

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of February 13, 2019

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: February 13, 2019

Start Time: 12:06 PM

End Time: 2:03 PM

	Present?	ITEM 1: Approval of Minutes	ITEM 2: 2018 Health Care Cost Trends Report
Stuart Altman*	X	X	X
Don Berwick	A	A	A
Barbara Blakeney	X	ab	X
Martin Cohen	X	X	2nd
David Cutler	X	M	X
Timothy Foley	X	X	M
Chris Kryder	A	A	A
Rick Lord	A	A	A
Ron Mastrogiovanni	X	2nd	X
Sec. Marylou Sudders	X	X	X
Sec. Michael Heffernan	A	A	A
Summary	7 Members Attended	Approved with 6 votes in the affirmative	Approved with 7 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 Health Policy Commission (HPC) was held on February 13, 2019, at 12:00 PM. A recording of the meeting is available [here](#). Meeting materials are available on the Board meetings page [here](#).

Commissioners present included Dr. Stuart Altman (Chair); Ms. Barbara Blakeney; Mr. Martin Cohen; Dr. David Cutler; Mr. Timothy Foley; Mr. Ron Mastrogiovanni; and Undersecretary Lauren Peters, designee for Secretary Marylou Sudders, Executive Office of Health and Human Services.

Dr. Altman called the meeting to order at 12:06 PM and welcomed those present. He welcomed Ms. Blakeney to her first meeting as an HPC Commissioner. Ms. Blakeney briefly introduced herself to the Board.

ITEM 1: Approval of Minutes from December 13, 2018

Dr. Altman provided a brief overview of the day's meeting. Dr. Altman called for a motion to approve the minutes from December 13, 2018. Dr. Cutler made the motion to approve the minutes. Mr. Mastrogiovanni seconded. Ms. Blakeney abstained. The minutes were unanimously approved.

ITEM 2: Executive Director's Report

Dr. Altman introduced Mr. David Seltz, Executive Director, and Ms. Coleen Elstermeyer, Deputy Executive Director, who provided updates on agency activities. For more information, see slides 7-21.

Mr. Foley asked how many SHIFT-Care grants had been awarded. Mr. Seltz said that there were 15 SHIFT-Care awardees.

Regarding the Community Hospital Acceleration and Transformation (CHART) Program and Health Care Innovation Investments (HCII), Mr. Cohen asked whether there was a sense of how many awardees had been able to sustain their programs following the conclusion of the awards. Mr. Seltz said that this information would be a major component of the final evaluation report on the programs. He noted that some of the hospitals did continue their programs with support from MassHealth, others had continued their programs with the support of philanthropic donations, and others had continued to fund the programs through their operating budgets. He said that a majority of the hospitals did continue their programs beyond the grant period.

Dr. Altman asked whether Medicaid patients were able to appeal denials through the Office of Patient Protection (OPP). Mr. Seltz clarified that OPP handled commercial appeals cases only.

Mr. Mastrogiovanni asked how people were made aware of the OPP appeals process. Mr. Seltz said that insurance companies were required to prominently display information regarding the appeals process when issuing a denial. Ms. Lois Johnson, General Counsel, added that for accountable care organizations (ACOs)/risk-bearing provider organizations (RBPOs),

information regarding the appeals process was required, at a minimum, to be posted at regular sites of care. She noted that the ACO/RBPO appeals process was new and that the HPC had not yet processed any appeals through it. She added that the HPC had observed an uptick in internal reviews, indicating that word about the appeals process was spreading. She said that OPP planned to do outreach to help educate organizations about the process.

Referring to slide 20, Dr. Cutler noted that other states were attracted to the Massachusetts model because it looks beyond Medicaid and evaluates the whole health care system. He said that the biggest challenge for other states is the collection of accurate and relevant data and that these states were very interested in establishing their own versions of the Center for Health Information and Analysis (CHIA).

