

**MINUTES OF THE COST TRENDS AND MARKET PERFORMANCE COMMITTEE**

**Meeting of April 1, 2015**

**MASSACHUSETTS HEALTH POLICY COMMISSION**

**THE COST TRENDS AND MARKET PERFORMANCE COMMITTEE OF THE  
MASSACHUSETTS HEALTH POLICY COMMISSION  
CONFERENCE CENTER  
50 MILK STREET, 8<sup>th</sup> FLOOR  
BOSTON, MA 02109**

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**Docket: Wednesday, April 1, 2015, 9:30 AM – 11:00 AM**

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**PROCEEDINGS**

The Massachusetts Health Policy Commission's (HPC) Cost Trends and Market Performance (CTMP) Committee held a meeting on Wednesday, April 1, 2015 in the HPC's Conference Center, located at 50 Milk Street, 8<sup>th</sup> Floor, Boston, MA

Members present were Dr. David Cutler (Chair), Dr. Wendy Everett, Dr. Paul Hattis, Mr. Rick Lord, and Ms. Lauren Peters, designee for Secretary Kristen Lepore, Administration and Finance.

Ms. Alice Moore, designee for Secretary Marylou Sudders, Executive Office of Health and Human Services, also attended the meeting.

Dr. Cutler called the meeting to order at 9:32 AM.

**ITEM 1: Approval of minutes**

Dr. Cutler called for a motion to approve the minutes from February 25, 2015. **Mr. Lord** made the motion and **Dr. Everett** seconded. Members voted unanimously to approve the minutes.

Dr. Cutler reviewed the agenda for the day, highlighting discussions of the HPC's proposed research dashboard and market metrics.

**ITEM 2: Discussion of 2015 Research Topics and Dashboard**

Mr. David Auerbach, Deputy Director for Research and Cost Trends, and Ms. Sara Sadownik, Senior Manager, Cost Trends, joined the committee to discuss HPC's 2015 research topics.

Mr. Auerbach discussed the two types of publications that the HPC will publish in 2015: an annual Cost Trends Report and a collection of white papers. He noted that the white paper series will focus on in-depth analysis for a select group of key issues, such as episodes.

Mr. Auerbach stated that the HPC will release the Cost Trends Report at the board's annual meeting in December. He noted that the staff planned to present preliminary findings to commissioners in the fall.

Mr. Auerbach provided an overview of the research topics in the 2015 Cost Trends Report, noting that many topics were areas of study in the 2014 report. Among the research

topics, he highlighted that the HPC is conducting research on employer insurance markets through an employer survey with AIM. Mr. Auerbach added that the HPC would also report on primary care access and preventable emergency department visits, high-cost drugs, alternative payment methods, episodes, and other health care cost trends in the Commonwealth, including end of life care and the relationship between spending and employment.

Dr. Everett asked whether topics that were not fully addressed at the 2014 Health Care Cost Trends Hearing, such as post-acute care, would be analyzed in the 2015 Cost Trends Report. Dr. Everett stated that post-acute care discharge rates and readmissions are connected. She noted that Massachusetts is tied for fourth worst in the nation, along with New Jersey, for readmission rates. She stated that these rates are embarrassing and should be investigated in the Cost Trends Report.

Mr. Auerbach stated that HPC is continuing research on post-acute care, with the goal of sharing best practices in this area. Ms. Sadownik noted that the areas mentioned by Dr. Everett are addressed in the 2015 Cost Trends Report.

Dr. Cutler stated that the full board would discuss potential areas of research for the white papers and 2015 Cost Trends Report at its April 29, 2015 meeting. He further stated his desire for a metric to measure the success of recommendations and actions that stem from the Cost Trends Report.

Dr. Everett stated her agreement and noted that the 2015 report offers the opportunity to expand upon data and testimony from the 2014 Cost Trends Hearing.

Dr. Hattis emphasized the importance of research on post-acute care. Ms. Sadownik responded that there will be a section on post-acute care in the 2015 Cost Trends Report.

Dr. Cutler challenged the Board and HPC staff to make the research from the Cost Trends Report and white paper series actionable and useful to the market.

Dr. Everett asked staff to investigate which agencies and stakeholders are already researching high cost drugs. She recommended that that topic be given a lower priority because of its prevalence in research. Mr. Seltz responded that HPC hopes to add a unique voice to this discussion.

