MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of July 24, 2019

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: July 24, 2019

Start Time: 12:06 PM

End Time: 2:10 PM

	Present?	ITEM 1: Approval of Minutes	ITEM 2: Approval of 10/10/18 CDT Minutes	ITEM 3: Approval of 11/28/18 CDT Minutes	ITEM 4: Fiscal Year 2020 Budget	ITEM 5: Executive Session
Stuart Altman*	A	A	A	A	A	A
Don Berwick	X	X	X	2nd	X	X
Barbara Blakeney	X	2nd	ab.	ab.	X	X
Martin Cohen	X	M	X	X	2nd	X
David Cutler	X	X	ab.	ab.	X	X
Timothy Foley	X	X	ab.	ab.	X	X
Chris Kryder	X	X	2nd	X	X	X
Rick Lord	A	A	A	A	A	A
Ron Mastrogiovanni	X	X	ab.	ab.	X	X
Sec. Marylou Sudders	X	X	M	M	M	X
Sec. Michael Heffernan	X	X	ab.	ab.	X	X
Summary	**Members 11 Attended**	**Approved with 9 votes in the affirmative**	**Approved with 4 votes in the affirmative**	**Approved with 4 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 Health Policy Commission (HPC) was held on July 24, 2019, at 1:00 PM. A recording of the meeting is available here. Meeting materials are available on the Board meetings page here.

Commissioners present included: Dr. Donald Berwick; Ms. Barbara Blakeney; Mr. Martin Cohen; Dr. David Cutler; Mr. Timothy Foley; Dr. John Christian "Chris" Kryder; Mr. Richard Lord; Mr. Ron Mastrogiovanni; Undersecretary Lauren Peters, designee for Secretary Marylou Sudders, Executive Office of Health and Human Services; and Mr. John Stephan, designee for Secretary Michael Heffernan, Executive Office of Administration and Finance.

Sec. Sudders joined the meeting at 2:01 PM.

Dr. Cutler called the meeting to order at 12:06 PM and welcomed those present. He outlined the day's agenda.

ITEM 1: Approval of Minutes

Dr. Cutler turned the meeting over to Mr. Cohen, Chair, Care Delivery Transformation (CDT) Committee, who called for votes on outstanding CDT minutes.

Mr. Cohen called for a vote to approve the CDT Committee minutes from October 10, 2018. Undersecretary Peters made the motion to approve the minutes. Dr. Kryder seconded it. The motion was approved with the five CDT Committee members voting in the affirmative. Ms. Blakeney abstained as she did not attend this meeting.

Mr. Cohen called for a vote to approve the CDT Committee minutes from November 28, 2018. Undersecretary Peters made the motion to approve the minutes. Dr. Berwick seconded it. The motion was approved with four CDT Committee members voting in the affirmative. Ms. Blakeney abstained as she did not attend this meeting.

Dr. Cutler called for a vote to approve the minutes from May 1, 2019. Mr. Cohen made the motion to approve the minutes. Ms. Blakeney seconded it. The motion to approve the minutes from May 1, 2019, was approved with 9 votes in the affirmative.

ITEM 2: Market Oversight and Transparency

Dr. Cutler turned the presentation over to Mr. David Seltz, Executive Director.

Item 2a: Notices of Material Change

Mr. Seltz introduced Ms. Megan Wulff, Director of Market Oversight and Monitoring, who provided an update on material change notices (MCNs) received since the last Board meeting. For more information, see slides 9 through 13.

Item 2b: Review of Past Market Transactions

Ms. Katherine Mills, Senior Director, Market Oversight and Transparency, presented on the HPC's plan for review of past market transactions. For more information, see slides 15 through 18.

Dr. Cutler asked if it would be possible to update the analyses done for the cost and market impact review (CMIR) for the Beth Israel Lahey Health (BILH) transaction at some point in the future to see whether with subsequent data any of the conclusions would change. Ms. Mills said that staff expected to do ongoing reviews of the commitments made by the BILH parties and the impacts of both the BILH merger and previous transactions involving Beth Israel and Lahey going back to 2013. She said that there was a separate, established process for this ongoing monitoring. Mr. Seltz added that the BILH monitoring was occurring on a somewhat different path and proposed that staff present at a later meeting on the HPC's role in this monitoring. Dr. Cutler suggested that this might be a recurring topic at the Market Oversight and Transparency (MOAT) Committee meetings.

Dr. Kryder asked if there were other Partners HealthCare transactions on the list besides the proposed clinical affiliation with Stewart Health Care. Ms. Mills said that the acquisition of Harbor Medical Associates was also on the list of proposed transactions to review. Dr. Kryder asked if Partners' hospital acquisitions all occurred prior to 2013. Ms. Mills confirmed that this was the case. Mr. Seltz added that there were some data limitations that constrained how far back some of the analyses could go.

Dr. Cutler said that it might be interesting to look at transactions that were not approved to evaluate whether the parties' claims of potential negative consequences that might result absent the transaction could be examined. He said that he was specifically thinking about Partners' proposed acquisition of South Shore Hospital.

