MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of July 22, 2020

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: July 22, 2020

Start Time: 12:01 PM

End Time: 2:26 PM

	Present?	ITEM 1: Approval of Minutes	ITEM 2: Executive Director Contract
Stuart Altman*	X	X	X
Don Berwick	X	2nd	X
Barbara Blakeney	X	X	X
Martin Cohen	X	X	M
David Cutler	X	X	X
Timothy Foley	X	X	2nd
Chris Kryder	X	X	X
Rick Lord	X	X	M
Ron Mastrogiovanni	X	M	X
Sec. Marylou Sudders	X	X	X
Sec. Michael Heffernan	X	X	X
Summary	**11 Members Attended**	**Approved with 11 votes in the affirmative**	**Approved with 11 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 virtual meeting of the Health Policy Commission (HPC) was held on July 22, 2020, at 12:00 PM. A recording of the meeting is available here. Meeting materials are available on the Board meetings page here.

Participating commissioners included: Dr. Stuart Altman (Chair), Mr. Martin Cohen (Vice Chair); Dr. Donald Berwick; Ms. Barbara Blakeney; 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 Ms. Cassandra Roeder, designee for Secretary Michael Heffernan, Executive Office of Administration and Finance.

Mr. David Seltz, Executive Director, began the meeting at 12:01 PM and welcomed the commissioners, staff, and members of the public viewing the meeting live on the HPC's YouTube channel. He turned the presentation over to Dr. Altman.

Dr. Altman welcomed everyone and said that he looked forward to the day's discussion.

Mr. Seltz provided an overview of the day's agenda.

ITEM 1: Approval of Minutes

Dr. Altman called for a vote to approve the minutes from the June 10, 2020, Board meeting. Mr. Mastrogiovanni made the motion to approve the minutes. Dr. Berwick seconded it. The vote was taken by roll call. The motion was approved unanimously.

ITEM 2: Impact of the COVID-19 Pandemic on Health Care Spending and Costs

Mr. Seltz turned the presentation over to Dr. David Auerbach, Senior Director, Research and Cost Trends who walked through the HPC's findings on the impact of COVID-19 on health care spending and costs in Massachusetts. For more information, see slides 6 through 15.

Dr. Altman thanked Dr. Auerbach for his presentation and asked whether there were questions from commissioners.

Regarding slide 13, Dr. Kryder asked whether that data was a mix of primary care physicians (PCPs) and specialty physicians. Dr. Auerbach said that these data were drawn solely from PCPs. Dr. Kryder noted that the dramatic drop in dermatology visits shown on slide 10 was likely due to most care for that specialty migrating to telemedicine. He said that this slide demonstrated why expanded adoption of telehealth should cause cost to go down as virtual visits do not require the same level of support staff. Dr. Auerbach said that the point about telemedicine's cost saving function was a good one. He said, however, that he believed the data here captured a mix of in-person and telemedicine visits. Dr. Cutler said that Dr. Auerbach was correct and that telemedicine visits were included in the data.

Dr. Berwick noted that slide 13 showed what organizations expected to happen. He asked if there was a way to go back to the practices in the future to see precisely how many practices actually did close as a result of COVID and compare that to this data on expectations. Dr. Auerbach said that this was an excellent question that he did not have an immediate answer to. He noted that any data obtained through the Center for Health Information and Analysis (CHIA) would be somewhat delayed given the official reporting timelines. He said that he did not know whether the group that had run the survey in question planned to follow up with these respondents, but he could find out whether that might be the case.

Mr. Cohen asked whether the survey data on slide 13 gave the HPC the ability to look at geographic differences of these responses across the Commonwealth. Dr. Auerbach said that the group that conducted the survey did have that information though he was unsure whether they had cut the data to account for geography. He said he would look into this and get back to commissioners.

Mr. Foley said that the questions from Dr. Berwick and Mr. Cohen were crucial when contemplating health equity. He asked when staff would have data on the pandemic's impact on payers to compare that to the hospital losses. Dr. Auerbach said this was a great question and that he did not know when the HPC would get this data. Mr. Seltz said that staff had been in contact with the Division of Insurance (DoI) to get a sense of what data was being collected from insurance companies and when that might be available.