ITEM 3: Market Oversight and Transparency

Item 3a: Update on Notices of Material Change

Mr. Seltz turned the presentation over to Ms. Megan Wulff, Deputy Director for Market Performance, who presented an update on material change notices (MCNs) and an update on the HPC's analysis of Partners HealthCare's proposed acquisition of Care New England (CNE) in Rhode Island. For more information, see slides 24-39.

Dr. Altman thanked Ms. Wulff for the presentation and said that he thought it was very important to look at transactions like this in neighboring states and examine how they impact Massachusetts.

Mr. Cohen asked what Rhode Island's process was for reviewing this transaction. Ms. Wulff said that the transaction was currently under review by the Rhode Island Department of Health and Attorney General's Office. She said that this was a 90-day review during which some of the documents submitted by the parties would become public and others would remain confidential. She said that she did not know exactly where in the process the parties and the state were but that she believed that the HPC review would conclude prior to Rhode Island's.

Mr. Cohen asked if staff members had been in communication with their counterparts in Rhode Island. Ms. Wulff confirmed that they had.

Undersecretary Peters asked about the process for the HPC to monitor commitments made by the parties in this transaction. Mr. Seltz said that the commitments in the case of this specific transaction were heavily focused on Rhode Island. He said that the degree to which the HPC should continue to track commitments made across the border was an open question. He noted that the analysis indicated that there was a small area in Massachusetts near the border where the transaction may result in reduced competition and said that that was something the HPC would want to continue to track.

Dr. Cutler said that a potential impact of the transaction for the Commonwealth would be that more high-acuity Rhode Island patients could be directed to facilities such as Brigham and Women's Hospital and that this could result in crowding that might push Massachusetts residents

to more community appropriate sites of care. Mr. Seltz said that the HPC would have to look at expansions of Massachusetts health care facilities should they result from this transaction.

Mr. Foley asked whether there was an estimate of the total cost of the transaction for Massachusetts. Mr. Seltz clarified that the numbers presented were intended to show the upper range of the impact of the transaction for Massachusetts. He noted that even these upper-end estimates did not constitute a significant increase.

Mr. Foley said that Rhode Island's review process included an analysis of the impact of transactions on health care workers including wages and benefits and suggested that Massachusetts should consider adding a similar analysis. He asked whether Rhode Island's price capping practice would have an impact in reducing the overall cost of the transaction. Ms. Wulff said that this would play a role. Mr. Seltz noted that the price cap was focused solely on hospital prices but that it was beyond the scope of the HPC's analysis to speculate as to whether those caps would be sufficient.

Ms. Blakeney asked what metrics were used in the analysis to predict whether people would seek service at different locations. Ms. Wulff said that the analysis was examining the upper end of how many patients might shift care to new locations and took into account a variety of factors including structural incentives, Partners' increased presence in the area, and marketing. Mr. Seltz noted that this was an initial review and that during full cost and market impact reviews staff conduct a more sophisticated analysis taking into account many factors.

Dr. Altman said that this analysis was useful for developing a roadmap for examining transactions in neighboring states. He said that it might be worth thinking about the financial implications of an out-of-state transaction like this on other health care systems in Massachusetts. He noted that Partners had not made a financial commitment as part of the integration of CNE into its system but that a flow of money from Partners into Rhode Island, while likely to be small compared to the size of the Partners system, is something that the HPC should take into account. He added that both Charlton Memorial Hospital and Sturdy Memorial Hospital were in the area that could be impacted by this transaction. He said that the HPC would want to monitor the impact of increased concentration in that area on Massachusetts patients. Mr. Seltz agreed with Dr. Altman that the HPC would want to continue to track the impact of this transaction in that region. Dr. Altman said it was important not to limit the scope of the HPC's review to prices, but also to consider quality and access. Mr. Seltz noted that additional ambulatory care centers that may result from the transaction could also impact Massachusetts providers near the border and may require continued monitoring.

Mr. Seltz thanked the Board for their questions and feedback.

