MINUTES OF THE JOINT COMMITTEE MEETING
COST TRENDS AND MARKET PERFORMANCE
COMMUNITY HEALTH CARE INVESTMENT AND CONSUMER INVOLVEMENT

Meeting of October 18, 2017

MASSACHUSETTS HEALTH POLICY COMMISSION

JOINT COMMITTEE MEETING
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA

Docket: Wednesday, October 18, 2017, 11:00 AM

PROCEEDINGS
The Massachusetts Health Policy Commission's (HPC) Cost Trends & Market Performance (CTMP) and Community Health Care Investment & Consumer Involvement (CHICI) Committees held a joint meeting on Wednesday, July 5, 2017, at the HPC's offices, 50 Milk Street, 8th Floor, Boston, MA.

Members present included Dr. David Cutler (Chair, CTMP), Mr. Rick Lord (Chair, CHICI), Mr. Ron Mastrogiovanni, and Dr. Carole Allen.

The meeting notice and agenda can be found here.
The presentation from the meeting can be found here.
A recording of the meeting can be found here.

Dr. Cutler called the meeting to order at 10:02 AM and offered a brief introduction.

ITEM 1: Approval of the minutes from July 5, 2017
Dr. Cutler asked for a motion to approve the minutes from the joint CTMP and CHICI Committee meeting on July 5, 2017. Mr. Lord motioned to approve the minutes. Mr. Mastrogiovanni seconded. Committee members voted unanimously to approve the minutes.

Dr. Cutler provided an overview of the day's agenda.

ITEM 2: Future of Care Delivery Investments
Ms. Katie Barrett, Director of Accountable Care, and Ms. Margaret Senese, Deputy Director of Strategic Investments, provided a presentation on the HPC's Care Delivery Investments.

Ms. Barrett provided a summary of the future of HPC Care Delivery Investments. She provided an overview of the goals and principles of the proposed investments. See slide 8 for more information.

Ms. Barrett reviewed the proposal for future grant programs. For more information see slides 9-10.

Mr. Lord asked whether it was $10M from each fund or a combined $10M. Ms. Barrett responded that it was a total of $10M across the two funds.

Mr. Mastrogiovanni asked whether there could be in-kind contributions from the organization to bolster these investments. Ms. Barrett noted that this is an option the HPC can explore.

Ms. Barrett highlighted that the proposed investments would focus on innovative ways to reduce avoidable ED visits and inpatient readmissions. She noted that that focus aligned with testimony from the 2017 Cost Trends Hearing. For more information, see slides 11-12.

Ms. Barrett emphasized the HPC's commitment to promoting community-based health care systems, as evidenced through the Community Hospital Study. For more information, see slide 13.

Ms. Barrett reviewed the evidence supporting the proposed investment program's framework. For more information, see slides 14-15.

Ms. Senese reviewed the proposed design for the Care Delivery Investment Program. She noted that this design was informed by the HPC's prior investment programs as well as input from key stakeholders. For more information, see slides 16-21.

Dr. Allen asked whether the staff considered targeting track one of funding towards social determinants of health prior to a hospital visit. Ms. Senese responded that there had been substantial internal dialogue on whether this should be a public health intervention. Ms. Barrett noted that, with limited funding, the HPC planned to keep this track relatively broad to solicit the best ideas from the market.

Referencing slide 18, Mr. Mastrogiovanni expressed concern that a $750,000 award cap is extremely limiting, even with an additional $250,000 in-kind contribution. He asked whether staff had considered increasing this cap to obtain more measurable results. Ms. Senese stated that this was open to Board discussion. Ms. Barrett noted that the HCII grants had a similar cap, which often led to a larger in-kind contribution from grantees. Mr. Seltz stated that the staff is looking for guidance from the Board in this area. He stated that this is a key decision point and the HPC wants to ensure that the cap is appropriate.