Dr. Altman noted that the data showing that independent practices might indicate the retirement of the physician or physicians. He wondered whether the state would see an uptick in physician retirements as compared to the average level each year. Dr. Auerbach said this was something he was looking carefully at but it would take some time to get that data and draw insights from it. He said that staff planned to report these trends to the Board once they start seeing them. Mr. Seltz noted that the Massachusetts Medical Society (MMS) had circulated the results of a national survey that showed nearly half of physicians surveyed at the outbreak of the pandemic said that they had less than four weeks cash in-hand and 7-in-10 physicians looking for partners listed financial strain as the primary driver. He noted that MMS might be a good source of information for the HPC to be able to track and understand trends within the physician workforce. Dr. Altman asked that Mr. Seltz share this survey with commissioners.

ITEM 3: New 2020 HPC Priorities (due to COVID-19)

Mr. Seltz presented on the HPC's role and priorities in light of the COVID-19 pandemic. He said that the HPC was in a unique position to positively and urgently contribute to the state's work in this crisis in areas consistent with the agency's statutory role and expertise. He delivered the first portion of the presentation before pausing for discussion. For more information, see slides 17-19.

Dr. Berwick noted that the expected 70 percent medical loss ratio (MLR) represented a significant windfall to health plans. He asked how the HPC should be processing and acting on this datapoint. Mr. Seltz said that he would be very interested in hearing from other commissioners on this point as well. He said that the HPC was currently lacked information on

this topic and that, given that this number was national, it would be important to understand the specific experience of this among Massachusetts health plans given the severity of the pandemic locally. He said that he hoped to hear from health plans about how they were considering the reduction in spending and what future costs they were looking towards in terms of treatment or a vaccine. He said that he believed that this was an important area for investigation and that there was much to be learned. Dr. Kryder said that he had had a conversation with the chief medical officer of a health plan who said that the plan was beginning to implement significant reductions in its workforce in anticipation of lower premium revenue given the economic recession in the country. He acknowledged that this was anecdotal, but said that it underscored importance of a robust impact analysis. Mr. Seltz thanked Dr. Kryder for raising this point. He said the significant economic disruption represented a crucial dynamic when considering the impact on commercial coverage. He noted that Massachusetts' unemployment rate was higher than much of the rest of the country and that this would certainly have an effect on payers.

Dr. Cutler said that it appeared that insurers were acting on their concerns about what would happen to their revenues moving forward and that nationally many were building up cash reserves so as not to be taken off guard. At the same time, he noted, many insurers were granting premium holidays to businesses that need them. On the provider side, he said that it was not entirely clear what would happen to the care that had been deferred. He said if this were a case of consumers postponing care and patients returned, then over the longer-term providers would be okay. He said that if the recession is sufficiently severe that people end up forgoing the care entirely or shift to less generous reimbursement policies, then the reduction could be permanent. He said that providers appeared to be creeping back to normal levels of care without having made up the gap. He said that this highlighted the importance of robust data monitoring in order to determine what was happening to this deferred care. Dr. Altman thanked Dr. Cutler for this point. He said that getting a handle on health care spending and costs would necessarily result in some impact on health care employment. He said that it was his sense that providers would like to see things return to the way they had been prior to the pandemic. He said that the unequitable distribution of health care resources was also a factor the HPC had to consider when contemplating how the system should recover from the pandemic. He said that achieving equity in this realm could be accomplished by adding services to care for groups that had been neglected in the past or by redistributing existing services to underserved populations. He said addressing all of these considerations ultimately leads to a bigger set of issues. In the short run, he said that monitoring would be key. He noted, however, that to have a role in influencing the structure of the health care system post-COVID, the HPC would ultimately have to wade into these more complicated issues. He said that HPC staff would have to be very conscious of all these factors and consider both equity and structural factors as they collected and analyzed data. He asked that Dr. Auerbach bring to the Board's attention any articles or comments he might come across that would help shed light on these issues.

