

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of November 9, 2016

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: Wednesday, November 9, 2016
Start Time: 12:01 PM
End Time: 1:32 PM

	Present?	ITEM 1: Minutes from September 27, 2016	ITEM 2: Supporting NASHP Comments	ITEM 3: Office of Patient Protection Regulation	ITEM 4: Professional Services Contract
Carole Allen	X	X	X	M	X
Stuart Altman*	A	A	A	A	A
Don Berwick	X	M	2 nd	2 nd	X
Martin Cohen	X	X	M	X	X
David Cutler	X	X	X	X	X
Wendy Everett	X	X	X	X	2 nd
Rick Lord	X	2 nd	ab	X	M
Ron Mastrogiovanni	X	X	X	X	X
Marylou Sudders	X	A	X	X	X
Kristen Lepore	X	X	X	X	A
Timothy Foley	X	X	X	X	X
Summary	10 Members Attended	Approved with 9 votes in the affirmative	Approved with 9 votes in the affirmative	Approved with 10 votes in the affirmative	Approved with 9 votes in the affirmative

Presented below is a summary of the meeting, including time-keeping, attendance, and votes.

*Chairman

(M): Made motion; (2nd): Seconded motion; (ab): Abstained from Vote; (A): Absent from Meeting

Proceedings

A regular meeting of the Massachusetts Health Policy Commission was held on Wednesday, November 9, 2016.

Commissioners present included Dr. Wendy Everett (Vice Chair); Dr. Carole Allen; Dr. Don Berwick; Dr. David Cutler; Mr. Martin Cohen; Mr. Ron Mastrogiovanni; Mr. Rick Lord; Mr.

Timothy Foley; Ms. Lauren Peters, designee for Secretary Kristen Lepore, Executive Office of Administration and Finance; and Undersecretary Alice Moore (joined the meeting at 12:22 pm), designee for Secretary Marylou Sudders, Executive Office of Health and Human Services. Dr. Stuart Altman (Chair) was not present at the meeting.

Dr. Everett called the meeting to order at 12:01 PM and welcomed those present. She opened by reflecting on the Presidential election and praising the Commonwealth's efforts to expand access to health care.

Dr. Everett commended the work of Secretary Sudders to secure the state's \$52 billion Medicaid waiver.

ITEM 1: Approval of Minutes from September 27, 2016

Dr. Everett solicited comments on the minutes from September 27, 2016. Seeing none, she called for a motion to approve the minutes, as presented. Dr. Berwick made a motion to approve the minutes. Mr. Lord seconded. The minutes were unanimously approved.

ITEM 2: Cost Trends and Market Performance

Dr. Cutler provided an update on activities of the Cost Trends and Market Performance (CTMP) committee since the last Board meeting and reviewed the day's agenda.

ITEM 2a: Update on Notices of Material Change

Dr. Cutler introduced Ms. Katherine Mills, Policy Director for Market Performance. Ms. Mills introduced Ms. Megan Wulff, Deputy Director for Market Performance, who provided an update on new Material Change Notices (MCN) received by the HPC since the last Board meeting. For more information, see slides 7-11.

Dr. Allen asked whether the staff has the ability to follow potential changes in referral patterns for the organizations that have undergone a review through the MCN process. Ms. Mills stated that HPC can do this through: (1) future MCNs, (2) the Annual Cost Trends Hearing, and (3) performance improvement plans (PIP).

Dr. Cutler encouraged the HPC to conduct analysis on the cost and quality impact of historic transactions. Dr. Everett suggested that this topic would be interesting to discuss at the committee level.

ITEM 2b: Performance Improvement Plans

Ms. Mills introduced Ms. Kara Vidal, Senior Manager for Market Performance, to provide staff recommendations for the final two entities from which the HPC was considering requiring a PIP. Ms. Vidal summarized the HPC's process and findings and confirmed that staff recommended against requiring a PIP for the two entities. For more information, see slides 13-16.

Undersecretary Alice Moore joined the meeting at this time.

