

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of April 25, 2018

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: Wednesday, April 25, 2018

Start Time: 12:06 PM

End Time: 2:33 PM

	Present?	ITEM 1: Approval of Minutes	ITEM 2: 2019 Cost Growth Benchmark	ITEM 3: RBPO/ACO Appeals Regulation	ITEM 4: Professional Contract Extension
Stuart Altman*	X	X	M	X	M
Don Berwick	X	X	X	X	X
Martin Cohen	X	X	X	2nd	X
David Cutler	X	X	X	X	X
Wendy Everett	X	M	X	M	2nd
Tim Foley	X	X	X	abs	abs
Chris Kryder	X	X	X	X	X
Rick Lord	X	2nd	2nd	X	X
Ron Mastrogiovanni	X	X	X	abs	abs
Sec. Marylou Sudders	X	X	X	X	X
Sec. Michael Heffernan	X	X	X	X	X
Summary	11 Members Attended	Approved with 11 votes in the affirmative	Approved with 11 votes in the affirmative	Approved with 9 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 (HPC) was held on Wednesday, April 25, 2018.

Commissioners present included Dr. Stuart Altman (Chair); Dr. Wendy Everett (Vice Chair); Dr. Don Berwick; Mr. Martin Cohen; Dr. David Cutler; Dr. Chris Kryder; Mr. Tim Foley; Mr. Rick Lord; Mr. Ron Mastrogiovanni; Undersecretary Lauren Peters, designee for Secretary Marylou Sudders, Executive Office of Health and Human Services; and Ms. Elizabeth Denniston, designee for Secretary Michael Heffernan, Executive Office of Administration and Finance.

Dr. Altman called the meeting to order at 12:06 PM and welcomed those present.

ITEM 1: APPROVAL OF MINUTES FROM MARCH 28, 2018

Dr. Altman solicited comments on the minutes from March 28, 2018. Seeing none, he called for a motion to approve the minutes. **Dr. Everett** made a motion to approve the minutes. **Mr. Lord** seconded. The minutes were unanimously approved.

ITEM 2: MARKET OVERSIGHT AND TRANSPARENCY

Dr. Cutler provided a brief introduction to the market oversight and transparency (MOAT) portion of the meeting.

Mr. David Seltz, Executive Director, thanked the individuals who participated in the HPC's benchmark hearing at the prior Board meeting.

ITEM 2a: NOTICES OF MATERIAL CHANGE

Ms. Megan Wulff, Deputy Policy Director, Market Performance, provided an update on notices of material change (MCNs) received since the last Board meeting. For more information, see slides 8-10.

Mr. Seltz said that there have been a number of transactions with organizations like Shields and Quest Diagnostics and that, at the last Board meeting, Commissioners had asked for details on. Mr. Seltz reported that the HPC is conducting research to ascertain the details of these new relationships and joint ventures.

Mr. Foley asked whether the HPC would also look at the impact on the workforce as part of this analysis. He noted that, in examining these transactions, it is important to determine whether the cost savings are coming at the expense of the workforce. Mr. Seltz responded that the HPC will look into this area.

Mr. Lord asked when staff anticipated releasing the preliminary cost and market impact review (CMIR) report on the transaction involving Beth Israel Deaconess Care Organization and Lahey Health Systems. Mr. Seltz stated that it is slated to be released in the summer.

ITEM 2b: GUIDANCE ON NOTICES REGARDING OUT-OF-STATE ORGANIZATIONS

Ms. Wulff provided an overview of the proposed guidance on notices regarding out-of-state organizations. She reviewed the filing requirements for such transactions. For more information, see slide 12.

Dr. Altman said that the HPC often receives questions about these types of transactions. He noted that the proposed guidance is important in clarifying reporting standards for these transactions.

Dr. Altman asked whether there are issues that blur the line where the HPC may or may not initiate a CMIR. Ms. Katherine Mills, Director of Policy, Market Performance, responded that the standards for reviewing material change notices (MCN) are the same, whether or not the transaction involves an out-of-state provider. The threshold for initiating a CMIR is whether the transaction is anticipated to have a significant impact on costs or market functioning *in Massachusetts*. Ms. Mills stated that, under this guidance, an MCN is required for those transactions where there is some potential that the threshold could be met. She added that the HPC has found a potential for meeting the threshold when transactions involve providers in New England or New York.

