

**MINUTES OF THE HEALTH POLICY COMMISSION**

**Meeting of July 13, 2022**

**MASSACHUSETTS HEALTH POLICY COMMISSION**

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**Date of Meeting:** July 13, 2022

**Start Time:** 12:00 PM

**End Time:** 1:50 PM

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	<b>Present?</b>	<b>ITEM 1: Approval of Minutes (June 8, 2022)</b>	<b>ITEM 4: Approval of Interim Budget</b>
Stuart Altman*	X	X	X
Don Berwick	X	X	X
Barbara Blakeney	X	M	X
Martin Cohen	X	X	X
David Cutler	X	X	X
Timothy Foley	X	A	2nd
Patty Houpt	X	2 <sup>nd</sup>	X
Chris Kryder	X	A	X
Ron Mastrogiovanni	X	X	X
Sec. Marylou Sudders	X	X	M
Cassandra Roeder	X	X	X
<b>Summary</b>	<b>11 Members Attended</b>	<b>Approved with 9 votes in the affirmative</b>	<b>Approved with 11 votes in the affirmative</b>

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 13, 2022, at 12 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. David Cutler; Ms. Barbara Blakeney; Ms. Patricia Houpt; Dr. John Christian Kryder; Mr. Ron Mastrogiovanni; Secretary Marylou Sudders; Ms. Lauren Peters, designee for Secretary Marylou Sudders, Executive Office of Health and Human Services; Mr. Timothy Foley; and Ms. Cassandra Roeder, designee for Secretary Michael Heffernan, Executive Office of Administration and Finance.

Dr. Altman began the meeting at 12 PM and welcomed the commissioners, staff, and members of the public viewing the meeting live on the HPC's YouTube channel.

### ITEM 1: Approval of Minutes

Dr. Altman turned the meeting to Ms. Coleen Elstermeyer, Deputy Executive Director, to call for a vote to approve the minutes from the June 8, 2022, Board meeting. Ms. Barbara Blakeney made the motion to approve the minutes. Ms. Patricia Houpt seconded it. The vote was taken by roll call. The motion was approved unanimously.

### ITEM 2: Dr. Altman Announcement

Dr. Altman announced that he was leaving the HPC and that the meeting would be his last meeting as chair. Dr. Altman expressed his sense of satisfaction and accomplishment from his 10 years as chair, thanked fellow commissioners, HPC Executive Director David Seltz, and the HPC staff as well.

Secretary Marylou Sudders thanked Dr. Altman and shared Governor Charlie Baker's gratitude for Dr. Altman's extraordinary service to the Commonwealth. Secretary Sudders also announced that Governor Baker appointed Deborah Devaux as the next HPC Board Chair.

Mr. Seltz thanked Dr. Altman, on behalf of HPC staff, for his leadership, wisdom, and friendship over the past 10 years. Mr. Seltz spoke about the accomplishments the agency has made under Dr. Altman's leadership and announced that the HPC's conference center will be named the Stuart H. Altman Conference Center.

### ITEM 3: Upcoming Policy Recommendations from 2022 Annual Cost Trends Report

Dr. Altman turned the meeting over to Mr. David Seltz for a presentation on the potential policy recommendations from the upcoming 2022 Annual Health Care Cost Trends Report. For more information, see slide 5-17.

Dr. Altman noted that the HPC should continue to include the recommendation to strengthen accountability for excessive spending and pointed to California and Oregon as examples to use to strengthen the HPC's capacity.

Dr. Kryder asked Mr. Seltz what other states, besides California and Oregon, had similar agencies. Mr. Seltz listed Washington State, Oregon, California, Connecticut, Delaware, Rhode Island, and New Jersey. Dr. Kryder asked if those states were in regular communication with the HPC. Mr. Seltz noted that the HPC has been in regular communication with other states and that the Millbank Foundation has supported a technical assistance program for the "benchmark states".