Dr. Berwick said that it was still unclear whether telemedicine would be a replacement for face-to-face care or an add on to it. He said that this was an issue of quality, access, and total cost and that he hoped HPC staff would be able to track what was happening in the telemedicine arena. Dr. Altman added that it was important to consider what was being paid for telehealth. He noted

that at the last HPC Advisory Council meeting, providers had said that they expected telehealth to be paid at the same level as an in-person visit. He said that even if telehealth ended up being a substitute for in-person care, the system would not reap any of the efficiencies in terms of cost if the rate being paid was the same. Dr. Berwick said that most of the policy maneuvers at the moment were aimed at maintaining parity between telehealth and in-person reimbursement in order to encourage uptake. He said that there needed to be a lot more analysis of this policy thrust in terms of what would make the most sense for the market.

Mr. Seltz continued the portion of the presentation on the HPC's workstreams. For more information, see slides 20-22.

Dr. Cutler asked if any of the policies put in place to address the pandemic were slated to expire in the short term. He asked if the HPC should weigh in with policymakers on whether there was value in extending these policies or not. Mr. Seltz noted that he did not speak for the administration, but said that he believed that many of these policies would be continued for the duration of the public health emergency and may require statutory changes to extend at the time the public health emergency expires.

Regarding the scope of practice section on slide 21, Mr. Lord noted that the HPC had been discussing other changes beyond Advanced Practice Registered Nurses (APRNs) in the past. Mr. Lord asked if these were still being monitored. Mr. Seltz said that this was a great point. He noted that the four workstreams outlined here were in addition to the HPC's ongoing responsibilities. He said that the HPC had previously recommended the establishment of a dentist hygienist position within the Commonwealth. He said the HPC will continue to monitor broader scope of practice issues and advocate for changes beyond this specific, COVID-related change.

Mr. Foley asked whether this list of policy changes was exhaustive or encompassed only those that fit within the HPC's mandate. He said that it would be helpful to have a list of the policy changes that the HPC was not examining. Dr. Altman asked if Mr. Foley had any specific ones in mind. Mr. Foley said that he did not. Dr. Altman noted that one that had been discussed earlier was the issue of paying for telehealth at parity and said there were several other mandates on insurance companies, such as full coverage for vaccines, that had been put in place temporarily. Mr. Seltz said that staff would get Mr. Foley a list of those policies. He noted that it was an extensive list. He said that the administration's response had been comprehensive and specifically thanked Undersecretary Peters and Ms. Roeder for their work.

Mr. Mastrogiovanni noted that he had heard from providers that many of the cuts that had made at the outbreak of the pandemic were not necessarily related to COVID but actions towards improving efficiency that would have been taken had the public health crisis not arisen. He said it would be important to look at where these organizations were making cuts and evaluate whether these decisions were in the best interest of patients. Dr. Altman said this was good area for examination. Mr. Cohen added that when evaluating these policy changes, it would be important for the HPC to engage consumer groups in the conversation.

Dr. Berwick said that COVID had resulted in an enormous decrease in dental care and that the HPC should look into this to get an idea of what might have driven this trend or mitigated it.

Dr. Altman said that the United States has among the lowest number of hospital beds per capita in the developed world and that each of these beds was higher technology and significantly more expensive than in comparable countries. He said that the U.S. had among the highest proportion of intensive care unit (ICU) beds in the world. He noted that many people, including himself, had long believed that the U.S. had too many ICU beds but that this additional capacity had been indispensable in combatting the COVID crisis. He said that there were important questions surrounding what the health system would be staffed up to address and how inventories of personal protective equipment (PPE) and supplies would be maintained. He noted that both these considerations could represent substantial cost to the system. He said that staff needed to consider the fundamentals of what the health care delivery system looks like in the work going forward. Dr. Berwick said that, in part, this was a engineering question. He noted that some of the countries that were most capable at dealing with the pandemic did not have extensive steady-state ICU capacity but did have tremendous flex capacity and were able to quickly convert to expand ICU capacity. He said that it was important to approach the question of health system design with a good deal of sophistication and that the worst solution may be to always be staffed up for the worst case in steady-state operations.