Dr. Everett clarified that the guidance outlines when an organization involved in an out-of-state transaction has to file an MCN. Ms. Mills responded that this is correct. She said it pertains to Massachusetts providers seeking to engage in out-of-state transactions.

Mr. Seltz noted that the HPC has received such transaction notices in the past. Mr. Foley asked for clarification on how many such notices the HPC has reviewed. Ms. Mills responded that the HPC has reviewed five to date.

Mr. Foley asked whether any of these five past MCNs would not need to file under the new guidance. Ms. Mills responded that those acquiring an organization outside of New England or New York would not have had to file.

Mr. Cohen asked how the guidance treated an out-of-state system selling an asset in Massachusetts. Ms. Mills responded that this would depend on who is acquiring the asset.

Mr. Lord asked whether the HPC has authority when an out-of-state system acquires an out-of-state provider. Ms. Mills responded that the HPC does have this authority if the out-of-state system is the parent of a Massachusetts provider.

ITEM 2c: 2019 HEALTH CARE COST GROWTH BENCHMARK

Mr. Seltz provided an overview of the process to develop the 2019 health care cost growth benchmark. He outlined key themes from the benchmark modification hearing. For more information, see slides 14-15.

Dr. Altman asked for clarification on next steps if the HPC ratifies a benchmark. Mr. Seltz stated that the HPC could vote to maintain the benchmark at 3.1 percent or vote to modify the benchmark to any number between 3.1 percent and 3.6 percent. He stated that if the Board votes to maintain the benchmark at 3.1 percent, then the HPC would provide written notice to the Joint Committee on Health Care Finance. If, however, the Board elects to modify the benchmark via a two-thirds vote, then the HPC would provide notice to the Joint Committee on Health Care Finance, which would then hold a separate public hearing and make a recommendation to the leadership of the House and Senate.

Dr. Cutler stated that, through the provisions in Chapter 224, the Board decreased the benchmark from 3.6 percent to 3.1 percent last year to help address excess waste in the health care system. He stated that the HPC has seen the spending decrease over the past five years without impacting the quality and access of care.

Mr. Seltz said that this was correct. He noted that in the development of Chapter 224 there were different points of view for the health care cost growth benchmark. He stated that, as a compromise, Chapter 224 set the benchmark at 3.6 percent for the first five years. After that point, the HPC's Board had the discretion to maintain the benchmark at 3.1 percent or vote to modify it. He added that at the benchmark hearing the HPC had provided evidence of areas in which there were continued opportunities to reduce spending growth without sacrificing access or quality.

Dr. Berwick stated that 3.1 percent should not be viewed as a floor. He noted that many individual entities could aim for growth well below 3.1 percent and still thrive.

Dr. Altman noted that the HPC must be mindful of the connection between health care spending in Massachusetts and the United States. He thanked the Massachusetts payers and providers for their efforts to meet the 3.1 percent benchmark.

Mr. Foley stated that the HPC should recognize that stakeholders raised many caveats when discussing the 3.1 percent benchmark at the hearing. He encouraged the HPC to continue to focus on these caveats over the next year.

Dr. Altman motioned to establish the benchmark for 2019 at 3.1 percent. **Mr. Lord** seconded. The benchmark was unanimously set to 3.1 percent.

ITEM 3: CARE DELIVERY TRANSFORMATION

Mr. Seltz introduced Ms. Kathleen Connolly, Director, Strategic Investments, and Ms. Catherine Harrison, Deputy Director, Accountable Care.

Mr. Cohen introduced the care delivery transformation (CDT) portion of the meeting and outlined the updates for the day.

ITEM 3a: PROGRAM UPDATES

Ms. Harrison provided updates on participation in the HPC's Patient Centered Medical Home (PCMH) PRIME Certification program. For more information, see slide 19.

Ms. Harrison outlined the HPC's recent knowledge sharing session, which focused on tele-behavioral health. For more information, see slide 20.

Ms. Harrison provided an update on learnings from the HPC's Accountable Care Organization (ACO) Certification program. She announced a recent HPC policy brief on the landscape of ACOs in Massachusetts. For more information, see slides 21-22.

Dr. Altman suggested that the staff develop an article for publication in a national peer-reviewed journal to ensure shared learnings outside of Massachusetts as well.

Ms. Connolly provided an update on Phase 2 of the CHART Investment Program. For more information, see slides 23-24.

