Community Health Care Investment and Consumer Involvement

Health Policy Commission

Committee Meeting
April 2, 2014

Agenda

- **Approval of the minutes from February 24, 2014 meeting (VOTE)**

- Update on CHART Investment Program: Phase 1

- Technical Assistance Supports and Consideration of Professional Services Contract (VOTE)

- Review of Framework for CHART Investment Program: Phase 2

- Schedule of next committee meeting (June 4, 2014)

Vote: Approving minutes

Motion: That the Community Health Care Investment and Consumer Involvement Committee hereby approves the minutes of the Committee meeting held on February 24, 2014, as presented.

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CHART Phase 1 projects are underway

- HPC staff have conducted site visits at **3 CHART hospitals**, with 7 scheduled in the coming months. Staff anticipate conducting site visits at all funded hospitals during Phase 1.

- Staff are conducting **regular monthly calls with CHART hospitals** for updates on milestones and project work, problem identification, and provision of limited technical assistance as needed

- Phase 1 projects are generally **proceeding well**:

  - Where applicable, HPC staff are able to **coordinate efforts of teams** at different CHART hospitals engaged in similar efforts

  - Hospitals report **considerable excitement and enthusiasm** for CHART efforts

  - In some cases, projects are **delayed due to hiring challenges** or overly ambitious timeline

- Staff have **formalized the coordinating/oversight role of MeHI** for the six IT-heavy Phase 1 awards

- Staff are currently conducting a survey to **assess Phase 1 application process from CHART hospital perspective** to inform optimized Phase 2 process

- **Staff are engaged in ongoing coordination of CHART activities with key partners** *(e.g. Prevention and Wellness Trust Fund, Infrastructure and Capacity Building Grants, Workforce Development Trust, DSTI, MeHI e-Health investments, SIM, etc.)*

Key events involving CHART hospitals

CHART hospital landscape

- **North Adams Regional Hospital** is currently closed. Efforts are ongoing to provide for some continuation of services at this site.

- The HPC is engaged in a cost and market impact review of Lahey Health System's proposed acquisition of **Winchester Hospital** and its operating affiliates.

- The HPC is engaged in a cost and market impact review of Partners HealthCare System's proposed acquisition of Hallmark Health System, which operates **Lawrence Memorial Hospital** and **Melrose-Wakefield Hospital**.

- Lower Merrimack Valley Physician Hospital Organization, which is comprised of **Anna Jaques Hospital** and Whittier Independent Practice Association is seeking to join Beth Israel Deaconess Care Organization (BIDCO).

- **Baystate Health** is seeking to acquire **Wing Memorial Hospital**, which is currently owned by UMass Memorial Health Care.

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Objectives for CHART Investment RFR

- **Direct technical assistance** to hospitals to support successful CHART project implementation

- Support for implementation of **culture surveys** and actionable interpretation of results

- Implementation and interpretation of a **leadership/management survey** and execution of a 1-2 day **leadership academy**

- Support **strategic design** of future phases of the CHART program, including operational planning

- Support *future* **evaluation** activities

HPC engaged in a thorough procurement process

Activity	January	February	March	April
Investments RFR posted for solicitation of bids	▲ Jan 8			
Submission of written questions	▬▬			
Responses to questions posted	▲ Jan 21			
Submission of responses due	▲ Jan 29			
Interviews with finalists			▬▬	
Contract term and scope negotiation			▬▬▬▬▬	
CHICI: presentation of staff recommendation				▲ April 2
Board: vote to authorize contract				▲ April 16

The scope of this procurement was based on five deliverables, for which a series of potential contractors were evaluated

1 Hospital TA
- Development of a Phase 2 technical assistance plan
- Supporting hospital-specific needs
- Instituting cohort-wide collaboratives

2 Culture surveys
- Implementing culture surveys and analyzing results
- Hospital-specific needs assessment and project work
- Hospital-specific activities for improvement

3 Management survey
- Assessment of hospital leadership and management capability and capacity
- Quantitative and qualitative approaches

4 Leadership academy
- Cohort-wide 1-2 day leadership session on data, best practices, and areas for improvement
- Phase 2 focused

5 Strategy and evaluation
- Support future HPC evaluation efforts
- Support HPC strategic design and development of CHART