Dr. Cutler clarified that, for two of the four entities for which the HPC required additional follow-up, the HPC recommended against requiring a PIP because updated TME data indicated that the entities did not have consistently high spending growth. Ms. Vidal confirmed that this was correct. Dr. Cutler asked whether this was also the case for the other two entities. Ms. Vidal stated that while the updated data showed some shifts for these entities, both still had high spending growth across multiple books of business.

Dr. Cutler said that all entities on the CHIA list are being judged by the same standard. He added that some entities have undergone material changes in the past few years and have made implicit promises that the transactions would lead to increased efficiency and lower spending. Dr. Cutler stated that the Board expected to see meaningful spending performance improvement from these entities and should review their cost growth in this context. Dr. Cutler recommended informing entities that, as they consolidate and grow, the HPC will expect more from them in terms of curbing spending growth.

Dr. Everett asked when the next round of CHIA data would be released. Ms. Vidal responded that the total medical expenditure (TME) data was released in fall 2016. She noted that some of the entities that were being passed on in this round would likely appear again on the list.

Ms. Vidal added that CHIA is considering potential updates to its methodology for referring health care entities to the HPC. She said that, previously, the list included each payer and provider that had health status adjusted TME growth of greater than 3.6% in at least one book of business. She noted that, moving forward, CHIA may be looking at bigger picture questions. She added that CHIA would be releasing its new methodology for public comment in the next few weeks.

Dr. Everett asked if there were any further questions.

Mr. Mastrogiovanni pointed out that these entities are making decisions based on their belief that they will improve profits and quality. He asked whether these entities make commitments based on where they plan to be financially after a material change. Mr. Seltz responded that, while it can be a useful lens to examine certain transactions, the HPC's focus is more on total health care spending and not on the financial performance of a particular entity. He added that most organizations cite quality improvement, care integration, and cost reduction as reasons for these transactions.

Mr. Mastrogiovanni said that regardless of the goal, if the transaction is negatively impacting the bottom line, it will not happen. He added that this is a variable that cannot be ignored when examining cost and quality.

Dr. Berwick said that the HPC's decision to recommend against any PIPs this year may lead an entity to believe that individualized action is unlikely. Dr. Everett responded that PIPs are the instruments that are being tested right now to deal with identified outliers. She said that, while the agency may be acting on the side of caution, at the committee level it might make sense to examine more stringently what the requirements should be.

Dr. Allen suggested that staff should also examine outlier entities for positive deviation from which others might be able to learn.

Dr. Cutler said that the first two years of data demonstrated that the drivers of cost growth were more systemic than tied to the specific entities' actions.

Ms. Mills added that, this being the first year of the PIP program, the staff is still developing the review process. She noted that staff would discuss the PIP review process at future CTMP meetings, including a discussion of reviewing past transactions to determine whether promised efficiencies were being delivered.

Ms. Vidal provided an overview of the proposed regulations for PIPs. For more information, see slides 17-18.

ITEM 2c: *Gobeille v. Liberty Mutual Insurance*/NASHP DOL Comment (VOTE)

Dr. Cutler introduced Ms. Lois Johnson, General Counsel. Ms. Johnson provided a brief review of the National Association of State Health Plan's (NASHP) comments to the Department of Labor (DOL) on the Supreme Court case of *Gobeille v. Liberty Mutual Insurance*. She introduced Ms. Nancy Ryan, Associate Counsel, who provided an overview of the HPC letter in support of the NASHP comments. For more information, see slides 20-21.

Dr. Everett opened up the issue to discussion by the Board.

Dr. Berwick asked how far DOL plans to go to bring data reporting back to where it was prior to the *Gobielle* decision. Ms. Johnson responded that, at this point, DOL does not have specific recommendations, but has instead solicited comments from the public on the specific issues regarding data collection in light of *Gobielle*.

Dr. Everett added that this was just a first step as she understands it.