Dr. Cutler noted that he has had several conversations with the "benchmark states" as well and that there is a lot of learning taking place between the states. Dr. Cutler said that the HPC should urge the legislature to increase the accountability for excess spending, noting that he is worried about the coming years and providers raising prices due to money lost during the recession and insurers raising rates as well. Dr. Cutler said that increasing capacity to deal with the issue, including the ability to impose penalties beyond the delay of a Performance Improvement Plan, is important.

Ms. Patricia Houpt asked about variability in the benchmark instead of a one-size-fits-all. MR. Seltz noted that the recommendation from last year alludes to variability and noted that the HPC is open to being more specific in the 2022 recommendation. Dr. Berwick added that variation is an important issue that commissioners should examine extensively.

Dr. Altman noted that one area that will be difficult to figure out is putting price caps on the top while not trying to figure out every rate and noted that several states are looking into this top already and that some of the other states are already ahead of Massachusetts and Massachusetts should learn from them.

Mr. Timothy Foley added that it is important to strengthen the 2022 recommendations by recommending additional tools the HPC believes would address variation. Mr. Foley asked if there are lessons to learn from California and other states regarding variability of the benchmark. Mr. Seltz said that the states have mainly copied the HPC approach by making the benchmark a single figure measured state-wide and using it to determine who should have to conduct a Performance Improvement Plan.

Mr. Mastrogiovanni noted that he has spoken to stakeholders and that many are asking for 10 percent increases and the HPC needs to be looking at that. Mr. Mastrogiovanni also noted that it is important for Massachusetts to stay ahead of the other states and it is important for elected officials to take action to provide the HPC with the necessary tools.

On the recommendation regarding constraining excessive provider prices, Dr. Berwick asked if the HPC should be doing something to synthesize with the CMS price rules and if the Commonwealth has enough price transparency. Dr. Berwick also asked if the HPC and Commonwealth should be more aggressive looking at baked-in prices that are already in the rate sheets. Finally, Dr. Berwick asked if the HPC should look at the Maryland Model and examine

whether overall rate setting would be good for the Commonwealth. Mr. Seltz noted that HPC staff can examine hospital transparency and bring a recommendation to the board. Mr. Seltz said that hospitals are putting their price transparency information on their website and the HPC can propose best practices to make sure the information is transparent and usable. Mr. Seltz noted that, regarding acceptance of baked-in levels of pricing, the concept of a price cap on the highest priced services, service lines or providers, could address the issue and said that, for example, putting a price-cap on the 90<sup>th</sup> percentile could create savings and bring the highest end down. Mr. Seltz said that many lessons could be learned from Maryland but noted that Maryland has a unique model and history, including the waiver that was negotiated with the federal government.

Mr. Cohen said that many of the recommendations, specifically out-of-network and facility fees, are areas the HPC has been highlighting for many years and wondered if the HPC should point out that it has been many years and no action has been taken.

Dr. Altman said the HPC needs to look at price transparency and that Massachusetts has the best data in the country. Dr. Altman also agreed with Dr. Berwick on the Massachusetts pricing system and signaled his support to address its structure and said that price caps on the biggest increases could be beneficial.

Dr. Cutler echoed other commissioners by noting the HPC needs more flexibility with respect to the implementation of either a spending or price target across different providers. Dr. Cutler expressed support for expanding the HPC's toolbox to be able to set policy that's not uniform across all market participants. Dr. Cutler also noted that the HPC has input on provider pricing but not much on insurer pricing and expressed the desire to examine this side of the market more.

On the topic of making health plans accountable for affordability, Dr. Cutler said that the Commonwealth has not done enough to try and reduce the underlying cost structuring the system, such as administrative costs and taking advantage of cheaper ways to deliver quality care, including home care.

