



HPC Board Meeting

July 18, 2024



Agenda



CALL TO ORDER

Approval of Minutes (**VOTE**)

Market Oversight

Policy Brief: Private Equity Investments in Massachusetts Health Care and State Policy Opportunities

HPC Health Equity Lens in Action

Executive Director's Report

FY 2025 HPC Operating Budget (**VOTE**)

Adjourn Public Meeting

Executive Session (**VOTE**)

Agenda



Call to Order



APPROVAL OF MINUTES (VOTE)

Market Oversight

Policy Brief: Private Equity Investments in Massachusetts Health Care and State Policy Opportunities

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FY 2025 HPC Operating Budget (**VOTE**)

Adjourn Public Meeting

Executive Session (**VOTE**)

VOTE

Approval of Minutes from the June 13, 2024 Board Meeting

MOTION

That the Commission hereby approves the minutes of the Commission meeting held on **June 13, 2024**, as presented.

Agenda



Call to Order

Approval of Minutes (**VOTE**)



MARKET OVERSIGHT

- Notices of Material Change
- Steward Health Care

Policy Brief: Private Equity Investments in Massachusetts Health Care and State Policy Opportunities

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Agenda



Call to Order

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Market Oversight

 **NOTICES OF MATERIAL CHANGE**

- Steward Health Care

Policy Brief: Private Equity Investments in Massachusetts Health Care and State Policy Opportunities

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FY 2025 HPC Operating Budget (**VOTE**)

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Since 2013, the HPC has reviewed 170 market changes.

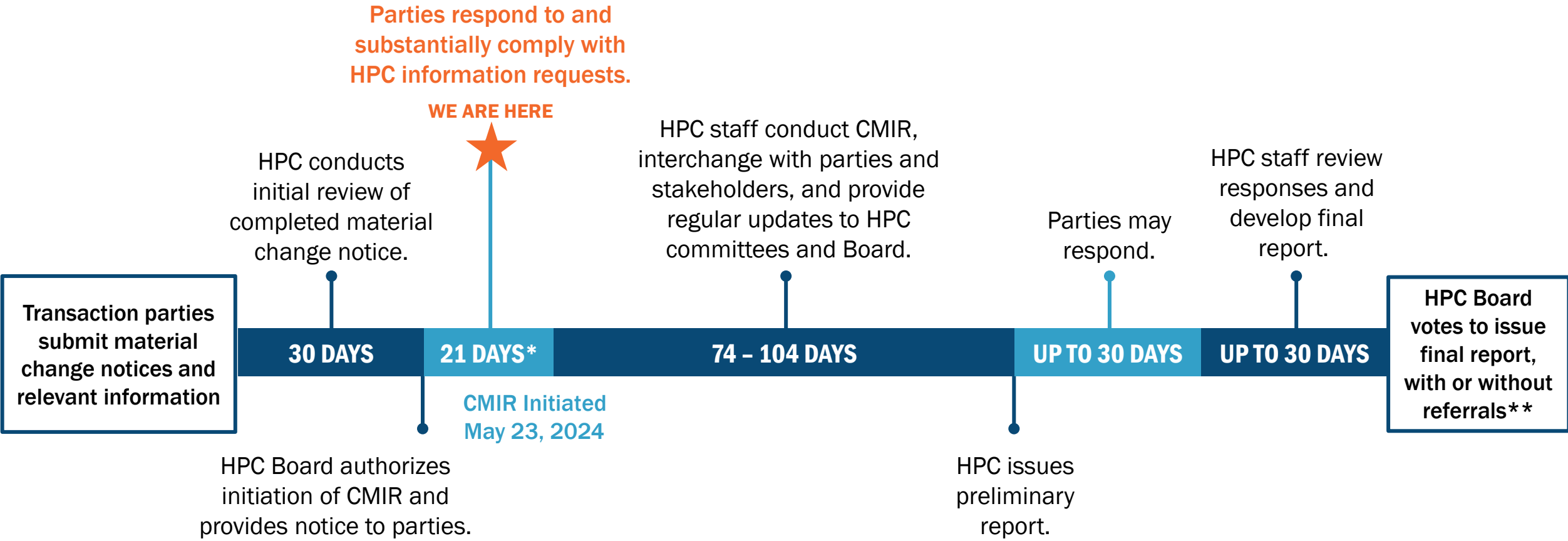
TYPE OF TRANSACTION	NUMBER	FREQUENCY
Formation of a contracting entity	39	23%
Clinical affiliation	36	22%
Physician group merger, acquisition, or network affiliation	35	21%
Acute hospital merger, acquisition, or network affiliation	28	17%
Merger, acquisition, or network affiliation of other provider type (e.g., post-acute)	26	15%
Change in ownership or merger of corporately affiliated entities	5	3%
Affiliation between a provider and a carrier	1	1%

Cost and Market Impact Reviews in Progress



- A proposed clinical affiliation between **Dana-Farber Cancer Institute**, **Beth Israel Deaconess Medical Center**, and the **Harvard Medical Faculty Physicians**. On May 23, 2024, the HPC formally initiated the CMIR process.

Timeline for CMIR Review



* The parties may request extensions to this timeline which may likewise affect the timing of the report

** The parties must wait 30 days following the issuance of the final report to close the transaction

Elected Not to Proceed

- The proposed acquisition of **Milford Regional Medical Center (Milford)** by **UMass Memorial Health Care (UMass)**.
 - Under the proposed transaction, UMass would acquire Milford and its affiliates, including Milford Regional Physician Group, a primary care and multispecialty medical practice that contracts through Mass General Brigham for several large commercial payers.
 - Milford is a moderately priced community hospital located in Milford with a relatively high commercial payer mix. It has faced financial challenges in the past several years. The parties stated that the transaction would provide Milford with "greater access to capital resources for service, equipment and physical plant improvements."
- The proposed acquisition is subject to **Determination of Need (DoN)** review. As part of the DoN, which the Public Health Council voted to approve on July 17th, the parties agree to maintain essential services at Milford for five years and provide regular reporting.

HPC's preliminary examination of the UMass Memorial/Milford transaction found some scope for cost and market impacts, but also mitigating factors.



The transaction will likely increase market concentration with a modest impact on prices, but also a potential for some savings

- Market concentration, which was already high in the parties' central Massachusetts primary service areas, would be expected to increase after the transaction
- The proposed transaction could enhance UMass's ability to negotiate additional price increases across its system
- However, potential changes in physician rates and shifts in sites of care could also result in some cost savings

The transaction is likely to support ongoing access to services

- The proposed transaction would provide financial support to Milford that the parties claim will allow it to maintain necessary medical services in its community
- UMass has committed that it will maintain all essential services at Milford for five years

Material Change Notices Currently Under Review

- A proposed joint venture between **BMC Health System** and **Tellica Imaging** to establish and operate a licensed clinic offering MRI and CT services at three Massachusetts locations.
- The proposed acquisition of **Same Day Surgicare of New England** (SDS), a free-standing, multispecialty ambulatory surgical center in Fall River, by **Southcoast Health System**, a nonprofit health system which includes St. Luke's, Charlton Memorial, and Tobey hospitals and currently owns 49% of SDS.