Mr. Mastrogiovanni asked whether DOL has the option to fill the void that exists following the *Gobielle* decision. Ms. Johnson responded in the affirmative and noted that the Supreme Court decision states the Secretary of Labor has regulatory authority in this realm.

Mr. Mastrogiovanni asked for confirmation that this authority could actually fill the void in data collection. Ms. Johnson confirmed that it could.

Mr. Cohen asked about DOL's timeline for implementation. Ms. Johnson said that there was not a timeline at this point. Dr. Everett added that it probably would not be acted upon prior to the presidential inauguration.

Mr. Seltz asked when the comment deadline was. Ms. Ryan responded that the deadline for comments to DOL was December 5, 2016.

Dr. Cutler asked if DOL was allowed to issue a rule before January 20, 2017 in light of where it is in the process. Ms. Johnson responded that DOL could issue a rule prior to January 20.

Mr. Lord said that uniformity in reporting was important. He asked if multi-state companies would still be required to submit to the individual states in which they do business. Ms. Ryan responded that the process had not been detailed to that degree, but that it was likely that there would be collaboration between states and the federal government under the NASHP comment model.

Ms. Johnson said that the National APCD Council has worked on a common data-collection framework so the reporting would be the same across each of the states that have APCDs.

Dr. Everett asked if there were further comments or questions about the letter. Seeing none, she called for a motion to approve the HPC's letter in support of the NASHP comments. Mr. Cohen made a motion to approve the letter. Dr. Berwick seconded. The motion passed with nine votes in the affirmative and one abstention (Mr. Lord).

ITEM 2d: 2016 Cost Trends Hearing

Mr. Seltz provided an overview of the key takeaways from the 2016 Cost Trends Hearing. For more information, see slides 24-28.

Mr. Lord stated that the 2016 Hearing was excellent. He cited the Employer Panel as particularly fruitful and suggested that this panel be included in future iterations of the Hearing.

Dr. Berwick added that Onyx Specialty Papers Owner and President, Ms. Patricia Begrowicz's inclusion on the employer panel was particularly powerful. He said that her testimony illustrated the importance of the HPC's work. Dr. Berwick also cited the importance of Ms. Lauren Taylor's presentation and suggested that the HPC continue to examine the impact of social determinants of health (SDH).

Dr. Everett agreed that Lauren Taylor provided the Board with a very useful perspective. She added that the Commonwealth has made little progress addressing the issue of readmissions, which she said is a major cost driver. She suggested that the HPC take on this issue as a special project over the next few years.

Dr. Allen echoed the importance of the Employer Panel and Lauren Taylor's presentation. Dr. Allen also addressed Dr. Everett's comments on the issue of readmissions, saying that this was a reflection on quality of care. She said that it is important to determine what is driving this trend and added that the Commonwealth should be doing better at reducing readmissions.

Mr. Cohen said that he believed the Hearing was a terrific two-day event and thanked the staff for their work. He said that he felt there was a great discussion about quality measures, future steps, and actions that the agency could work on over the next few years. He added that the discussion with the Pharmaceutical Research and Manufacturers of America (PhRMA) representative was useful. Mr. Cohen noted that he was somewhat disappointed that behavioral health integration seemed to have been glossed over during the Hearing.

Mr. Foley thanked the staff. He also suggested adding a panel of health care workers to future iterations of the Hearing.

Dr. Cutler said that he was impressed by the number of areas on which panelists agreed that the Commonwealth as a whole could do more and asked the HPC to be involved. He said that this ranged from issues of quality assessment to reducing administrative expenses to furthering payment reform methods. He said he was encouraged by the number of areas in which there was this consensus and suggested the HPC move forward on these issues.

Mr. Mastrogiovanni also suggested that there might be steps the HPC could take to address some of the issues around transparency that were raised during Hearing.

Dr. Everett reiterated Dr. Cutler's thanks to the HPC staff for their work organizing the Hearing. She added that, in her opinion, this year's Hearing was the best to date.