Dr. Berwick asked if staff planned to request additional data from the parties in these transactions beyond what might be available from the All-Payers Claims Database (APCD) and other datasets from Center for Health Information and Analysis (CHIA). Ms. Mills said that the hope was that the parties and other market participants would want to contribute to this examination and discussion. She said that staff was still contemplating the degree to which they would need to reach out directly to organizations for additional data.

Mr. Foley asked what the anticipated timeline of the review would be. Ms. Mills said that the timeline was contingent on the availability of data, but that the goal would be the first half of 2020. Mr. Seltz added that for some of the transactions in question, staff may already have the data needed. He said an open question for the Board was whether to wait to complete all the analyses and package them together, or to release findings on a rolling basis.

Item 2c: Reducing Administrative Complexity

Mr. Seltz provided an introduction for the reducing administrative complexity portion of the meeting. He turned the presentation over to Ms. Kara Vidal, Associate Director of Market Structure and Performance, who provided an overview on the HPC's work on the issue of administrative complexity. For more information, see slides 20-30.

Dr. Berwick asked if external inspections had been flagged in the Advisory Council survey as a source of unnecessary administrative complexity. Ms. Vidal said that reporting to external agencies in general had come up in some early conversations.

Dr. Berwick asked whether staff would be examining the question of what the potential barriers might be to a uniform, centralized hospital credentialing system. Ms. Vidal said yes and that that was a potential policy solution that was raised in conversations with members of the Advisory Council. Mr. Foley asked whether other states had implemented a centralized credentialing system like this. Ms. Vidal said that this was an excellent question but that she did not know. Mr. Seltz added that Sec. Sudders had made it a priority that the licensure and credentialing process in Massachusetts be as efficient as possible and that the Executive Office of Health and Human Services (EOHHS) was dedicating resources to achieving this goal.

Regarding the issue of prior authorization, Dr. Berwick said that it might be worth examining who ends up bearing the cost when prior authorization fails. He noted that often the procedure ends up going ahead and that the issue of who then pays for it has not been resolved in a uniform way. Dr. Kryder added that prior authorization was a major issue, but that it was likely to diminish over time as providers take on more risk in contracting. He recommended that the HPC be careful not to increase the administrative burden on the system and perhaps consider a simple survey of market participants to determine what percentage of prior authorizations are approved automatically. He noted that some payers may be approving a high enough percentage of procedures to render the prior authorization process unnecessary. He also noted that there are now companies working to develop tools to automate parts of the prior authorization process and that these products could potentially help cut costs. Ms. Vidal said that these touched on several areas that survey respondents had raised. Dr. Kryder asked if payers would be able to provide an approximate percentage of prior authorizations that were rubber stamped as part of a five minute conversation. Ms. Vidal said that this kind of payer outreach would be worthwhile. Mr. Seltz added that this might also be a worthwhile topic for a panel discussion at the cost trends hearing (CTH). Dr. Cutler said that the prior authorization issue also interacts with the last category of complexity prioritized by the Advisory Council – variation in benefit design. Ms. Vidal agreed that prior authorization is indeed one of the issues embedded within variation in benefit design, which encompasses differences between plans in provider networks, formularies, patient cost-sharing and other features.

For the issue of variation in benefit design, Mr. Stephan asked whether it might be better solved by better navigation and explanation of products rather than reducing complexity. Ms. Vidal said that this absolutely might be the case and added that there had been discussions about the possibility of embedding benefit information into a patient's electronic health record (EHR) which would help individuals and providers have quicker access to information regarding coverage.

Ms. Blakeney said that she understood the impulse to offer a greater array of options to consumers but noted that there had been some research suggesting that too many options can be confusing for individuals. She said that there may not be as much value in providing a wide array of options if consumers are making decisions based on a volume of information that may be too

great for them to process. Ms. Vidal said that this was a great point and that it was important to consider the human element when thinking about these issues. Ms. Mills added that staff had heard that much of what was driving the variation in benefit design was the desire of employers to customize plans. Undersecretary Peters added that these variations had value for both employers and payers and said that it would be a worthwhile exercise to think about how to streamline navigation for both providers and patients. She said that part of this could be examining which kinds of plans were seeing higher uptake rates than others.

Dr. Cutler said that he felt that addressing the issue of variation in benefit design was going to be very difficult. He said that there may be more value in looking harder at areas in which standardization would have less of a direct impact on customers. Mr. Seltz said that variation in benefit design was the area in which there was the most disagreement among Advisory Council members. He added that Undersecretary Peters' point regarding streamlining navigation was a good one. He noted that the Massachusetts Health Connector utilized a fairly sophisticated navigation system and that there may be some lessons to be taken from the Connector's experience. Dr. Kryder said that examining the extreme ends of product variation could be an option to avoid going too far down the rabbit hole on this issue.