Material Change Notices Currently Under Review



RECEIVED SINCE 6/13

- A proposed acquisition of certain assets of **BioReference Health**, a laboratory testing company and subsidiary of OPKO Health that operates 10 laboratory facilities across the United States, by the **Laboratory Corporation of America Holdings**, a publicly traded, multinational provider of laboratory services operating approximately 2,000 laboratories across the United States.

Agenda



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Market Oversight

- Notices of Material Change

 **STEWARD HEALTH CARE**

Policy Brief: Private Equity Investments in Massachusetts Health Care and State Policy Opportunities

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FY 2025 HPC Operating Budget **(VOTE)**

Adjourn Public Meeting

Executive Session **(VOTE)**

Proposed Sale of Stewardship Health



- **OptumCare** has publicly disclosed that it no longer intends to pursue the acquisition of Steward subsidiary **Stewardship Health**, the parent of Stewardship Health Medical Group, which employs primary care and other clinicians across nine states, and Steward Health Care Network, a provider contracting network; *however*, the notice of material change has not yet been withdrawn.
- The sale of Stewardship Health is subject to the ongoing bankruptcy process.

Steward Health Care Bankruptcy: Updated Timelines



	Hospitals (except FL) and Stewardship Health <i>Original Dates</i>	Hospitals <i>Revised Dates</i>	Stewardship Health <i>Revised Dates</i>
Bid Deadline	June 24	July 15	July 22
Auction	June 27	July 18	July 25
Sales Hearing	July 11	July 31	July 31

Agenda



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Market Oversight



POLICY BRIEF: PRIVATE EQUITY INVESTMENTS IN MASSACHUSETTS HEALTH CARE AND STATE POLICY OPPORTUNITIES

HPC Health Equity Lens in Action

Executive Director's Report

FY 2025 HPC Operating Budget (**VOTE**)

Adjourn Public Meeting

Executive Session (**VOTE**)

NEW POLICY BRIEF: Private Equity Investments in Massachusetts Health Care and State Policy Opportunities

➤ This new policy brief was developed as a synthesis of recent HPC research and presentations to the HPC Board on the role of private equity in health care and state policy opportunities.

➤ The brief:

- Describes the unique financial strategies used by private equity firms
- Reviews literature of private equity’s impact on health care outcomes
- Presents a novel analysis of health care provider mergers and acquisitions in Massachusetts from 2013 to 2023 (199 transactions)
- Summarizes potential policy approaches to enhance transparency and oversight to minimize the potential harms of private equity involvement in health care

➤ The HPC found that private equity investments in Massachusetts are especially active in behavioral health, home health and hospice, dentistry, and physical therapy. These sectors share a common characteristic of being relatively fragmented and may present attractive targets for consolidation.



Private equity firm investments in health care have grown significantly in the U.S.



- Private equity (PE) firms pool investments from large institutional and high net worth individual investors to make acquisitions
- Features that distinguish PE deals from other forms of health care investments:
 - PE firms **expect rapid and high return on investments** and have few incentives to consider the long-term impact of their actions
 - PE firms employ a variety of unique strategies that can be anticompetitive and destabilizing to the health care market, including **leveraged buyouts, sale-leaseback of real estate, debt-funded dividends, and roll-ups**¹
 - In a leveraged buyout, the PE firm uses a small portion of equity from its fund and a large portion of debt to finance the acquisition, using the company it is buying as collateral.
 - PE firms benefit from **certain tax privileges and operate under the regulatory radar**²
 - PE investors are “lay investors” who are not bound by institutional norms and ethical obligations expected in the health care profession³
- PE investments in health care have increased substantially in recent years: **annual deal values have been estimated to grow from \$41.5 billion in 2010 to \$119.9 in 2019, totaling roughly \$750 billion in the last decade**⁴

1. Private Equity Stakeholder Project. PESP Private Equity Hospital Tracker. Available at: <https://pestakeholder.org/private-equity-hospital-tracker/>

2. Cai C, Song Z. A Policy framework for the growing Influence of private equity in health care delivery. JAMA. 2023 May 9;329(18):1545-6.

3. Fuse Brown EC, Hall MA. Private equity and the corporatization of health care. Stanford Law Review. 2024 Feb 28;76.

4. Scheffler R, Alexander L, Godwin J. Soaring private equity investment in the healthcare sector. Nicholas C. Petis Center on Health Care Markets and Consumer Welfare at UC Berkeley. May 18, 2021. Available at: <https://publichealth.berkeley.edu/wp-content/uploads/2021/05/Private-Equity-I-Healthcare-Report-FINAL.pdf>

Emerging research on private equity helps provide further context for understanding the impact of such investments in health care.



➤ Prevalence

- Research on behavioral health practices found that nationwide 642 mental health clinics and 1,152 clinics treating substance use disorders were acquired by private equity between January 2012 and July 2023, representing **6.2% of all mental health facilities and 7.1% of addiction treatment facilities in the U.S.** In some states (e.g., Colorado, Texas, and North Carolina), private equity-owned practices accounted for approximately a quarter of all mental health facilities.¹

➤ Care Quality

- A 2023 systematic review of the impact of private equity ownership identified 27 studies that assessed health care quality, including 12 that found harmful impacts, three that found beneficial impacts, nine that found mixed impacts, and three that found neutral impacts.²
- Research using Medicare claims suggests that **private equity acquisition of hospitals was associated with 25.4% increase in hospital acquired conditions**, driven by falls and central line-associated bloodstream infections.³