Dr. Cutler said that it might be worth reflecting on CHART and HCII grants to better understand how the caps in these programs influenced the projects. He asked Ms. Senese to discuss this interplay with respect to the CHART Program.

Ms. Senese stated that the highest monetary awardees were not necessarily the highest performing in CHART Phase 2. The HPC has seen that smaller, nimble teams have achieved positive outcomes. She also noted the need for a solid preparation period with low spending to enable grantees to succeed in their programs.

Mr. Seltz said that another important component is the sustainability of programs. He noted, through CHART Phase 2, hospitals have demonstrated a higher willingness to continue the smaller award programs that have positive results because of budgetary constraints.

Mr. Mastrogiovanni asked whether the HPC had information on how organizations determine whether to continue projects after the grant performance period. He specifically asked whether there was a breakeven point for which these decisions were made. Ms. Senese responded that the HPC has some visibility into this process from the ongoing CHART strategic planning. She noted that staff would present more on this at future meetings. She added that there is variation in the breakeven point of projects.

Mr. Seltz stated that some hospitals believe they can scale down their programs but still maintain the same impact, since they have already invested in generating a high-performing care delivery model that can be completed on a leaner budget.

Mr. Mastrogiovanni asked whether the HPC knew how long hospitals were willing to incur expenses to continue these projects before breaking even. Mr. Seltz responded that the HPC is

exploring this. He stated that the HPC has framed the proposed investments around reported key priority areas for these hospitals. He also noted that many of the CHART projects will also have a financial incentive through upcoming changes to the MassHealth payment structure.

Ms. Barrett added that many of the CHART Phase 2 hospitals have applied for DISRP funding to continue their programs as part of their ACO strategy.

Mr. Seltz noted that the goal of these investments was to test and incubate new care delivery models in a small number of hospitals. Successful models would then be shared across the Commonwealth as best practices.

Dr. Cutler asked whether investment projects had generally been transferrable or individualized to a hospital. Ms. Senese responded that there is no single turnkey solution because of differences in culture and staffing models. She stated that the HPC's role is to determine how to address the challenges of implementing best practices across hospitals.

Mr. Seltz stated that, as part of the application, the HPC wants to understand how the hospital is communicating with its ACO and how the ACO plans to spread best practices across its components. He noted that in CHART Phase 2, the HPC did observe that hospitals were constantly sharing and adopting best practices. He noted that, from CHART Phase 2, the HPC will create high-level, practical blueprints on what hospitals can do to address common issues.

Dr. Cutler stated that the HPC should provide a synopsis of best practices in the Care Delivery Investment award. He noted that grantees should be encouraged to discuss their proposed project with other organizations that have best practices in that area.

Dr. Allen stated that culture can be a large barrier in health care organizations, even among different practices within the same system. She noted that there is now a trend for medical systems to standardize care so they can improve quality.

ITEM 3: CHART Phase 2 Investment Program
Mr. Lauren Melby, Program Manager for Strategic Investment, provided an overview of the CHART Phase 2 Statewide Convening. For more information, see slides 24-28.

Mr. Lord asked whether hospitals reported difficulty filling positions on CHART teams. Ms. Melby responded that this was a challenge for some hospitals. She also noted that many hospitals discovered that their staffing needs were different than they had initially anticipated.

Mr. Lord asked whether there was capacity in programs to train community health workers. Ms. Senese responded that there are a variety of training programs, but she was unsure of the capacity within them.

Dr. Cutler asked for clarification on whether there was a return on investment (ROI) calculation in the evaluation of Phase 2 of the CHART Investment Program. Mr. Seltz responded in the affirmative.

Mr. Mastrogiovanni asked whether CHART Phase 2 programs reduced cost for the hospitals. Mr. Seltz responded that one hospital did an informal calculation and found an ROI. He noted that the challenge is to determine where in the system these savings are realized.

Mr. Seltz stated that a large part of the work in CHART Phase 2 is disseminating the learnings from the program. Dr. Cutler suggested that the Board discuss the best methods for dissemination at a future meeting.

