

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of April 3, 2019

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: April 3, 2019

Start Time: 3:03 PM

End Time: 3:50 PM

| | Present? | ITEM 1: Committee Composition | ITEM 2: Approval of Minutes | ITEM 3: Executive Session |
|---------------------------|-------------------------------|---|---|---|
| Stuart Altman* | X | Y | Y | Y |
| Don Berwick | A | A | A | A |
| Barbara Blakeney | X | Y | Y | Y |
| Martin Cohen | X | 2 nd | Y | Y |
| David Cutler | A | A | A | A |
| Timothy Foley | X | A | Y | Y |
| Chris Kryder | A | A | A | A |
| Rick Lord | X | Y | Y | Y |
| Ron Mastrogiovanni | X | M | Y | Y |
| Sec. Marylou Sudders | X | Y | Y | Y |
| Sec. Michael Heffernan | A | A | A | A |
| Summary | Members Attended 7 | Approved with 6 votes in the affirmative | Approved with 7 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 April 03, 2019, at 3:00 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; Mr. Timothy Foley; Mr. Rick Lord; 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 3:03 PM and welcomed those present.

ITEM 1: Committee Composition

Dr. Altman said the first item would be a vote to restructure the compositions of the Care Delivery Transformation (CDT) and Market Oversight and Transparency (MOAT) committees. Dr. Altman recognized Commissioner Blakeney for her direct-care expertise in the health care system, and therefore proposed that Ms. Blakeney join the CDT committee. Dr. Altman said Mr. Foley agreed to move to the MOAT committee. For more information on committee composition, see slides 6-7.

Dr. Altman asked for a motion to approve the proposed committee compositions. Mr. Cohen made the motion. Mr. Mastrogiovanni seconded. The motion was unanimously approved to add Ms. Blakeney to the CDT Committee, and to move Mr. Foley to the MOAT Committee.

ITEM 2: Approval of Minutes from February 13, 2019

Dr. Altman said the next item would be to discuss and vote to approve the minutes from February 13, 2019. Dr. Altman welcomed Mr. Foley who arrived at 3:07 PM. Ms. Blakeney asked that it be noted that she abstained from the votes during the meeting on February 13, 2019. The motion to approve the minutes from February 13, 2019 was unanimously approved.

ITEM 3: Market Oversight and Transparency

Item 3a: Potential Modification of the Health Care Cost Growth Benchmark

Dr. Altman introduced Mr. David Seltz, Executive Director, who provided an overview of agenda items pertaining to market oversight and transparency. Mr. Seltz said the Commission would be voting on the potential modification of the 2020 health care cost growth benchmark, and then the Commission would discuss the Performance Improvement Plan (PIP) process. He explained that much of the PIP process is confidential, so the Commission would be moving into executive session to discuss named entities referred by CHIA.

Mr. Seltz provided an overview of the annual timeline to establish the health care cost growth benchmark. He noted this is the third year the Commission is voting on the benchmark. For more information, see slides 10-13.

Mr. Seltz expressed his gratitude to those who testified at the 2019 Benchmark Hearing. He noted that written testimony is available on the HPC's website [here](#). Mr. Seltz briefly reviewed the presentations from the Benchmark Hearing, and discussed key takeaways from submitted testimony. Mr. Seltz noted that a broad array of stakeholders testified, and explained that 11 of the 16 testifiers recommended that the benchmark be kept at 3.1% and that the remaining testifiers did not state a position. For more information, see slides 13-15.

Dr. Altman emphasized that the Commission's most important duty is setting the health care cost growth benchmark. He added that the benchmark pressures the health care system to increase efficiency.

Dr. Altman explained that the Commission will have more flexibility in setting the benchmark beginning in year 2023. Dr. Altman asked Mr. Seltz if HPC staff could review the possibility of asking the Legislature to expedite when the HPC's additional flexibility goes into effect, and suggested a further conversation on this topic at the HPC's next meeting. Mr. Seltz agreed.