➤ Access and Market Impact

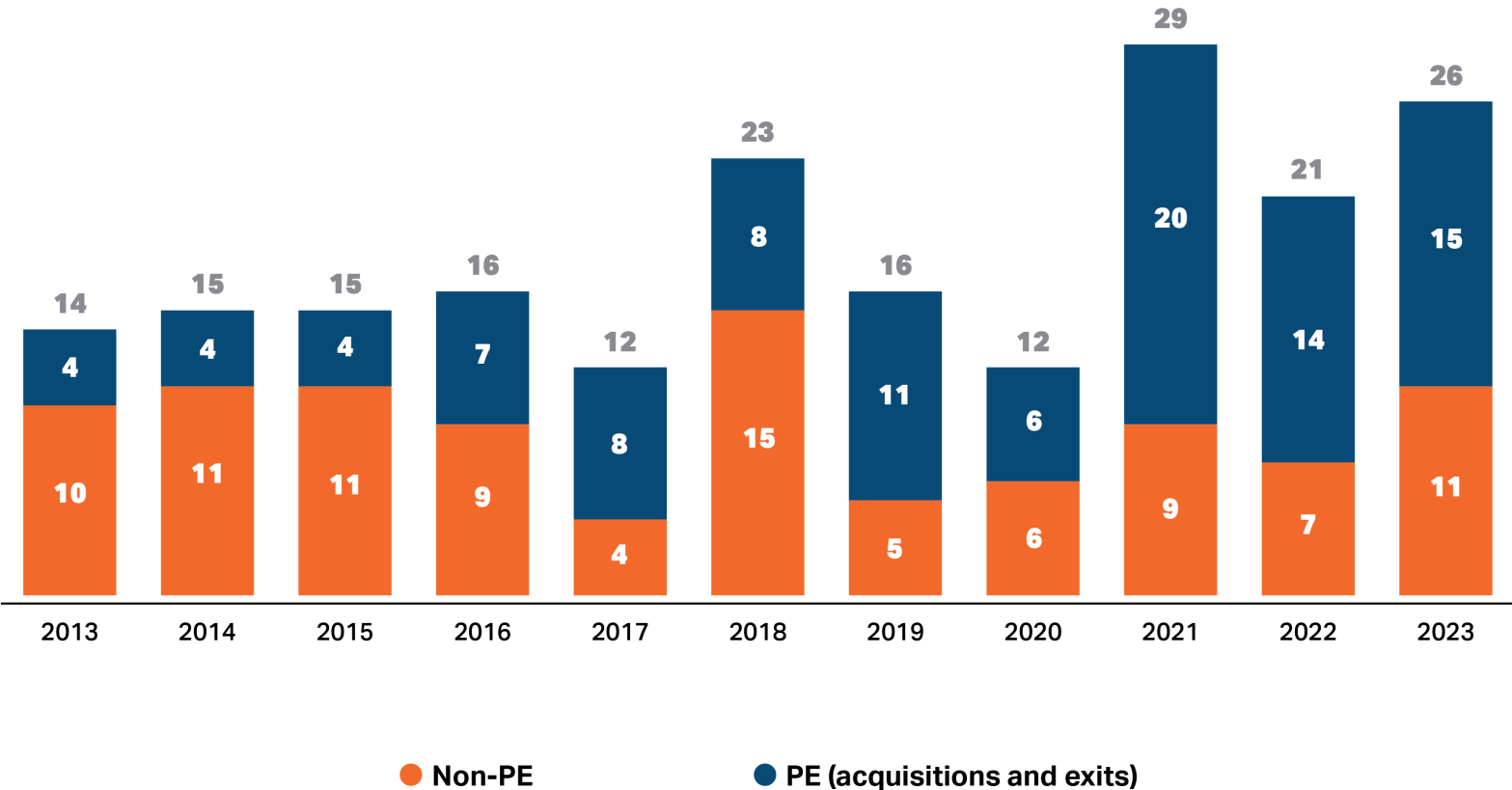
- Examining 807 private equity exits from dermatology, ophthalmology, and gastroenterology practices from 2016 to 2020, Singh et al. found that **over half (51.6%) underwent an exit within 3 years of initial investment. In nearly all instances (97.8%), private equity firms exited their investments through secondary buyouts**, where the practices were sold to other private equity firms with larger investment funds.⁴
- An analysis tracking bankruptcies of health care companies found that **17 of 80 (21%) health care companies that filed for bankruptcies in 2023 were private equity owned.**⁵

1. Zhu JM, Greenberg E, King M, Busch S. Geographic penetration of private equity ownership in outpatient and residential behavioral health. *JAMA Psychiatry*. 2024;81(7):732–735.
2. Borsa A, et al. Evaluating trends in private equity ownership and impacts on health outcomes, costs, and quality: systematic review. *BMJ*. 2023 Jul 19;382.
3. Kannan S, Bruch JD, Song Z. Changes in hospital adverse events and patient outcomes associated with private equity acquisition. *JAMA*. 2023 Dec 26;330(24):2365–75.
4. Singh Y, Reddy M, Zhu JM. Life cycle of private equity investments in physician practices: an overview of private equity exits. *Health Affairs Scholar*. 2024 Apr;2(4):qxae047.
5. Private Equity Stakeholder Project. Private equity healthcare bankruptcies are on the rise. Available at: <https://pestakeholder.org/private-equity-healthcare-bankruptcies-are-on-the-rise/>

Investments in Massachusetts health care by private equity have increased in recent years.