Ms. Senese provided a brief update on CHART Phase 2 operations. For more information, see slides 30-32.

Mr. Lord asked when the evaluation report on CHART Phase 2 will be released. Ms. Senese responded that it would be released in late 2018, but that the HPC expected interim reports prior to that date.

ITEM 4: Health Care Innovation Investments

Ms. Senese provided a brief update on the Health Care Innovation Investment Program. For more information, see slides 34-35.

Dr. Allen asked for clarification on the reported $40M health care savings in HCII. Ms. Senese stated that applicants self-reported this number based on readmission reductions if their program was successful. She noted that this is a conservative number.

ITEM 5: Research Presentation

Dr. Cutler summarized the conversation and introduced Ms. Kate Mills, Policy Director for Market Performance, to begin the presentation.

Ms. Mills introduced Ms. Amy Katzen, Project Manager for Market Performance, and Ms. Rachel Salzberg, Research Associate for Research and Cost Trends.

Ms. Katzen provided an overview of community-appropriate care. For more information, see slide 37.

Ms. Salzberg provided an overview of the methodology used in the study. She noted that this methodology was intentionally conservative. For more information, see slides 38-39.

Dr. Cutler asked for clarification on which Board members provided input on the methodology. Ms. Katzen noted that the staff reviewed the methodology with Dr. Allen and Dr. Berwick as well as a range of academic researchers and industry experts.

Ms. Katzen reported that community-appropriate inpatient care is increasingly provided by teaching hospitals and AMCs. For more information, see slide 40-41.

Dr. Cutler noted the importance of understanding to which sites of care patients are going when they do not go to community-appropriate care. Ms. Katzen discussed the research in this area related to Lawrence General's affiliation with BIDCO.

Ms. Mills stated that, in the outlined transactions, the parties have made it a goal to capture more community-appropriate care.

Dr. Allen asked for clarification on how these numbers would be affected for care that is being offered within the home. Ms. Mills responded that care is appropriately shifting from inpatient to

outpatient settings. She stated that the HPC wants to complete additional research to understand if there is additional inpatient care that should be shifting.

Dr. Allen noted that the HPC may want to refine its definition of community-appropriate since not all community hospitals have the same resources and capabilities. Ms. Mills stated that the HPC's analysis focused on a conservative set of discharges for low acuity care that all community hospitals could provide.

Mr. Mastrogiovanni asked about trends as a result of provider efforts. Ms. Katzen responded that we see different patterns for different providers and that the overall pattern is not encouraging but that it is hard to know if it would have been worse than without these efforts. She stated that there is likely a lot of story left to tell as more data is reported over time.

Ms. Katzen reviewed data from community-appropriate and other discharges for select community hospitals involved in affiliations or acquisitions. For more information, see slides 42-50.

Dr. Allen asked whether any of the physicians at Cambridge Health Alliance shifted the location at which they were providing care. Ms. Katzen responded that the HPC would conduct research in this area.

Mr. Lord noted that there was a dramatic decrease in community-appropriate care provided at BID-Plymouth prior to its acquisition by BIDMC. Ms. Katzen stated that trend was primarily due to increased competition in the area during this period.

In the interest of time, slides 51-59 were tabled.

Dr. Cutler asked how this information would be published. Mr. Seltz responded that this was still under discussion. Dr. Cutler noted that this information could be disseminated in a special, standalone document.

Mr. Seltz stated that it is a challenge to have firm conclusions on this limited data. He noted that the publication on this work would likely be a description of the data.

Mr. Lord stated that the topic of community-appropriate care was discussed at a recent panel. He noted that the Commonwealth could ask hospitals for more specific and measurable metrics on these trends. He stated that, with this data, the Commonwealth could track improvement and exercise its authority to ensure that outlined benchmarks are met.

ITEM 6: Schedule of Next Meeting
Dr. Cutler adjourned the meeting at 12:37 PM.