Dr. Berwick said that the COVID crisis could present an opportunity to examine how alternative payment models (APMs) performed versus fee-for-service (FFS) structures. He said that a robust analysis in this area could be highly instructive.

Regarding Dr. Berwick's point about flex capacity, Ms. Blakeney said that Massachusetts and Northeast in general had demonstrated the ability to respond with a surge capacity process. She noted that hospitals in the region train for surge scenarios and have a certain ability to staff up for crises. She said that in this particular crisis, hospitals had to also "space up" and that Massachusetts had done an excellent job building and converting unutilized and underutilized space to care for COVID patients. She noted that while this space had not needed to be utilized to its full extent, the experience of creating that additional capacity was important for the state to learn from. She said that learning from and codifying how to respond to the crisis was a crucial aspect of how the state would need to move forward and prepare for a resurgence of the disease locally.

Dr. Altman said that in the late-1980s, the expectation among health policy experts was that the entire health care system would follow the Kaiser Permanente model and function with a far less physician-intensive model. He said that the system had not ended up moving in this direction writ large and that there were now concerns about physician shortages in key areas. He said it would be important to think about the delivery system of the future and whether it would be similarly physician-intensive or move more towards the Kaiser model.

Mr. Seltz delivered the transformation and innovation portion of the presentation. For more information, see slide 23.

Mr. Seltz noted that in the HPC's support of the COVID Command Center (CCC), he had witnessed tremendous flexibility and innovation on the part of hospitals and other providers in the Commonwealth. He said that the way in which leaders and front-line workers had stood up

additional capacity in March and April was nothing short of miraculous. He noted that the lessons learned from the first wave were being documented and catalogued. He said that there was a tremendous amount of work and active planning underway being led by Sec. Sudders to plan for a potential resurgence.

Dr. Altman asked if staff could modify the slides in this presentation based on the feedback from commissioners. Mr. Seltz said yes and that these issues would be revisited at every future Board meeting along with status updates. Dr. Altman said that there were a number of additional issues raised that would be important include in these lists.

Dr. Kryder said that this was good list but noted that there were some issues that would become more urgent sooner than others. He said that market consolidation might begin happening very quickly. He said that it might be worth the exercise of ranking these issues in order of urgency and alignment with the HPC's mission. Dr. Altman said that this was a good point. He said that the HPC's operations were guided the health care cost growth benchmark. He said that there were a number of things that had occurred during the pandemic that had lowered spending. He said that one tact the HPC could take would be to push for a return of the health care system at a lower benchmark. On the other hand, he said, the health system may push for excess capacity and a resulting expansion of spending to prepare for future crises. He noted that the did not know what the right answer to these issues was, but that he believed these were the right questions to be asking. He said it was up to the Board to give staff guidance on what the priorities should be.

Mr. Seltz provided an update on preparations for the 2020 Health Care Cost Trends Hearing (CTH). For more information, see slide 23.

Mr. Foley suggested that it would be valuable to dedicate a portion of the hearing to focusing on the impact of COVID on communities of color in Massachusetts. Mr. Seltz thanked Mr. Foley for raising this point.

Dr. Altman said that it might be a worthwhile exercise to turn the questions raised by commissioners at this meeting into potential topics for debate at the CTH with experts arguing each side of the issue.

Mr. Mastrogiovanni said that a worthwhile topic for conversation at the CTH might be the failure of the Trump Administration and federal government to adequately respond to the crisis. He said that these failures had an impact both in terms of loss-of-life and in terms of cost trends moving forward.

Mr. Foley said that the issue of COVID's impact on nursing facilities in Massachusetts was also an important topic and that some time should be devoted to discussing it at the CTH.