Item 3b: 2018 Health Care Cost Trends Report

Mr. Seltz introduced the next presentation on the 2018 Health Care Cost Trends Report. He introduced Dr. David Auerbach, Director, and Ms. Sara Sadownik, Deputy Director, Research and Cost Trends. Mr. Seltz presented on the recommendations and policy priorities in the report. For more information, see slides 41-47.

Dr. Cutler said that the emphasis on addressing administrative complexity outlined on slide 42 was extremely important. He suggested including continued discussion of this topic at the 2019 Health Care Cost Trends Hearing. He said that it would be useful to explicitly list steps the Commonwealth should take and to begin to chart a timeline to take those steps.

Dr. Altman noted that there were many actors in the health care system and that each looks at the issue of administrative complexity from its own vantage point. He said that the HPC should be cognizant of the reasoning behind processes when examining administrative complexity. Mr. Seltz agreed with Dr. Altman and said that the HPC planned to engage with the whole spectrum of actors in the health care system to get a diverse set of perspectives on these issues. Mr. Foley said that the perspective of health care workers on this topic was crucial.

Dr. Cutler said that it might be useful to have a brief white paper summarizing the legislative options for addressing pharmaceutical pricing. He said that there also may be some action needed in order for the HPC to get access to rebate data which would be crucial for formulating effective policies aimed at pharmaceuticals. Mr. Seltz agreed. He noted that the recommendation in the report was much more detailed than what was laid out on slide 42. He added that the report included information on how other states were addressing the issue of pharmaceutical spending. He said that he believed that this would be an area of continued emphasis for the legislature and acknowledged Governor Baker's budget, which he said put forward a thoughtful proposal around these issues. He added that several upcoming HPC reports would also shed more light on the issue of pharmaceutical spending.

Referring to the bullet on provider price variation (PPV) on slide 43, Dr. Altman said that more work needed to be done on defining what was meant by "unwarranted" as different parties disagreed on what variation was and was not justified. Mr. Seltz said that this topic was discussed by the PPV Commission and that the final PPV report did have some recommendations to this effect. He agreed though that, absent a legislative directive, the topic had not been advanced internally.

Dr. Cutler asked whether there had been an increase in the use of the Massachusetts Health Connector by small businesses. Undersecretary Peters said that, since the re-launch, small business use of the Connector had approximately doubled. She said that the Connector was doing extensive outreach to small businesses.

Dr. Cutler asked whether the continued recommendations were reflected in the health care bills that the legislature was considering last year. Mr. Seltz said that there were reforms proposed around scope of practice and the health care workforce that were in the bill and that he expected these to continue to be priorities for the governor and the legislature. Undersecretary Peters added that the Executive Office of Labor and Workforce Development was heading up a new collaboration focused on health care workforce issues throughout the continuum of positions. She said that it would be useful to think about where there might be areas of synergy with this collaboration. Mr. Seltz said that it might be worthwhile to spend some time at a later meeting thinking about where the HPC could best contribute research and data to this topic.

Dr. Cutler asked whether the HPC could add comments on health care bills when they were filed. Mr. Seltz said that it would be important to see what the legislature was actually proposing before considering weighing in.

Referencing the innovation investments bullet on slide 46, Ms. Blakeney said that both robotics and artificial intelligence (AI) promised to revolutionize health care and presented opportunities for savings. Mr. Seltz said that this was an excellent point and that AI in data was a field the HPC was paying attention to.

Dr. Altman called for a motion to release the 2018 Health Care Cost Trends Report. Mr. Foley made a motion to issue the report. Mr. Cohen seconded. The motion was unanimously approved.

Dr. Altman asked if staff had any further information about the status of the Beth Israel Lahey Health (BILH) transaction. Mr. Seltz said that staff had been in contact with those at the Department of Public Health (DPH) and AGO working on it and suggested that it would be best to have this conversation with the Board after the transaction was complete. He said staff were planning to have a conversation about the BILH transaction at a later meeting.

Mr. Seltz announced that the next meeting would be the public hearing on the health care cost growth benchmark on March 13, at the Massachusetts State House.

Dr. Altman thanked the Board and the staff. The meeting adjourned at 2:03 PM.