Number of health care provider transactions by year in Massachusetts, 2013-2023



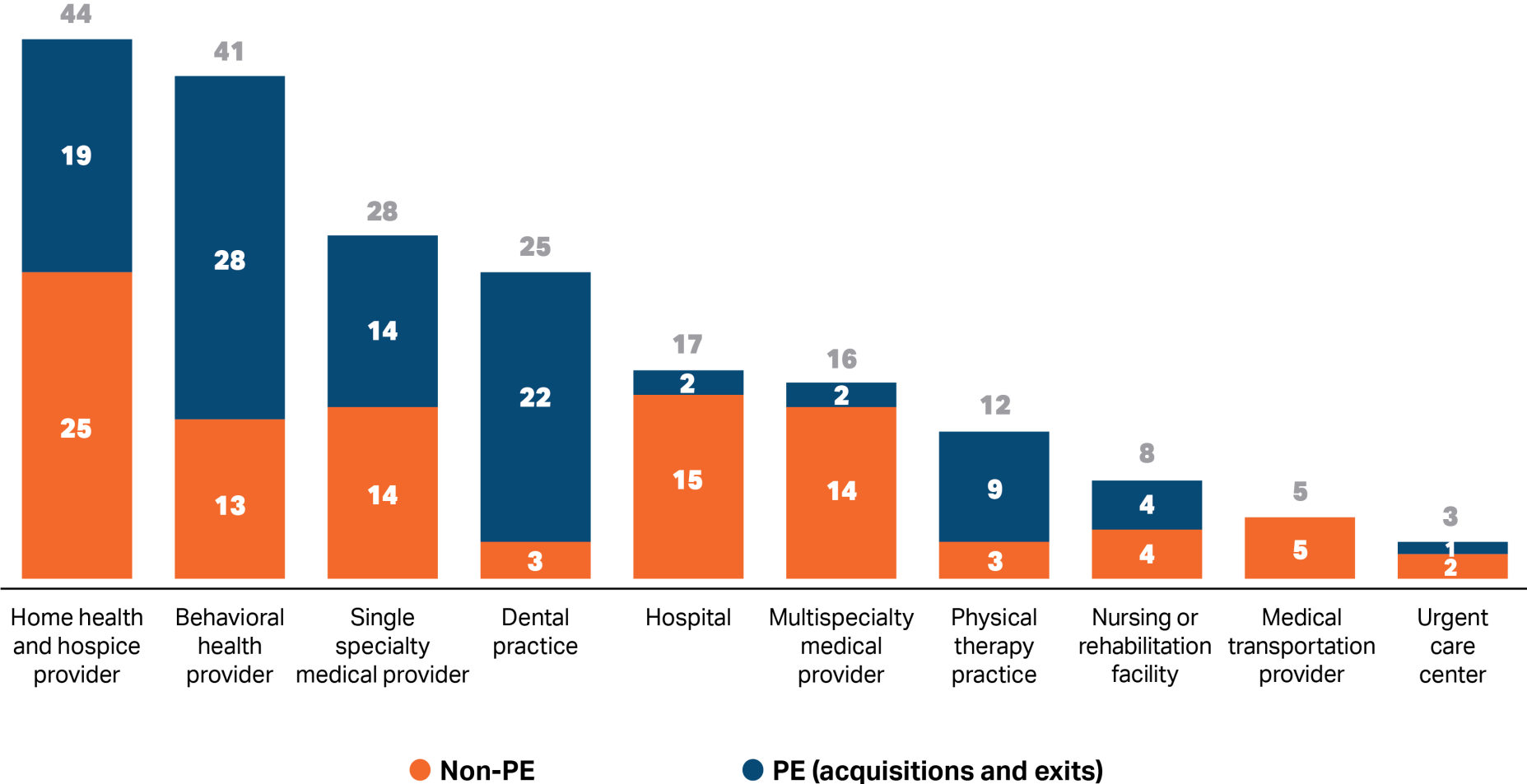
- Of the 199 health care providers transactions in the HPC’s analysis; **101 (51%)** involved PE firms.
- Of these, **85** were PE acquisitions, **4** were PE exits; **12** were acquisitions *and* exits (i.e., PE firm selling to another PE firm).

Sources: HPC analysis of [FactSet](#) financial data and analytics; HPC Material Change Notice [filings](#); LevinPro HC, Levin Associates, January 2024, [levinassociates.com](#); and other publicly available information.

Private equity investments in Massachusetts have been particularly active among behavioral health, dental, home health providers, and certain specialty providers.



Number of provider transactions by health care sector in Massachusetts, 2013-2023



Sources: HPC analysis of [FactSet](#) financial data and analytics; HPC Material Change Notice [filings](#); LevinPro HC, Levin Associates, May 2024, [levinassociates.com](#); and other publicly available information.

Recent federal activity signals interest in increased oversight and enforcement regarding private equity.



➤ Congress

- Federal legislation has been proposed to **increase transparency and limit private equity investment in health care**, including the Healthcare Ownership Transparency Act,¹ Corporate Crimes against Health Care Act of 2024,² and Health over Wealth Act.³

➤ Federal Trade Commission (FTC) and Department of Justice's (DOJ)

- **Finalized revised merger guidelines address certain private equity behaviors** such as allowing federal consideration of the cumulative effect of smaller serial acquisitions or “roll-up” transactions.⁴

- In September 2023, **the FTC filed suit against U.S. Anesthesiology Partners and its private equity owner Welsh Carson**, alleging a multi-year scheme to consolidate and monopolize the anesthesia market in Texas. In May 2024, a federal judge dismissed the private equity firm from the lawsuit but the suit against the provider is advancing.⁵

➤ Department of Health and Human Services (HHS)

- The Centers for Medicare & Medicaid Services (CMS) **issued a final rule that defined private equity companies and real estate investment trusts**, setting the stage for identifying whether a nursing home is owned by these entities.⁶
- HHS has proposed **minimum staffing standards in nursing homes to enhance safety and quality**.⁷

1. H.R.1754 - Healthcare Ownership Transparency Act. Available at: <https://www.congress.gov/bill/118th-congress/house-bill/1754>

2. Office of Elizabeth Warren. Senators Warren, Markey Introduce the Corporate Crimes Against Health Care Act of 2024. Available at: <https://www.warren.senate.gov/newsroom/press-releases/senators-warren-markey-introduce-the-corporate-crimes-against-health-care-act-of-2024>

3. Office of Edward Markey. The Health Over Wealth Act. Available at: <https://www.markey.senate.gov/HealthOverWealth>

4. Federal Trade Commission and Department of Justice. Merger Guidelines. Available at: https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf

5. Ranganathan S. Split Decision: PE Firm Dismissed From FTC Challenge, But Litigation Continues. Health Affairs Forefront. Jun 4, 2024. Available at: <https://www.healthaffairs.org/content/forefront/split-decision-pe-firm-dismissed-ftc-challenge-but-litigation-continues>

6. CMS. Disclosures of Ownership and Additional Disclosable Parties Information for Skilled Nursing Facilities and Nursing Facilities; Definitions of Private Equity Companies and Real Estate Investment Trusts for Medicare Providers and Suppliers. Nov 15, 2023. Available at: <https://www.cms.gov/newsroom/fact-sheets/disclosures-ownership-and-additional-disclosable-parties-information-skilled-nursing-facilities-and-0>

7. HHS. HHS Proposes Minimum Staffing Standards to Enhance Safety and Quality in Nursing Homes. Sep 1, 2023. Available at: <https://www.hhs.gov/about/news/2023/09/01/hhs-proposes-minimum-staffing-standards-enhance-safety-quality-in-nursing-homes.html>

- Amend the HPC's **Material Change Notice (MCN) process** to ensure that all significant health care transactions involving private equity require public notice and review, including:
 - Significant **investment in or acquisition of an existing health care provider by private equity**
 - Acquisition of **a provider's assets (such as real estate)** by any entity including private equity investors such as in a sale-leaseback
- Amend the HPC's **Registration of Provider Organization (RPO)** program to:
 - Collect information from **a broader range of provider types**, including those with revenue primarily from self-pay and from Medicare and Medicaid
 - Strengthen **enforcement mechanisms** for non-compliance to ensure all required information is provided in a timely manner
- Consider a process for **imposing conditions upon parties to transactions**, such as requiring that essential services and/or staff be maintained for a specific period of time, the fulfillment of specific requirements for charity care or community benefits, limitations on debt as well as dividend distributions, maintenance of adequate financial reserves, and other conditions related to quality standards, ongoing compliance monitoring, and exit and sale.