A total of ten firms responded, with a blend of proposed scope of work. Some proposed engagement in as few as one deliverable, while others proposed all deliverables

10 bidders were scored on 8 evaluation criteria

Evaluation criteria used

Criteria	Value
Demonstrated MA provider expertise	20
Quality of proposed strategy for each pertinent activity	20
Demonstrated subject matter experience and expertise	15
Educational, professional qualifications	10
Demonstrated ability to meet rapid deadlines with excellent results	5
Overall quality of response	5
Best price/value	20
Supplier diversity plan	5

Summary of applicants and selection process

- The HPC received 10 bids from prospective contractors, who proposed to address one or more of the HPC's sought services

- A review committee composed of HPC staff and experts reviewed and scored each application on the basis of programmatic and financial factors

- Scores ranged from 31/100 to 85/100 *(the proposed awardee)*

- Interviews were conducted with the three highest bidders, from which staff began a process of negotiating a scope of work and total award value with the proposed awardee.

- Additionally, one applicant was selected for a modest contract to support development of technical assistance approaches for future phases

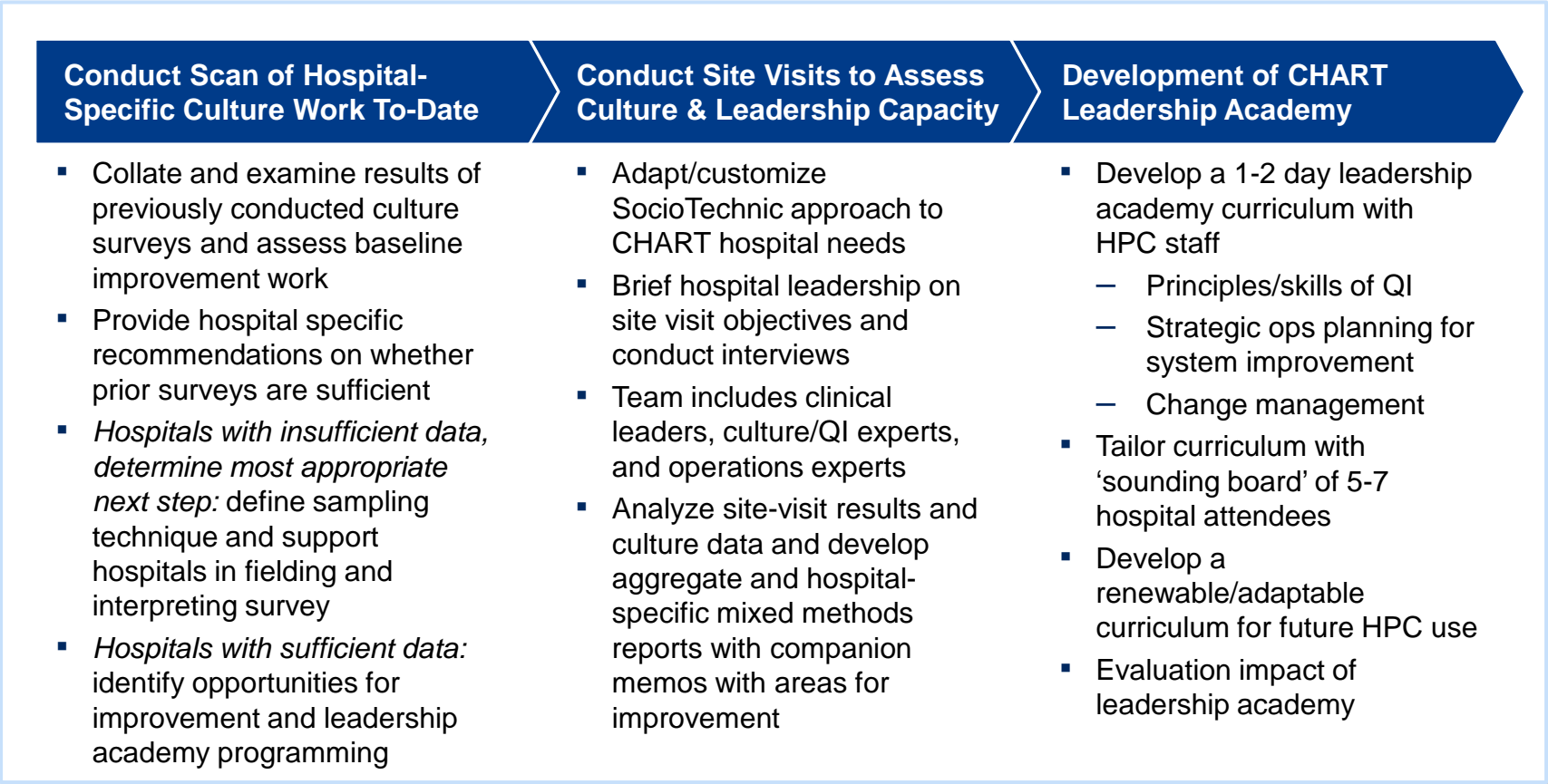# Based on our review of the proposals, we recommend Safe & Reliable to lead culture survey work

