

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of December 14, 2022

MASSACHUSETTS HEALTH POLICY COMMISSION

Date of Meeting: December 14, 2022

Start Time: 12:00 PM

End Time: 2:30:00 PM

	Present?	ITEM 1: Approval of Minutes (September 27, 2022)	ITEM 5: Enter into Executive Session
Deborah Devaux*	X	M	2 nd
Don Berwick	X	ab	M
Barbara Blakeney	X	X	X
Martin Cohen	X	X	X
David Cutler	X	X	X
Timothy Foley	X	X	X
Patty Houpt	X	2 nd	X
Chris Kryder	X	A	X
Ron Mastrogiovanni	X	X	X
Sec. Marylou Sudders	X	X	X
Cassandra Roeder	X	X	X
Summary	11 Members Attended	Approved with 9 votes in the affirmative	Approved with 10 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 December 14, 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: Ms. Deborah Devaux (Chair), Mr. Martin Cohen (Vice Chair); Ms. Barbara Blakeney; Ms. Patricia Houpt; Dr. John Christian Kryder; Mr. Ron Mastrogiovanni; Dr. Don Berwick; Secretary Marylou Sudders; Mr. Timothy Foley; Ms. 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.

Ms. Devaux 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

Ms. Devaux turned the meeting to Ms. Coleen Elstermeyer, Deputy Executive Director, to call for a vote to approve the minutes from the September 27, 2022, Board meeting. Chair Devaux 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: Market Oversight and Transparency

Ms. Devaux turned the meeting to Mr. David Seltz to provide an overview of the market oversight and transparency section of the agenda, including updates on recent Material Change Notices and presentations on changes in the pediatric market in Massachusetts and the use and implications of risk adjustment in Massachusetts. Mr. Seltz then introduced Mr. Sasha Hayes-Rusnov, Associate Director for Market Oversight and Monitoring, to provide market updates and present on changes in the pediatric market in Massachusetts. For more information, see slides 7-38.

Dr. Kryder asked how many pediatric beds were at MGH and Mr. Hayes-Rusnov indicated he would have to look that number up. Dr. Berwick asked if NICU and neonatal beds were excluded from the data, given Mr. Hayes-Rusnov's description that most analyses reflected care provided to patients under 18 years of age, but excluding labor and delivery services. Mr. Hayes-Rusnov replied that the inpatient work was based on the reported major diagnostic category (MDC), and anything included in MDC 14 was excluded.

Dr. Cutler noted that, in past conversations with HPC, Children's Hospital has insisted that payer risk adjusters were not adequate and that their patient population was sicker than risk adjustment has indicated. Dr. Cutler said that Children's did not have a different, preferred risk adjuster, and that he neither agreed nor disagreed with their statements but wanted to ensure Commissioners were aware of Children's past statements. Mr. Hayes-Rusnov said that is a common statement from higher-acuity, quaternary hospitals. Mr. Hayes-Rusnov said that, given that concern, the HPC tried to be particularly scrupulous and did additional acuity adjustments using APR-DRGs

to capture acuity information as accurately as possible for pediatric patients. Dr. Berwick asked how the HPC attributes medically complex patients to a provider network. Mr. Hayes-Rusnov noted that HPC uses the attribution model developed by the research and cost trends team and the algorithm starts with an identified election of a primary care provider within a payer network and then looks at patient utilization patterns. Patients who use providers associated with a specific network tend to be sorted to that network. Mr. Hayes-Rusnov noted that additional information about the attribution model can be found in the Cost Trends Report.

Dr. Cutler raised two points. First, he suggested that, because pediatric inpatient days were falling, it may make sense to frame this work around access to pediatric specialists more than around access to pediatric inpatient beds. Second, he said that the Commonwealth may need to use a “public utility model” in terms of pricing pediatric care, recognizing that there may be care delivery reasons for concentrating pediatric specialty care at a small number of providers, but that such concentration should not dictate pricing. Dr. Berwick agreed with Dr. Cutler and also asked the HPC to carve out information on neonatal intensive care.

Mr. Cohen expressed concern over the geographic spread and noted that the Commonwealth may need guardrails in place for future planning that impact capacity because traveling to Boston to get pediatric inpatient care is difficult and can add unnecessary stress on families. Ms. Devaux agreed with Mr. Cohen and noted her interest in tracking access to care and how families can connect to available services. Mr. Hayes-Rusnov added that the data shows increases in drive times for patients outside of Boston, especially for patients from central and southeastern Massachusetts.