Ms. Sadownik provided an update on the HPC's research dashboard, which aims to monitor and assess progress in priority areas. Ms. Sadownik introduced Ms. Marit Boiler, Senior Policy Associate for Research and Cost Trends, to present on the dashboard.

Ms. Boiler discussed the proposed dashboard's objectives and principles for measure inclusion.

Mr. Lord noted his appreciation that the dashboard includes topics from the 2014 Cost Trend Report, such as readmission rates and ED utilization, for which Massachusetts performs worse than the national average.

Mr. Lord also stated that the publication of system-wide data may not be useful in determining the source of problems or benchmarking the progress of individual payers and providers.

Dr. Everett asked Mr. Lord for clarification on whether he was concerned that level of granularity would not describe both what the problems are and where they are. Mr. Lord responded that he was unsure whether system-level data would allow the HPC to make these measurements actionable. Ms. Sadownik highlighted that the areas included in the dashboard have been identified by the HPC as problem areas.

Mr. Lord asked how the HPC would make the dashboard actionable. Ms. Boiler responded that this process is still under development and that staff is looking to the board for guidance on development and targets.

Dr. Marian Wrobel, Director of Research and Cost Trends, elaborated that the dashboard would offer a level of description on key metrics and the ability to pinpoint opportunities for the Commonwealth and market.

Dr. Cutler stated that the HPC should monitor the goals laid out in its various reports to determine whether the market is meeting them. He noted that the point of the dashboard is to benchmark the Commonwealth's progress.

Dr. Hattis noted the importance of adding the consumer perspective into the dashboard through additional measurements, such as patient experience. Dr. Everett stated that patient experience is a strong focus of the QIPP committee. She suggested that the HPC link the two committees for a discussion on patient experience to ensure that work is not duplicated.

Dr. Cutler asked for clarification on next steps for the dashboard.

Mr. Lord stated that he likes the areas included in the dashboard, and challenged the staff to determine targets for each of them.

Dr. Everett stated that the HPC should start creating targets by assessing available national standards. She stated that the HPC should scientifically develop targets through rigorous data analysis for those areas where a national target does not exist. Mr. Seltz stated that the HPC will work on developing these targets. He noted that the Massachusetts Hospital Association has set targets in some of these areas.

Mr. Seltz stated that the dashboard is designed to provide a summary of progress and examine what is happening in the Commonwealth. He stated that this will be useful for a wide range of stakeholders and policymakers.

Dr. Cutler asked whether the board will hear an update about the dashboard at the April meeting. Mr. Seltz responded in the affirmative.

Dr. Wrobel reviewed the importance of data transparency and highlighted the HPC's efforts to make targeted investments in data to understand which metrics providers need to manage care, get real time information, and ensure that data are secure. She noted that the HPC is providing technical assistance to the market through the CHART Investment Program and certification programs. Dr. Wrobel added that the HPC appreciates the importance of real time data and will continue to review national best practices.

Dr. Cutler noted that providers are calling for real-time data, and asked what the HPC can do to provide it. Dr. Wrobel responded that, at a minimum, the CHART pilots are intended to help document the use case for and demonstrate the value of real time data. She added that these pilots could help inform a consensus on what data are needed moving forward.

Mr. Iyah Romm, Policy Director for Care Delivery Innovation and Investment, added that there are two types of data projects in the CHART program: investigating data around claims and installing electronic health records for care management. He noted that the next step would be to bring the pilots to scale across the Commonwealth.

Ms. Lauren Peters, Designee for Secretary Kristen Lepore, asked what data the HPC would collect in 2015. Mr. Auerbach responded that employers are looking for employee access data. Dr. Wrobel stated that the HPC would like to see a demonstration of the price transparency tools to assess the Commonwealth's performance in this area. Dr. Hattis noted that transparency is still a challenge for consumers. Dr. Wrobel added that HPC will host a series of consumer focus groups to examine needs.

The committee discussed system-wide data on HPC's high need list. Dr. Wrobel noted that the HPC was pleased with the multi-agency coordination to improve APM data collection. She thanked the Attorney General and the Center for Health Information and Analysis (CHIA) for their continued work in this area.

Dr. Wrobel stated that CHIA has been working to make MassHealth's data more useful. Dr. Cutler asked for clarification on the timeframe for HPC to use this data. Dr. Wrobel responded that the timeframe was unclear.