Summary of results for 3 finalists

	Evaluation score	Cost $ 000s
S & R	85	**$525***
Finalist #2	80	$1,300
Finalist #3	70	$658

Rationale for Safe & Reliable

- Demonstrated understanding of HPC needs and objectives

- Experience working with hospitals to improve culture and proven track record as clinician-leaders

- Highest evaluation score of pertinent applicants

- Able to articulate approaches to deal with unique and complex challenges facing community hospitals

- Ability to negotiate with HPC to modify scope to meet budget constraints

Our final recommendation is Safe & Reliable Healthcare

* Represents final negotiated rate; includes both fixed rate and hourly components

Safe & Reliable Summary

Conduct Scan of Hospital-Specific Culture Work To-Date	Conduct Site Visits to Assess Culture & Leadership Capacity	Development of CHART Leadership Academy

▪ Collate and examine results of previously conducted culture surveys and assess baseline improvement work
▪ Provide hospital specific recommendations on whether prior surveys are sufficient
▪ *Hospitals with insufficient data, determine most appropriate next step:* define sampling technique and support hospitals in fielding and interpreting survey
▪ *Hospitals with sufficient data:* identify opportunities for improvement and leadership academy programming
	▪ Adapt/customize SocioTechnic approach to CHART hospital needs
	▪ Brief hospital leadership on site visit objectives and conduct interviews
	▪ Team includes clinical leaders, culture/QI experts, and operations experts
	▪ Analyze site-visit results and culture data and develop aggregate and hospital-specific mixed methods reports with companion memos with areas for improvement
		▪ Develop a 1-2 day leadership academy curriculum with HPC staff
		  – Principles/skills of QI
		  – Strategic ops planning for system improvement
		  – Change management
		▪ Tailor curriculum with 'sounding board' of 5-7 hospital attendees
		▪ Develop a renewable/adaptable curriculum for future HPC use
		▪ Evaluation impact of leadership academy

Contract includes fixed cost and hourly rate components, with an option to renew on a rate-basis for up to five years

Full summary of contracts

1	**Hospital TA**	▪ Cynosure ▪ Safe & Reliable
2	**Culture surveys**	▪ Safe & Reliable
3	**Management survey**	▪ None selected
4	**Leadership academy**	▪ Cynosure ▪ Safe & Reliable
5	**Strategy and evaluation**	▪ Cynosure ▪ Safe & Reliable