Dr. Cutler said that he agreed with the comments from the other commissioners. He said that a primary mandate of the HPC is the monitoring of the cost of medical care and that a discussion of what the baseline of spending would be moving forward given the impact of COVID would be valuable.

Dr. Berwick said that Dr. Cutler's point was a good one and that this was a crucial topic for discussion at the CTH. He noted that, since the CTH was occurring immediately prior to the presidential election, it might be worthwhile discussing the health care platforms of the two leading candidates in the race and how those might impact Massachusetts in terms of COVID-19 management and the overall budget picture. Mr. Seltz said that he would defer to Dr. Altman on whether that should be a topic at the hearings. Dr. Altman said that he thought this would be worth some discussion to the extent that each party had articulated views. He said that Mr. Seltz should think about weaving some of this topic into at least the background material that staff or speakers would discuss.

Ms. Roeder noted that following the last CTH, the Board had wanted to incorporate more of the consumer experience in the discussion. She said that it would be valuable to not lose sight of this aspect and that the consumer experience could be examined through a COVID lens. Mr. Seltz thanked Ms. Roeder and said that he agreed with her point.

Dr. Kryder said that Mr. Foley's point about examining what happened in the Commonwealth's nursing facilities was a crucial one. He noted that mortality in Massachusetts and other Northeast nursing facilities was far greater even than the states currently experiencing the worst outbreaks. He said that the human cost with this issue was staggering and that some time needed to be devoted to discussing this at the CTH. Regarding prior comments about a new baseline or benchmark for spending in Massachusetts moving forward, Dr. Kryder noted that he had voted against the benchmark because he felt there was not enough information to know whether there is a new baseline and what that baseline would look like moving forward. He said his hope was that the changes brought about by COVID would drive low value care (LVC) out of the health care system. He said that impact of COVID on LVC trends might be an interesting topic for the CTH and that bringing in people who could debate opposing perspectives could result in a lively discussion and moments for learning.

Mr. Cohen noted that a lot of the responsibility for responding to the crisis had fallen to local public departments. He said it would be valuable to hear from local officials about what the impact had been in their municipalities. Dr. Altman said that this was a good point.

Mr. Seltz thanked the commissioners for all of their points and noted that there were public meetings in September in which some of these issues could be touched on as well if there weren't sufficient time over the two days of the CTH to cover everything.

Building off Dr. Kryder's and Mr. Foley's points regarding nursing facility mortality, Dr. Berwick said that he wanted to endorse the idea of setting aside some time at the CTH to recognize the scope of the human tragedy caused by the virus.

Mr. Seltz acknowledged that the CTH often represented a good deal of work for market actors to participate and said that the HPC would be balancing those requirements with the COVID situation so as to not overburden organizations engaged in combatting the pandemic.

ITEM 4: Executive Director Performance Review and Contract

Dr. Altman led the discussion of Mr. Seltz's performance review. For more information, see slide 49.

Dr. Cutler said that he was strongly in favor of authorizing the Chair to negotiate a contract extension with Mr. Seltz. He asked if the performance review had identified any areas for improvement for Mr. Seltz. Dr. Altman said that commissioners had noted that there may be too much material presented at meetings. He said that the issue of balancing priorities when presenting on workstreams was something that Mr. Seltz and Ms. Coleen Estermeyer, Deputy Executive Director, put a lot of thought into. He also noted that some commissioners had questioned the value of the CTH but added that this event was a statutory requirement for the HPC. He said that the Board had had some productive discussions about how to improve the event.

Mr. Mastrogiovanni said that the Commonwealth was very lucky to have Mr. Seltz. He said that Mr. Seltz was singularly knowledgeable on the key issues to Massachusetts health care.

Dr. Altman called for a motion to authorize him as Chair of the HPC's Board to enter into negotiations with Mr. Seltz to renew his contract as Executive Director of the HPC. Mr. Cohen made the motion. Mr. Foley seconded it. The vote was taken by roll call. The motion passed unanimously.

ITEM 5: HPC Health Equity Framework

Mr. Seltz introduced the discussion of the HPC's health equity framework. For more information, see slides 26-27.