Secretary Sudders agreed with Dr. Cutler and Dr. Berwick’s point on distinguishing among pediatric beds and utilization. Secretary Sudders also requested that this and other policy papers be reviewed by the Board before they are released.

Ms. Patricia Houpt noted that other costs raise equity issues as well, because going into Boston for pediatric care is expensive, including parking, overnight stay, food, and transportation. Ms. Barbara Blakeney noted that there are some geographic challenges in Massachusetts, despite the fact that it is not a large state and asked if there is a role for the state to talk about geographic or regional centers and where resources can be strategically located to help families and communities. Dr. Kryder said that he wanted to reinforce the observation that pediatrics comes with a very different set of considerations than other services.

ITEM 3: Use and Implications of Risk Adjustment in Massachusetts

Ms. Devaux turned the meeting over to Mr. David Seltz to Dr. David Auerbach, Senior Director of Research and Cost Trends, to present on the use and implications of risk adjustment in Massachusetts. For more information, see slide 39-63. Mr. Seltz also introduced Ms. Sandra Wolitzky and Ms. Chloe Cable from the Office of the Attorney General to present on their Health Care Cost Trends Report.

Secretary Sudders said that the issue of risk adjustment’s reliance on claims data, and how history shows it has not addressed disparities, must be acknowledged and that we must be

cognizant of what the underlying failures have been. Dr. Auerbach noted that the presentation would address that directly.

Mr. Mastrogiovanni noted that you have to thoroughly examine these cases, especially when taking average age, etc. into account. Dr. Kryder, when discussing caps on Medicare ACOs, asked if the cap extended to all Medicare ACOs. Dr. Auerbach noted that the presentation is discussing the Medicare Shared Savings program but wasn't sure if the same method was used for other Medicare ACOs. Dr. Kryder asked to have his point doublechecked.

Dr. Kryder offered a caution on using prescriptions as a proxy when discussing modifying the methodologies used to predict health care need and said that the number of some certain conditions have increased, particularly anxiety and depression, and the first and best approach is not prescription driven.

ITEM 4: Executive Directors Report

Ms. Devaux turned the meeting over to Mr. Seltz for an executive director's report and discussion on the 2022 Cost Trends Hearing. For more information, see slides 65-71.

Dr. Cutler suggested that the HPC examine the viability of different parts of the health care system as a whole and not necessarily institution by institution. Dr. Cutler also recommended reexamining the issue of input costs, including pharmaceutical, administrative, excessive care utilization costs, and workforce. Mr. Seltz agreed.

Mr. Foley agreed and noted that there was agreement across the panels, particularly on the topic of workforce challenges. Mr. Foley noted that the workforce issue is getting worse and said the HPC should focus on the issue moving forward and take what was learned and dive into some immediate policy solutions.

Mr. Cohen said the focus should now turn to implementing the recommendations from the cost trends report. Mr. Cohen also agreed with Mr. Foley's focus on workforce and added that the HPC should examine the impact on the workforce with the consolidation across pediatrics, particularly around residency training programs.

Dr. Berwick agreed with the previous comments and noted that he saw a disagreement between the first panel, which focused on the pain the communities are feeling due to health care costs, and the second panel, which focus on the impact on hospitals. Dr. Berwick noted that while it is hard on the health care delivery side, there is a dire need to lower costs for patients and small businesses. Dr. Berwick noted that its important for providers to be on board on lowering costs and can't pause those efforts because the economy is tough on them. Dr. Berwick said this is not the time for the HPC to stop focusing on the reducing costs. Ms. Devaux agreed with Dr. Berwick and noted that affordability cannot be given up on because of workforce issues and that affordability causes additional access issues for patients. Ms. Devaux noted that provider leadership was trying to help the HPC understand that they are experiencing something new with their workforce challenges. Dr. Kryder agreed and suggested that the HPC be proactive and not reactive, especially since 2023 will be one of the most challenging years for hospitals financially.

Ms. Blakeney noted that the defining limiting factor in the discussion was staffing and said many hospitals have major construction and adding beds but have no idea or plan for where the staffing is coming from. Ms. Blakeney noted the high turnover of clinicians and that hospitals are having to close units that they need due to a lack of staff. Ms. Blakeney asked how we can get the clinicians back and what the cost will be and suggested a deep examination.

Item 5: Executive Session

Dr. Berwick made a motion to enter into executive session for purposes of discussing confidentially referred entities in connection with a potential performance review process. Ms. Devaux seconded it. The vote was taken by roll call. The motion was approved unanimously.

The meeting adjourned at 2:30 PM.