Vote: Endorsing staff's recommendation for contract award

Motion: That the Committee hereby endorses staff's recommendation to award a contract to Safe & Reliable Healthcare to support implementation of activities to support the Community Hospital Acceleration, Revitalization, and Transformation (CHART) Investment Program and recommends that the Commission authorize this contract at the next Commission meeting.
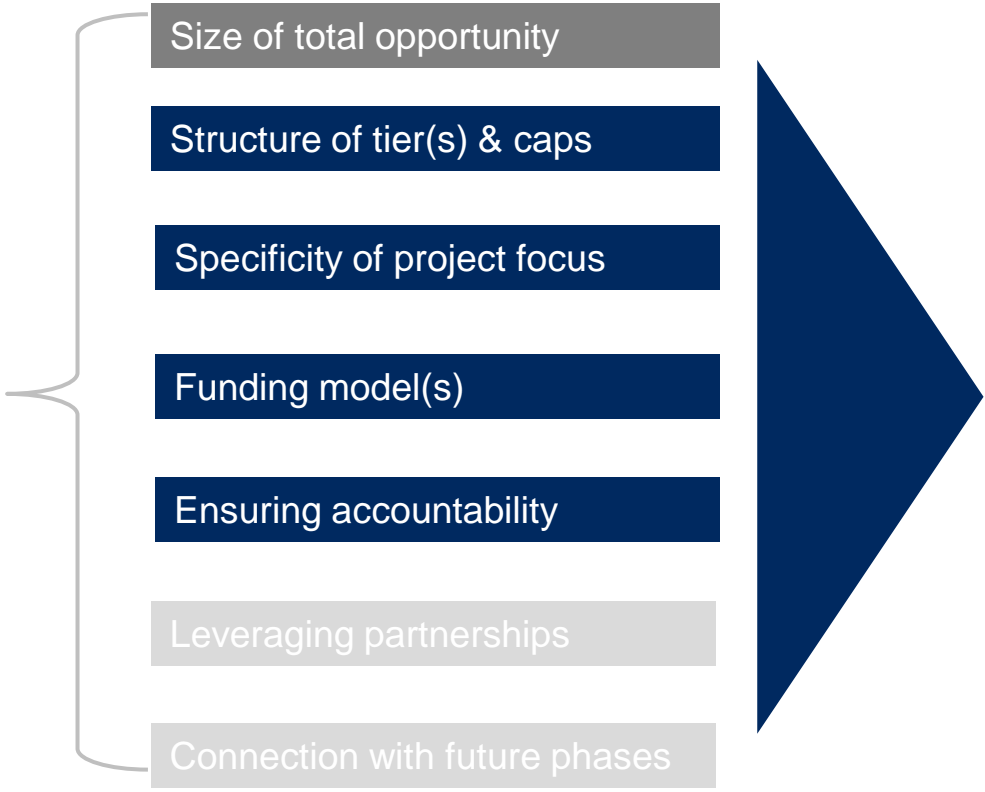
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Key decision points for Phase 2

Size of total opportunity

Structure of tier(s) & caps

Specificity of project focus

Funding model(s)

Ensuring accountability

Leveraging partnerships

Connection with future phases

Invest

Sustain

Innovate

Evaluate
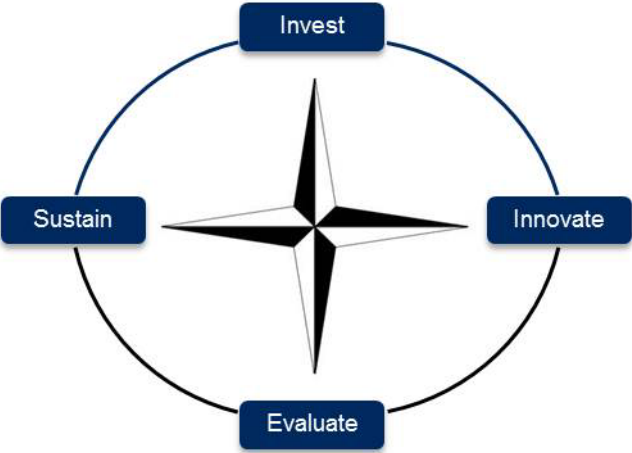
CHICI endorsed in previous meeting