Mr. Seltz turned the presentation over to Ms. Elstermeyer who presented on the HPC's process for developing the framework. For information on HPC program updates and new publications, see slides 28-29.

Mr. Seltz presented on the application of health equity principles to the HPC's workstreams. For more information, see slides 30-35.

Ms. Blakeney said that this framework represented an excellent initial step. She said that it was crucial that the HPC solicit voices from the populations that this framework was aimed at benefiting. She asked how the HPC could construct an advisory group or mechanism to solicit feedback on its work from these groups. Mr. Seltz thanked Ms. Blakeney for making this point. He noted that the slides presented here represented a first step toward an action plan. He noted that there was an HPC Advisory Council but that there was an opportunity to invite different voices to the table to help inform the agency's work in this area. He said that the importance of this was underscored by the inclusion of a commitment that the HPC's work would be informed and guided by those with lived experience of inequities as Ms. Elstermeyer had outlined on slide 29. He said that he would welcome input on how to effectively live by this principle.

Mr. Lord said that this framework was very well articulated by Mr. Seltz and Ms. Elstermeyer. He asked what metrics would be used to determine whether progress was being made in these areas. Mr. Seltz said that it was crucial that the agency held itself to having measurable

outcomes. He said that having targets and goals was critical to being able to track progress and to hold the agency accountable to the commitments being made. He noted, as referenced on slide 28, that the HPC's statute required that it establish goals in this area. He said that he did not know at this time exactly what those goals and target would be, but that establishing them would be critical in the same way the benchmark had been with regard to driving the agency's work on spending growth.

Dr. Berwick thanked Mr. Seltz, Ms. Elstermeyer, and the rest of the HPC staff for taking this issue seriously and for developing a concrete plan to address it. He said that the part of the framework geared towards the HPC applying these principles internally was crucial to effectively implementing the framework.

Dr. Altman seconded Mr. Lord's point about the need for metrics in this area. He said that in the short term it would be important to look at whether the right processes had been put in place and then to move on to looking at demonstrable activities. He said that actually correcting and reversing disparities in health care would be a long term and complicated process. He said that the staff would need to think about mapping out what the goals should be in the short, medium, and long terms.

Mr. Foley said that this was an excellent presentation. He agreed with Ms. Blakeney's call for an advisory committee to bring in the voices of those who had experienced inequities to inform the agency's work on these issues. He noted that the HPC's Board was white and that made it crucial to invite these voices into the agency's work. He said that it was important to commit to continuing these conversations even when the news cycle and national dialogue moved on. He noted that the HPC had a lot of competing priorities and that maintaining a commitment to this framework would be as important as the outcomes themselves.

Dr. Kryder noted that cost and market impact review (CMIR) of the Beth Israel Lahey Health (BILH) merger had identified access issues as a crucial concern for the Commonwealth regarding the impact of that particular transaction. He noted that the Attorney General's Office (AGO) had approved the merger with some guidelines regarding engagement or outreach to the community. He suggested that guidelines such as these might be worth looking at when thinking about how to develop metrics in this area. Mr. Seltz said that Dr. Kryder was correct and that there had been a number of explicit requirements in these areas in the AGO's approval of the merger. He said that Dr. Kyrder's point was a great one and noted that in the HPC's role as a watchdog there was opportunity to do ongoing monitoring of organizations fidelity to their commitments in these areas.

Ms. Elstermeyer presented on the HPC's health equity accountability and action plan. For more information, see slide 36. She thanked the Board for its support in pursuing the development of this framework

ITEM 6: Executive Director's Report

Mr. Seltz provided an update on recent agency activities and publications. For information on HPC program updates and new publications, see slides 39-47.

Dr. Altman asked that a more robust discussion of the drug pricing review standard reporting form be held at the next Board meeting. Mr. Seltz said that there would be a more detailed presentation on all the aspects of the drug pricing review at the September meeting.

Dr. Altman thanked the staff and Board.

The meeting concluded at 2:26 PM.