ADDRESS PRICING DISPARITIES THAT MAY INCENTIVIZE PRIVATE EQUITY INVESTMENT IN HEALTH CARE



- The state can also pursue policies to address the underlying reasons why certain health care sectors are identified for (and interested in) acquisition or investment by private equity that may not be aligned with the public interest:
 - Requiring **site-neutral payments**, **adopting a default out-of-network payment rate** for surprise billing scenarios as well as potentially further **expanding out-of-network protections**, **reducing unwarranted price variation**, and **limiting excessive provider prices**.

ADDITIONAL OPPORTUNITIES

- Engage in **health planning** to ensure the supply of health services aligns with need
- Reduce **administrative complexity** and consider other ways to support provider independence
- Other opportunities for consideration include mitigating potential harms through **enhancing consumer and worker protections**, **limiting potentially harmful financial strategies** like sale-leasebacks and dividend recapitalizations, and **strengthening corporate practice of medicine prohibitions** to keep decision-making with medical professionals.

Agenda



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Approval of Minutes (**VOTE**)

Market Oversight

Policy Brief: Private Equity Investments in Massachusetts Health Care and State Policy Opportunities



HPC HEALTH EQUITY LENS IN ACTION

Executive Director's Report

FY 2025 HPC Operating Budget (**VOTE**)

Adjourn Public Meeting

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Eliminating health inequities is integral to achieving the HPC's mission.

“ The HPC is committed to better health and better care – at a lower cost – for all residents of the Commonwealth. Through market oversight, data-driven analysis, and independent policy insights, our goal is to make health care more **affordable, transparent, and equitable.**”

The HPC's statute states that the agency should seek to address health care disparities through its work:

“ The commission shall establish goals that are intended to **reduce health care disparities** in racial, ethnic, and disabled communities and in doing so shall seek to incorporate the recommendations of the health disparities council and the office of health equity.”

As part of its commitment to advance health equity and promote social and economic justice throughout its work, the HPC recognizes the need to continually examine how this work is being done and where improvements can be made.



Embedding Health Equity into HPC Internal Processes

	INTEGRATE	Integrate health equity principles into operations and workstreams to ensure that an “equity in everything” approach is applied to all current and future projects.
	DESIGN	Plan the design of program and research activities around targeting inequities in health care access and outcomes
	ALIGN	Actively seek opportunities to align, partner, and support other state agencies, the health care system, and other organizations toward common health equity goals .
	REVIEW	Continually track and review projects for the extent to which they deepen the understanding of health inequities and disparities in the Commonwealth.
	LEARN	Follow data and methodology advances in health equity practice and engage in knowledge sharing activities to expand staff capacity and fluency in equity principles to enhance agency work products.

The HPC incorporates a health equity lens in its four core strategies.

MARKET OVERSIGHT

Monitor and intervene when necessary to assure market performance

CONVENE

Bring together stakeholder community to influence their actions on a topic or problem



RESEARCH AND REPORT

Investigate, analyze, and report trends and insights

PARTNER

Engage with individuals, groups, and organizations to achieve mutual goals

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Implementation Activities: Research and Report

- Integrate the best available **data on race and ethnicity** (or proxy data when necessary) into analyses, including linking discharge data with the APCD to examine differences in spending by race/ethnicity.
- Develop an **affordability index model** that measures differential impacts of premiums and out-of-pocket spending by factors like income, geography, and market segment, as part of the broader push toward affordability standards in the Commonwealth.
- Continue to highlight issues of equity in the **Annual Health Care Cost Trends Report:**
 - Affordability section focused on small-firm employees
 - Chartpack incorporating data on community income and race and ethnicity
 - Dashboard measuring performance on health equity and affordability metrics
- **Release publications** with a focus on health equity:
 - Chartpack on [Severe Maternal Morbidity in MA](#), detailing disparities in spending, affordability, and health care experiences during the post-partum period by race/ethnicity
 - DataPoints issue examining [sites of flu vaccinations](#) by community income
 - Upcoming DataPoints issue examining trends in GLP-1 weight loss drugs, with data on community income and geography for commercially-insured members

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Implementation Activities: Market Oversight



- Recognize and assess an entity's baseline position in the market and specific historic trends **during the annual performance improvement plan (PIP) review process**. Consider where spending increases may be attributed to necessary investments in care for underserved populations or market corrections to address historic disparities in pricing.
- Incorporate patient characteristics (e.g., race/ethnicity, geography, insurance types), potential impacts on affordability and accessibility, and parties' plans for improving equitable access to care into the **review of proposed market changes**.
- Examine **trends and patterns in provider supply over time**, including geographic and demographic data from provider expansions and closures. The HPC found that acute care hospitals with an inpatient service line closure from 2016-2021 were more likely to serve lower income patients and communities with greater social need compared to hospitals without closures.
- Assess the nature and impacts of **private equity and other for-profit investors** often acquiring or funding health care entities that serve older adults and MassHealth members, recommending options for better monitoring and **guarding against potential negative outcomes** of their involvement.

The HPC incorporates a health equity lens in its four core strategies.



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Implementation Activities: Convene



- Appointed new members to the **HPC Advisory Council** for the 2023 – 2024 term, prioritizing broadening and diversifying membership of this body to encompass more perspectives and experiences within the health care system.
- Convene HPC investment program awardees to **elevate equity topics**, e.g., a **Patient Experience Committee** of Black doulas and Black birthing people to advise on key themes and evaluation design of the BESIDE program.
- Host **investment program awardees** at HPC public meetings to inform HPC commissioners on **impact of equity-focused initiatives** (e.g., MassUp, C4SEN, BESIDE)
- Ensure that the “equity in everything” approach extends into discussions during HPC public meetings, including utilizing the **Annual Health Care Cost Trends Hearings** as an opportunity to bring increased attention and transparency to health equity over the past several years.

The HPC employs its four core strategies to advance health equity.



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Bring together stakeholder community to influence their actions on a topic or problem



RESEARCH AND REPORT

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Implementation Activities: Partner



- Continue to advance health equity through **ACO Certification standards**, certifying 14 ACOs in 2023-2024 under an updated **Health Equity Requirement** that pertains to: data-driven interventions; patient engagement initiatives, and strategic planning.
- Expand focus on **maternal health equity** through the BESIDE investment program and the newly-announced HEART-BP program:
 - HEART-BP will fund initiatives to address existing inequities in **severe maternal morbidity** driven by hypertensive disorders in pregnancy.
 - In partnership with BESIDE awardees, **more than 70 babies** have been born through racially concordant doula services for Black birthing people.
- Support MassUP awardees in **reaching program goals to address inequities in social determinants of health**, e.g., engaging families in economic empowerment activities; expanding the work of a resident-led Food Policy Council; advocating for BIPOC-led agriculture within the food system; and building a community of practice of small childcare providers.
- Align efforts with and support the work of the Executive Office for Health and Human Services' **Advancing Health Equity in Massachusetts (AHEM) taskforce**, including recent work to apply the Child Opportunity Index to AHEM's focus communities.