Discussion today

Future discussions

Proposed CHART Phase 2 combines standardized aims with flexibility for hospitals approaches
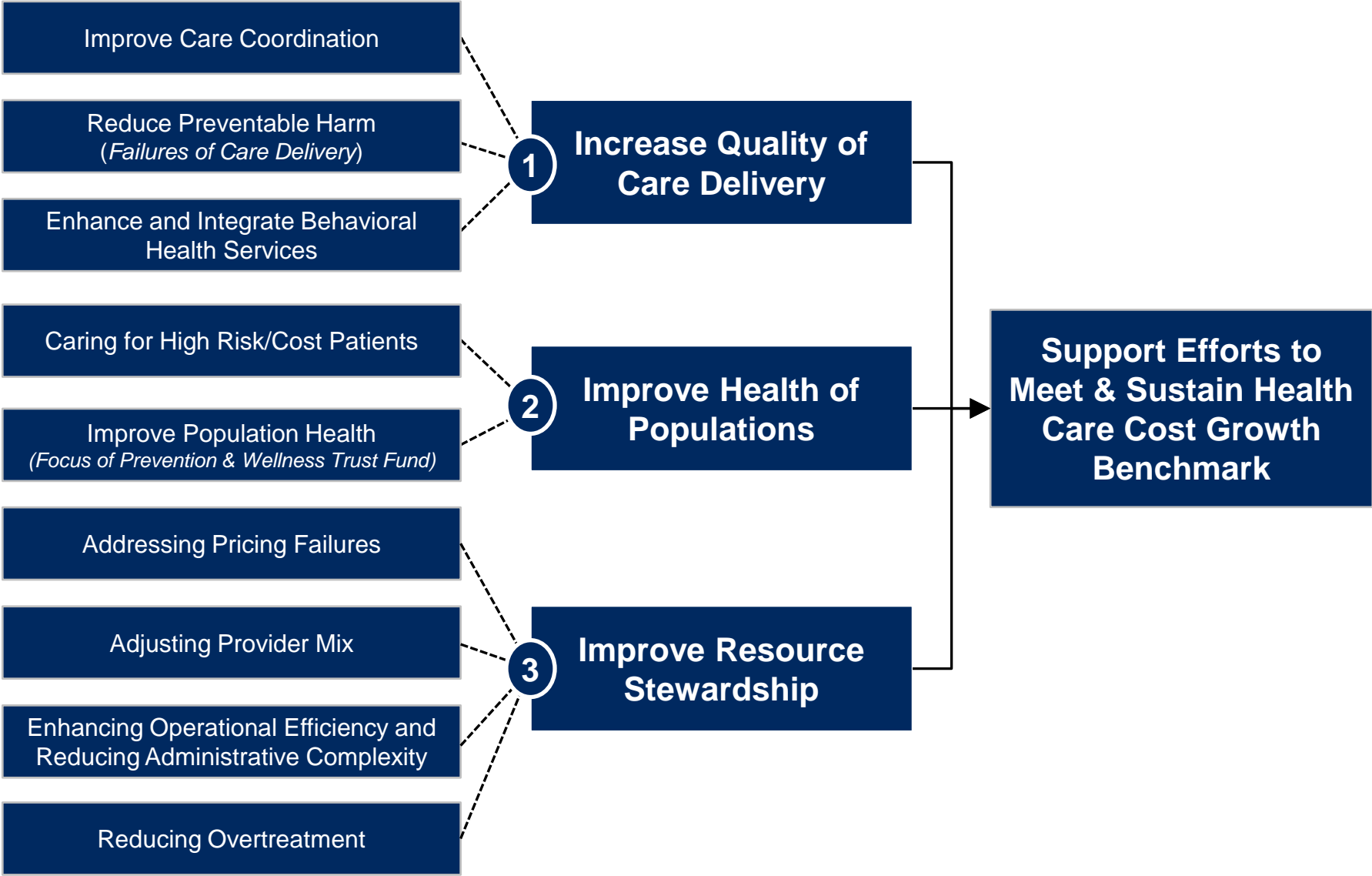
Structure of tier(s) & caps	Funding model(s)
Specificity of project focus	Ensuring accountability

- Program focus on supporting achievement of **health care cost growth benchmark***)*

  o **Three standardized aims** drive deep impact across the Commonwealth, with flexibility of implementation approach and the overarching goal of transformation toward accountable care

  o Emphasis on **emerging technologies** to support achievement of aims

  o **Additional aim of strategic planning** to facilitate CHART hospitals' efforts to advance their ability to provide efficient, effective care and meet community needs in an evolving healthcare environment

- Award sizes tied to factors such as **community need, hospital financial status, financial impact, and patient impact**, with payments tied to **milestones and outcomes**

- Proposals will include **mechanism** to address the aim, the **value proposition** to the hospital and to the Commonwealth, and **estimate of impact**. The detailed implementation work plan will be developed in the first 90-120 days

- **Standardized metrics** ensure accountability

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+1+1

Previous framing of goals for Phase 2 informed strategic process

Improve Care Coordination

Reduce Preventable Harm
(*Failures of Care Delivery*)

Enhance and Integrate Behavioral
Health Services

1 **Increase Quality of Care Delivery**

Caring for High Risk/Cost Patients

Improve Population Health
(*Focus of Prevention & Wellness Trust Fund*)