ITEM 3b: SHIFT-CARE INVESTMENT OPPORTUNITY

Ms. Connolly provided an update on the SHIFT-Care investment opportunity. She reviewed the funding tracks and associated proposals. For more information, see slides 26-27.

Dr. Everett asked for clarification on when the Board would vote to approve funding for awardees. Ms. Connolly responded that the vote will occur at the July Board meeting. She noted that the review and selection process would take place in May in collaboration with variety of industry experts.

Dr. Berwick asked whether the HPC knew which CHART hospitals were able to continue their Phase 2 Programs after the funding for CHART expired. Ms. Connolly responded that CHART awardees were asked to complete strategic planning as part of their Phase 2 awards. She noted that the HPC has remained engaged to determine what the hospitals intend to do after the funding period. She stated that many of the CHART programs have been assumed under the MassHealth ACO initiation.

Dr. Altman asked when the evaluation on CHART Phase 2 would be complete. Ms. Connolly noted that Boston University's School of Public Health is engaged in this process. She said that the HPC will return to the Board at a future date with findings.

Dr. Altman said that the HPC should research a mechanism for distributing learnings from the program. Ms. Connolly noted that this is a priority of the staff.

Dr. Altman asked for an update on the HPC's work with the National Committee for Quality Assurance (NCQA). Ms. Harrison responded that the HPC has worked with NCQA to develop and implement PCMH PRIME Certification. She stated that NCQA's original standards for PCMH Recognition were not as strong as the HPC preferred, especially in the area of behavioral health. This led to the HPC's development of PCMH PRIME criteria. Ms. Harrison stated that more recent standards from NCQA include many of the criteria in the PCMH PRIME program. She noted that NCQA is making strides in the area of behavioral health integration and social determinants of health.

Mr. Seltz stated that PCMH PRIME led to a national change in how NCQA is examining behavioral health integration. He noted that the HPC has to now determine what the next phase of PCMH PRIME Certification will be to distinguish it from NCQA's programs and continue to add value. He noted that staff will return to the Board with this discussion later in the year.

ITEM 3c: HCII AWARDEE SPOTLIGHT: CARE DIMENSIONS

Ms. Connolly provided a brief overview of the Health Care Innovation Investment (HCII) Program. For more information, see slides 29-30. She introduced representatives from Care Dimensions to present on their HCII project.

Representatives from Care Dimensions presented on their HCII project. Their presentation can be found [here](#).

ITEM 3d: OFFICE OF PATIENT PROTECTION ANNUAL REPORT

Ms. Lois Johnson, General Counsel, outlined the next two agenda items. She introduced Mr. Steve Belec, Director of the Office of Patient Protection, and Ms. Nancy Ryan, Associate

Council.

Mr. Belec provided background on the Office of Patient Protection (OPP) as well as the associated review processes. For more information, see slides 32-34.

Mr. Lord asked whether the carrier can appeal when one of the third-party reviewers overturns their decision. Mr. Belec responded that there is generally not an opportunity to appeal.

Mr. Belec presented data for 2016 internal and external reviews. For more information, see slides 35-39.

Mr. Mastrogiovanni asked for clarification between “partially overturned” and “partially resolved.” Mr. Belec responded that the difference is whether the decision was by payer or reviewer. He provided an illustrative example.

Dr. Kryder asked what fraction of the original 15 thousand grievances in 2016 were behavioral versus medical surgical. Ms. Johnson noted that the staff would return with this information. Mr. Belec estimated that about three-quarters were medical surgical.

Dr. Kryder asked for clarification on areas that were habitually appealed. Mr. Belec responded that outpatient care was an area of concern as well as areas where the level of care is being contemplated.

Reviewing the report, Dr. Everett noted that, of the around 6,000 grievances that were deemed medically necessary, about 16 percent were behavioral health.

Referencing slide 39, Ms. Denniston asked for clarification on the difference between Tufts Health Plan and Tufts – Public Plans. Mr. Belec responded that there are differences in the medical necessity criteria between these two organizations.

Mr. Belec briefly reviewed the HPC’s responsibilities around open enrollment waivers. For more information, see slides 40-41.

Mr. Belec reviewed the number of consumer inquiries handled by OPP. For more information, see slide 42.

Ms. Peters asked when a small business is eligible for a waiver to open enrollment. Mr. Belec responded that small businesses may purchase coverage at any time. He referenced the Connector’s Small Business Health Options Program, which facilitates coverage for entrepreneurs.