Dr. Kryder said that the focus should shift from the complicated alternative payment models to capitation, where a price is set and providers must then manage the risk. Dr. Kryder agreed with Dr. Cutler and noted that telemedicine and remote monitoring are important tools to care for patients. Dr. Kryder predicted that 2023 is going to force dramatic changes for the health care system and hospitals need to change their business models. Dr. Kryder expressed his belief that price controls don't work and said the HPC should work with the hospitals to find out their resiliency plans for 2023. Mr. Mastrogiovanni agreed with Dr. Kryder that hospitals need to change their business model.

Dr. Berwick said while he agreed with Dr. Kryder, he was struggling to find a solution. Dr. Berwick noted that the HPC is in the best position to get ahead of the potential crisis and should get ready for many possible scenarios. Dr. Berwick also asked if the HPC was in the position or had the capacity to do large-scale modelling to look at alternative futures.

Dr. Altman noted that no intervention works perfectly but when examining what happened in the 1970s, rates flattened and then increased in the 1980s when interventions eased. Dr. Altman said

price controls do work and that capitation would require a massive restructuring of the delivery system and moving millions of people out of the traditional way of receiving healthcare and this was the reason capitation was opposed in the 1990s. Dr. Kryder responded that the past experience with capitation is not indicative of what the future would hold. Dr. Kryder said that the HPC should get be ready for potential bleak future of health care in the Commonwealth.

Dr. Berwick asked if other states were using mechanisms to rebalance primary care and nonprimary care. Mr. Seltz pointed to the success in Rhode Island, which requires health plans to demonstrate they are increasing the proportion of dollars spent in primary care over a period of time. Mr. Seltz also noted that Governor Baker proposed setting targets for providers and health plans that would set an expectation over time in his legislation.

Ms. Houpt noted that physician capacity in primary care is an issue, not just funding. Ms. Houpt also said that bold action should be taken to recruit more diverse primary care physicians so that populations who haven't traditionally accessed the system have physicians who look like and speak like them. Mr. Cohen noted that the workforce should be a focus in the coming year, both for primary care and specialties.

Dr. Kryder asked if HPC staff could summarize a Senator Friedman bill for commissioners, including status and content. Dr. Kryder also noted the efforts the Commonwealth has taken on workplace adjustments, including the expansion of licensure capabilities for nurse practitioners and physician's assistants.

Mr. Foley said he looks forward to the HPC report on the health care workforce and said he would like the recommendations to be strengthened. Mr. Foley noted that the HPC might want to categorize its recommendations as urgent, short-term, and long-term and identified important areas such as health equity, economic impacts and how hospitals, communities, and others address them. Mr. Foley also identified three key areas of focus: the future of health care, health equity, and health care workforce.

Mr. Cohen said he wanted to focus on 2023 and agreed with Dr. Kryder's point that the HPC should examine health systems and their margins and profitability while focusing on protecting access to quality health care near where patients live. Dr. Berwick agreed and asked the HPC not to lose the focused point about authority to treat different providers differently and having a plan for the future.

Secretary Sudders noted that the central mission of the HPC is health care cost and to identify cost drivers of the high-quality, not completely equitable health care system in Massachusetts.

Dr. Altman ended by noting the health system is resilient and effort should be made to expand and intensify the understanding of what happened under COVID, what is temporary and what is permanent, and where the Commonwealth will be in 2023 as opposed to 2019.

#### **ITEM 4: Executive Director's Report**

Mr. Seltz provided an Executive Director report with an update on the Mass General Brigham Performance Improvement Plan. Mr. Seltz turned the meeting over to Mr. Sasha Hayes-Rushnov

to provide market updates. Mr. Seltz also turned the meeting over to HPC Deputy Executive Director Coleen Elstermeyer to provide updates on agency activities and events. For more information, see slides 18-29.

### **ITEM 5: FY2023 Budget Vote**

Mr. Seltz gave a brief presentation on the interim HPC budget and called for a vote to approve the budget. Secretary Sudders made the motion to approve the budget. Mr. Foley seconded it. The vote was taken by roll call. The motion was approved unanimously.

The meeting adjourned at 1:50 PM.