2 **Improve Health of Populations**

Addressing Pricing Failures

Adjusting Provider Mix

Enhancing Operational Efficiency and
Reducing Administrative Complexity

Reducing Overtreatment

3 **Improve Resource Stewardship**

Support Efforts to Meet & Sustain Health Care Cost Growth Benchmark

The 2013 Cost Trends Report describes cost drivers and applicable remedies

HOSPITAL OPERATING EXPENSES	WASTEFUL SPENDING	HIGH-COST PATIENTS

What solutions could be applied by CHART hospitals to drive improvement across these domains?
(examples only)

▪ Lean / Six Sigma *(general process improvement)*	▪ Reducing preventable harm	▪ Reducing inappropriate hospital use through care management / hot-spotting
▪ Time driven activity-based costing	▪ Investing in Choosing Wisely initiatives	▪ Ensuring access to and integration of behavioral health services
▪ Management best practices and coordinated leadership approaches	▪ Reducing inappropriate Emergency Department utilization	▪ Investment in analytics for identification of prevalence and modeling persistence
▪ Reducing administrative complexity	▪ Reducing inappropriate imaging for lower back pain	

CHART Phase 2 development balances competing aims and pressures

Challenge	Proposed Approach
▪ Should CHART prioritize **evidence-based** established interventions or **innovative** emerging approaches?	▪ Staff propose a balanced approach with opportunities across the risk / impact spectrum
▪ How should CHART reconcile **broad statutory and regulatory goals** with the opportunity for focused, deep **impact**?	▪ To **maximize impact**, staff to propose a narrowed set of proposal aims for deep impact, only including aims likely to reduce healthcare cost growth.
▪ Should CHART require **standardization** of approaches to facilitate enhanced technical assistance and learnings between hospitals?	▪ CHART should balance a **standardization of aims** to maximize impact while **promoting hospital-specific mechanisms**/approaches to project implementation
▪ Should payments be based on **process** (protecting the financial health of CHART hospitals) or **outcomes** (providing the right incentives)?	▪ A **hybrid award and payment structure** shares risk between CHART program and hospitals, mindful of varied financial strength.
▪ How should CHART consider programs benefiting patients **today** that may not persist in the absence of **payment reform**?	▪ Consistent with goals of Chapter 224, Phase 2 pairs **care delivery reforms** that will be supported and enhanced by increased penetration of APMs with **process improvement and capacity development** that will maximize hospital efficiency and quality even in a FFS environment

In Proposed Phase 2 approach, hospitals propose mechanisms to meet specified aims, with the overarching goal to drive transformation toward accountable care

Support Achievement of Cost Growth Benchmark

Three outcome-based aims for implementation during 2-year grant period

Maximize appropriate hospital use
- Targeted reduction of readmissions after hospital -> SNF care transition
- Enhance discharge planning and emergency department interventions
- Hot-spotting and population health management approaches to reduce acute care hospital utilization *(emergency department and inpatient)*

Hospital-wide process improvement
- Reduce costs through improved efficiency (e.g., Lean management applied on a system-wide basis)
- Improve safety and reliability of clinical processes (e.g., implementation of checklists)
- Reduce costs through improved financial management (e.g., cost accounting)

(3)

Enhancing behavioral health care
- Reduce emergency department boarding of patients with mental health and substance use disorders
- Integrate inpatient behavioral and physical health workflows
- Build hospital ←→ community networks for maximizing coordination of BH services

Focus on emerging technologies to enhance impact

(+)

Connected health
- Connect to and use the Mass HIway *(required)*
- Increase specialty capacity at lower-cost sites of care to reduce preventable outmigration
- Enhance post discharge follow-up and care transitions to reduce readmissions

(1)

One planning option, as a standalone grant or in conjunction with project tracks above

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Strategic planning
- CHART hospitals may propose efforts to engage in strategic and operational planning to advance their ability to provide efficient, effective care and meet community need in an evolving healthcare environment

(1)

Hospitals combine programs to reduce unnecessary utilization with efforts to improve operational efficiency, quality, and connectivity – Example 1

① Each hospital's proposal covers one or more domains

ILLUSTRATIVE PROPOSAL

Maximize appropriate hospital use

- Emergency Department-based High Risk Care Team links community PCMHs and hospital-based case management services
- High need patients tagged in EHR

Hospital-wide process improvement

Enhancing behavioral health care

Connected health

Strategic planning

② All hospitals complete common CHART activities

Awardees must complete a common set of requisite activities, supporting many domains of transformation, including, e.g.:

