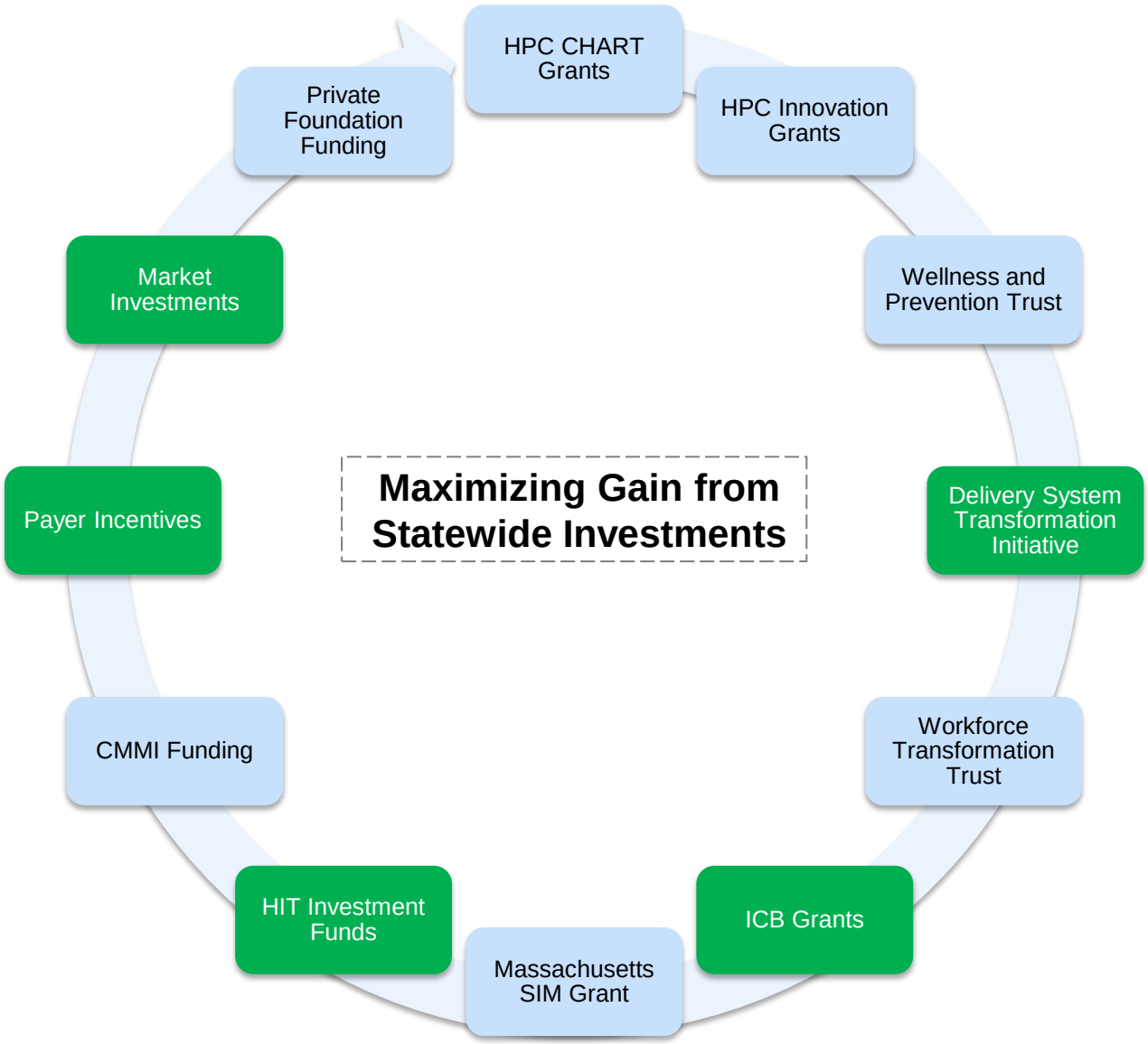
Necessary factors of change (4/4)