Dr. Wrobel stated that data from the all payer claims database (APCD) on the Massachusetts Behavioral Health Partnership will be included in the 2016 release of the APCD. She stated that staff is working to acquire data from previous years.

Dr. Cutler asked when the 2016 release would be issued. Dr. Wrobel responded that it would be out in January 2016.

Dr. Cutler asked whether the January 2016 release would include all 2014 data. Dr. Wrobel responded in the affirmative.

Dr. Wrobel said that the HPC would discuss discharge data with CHIA to finalize next steps for each agency. Dr. Cutler noted this progress and asked for continued updates on this topic.

Ms. Alice Moore, Designee for Ms. Marylou Sudders, Secretary of Health and Human Services, arrived at the meeting.

### **ITEM 3: Discussion of HPC's Role in the Determination of Need and Essential Services Review Processes**

Dr. Cutler introduced Ms. Kate Mills, Acting Policy Director for Market Performance, and Mr. Sasha Hayes-Rusnov, Senior Policy Associate for Market Performance, to present on the HPC's role in two market monitoring processes: Determination of Need (DoN) and Essential Services review. Ms. Mills stated that the HPC has been asked to get involved or would like to be involved in the DoN and Essential Services processes.

Ms. Mills provided an overview of the Determination of Need (DoN) process, noting that providers must file a DoN application with DPH when they make substantial changes in service, capital expenditures, or other specific operational changes.

Mr. Lord asked whether the acquisition of new equipment would trigger a review. Ms. Mills responded in the affirmative, provided that the equipment meets a cost threshold.

Mr. Hayes-Rusnov explained the Essential Services review process, under which hospitals that intend to close or to substantially eliminate any service must file a notice with DPH at least 90 days prior to closure.

Dr. Cutler pointed to a large difference between the two processes. He stated that, with an Essential Services review, the hospital has filed a notice to close, which is extremely hard to reverse. Conversely, the DoN notice is more flexible and operates under a less strict timeline.

Dr. Cutler stated that the HPC's involvement in the Essential Services review is harder for HPC, since the agency has limited ability to effect change once a closure notice is filed. Mr. Hayes-Rusnov agreed, noting that the discussion around an Essential Service review focuses on how to proactively plan in advance of a closure notice being filed.

Mr. Hayes-Rusnov stated that the HPC recognizes the differences between the two review processes. He noted that the HPC is engaging in work across the Commonwealth to better understand hospital closures and health planning.

Dr. Hattis asked for clarification on the HPC's review of DoNs, questioning whether staff reviews all DoNs filed and if the HPC can pursue a Material Change Notice review if it deems the DoN to have a substantial impact. Mr. Hayes-Rusnov responded that the HPC is able to review and comment on DoNs. He stated that the board needs to decide how to screen applications to determine areas that are of the most interest to the HPC.

Mr. Seltz clarified that the HPC is still deciding on a process and has not yet submitted comment on a DoN.

Dr. Hattis asked whether today's discussion should focus on creating a process. Mr. Seltz responded that the day's discussion was intended to begin the conversation. He added that the HPC hoped to develop a process for commenting on both types of review.

Ms. Moore stated that there is a new Commissioner at the Department of Public Health, who is reviewing the agency and the DoN process. Ms. Moore noted that the HPC will be updated on progress made on the reviews.

Dr. Cutler asked for clarification on any adjustments to the DoN process. Ms. Moore responded that DPH is assessing the process to determine areas of opportunity, improvement, and investments. Mr. Hayes-Rusnov noted that HPC is investigating how it can work with DPH on this process.

Dr. Everett stated that she is reluctant for the HPC to consider making a statement on how it would be involved in the DoN and essential service processes, in light of the importance of the discussion and the internal assessment underway by the Executive Office of Health and Human Services. She suggested that appropriate staff work closely with DPH and return to the committee with updates.

Dr. Cutler added that the Commission has asked Secretary Sudders to provide guidance on the HPC's role in these processes. Ms. Moore indicated that Secretary Sudders said that the HPC should be involved, but the means of involvement is still unclear.

#### **ITEM 4: Update on Market Metrics**

Due to time constraints, Dr. Cutler tabled this agenda item.

#### **ITEM 5: Adjournment**

Dr. Cutler adjourned the meeting at 11:01 AM.