ITEM 3e: PROPOSED REGULATION ON RBPO AND ACO APPEALS (VOTE)

Ms. Ryan reviewed the statutory requirements and purpose of the proposed regulation for the risk bearing provider organization (RBPO) and ACO appeals process. For more information, see slides 44-45.

Ms. Ryan outlined the differences between the RBPO/ACO appeals process and the carrier process. She noted that, if the provider is making the decision around access, the appeal would go through the RBPO/ACO appeals process. For more information, see slide 46.

Ms. Ryan reviewed the regulatory development process for the proposed regulation. For more information, see slide 47.

Mr. Belec provided a summary of HPC regulatory activities in 2017. He reviewed data from the quarterly reporting required under the interim guidance. For more information, see slides 48-49.

Ms. Ryan reviewed the key considerations and elements of the proposed regulation. For more information, see slides 50-52.

Dr. Cutler asked how the language in the regulation compares to that of the carrier process. Ms. Johnson noted that the standard for carriers is medical necessity, as mandated by statute. She stated that the standard in this process is outlined on slide 53.

Dr. Kryder asked whether there is enough time for public comment on this complicated matter. Ms. Johnson noted that the HPC has been working with key stakeholders to develop and review this regulation. She noted that the HPC will also hold a public hearing in the coming months.

Dr. Kryder asked whether the HPC could extend the public comment period. Ms. Johnson responded in the affirmative.

Dr. Altman stated that the HPC has been working closely with key stakeholders. He noted that this may result in fewer comments. He noted that, moving forward, the HPC should focus on how the processes differ for ACOs and RBPOs.

Dr. Altman asked for a motion to authorize the issuance of the proposed regulation to public comment. Seeing none, he called for a motion to approve the minutes. **Dr. Everett** made a motion to approve the minutes. **Mr. Cohen** seconded. The motion was unanimously approved.

ITEM 4: EXECUTIVE DIRECTOR'S REPORT

Mr. Seltz provided a brief report on a new proposal to establish a new mid-level dental practitioner in Massachusetts. He noted that this was a highly debated health policy issue in Massachusetts. He stated that the HPC had done research and reported on this area in the last Cost Trends Report.

ITEM 4a: HCII EVALUATION PLAN

Mr. Seltz provided an overview of the HCII evaluation plan. He noted that the HPC is working to expand its evaluation on a select number of HCII projects. Mr. Seltz stated that the HPC conducted a competitive procurement process for the evaluation and selected Brandeis University. He stated that Dr. Altman was not involved in the selection of this vendor given his faculty appointment at Brandeis.

ITEM 4B: UPCOMING LISTENING SESSION ON SHIFTING DRUG DISTRIBUTION CHANNELS

Mr. Seltz provided an overview of the upcoming public listening session. He invited members of the public to testify on this topical area. For more information, see slide 64.

ITEM 4C: PROFESSIONAL SERVICES CONTRACT EXTENSION (VOTE)

Mr. Seltz provided an overview of the HPC's professional contracting. He asked the Board for an extension of a contract for the agency's primary vendor working on CMIRs. He noted that this is not a request for additional funding, but rather a reallocation of funds. For more information, see slide 66.

Dr. Altman stated that, as Chair of the Administration and Finance Committee (ANF), he recommends the approval of this contract extension.

Dr. Altman made a motion to approve the contract extension. **Dr. Everett** seconded. The motion was unanimously approved.

ITEM 4D: FINAL RECOMMENDATION ON 2017 PERFORMANCE IMPROVEMENT PLAN PROCESS

Mr. Seltz provided a brief overview of the 2016 and 2017 performance improvement plan (PIP) process. For more information, see slides 69-71.

ITEM 5: EXECUTIVE SESSION

Dr. Altman reviewed the HPC's authority and responsibility around PIPs. As is required by statute, Dr. Altman conducted a roll call vote.

Dr. Christopher Kryder - Aye
Ms. Elizabeth Denniston- Aye
Ms. Lauren Peters – Aye
Mr. Rick Lord – Aye
Dr. Wendy Everett - Aye
Dr. Stuart Altman - Aye
Dr. David Cutler - Aye
Mr. Martin Cohen – Aye
Dr. Don Berwick - Aye

The motion was approved with nine votes in the affirmative. Mr. Seltz thanked the public for their attendance at the meeting.

The public portion of the Board meeting adjourned at 2:33 PM.