BESIDE Investment Program: Birth Equity and Support through the Inclusion of Doula Expertise

This short video highlights the work of Birth Equity and Support through the Inclusion of Doula Expertise (BESIDE) Investment Program awardee, Baystate Medical Center. It features Massachusetts State Senator Liz Miranda, Baystate Medical Center staff and their doula service partners, Springfield Family Doulas, along with a participant of the BESIDE program.



1 WORK IN THE PIPELINE

The HPC has several equity-focused projects that will be released in the next year. These include:

- Upcoming **Cost Trends Report** that will include a dashboard on health equity, examinations of cesarean births by race/ethnicity, and other expanded equity and affordability work.
- The **5-year retrospective Cost and Market Impact Review on the Beth Israel Lahey Merger** (expected in 2024); and
- A report on **primary care access challenges**, with data on disparities by race/ethnicity and income.

2 CONTINUED COMMITMENT TO TRANSPARENCY

The HPC will continue to provide updates on how **health equity principles are integrated into operations and workstreams**. This includes keeping current the [HPC's website](#) with information on projects and resources, holding public discussions during HPC Board and Advisory Council meetings and hearings, and annual updates to the [Health Equity Practice and Style Guide](#).

3 COLLABORATION AND PARTNERSHIP

The HPC actively seeks opportunities to **align, partner, and support** other state agencies, the health care system, and other organizations toward **common health equity goals** in an effort to foster shared learning and collective accountability to reducing health inequities.

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HPC Health Equity Lens in Action



EXECUTIVE DIRECTOR'S REPORT

FY 2025 HPC Operating Budget (**VOTE**)

Adjourn Public Meeting

Executive Session (**VOTE**)

The formal legislative sessions end on July 31, 2024.



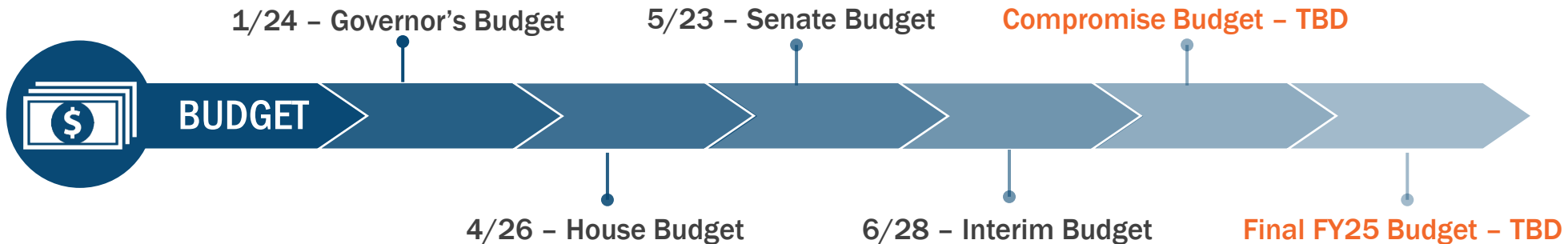
HOUSE OF REPRESENTATIVES

- H.4193 – An Act to improve quality and **oversight of long-term care**, *Passed November 2023*
- H.4653 – An Act enhancing the **market review** process, *Passed May 2024*
- H.4785 – An Act promoting access to **midwifery care and out-of-hospital birth options**, *Passed June 2024*



SENATE

- S.2520 – An Act relative to **pharmaceutical access, costs and transparency** (PACT Act), *Passed November 2023*
- S.2871 – An Act enhancing the health care **market review** process, *Released July 16, 2024*



2024 Summer Fellows



Annie Adelman
Office of the General
Counsel
Boston University School
of Law



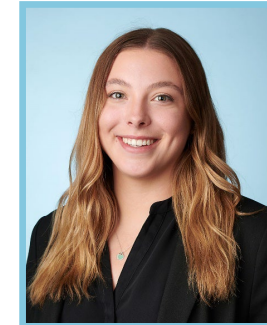
Emily Doucette
Market and
Oversight
Tufts University
School of Medicine



Analissa Gutierrez
Health Care Transformation
and Innovation
Boston University School of
Public Health



Casey Heely
Research and Cost Trends
Brandeis University – The
Heller School



Hailey Reed
Chief of Staff
Harvard Chan School
of Public Health



Elizabeth Siranosian
Research and Cost Trends
University of North Carolina,
Chapel Hill - Gillings School
of Global Public Health



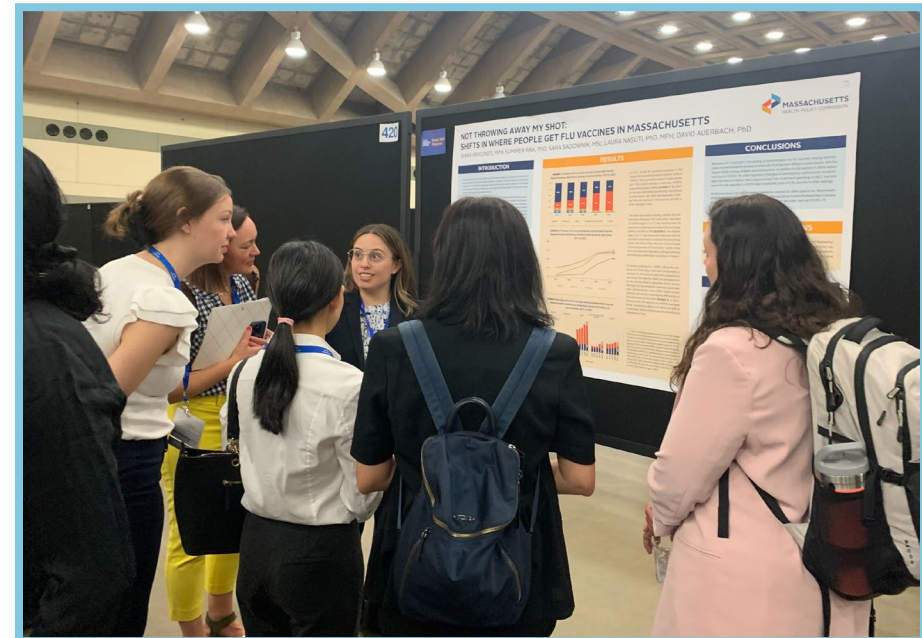
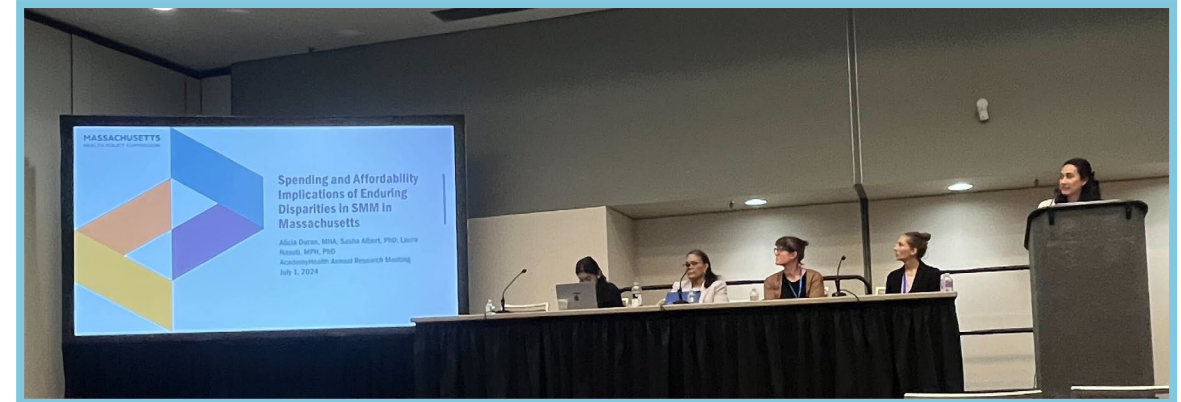
Zakkiyya West
Chief of Staff
Boston University
School of Public Health