Mr. Seltz thanked the Board, market participants, and other witnesses who came to the 2016 Hearing. He added that, at the next Board meeting, staff would be presenting findings from the 2016 Cost Trends Report.

ITEM 3: Quality Improvement and Patient Protection

Dr. Everett turned the discussion over to Mr. Cohen who provided a brief introduction to the Quality Improvement and Patient Protection (QIPP) presentation.

ITEM 3a: Office of Patient Protection Regulation (VOTE)

Mr. Cohen turned the discussion over to Ms. Johnson who provided an overview of the proposed amendment to a regulation governing the Office of Patient Protection (OPP). For more information, see slides 31-34.

Dr. Everett asked for a motion to approve the regulation. Dr. Allen made the motion. Dr. Berwick seconded. Dr. Everett opened the floor for any questions or comments.

Dr. Berwick asked whether the regulation would require additional reporting from organizations. Ms. Johnson said that it would necessitate an additional report to OPP on the aggregate number of claims. She stated that carriers track this information internally.

Dr. Everett asked if there were additional questions. Seeing none, she called for a vote on the regulation. The motion passed unanimously.

At this point, Ms. Peters left the meeting.

ITEM 4: Care Delivery and Payment System Transformation

Dr. Everett turned the discussion over to Dr. Allen who provided a brief introduction to the Care Delivery and Payment System Transformation (CDPST) section. Dr. Allen introduced Ms.

Mills who gave a brief overview of the forthcoming Registration of Provider Organizations (RPO) presentation.

ITEM 4a: Registration of Provider Organizations Program

Ms. Mills turned the discussion over to Ms. Vidal. Ms. Vidal provided an overview of the release of data from RPO's Initial Registration: Part 2. For more information, see slides 38-47.

Dr. Allen asked whether it would be possible to overlay the provider maps of different systems to determine areas of need in the Commonwealth. Ms. Vidal confirmed that that was possible to overlay the maps. She noted that, because the information in the facilities file is limited to only those facilities owned by one of the sixty systems, there could be smaller systems that did not have to register with RPO that do not appear on such a map.

Dr. Everett asked if there were further questions on the data from RPO's Initial Registration: Part 2. Seeing none, she asked Ms. Vidal to move on to the next steps.

Ms. Vidal provided an overview of the next steps for the RPO program, including a closer partnership with the Center for Health Information and Analysis as well as the requirements for 2017 filing. For more information, see slides 48-50.

Dr. Everett thanked Ms. Vidal for her presentation.

ITEM 4b: Care Delivery and Certification Programs

Dr. Allen introduced Ms. Catherine Harrison, Senior Manager for Accountable Care, to provide an update on the PCMH PRIME certification program. For more information, see slide 52.

Dr. Allen stated that the HPC had only anticipated that 30 practices would be involved in PCMH PRIME by the end of 2016. Instead, 57 practices are certified PRIME or on the Pathway to PRIME.

Ms. Harrison provided a summary of recent PCMH PRIME events and reviewed next steps for the program. For more information, see slides 53-55.

Dr. Everett thanked Dr. Allen and the staff for all the work done in partnering with NCQA. She said that this partnership had been mutually beneficial for both organizations.

Dr. Berwick said that he hoped the HPC planned to look back and learn from the implementation of the PCMH PRIME program.

Ms. Harrison provided a brief update on the accountable care organization (ACO) program. For more information, see slide 55.

Mr. Cohen asked whether staff had received inquiries from potential ACOs or existing ACOs. Ms. Katherine Shea Barrett, Policy Director for Accountable Care, responded that staff had been

receiving inquiries. She attributed these inquiries to the recent MassHealth procurement, which contains language for ACOs about when and how they will have to be HPC certified. She said staff had been working closely with MassHealth staff to address these questions.

Dr. Allen noted that, at the Hearing, one of the panels expressed a desire for standardized data sets of quality metrics instead of the current system. She said that this is something that had been discussed at the committee level and that she hoped to meet with stakeholders to discuss what quality metrics would be manageable and useful for the ACO certification process.