Mr. Lord concurred with Dr. Altman about seeking to have the Legislature expedite when the Commission gains more flexibility to adjust the benchmark. Mr. Lord thanked the organizations for testifying at the Benchmark Hearing.

Mr. Mastrogiovanni said the state has been successful in managing health care costs, and agreed with Dr. Altman and Mr. Lord about expediting when the Commission would have more flexibility to set the benchmark. Mr. Mastrogiovanni said the Commission should consider putting more pressure on the health care system to manage costs.

Dr. Altman asked for a motion to set the 2020 health care cost growth benchmark at 3.1%. Mr. Lord made the motion. Mr. Cohen seconded. The motion to set the benchmark at 3.1% for 2020 was unanimous. Dr. Altman directed Mr. Seltz to send the appropriate notice to the Legislature.

Item 3b: Performance Improvement Plans

Dr. Altman said the Performance Improvement Plans (PIPs) process is a critical part of the HPC's work. He commended Mr. Seltz and the HPC staff for their diligent work relating to the PIPs process. Dr. Altman then turned the floor over to Mr. Seltz.

Mr. Seltz provided an overview of the PIPs process and history. He said no entities have been required to implement a plan since the PIPs process began. Mr. Seltz noted the Commission is currently examining entities referred to the HPC by CHIA based on their 2015-2016 final performance. Mr. Seltz said the HPC is discussing options with CHIA to accelerate the referral process and reduce the data lag by up to a year. For more information, see slides 18-19.

Mr. Seltz explained that CHIA referred 41 entities this year, including 35 providers and six health plans. Mr. Seltz noted this is the greatest number of entities referred by CHIA to the HPC,

but that the vast majority of those referred were referred for one book of business or contract. Mr. Seltz introduced Kara Vidal to discuss the PIPs process.

Ms. Vidal reviewed the entity referral process and the HPC's review process. Ms. Vidal noted that CHIA refers any payer or provider with at least one book of business for which health status adjusted total medical expense (HSA TME) growth exceeds the cost growth benchmark or meets certain other quantitative thresholds. Ms. Vidal said that once entities are referred, the HPC conducts a more comprehensive review of various factors, including an entity's size, market share, relative price, and previous appearance on the CHIA list. For more information, see slides 20-21.

Ms. Vidal presented a slide summarizing the number of contracts or books of business for which entities were referred in the 2019 PIPs cycle. Ms. Vidal also discussed trends in the 2019 PIPs cycle. In particular, Ms. Vidal noted that during the 2019 PIPs cycle approximately one-quarter of contracts had total medical expense (TME) growth above 3.6% but HSA TME growth below 3.6%. Ms. Vidal said that entities with HSA TME growth less than the benchmark are generally not referred to the HPC. Ms. Vidal noted that the HPC continues to observe that below-benchmark HSA TME growth is masking growth in real-dollar spending and that risk scores are increasing. Ms. Vidal explained that several factors beyond changes in the health of patient populations are contributing to increased risk scores, including increased coding intensity. For more information, see slides 22-23.

Dr. Altman asked for any questions.

Mr. Foley asked if any legislative change is needed to adjust the HSA TME-based criteria that CHIA uses to refer entities to the HPC. Ms. Vidal said that CHIA's legal team may be better able to advise if legislative changes are needed to adjust the referral criteria. Ms. Vidal noted that the CHIA statute relating to the PIPs process includes the language "health status adjusted" total medical expenses.

ITEM 4: EXECUTIVE SESSION

The Board then voted to enter into an executive session to discuss the health care entities that were confidentially identified by CHIA as having excessive cost growth from 2015-2016 and from which the HPC may require a performance improvement plan. Dr. Altman asked for a roll call vote to move into executive session. The vote was unanimous. Dr. Altman adjourned the public meeting at 3:50 PM.