

**MINUTES OF THE CARE DELIVERY AND PAYMENT SYSTEM
TRANSFORMATION COMMITTEE**

Meeting of August 13, 2014

MASSACHUSETTS HEALTH POLICY COMMISSION

THE CARE DELIVERY AND PAYMENT SYSTEM TRANSFORMATION COMMITTEE OF THE MASSACHUSETTS HEALTH POLICY COMMISSION
Center for Health Information and Analysis
Daley Room, Two Boylston Street, 5th Floor
Boston, MA 02116

Docket: Wednesday, August 13, 2014, 10:30 AM – 11:30 AM

PROCEEDINGS

The Massachusetts Health Policy Commission's (HPC) Care Delivery and Payment System Transformation (CDPST) Committee held a meeting on Wednesday, August 13, 2014 in the Daley Room at the Center for Health Information and Analysis (CHIA) located at Two Boylston Street, 5th Floor, Boston, MA 02116.

Members present were Dr. Carole Allen (Chair); Dr. David Cutler; and Dr. Ann Hwang, designee for Mr. John Polanowicz, Secretary of Health and Human Services.

Ms. Marylou Sudders and Ms. Jean Yang were absent.

Dr. Allen called the meeting to order at 10:41 AM.

ITEM 1: Approval of minutes

Dr. Allen asked for any changes to the minutes from the July 2, 2014, meeting. Seeing none, Dr. Allen called for a motion to approve the minutes, as presented. Dr. Hwang made the motion and Dr. Cutler seconded. Members voted unanimously to approve the minutes.

ITEM 2: Discussion of Cost Trends Reports

Dr. Allen reviewed the agenda. She introduced Ms. Ipek Demirsoy, the HPC's new Policy Director for Accountable Care. She stated that Ms. Demirsoy will continue the HPC's work on certification programs for patient-centered medical homes (PCMHs) and accountable care organizations (ACOs). She noted progress on these initiatives would be discussed at today's meeting. She added that the Committee would also hear a presentation from Boston Medical Center on their ACO model.

Dr. Allen introduced Mr. David Seltz, Executive Director. Mr. Seltz stated that, prior to the discussion on certification programs, the Committee would review the Cost Trends Report: July 2014 Supplement. He introduced Dr. Marian Wrobel, Director for Research and Cost Trends, to present findings from the report.

Dr. Wrobel reviewed findings on long-term care and home health. She noted that the 2013 report indicated Massachusetts spends more per capita on long-term care and home health than the

national average. Findings in the 2014 supplement indicate that the rates of discharge to post-acute care vary dramatically by hospital, demonstrating opportunities for optimization where this variation exists. Dr. Wrobel added that there is not an apparent correlation between outcomes and discharge rates to post-acute care.

Mr. Seltz stated that the Pioneer ACOs in Massachusetts are beginning to look at the appropriate use of post-acute care as they advance their model.

Dr. Cutler stated that there is a need for more data for the examination of best practices and peer-to-peer comparison. Dr. Wrobel stated that the HPC is working on gathering this data.

Dr. Wrobel reviewed findings that Massachusetts has a higher rate of inpatient admissions than the national average. She stated that an increased number of Medicare discharges were at major teaching hospitals. The higher use of inpatient care is concentrated among medical discharges when compared to surgical, deliveries, and mental health.

Dr. Allen stated that this finding illustrates the importance of the patient-centered medical homes (PCMH).

Dr. Cutler requested that the HPC assess the use of inpatient care by hospital, primary care physician, and outpatient clinics. Dr. Wrobel stated that the HPC released risk scores by geographic areas in the All-Payer Claims Database (APCD) Almanac. She added that preliminary work had been done using these geographic areas and it was determined that most Massachusetts residents who leave their home region for inpatient care seek care in Metro Boston.

Dr. Wrobel stated that 29% of insured Massachusetts residents were covered by alternative payment methods (APMs) at the end of 2012. She noted that this percentage includes commercial, Medicare, and MassHealth populations. Dr. Cutler noted his surprise at the percentage of MassHealth members covered by an APM. Dr. Hwang noted that this is a baseline data set capturing only 2012. She added that it reflects only PCMH and MCO initiatives. Dr. Wrobel clarified that the data is prorated by the month.

Dr. Wrobel reviewed the HPC's recommendations on opportunities to expand APM coverage and strengthen implementation. She stated that the market has an orientation towards alignment and innovation, particularly around expanding the potential and impact of APMs to organizations that do not have a footprint in primary care.

Dr. Cutler stated that ACO certification is part of a larger initiative, which includes PCMH and payment design.

Dr. Hwang stated that each of these initiatives serves the same overall goal. She added that MassHealth is participating in stakeholder sessions regarding the further formulation of its ACO framework. She noted that the Commonwealth has awarded grants to promote APMs and encourage discussion about implementation tools. Dr. Wrobel stated that the HPC is focusing research on understanding common initiatives and areas for collaboration.

Dr. Wrobel reviewed findings on income-based disparities in preventable hospital admissions. She noted that the December 2013 report highlighted an estimated \$700 million in spending associated with potentially preventable hospital readmissions. She added that the July 2014 report found that disparities are much higher in lower-income communities and those with high rates of chronic conditions.

Dr. Hwang stated it is important to examine whether low-income communities also have high rates of chronic conditions. She added that the Department of Public Health (DPH) has data to look at these rates across communities. Dr. Wrobel stated that the HPC is developing this data for future reports. She added that rates of preventable hospital admissions can vary dramatically between communities within a metropolitan area.

Dr. Wrobel briefly reviewed recommendations from the Cost Trends Report: July 2014 Supplement.

ITEM 3: Discussion of the HPC Accountable Care Organization Certification Program

Mr. Seltz gave a brief update on the HPC's ACO certification program. He stated that the HPC is developing the PCMH/ACO certification programs alongside APMs to drive transformation. He noted that many organizations across the Commonwealth are already developing and utilizing the ACO/PCMH model.

Mr. Seltz stated that Chapter 224 tasks the HPC with defining which providers are ACOs. The HPC will seek to model this definition off existing definitions from Centers for Medicare & Medicaid Services. He added that the underlying goal of ACO certification is to encourage the adoption of coordinated care delivery systems in the Commonwealth to promote cost containment, quality improvement, and patient protection.

Mr. Seltz stated that Chapter 224 asks the HPC to (1) develop and implement standards for voluntary certification of registered provider organizations to be certified as ACOs; (2) create a designation of a Model ACO, which is an ACO that has demonstrated excellence in adopting best practices; and (3) establish a review process for aggrieved providers that are denied participation within an ACO.

Mr. Seltz reviewed minimum certification standards provided under Chapter 224. Mr. Seltz stated that there are several additional standards and goals for ACOs under Chapter 224, but that overall themes of reducing cost growth and increasing quality were embedded throughout.

ITEM 4: Presentation by Boston Medical Center

Mr. Seltz introduced Mr. Thomas Traylor, Vice President of Federal, State and Local Programs at Boston Medical Center, and Mr. David Beck, Vice President and General Counsel at Boston Medical Center, to present their organization's work on ACOs.

The presentation from Boston Medical Center can be found on the HPC's website.

Following the presentation, Dr. Allen asked for any public comment. Public comment was offered by Ms. Stacey Ober of the Massachusetts Coalition of Nurse Practitioners.

ITEM 4: Adjournment

Seeing no further comment, Dr. Allen announced the next meeting of the Care Delivery and Payment System Transformation Committee (October 29, 2014) and adjourned the meeting at 11:43 AM.