ITEM 5: Community Health Care Investment and Consumer Involvement

Dr. Everett turned the discussion over to Mr. Lord who provided a brief introduction to the topics to be covered by the Community Health Care Investment and Consumer Involvement (CHICI) Committee.

ITEM 5a: CHART Investment Program Update

Mr. Seltz introduced Ms. Kathleen Connolly, Director for Strategic Investments. Ms. Connolly provided an update on the CHART Investment Program. For more information, see slides 58-61.

Dr. Everett asked if there were any questions about this section of the presentation. Seeing none, she moved to the next agenda item.

ITEM 5b: CHART Phase 2 Evaluation

Ms. Connolly introduced Ms. Jessica Lang, Senior Manager for Evaluation, who provided an overview of the evaluation of CHART Phase 2. For more information, see slides 63-65.

Mr. Lord said that this portion of the CHART program is extremely important for understanding its efficacy.

ITEM 5c: CHART Phase 2 Financial Monitoring

Dr. Everett turned the discussion over to Ms. Lisa Snellings, Assistant General Counsel to provide an update on the financial monitoring of CHART Phase 2. For more information, see slides 67-68.

Mr. Cohen asked whether this data examined only the finances disbursed by HPC. Ms. Snellings responded that the focus of this evaluation is on the expenditure of HPC funds.

ITEM 6: Administration and Finance

Dr. Everett turned the discussion over to Ms. Coleen Elstermeyer, Deputy Executive Director and Chief of Staff, who provided a brief introduction to the Administration and Finance (ANF) update.

ITEM 6a: Professional Services Contract Amendment (VOTE)

Ms. Elstermeyer introduced Ms. Kelly Mercer, Deputy Chief of Staff, who provided an overview of a contract amendment with the professional services firm, Accenture. For more information, see slide 71. Dr. Everett explained that the vote would be to raise the cap on the current contract with Accenture to \$225,000. Mr. Lord made a motion to approve the amendment. Dr. Everett seconded it.

Mr. Mastrogiovanni asked for clarification on the project management aspect of the contract. Ms. Elstermeyer clarified that Accenture's work with the HPC is not strictly project management, noting that Accenture supports other HPC activities, such as an information technology (IT) platform build for the ACO program. She noted that Accenture liaises with MassIT and other state agencies due to its state government technology expertise.

Mr. Mastrogiovanni asked who is actually building the application platform. Ms. Mercer responded that the platform is being built by a group within MassIT and an external organization, Databank.

Mr. Mastrogiovanni asked how many project managers Accenture brings to these HPC projects. Ms. Elstermeyer said that the HPC had two Accenture project managers who work closely with the policy and Executive teams on a variety of projects.

Dr. Berwick asked if the HPC was getting billed at the same rate as a commercial, for-profit company would be by Accenture. Ms. Elstermeyer said that the HPC is being billed under a statewide contract with the Operational Services Division. Ms. Susan Flanagan-Cahill, Deputy General Counsel, added that the HPC negotiated a blended hourly rate that is effectively lower than the statewide contract rate.

Dr. Everett noted that the contract is for time and materials with a cap on the total amount. She noted that, at this point in the contract, the HPC was getting close to that cap. Ms. Elstermeyer explained that this was due to Accenture taking on additional work, not an increase in amount of time required to finish the prior project.

Mr. Seltz added that using consultants in this way means that additional staff may have to be hired to fill those roles over the long-term if necessary, but that for many of the HPC's programs, there is an intensive period of time for which the HPC needs extra support – then after the initial phase, the support is no longer necessary.

Finally, Mr. Seltz reminded the Board that this contract amount was already built into the budget so it would not require "new" money to extend the contract.

Dr. Everett asked if there were further comments or questions about the letter. Seeing none, she called for a vote to extend the contract. The motion passed unanimously.

ITEM 7: Schedule of Next Meeting

Dr. Everett asked if there were any other issues from the Board. Seeing none she thanked the Board and the staff and adjourned the meeting.