PODIUM

- Spending and Affordability Implications of Enduring Disparities in Severe Maternal Morbidity in Massachusetts

POSTER

- Inequity in Physical Rehabilitative Health Services Utilization
- Low Value Prescribing in Claims Data
- Methods of Comparing Inpatient Prices Across Hospitals: Use of Medicare and Medicaid Benchmarking
- Not Throwing Away My Shot: Shifts in Where People Get Flu Vaccines in Massachusetts
- Trends in Private Equity Investments in Massachusetts Health Care, 2013 – 2023
- Variation in Treatments for Knee Osteoarthritis



New HPC Website: masshpc.gov



The screenshot shows the homepage of the Massachusetts Health Policy Commission website. At the top left is the HPC logo, followed by the text "MASSACHUSETTS HEALTH POLICY COMMISSION". To the right is a navigation menu with "Meetings", "Publications", "Programs and Policy", and "About", each with a dropdown arrow, and a search icon. Below the navigation is a main content area with two paragraphs of text and a graphic. The graphic features a light blue map of Massachusetts with three overlapping 3D-style boxes: an orange box labeled "CONVENE", a dark blue box labeled "PARTNER", and a light blue box labeled "RESEARCH AND REPORT". A red box labeled "MARKET OVERSIGHT" is also visible, partially overlapping the others.

MASSACHUSETTS
HEALTH POLICY COMMISSION

Meetings ▾ Publications ▾ Programs and Policy ▾ About ▾

The **Massachusetts Health Policy Commission** (HPC) is an independent state agency working in the public interest to improve the affordability of health care for all residents of the Commonwealth.

The HPC oversees the Massachusetts health care market, establishes the annual health care cost growth benchmark and monitors accountability for health care spending, issues public reports on significant health care spending trends and growth, and analyzes the impact of health care market consolidation on cost, equity, and access.

[Learn more about the HPC.](#)

PLEASE BOOKMARK MASSHPC.GOV

RECENTLY RELEASED



- **Video:** BESIDE Investment Program: Birth Equity and Support through the Inclusion of Doula Expertise (July 2024)
- **Chartpack:** Severe Maternal Morbidity in Massachusetts Chartpack (May 2024)
- **Report:** Office of Patient Protection Annual Report (April 2024)
- **Investment Program:** MassUP Investment Program: Key Concepts in Practice (April 2024)
- **HPC Shorts:** The Massachusetts Health Care Cost Growth Benchmark (March 2024)
- **DataPoints:** Trends in Ambulatory Surgical Centers in Massachusetts (February 2024)

UPCOMING



- **White Paper:** Potential Policy Solutions to Address the Role of Private Equity in Health Care
- **DataPoints:** Early Evidence of Use and Spending Impacts of Blockbuster GLP-1 Weight-Loss Drugs in Massachusetts
- **Report:** Study on Behavioral Health Managers
- **Report:** Assessment of Health Care Needs and Supply in Massachusetts
- **Chartpack:** Massachusetts Primary Care Workforce
- **Evaluation Report:** C4SEN Investment Program
- **DataPoints:** ACO Certification Program Update – Evolution of Risk Contracting and Care Delivery Innovations

Agenda



Call to Order

Approval of Minutes (**VOTE**)

Market Oversight

Policy Brief: Private Equity Investments in Massachusetts Health Care and State Policy Opportunities

HPC Health Equity Lens in Action

Executive Director's Report



FY 2025 HPC OPERATING BUDGET (VOTE)