Mr. Cohen said that he thought that tackling administrative complexity was exciting work and said that, from the behavioral health (BH) perspective, he was particularly pleased to see credentialing and prior authorization included on the list. He added that these topics also impact access on the BH side and said that the HPC should consider BH providers when addressing these issues. Referring to Mr. Foley's earlier question, he said that the HPC should conduct an environmental scan to see what other states might have done in these areas.

Mr. Foley said that the focus for the HPC when examining administrative complexity should be on solutions to these issues and that hearing from entities what they had done to address these problems would be constructive. He asked how the administrative complexity work might tie in to the market retrospective study. He said that there may be examples from these prior transactions that could be instructive. Mr. Seltz said that this was an excellent suggestion.

Mr. Seltz asked if there were any other areas from slide 27 that the Board thought would be worth examining.

Dr. Berwick said that he heard often from providers that complying with external inspections placed a large administrative burden on organizations. He said that he agreed with Dr. Kryder's point regarding plan variation and said that just reporting the cost of the variation would be a worthwhile start to addressing the issue.

Ms. Blakeney asked what percentage of the Advisory Council had responded to the administrative complexity survey. Ms. Vidal said that 50 percent of the Advisory Council had responded.

Dr. Cutler said that a good deal of the costs in the health care system was in billing and insurance functions and suggested that this would be a good place for the HPC to look as well. He said that he was surprised that clinical documentation and coding was not listed higher on the list by

survey respondents. He said that progress in this area would be difficult without involving Medicare but still found it notable that more organizations did not rate it as a more pressing concern. Ms. Vidal said that it was one of the lower ranked categories among respondents and that it was possible that respondents thought about this more in terms of billing and claims processing.

Dr. Kryder suggested that the public filings from payers to the Department of Insurance (DoI) could be a useful data source in this administrative complexity project. He said that this was a great source of topline numbers for administrative expenses. Ms. Vidal confirmed that staff were utilizing this source of data. Dr. Cutler said that presenting some of these numbers at the CTH would be very valuable. Mr. Seltz noted that requests for pre-filed testimony (PFT) ahead of the CTH would be going out soon and that responses to these questions would help synthesize some of this information. He said that information from these responses, along with publically available data from DoI could be used to pull together a presentation for the CTH. Dr. Kryder noted that administrative complexity had grown in the system over a very long time period and there may be ways to look back even further than the market retrospective study to see how this had happened.

Dr. Berwick said that it was important to have patients represented in the conversation surrounding administrative complexity as well. Ms. Vidal said that patient advocates were included in the Advisory Council survey and had responded. Mr. Seltz said that it would be great to add these voices to a potential discussion at CTH. He noted that Health Care for All, an organization represented on the Advisory Council, ran a patient help line and had many examples of how complexity impacts patient care.

Undersecretary Peters asked if staff could share more information about the survey responses regarding EHR interoperability and data sharing. Ms. Vidal said that staff had found that much more interest from payers in EHR interoperability than they had initially expected. She said that payers saw this is a tool to streamline their reporting functions. She said that providers had shown interest in simplifying the functionality of EHRs to make them less burdensome on physicians and staff. She said that she would be happy to provide Undersecretary Peters any survey documentation that might be helpful.

Dr. Cutler said that he looked forward to further developing and exploring these themes at the CTH.

Mr. Seltz thanked the Board for the feedback. He said that staff hoped to have some specific recommendations by the end of the calendar year.

ITEM 3: CARE DELIVERY TRANSFORMATION

Item 3a: Awardee Spotlight: Boston Health Care for the Homeless Program

Mr. Cohen provided an introduction to the guest presentation. Ms. Molly Sass, Senior Program Associate, Strategic Investment, introduced the presenters from Boston Health Care for the

Homeless Program (BHCHP) who provided an overview of their Targeted Cost Challenge Investment (TCCI) funded program. For more information, see slides 33-56. Watch their full presentation here.

ITEM 4: EXECUTIVE DIRECTOR'S REPORT

Mr. Seltz provided a brief overview of the HPC's Summer Fellowship program. For more information, see slide 58.

Item 4a: Upcoming Publications

Mr. Seltz provided an overview of some of the HPC's upcoming publications. For more information, see slides 61-65.

Item 4b: Cost Trends Hearing

Mr. Seltz updated the Board on preparations for the 2019 CTH. For more information, see slides 67-69.

Item 4c: Fiscal Year 2020 Budget – Continuing Resolution

Dr. Cutler called for a vote to approve a continuing resolution of the HPC's budget for 2020. Sec. Sudders made the motion to approve the resolution. Mr. Cohen seconded it. The motion to approve the continuing resolution was approved with 9 votes in the affirmative.

ITEM 5: EXECUTIVE SESSION

Mr. Seltz provided an introduction to Board's vote to enter into executive session. Mr. Seltz's introduction can be seen here.

The Board 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. Cutler asked for a roll call vote to move into executive session. The vote was unanimous. Dr. Cutler adjourned the public meeting at 2:10 PM.