- Operational Key Performance Indicator (KPI) Benchmarking
- Mass HIway connection and use
- …

Hospitals combine programs to reduce unnecessary utilization with efforts to improve operational efficiency, quality, and connectivity – Example 2

1 **Each hospital's proposal covers one or more domains**

ILLUSTRATIVE PROPOSAL

Maximize appropriate hospital use

Hospital-wide process improvement
- Lean management initiative championed by CEO
- Reduce Catheter-Associated Urinary Tract Infections (CAUTI)

Enhancing behavioral health care
- Co-locating behavioral health case managers in emergency department
- Building community-based collaborative to coordinate care for high-risk recidivists

Connected health
- Telepsychiatry pilot in collaboration with other CHART hospitals

Strategic planning

2 **All hospitals complete common CHART activities**

Awardees must complete a common set of requisite activities, supporting many domains of transformation, including, e.g.:

- Operational Key Performance Indicator (KPI) Benchmarking
- Mass HIway connection and use
- …

Hospitals combine programs to reduce unnecessary utilization with efforts to improve operational efficiency, quality, and connectivity – Example 3

(1) Each hospital's proposal covers one or more domains

ILLUSTRATIVE PROPOSAL

Maximize appropriate hospital use

Hospital-wide process improvement

Enhancing behavioral health care

Connected health

- Pilot of SNF telehealth physician coverage model across seven sites

Strategic planning

- Strategic planning initiative to enhance the hospital's ability to plan for provision of efficient, effective care that meets its community's evolving needs

(2) All hospitals complete common CHART activities

Awardees must complete a common set of requisite activities, supporting many domains of transformation, including, e.g.:

- Operational Key Performance Indicator (KPI) Benchmarking
- Mass HIway connection and use
- …

Early framework for Phase 2 application process

- Application process may occur in two steps with a letter of intent (LOI) followed by a full proposal

- Full proposal may include:

  o Driver diagram translating CHART aim into underpinning drivers of change

  o Value proposition to the hospital

  o Value proposition to the Commonwealth

  o Impact estimate

  o Justification of why the aim or aims was selected and not the others

  o Description and justification of community partnering organizations

- The review and selection process may include an interview/presentation process

Phase 2 application process

RFP Release

Phase 1 Leadership Academy

Letter of Intent Due

Full Proposal Due

Review & Selection

Health Policy Commission Vote

Contracts Executed

90-120 Day Planning Period

Full Implementation Begins (~2 years)

Staff propose key decision points for CHART Phase 2

Size of total opportunity	▪ **$50-60 million** total opportunity ▪ Tiered award opportunities with ~**$1-5+ million** per hospital over **two years**
Structure of tier(s) & caps	▪ Award caps tied to factors such as **community need, hospital financial status, financial impact, and patient impact**
Specificity of project focus	▪ Three key project domains with a fourth area of innovation ▪ A fifth opportunity for applicants to engage in targeted planning efforts
Funding model(s)	▪ **Initiation** payment; ongoing base payments for **milestones**; bonus payments for **achievement** (e.g., process and outcomes)
Ensuring accountability	▪ **Standardized metrics** and streamlined reporting framework; strong continuation of **leadership/management** development focus
Leveraging partnerships	▪ Appropriate community **partnerships** required (e.g., SNFs, CBOs, other provider organizations, etc.)
Requisite Activities	▪ All awardees must engage in a series of **participation requirements** (e.g., joining Mass HIWay, etc.)

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Upcoming HPC Meetings

Wednesday, April 9

Daley Room, Two Boylston Street, 5th Floor, Boston
9:30AM   Quality Improvement and Patient Protection
10:30AM   Joint Behavioral Health Integration Meeting
11:30AM   Care Delivery and Payment System Transformation
                    Listening Session on Registration of Provider Organizations Data
                    Submissions Manual

Wednesday, April 16

Daley Room, Two Boylston Street, 5th Floor, Boston
10:00AM   Advisory Council Meeting

Tufts Medical School, Room 114, 145 Harrison Ave, Boston
1:00PM   Board Meeting

Tuesday, April 29

Daley Room, Two Boylston Street, 5th Floor, Boston
9:30AM   Cost Trends and Market Performance Committee Meeting

Wednesday, May 22

TBD
2:00PM   Board Meeting

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