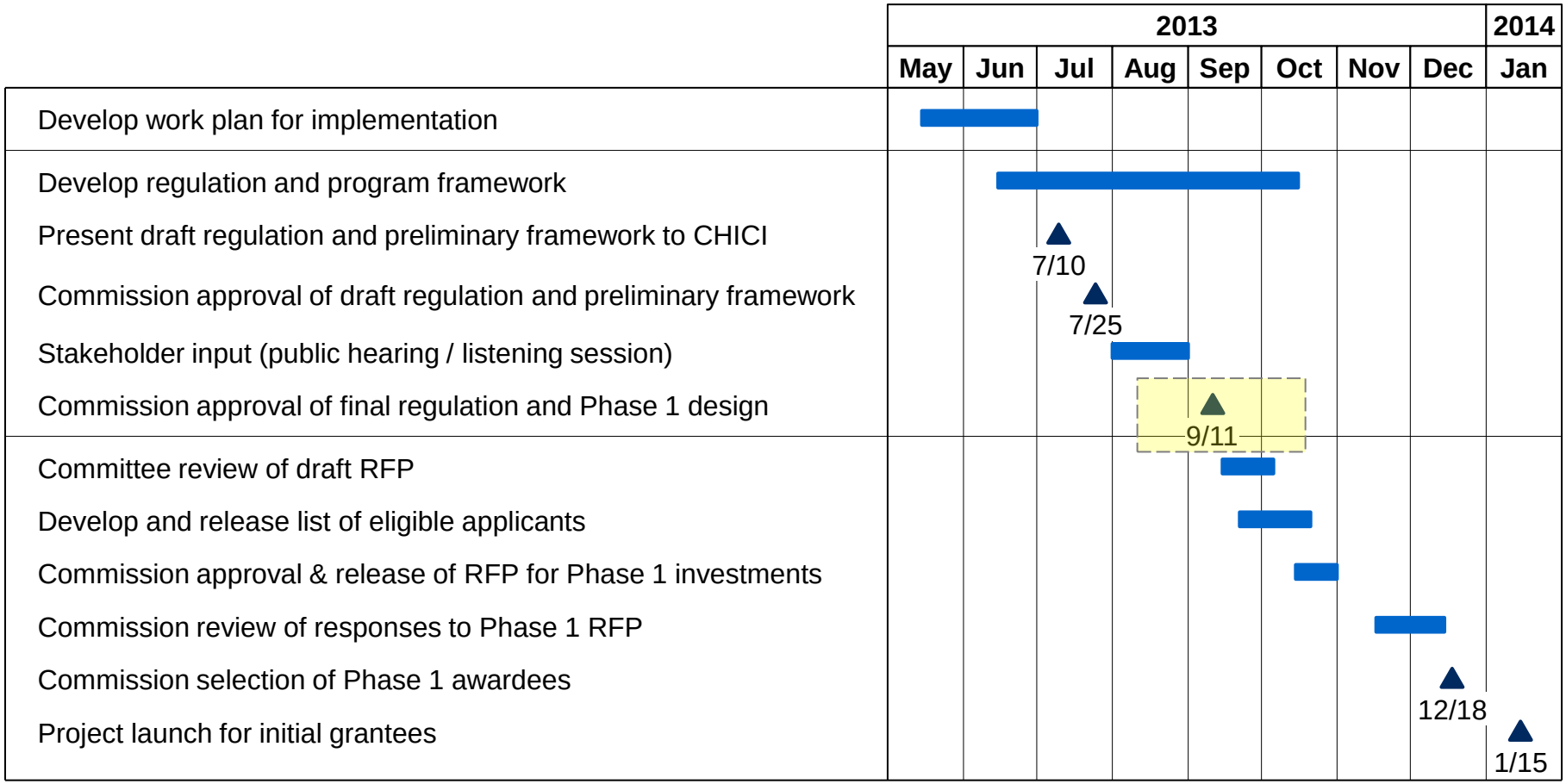
Factors for future investment

Factors for current investment

Alignment for Phase 1 with investments across agencies and programs



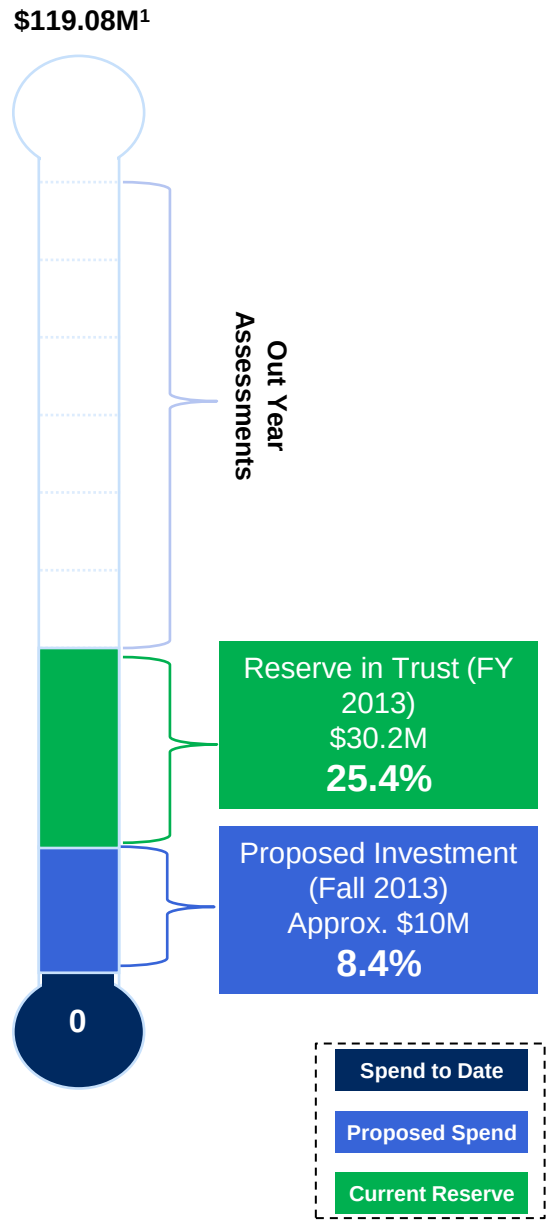
Anticipated six month timeline



Next steps

Staff activities and Committee engagement

- Develop **RFP and requisite application materials** (e.g. hospital capability assessment, executive engagement assessment, 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)
- Develop **administrative protocols** for review and evaluation of applications
- **Committee engagement** in RFP development
- Present **draft RFP to Commission** in October for approval
- Hire **Program Director**
- **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, etc)



[1]Distressed Hospital Trust funding pool after mitigation for select health systems

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Contact information

For more information about the Health Policy Commission:

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