Adjourn Public Meeting

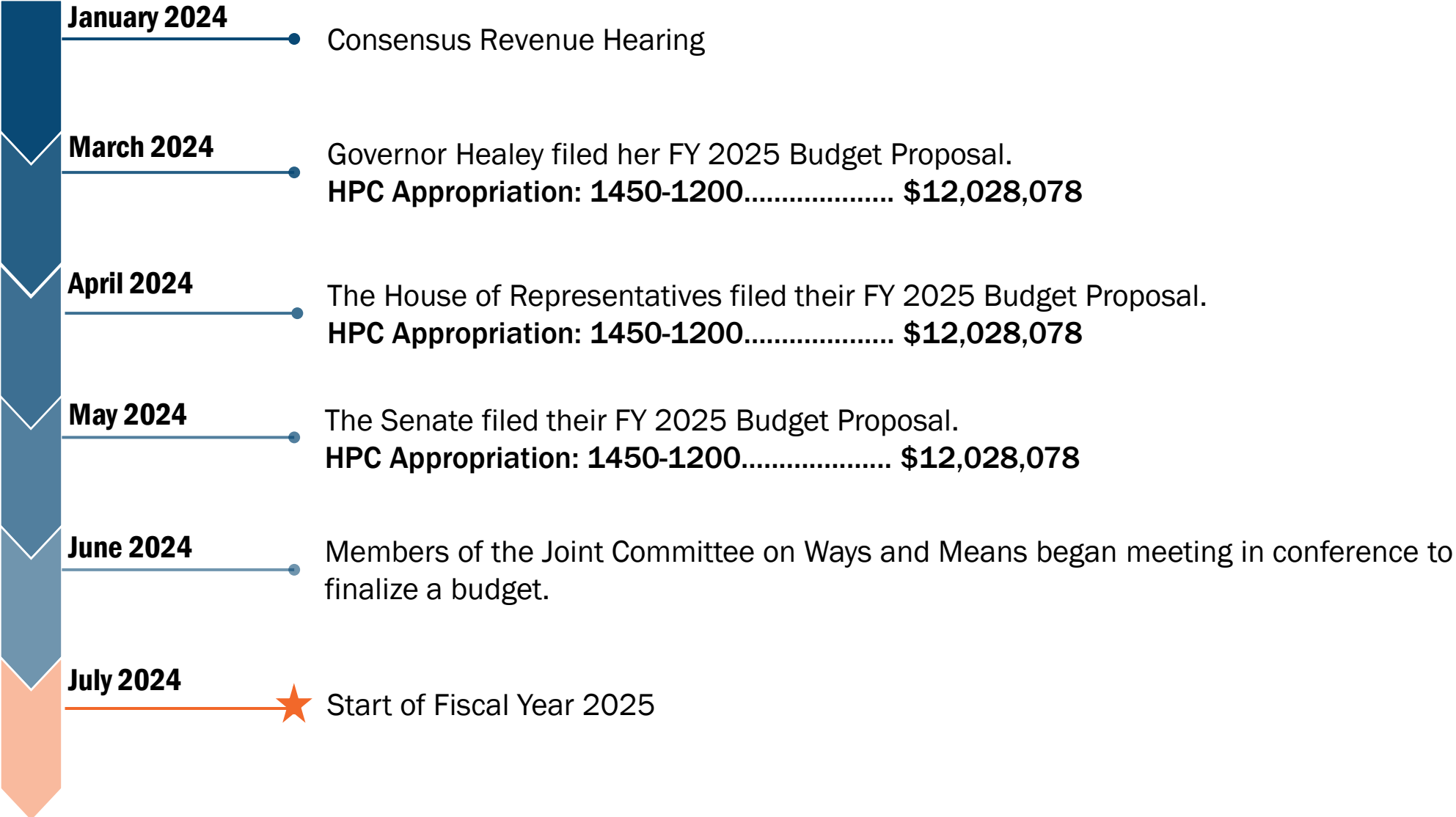
Executive Session (**VOTE**)

FY 2025 Budget Request



- The operating budget for the HPC is set in the annual state budget through an assessed account, 1450-1200.
- The total amount is split among an assessment on acute care hospitals, ambulatory surgical centers, and health insurance companies. Accordingly, the General Fund is **“held harmless”** for that amount as it is sourced from a dedicated revenue stream.
- For FY24, the HPC’s total budget was **\$11,806,606**.
- For FY25, the HPC requested that the Administration and the Legislature fund this account at **\$12,028,078**, as included in Governor Healey’s House 2 budget proposal. This represented a **1.86% increase from the HPC FY24 total budget**. This request assumes funding for the annualized cost of maintenance operations.

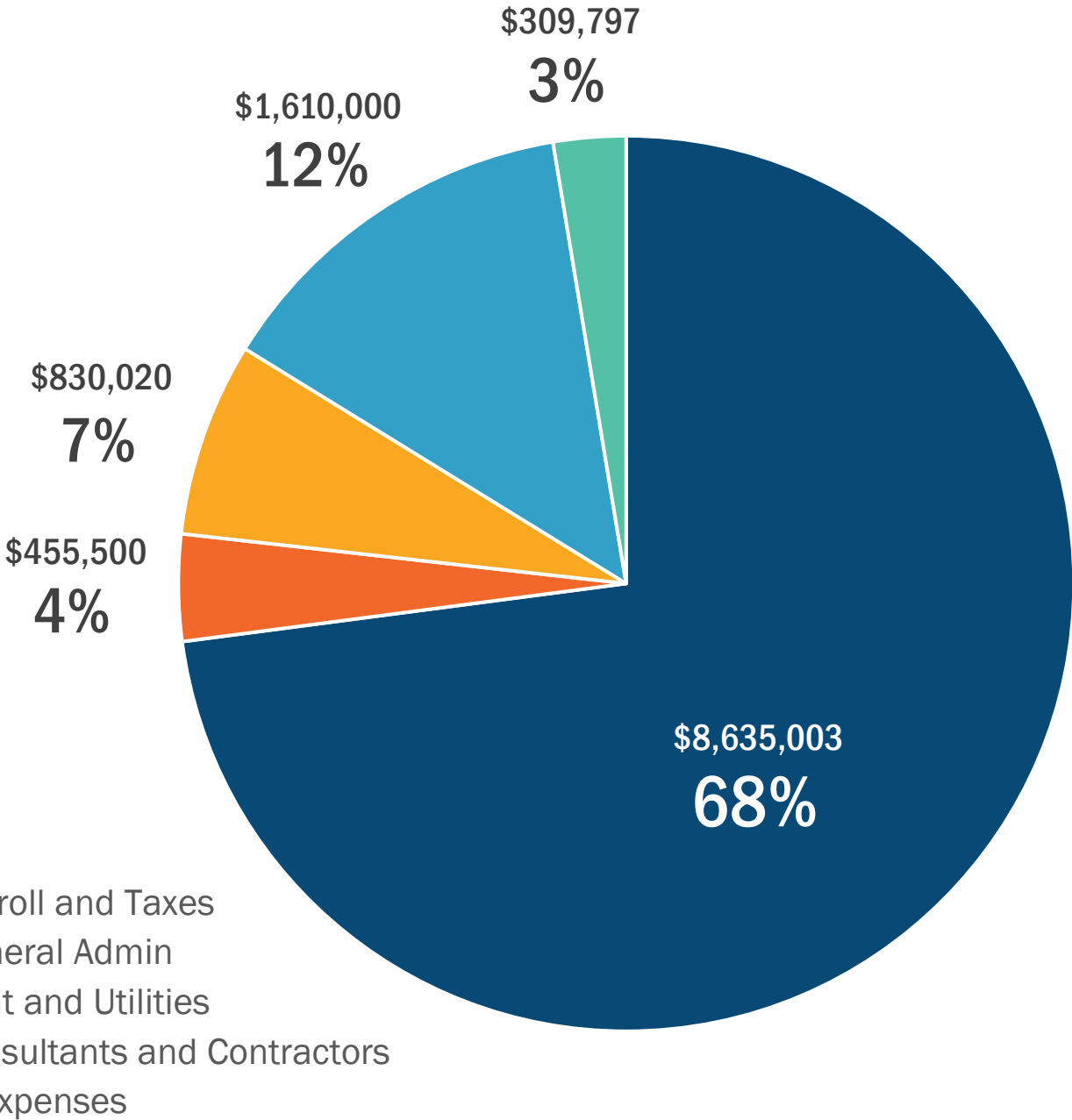
While the Commonwealth's FY 2025 budget proposal is still being negotiated by the Conference Committee, all branches funded HPC at \$12,028,078.



FY 2025 Budget: Key Assumptions

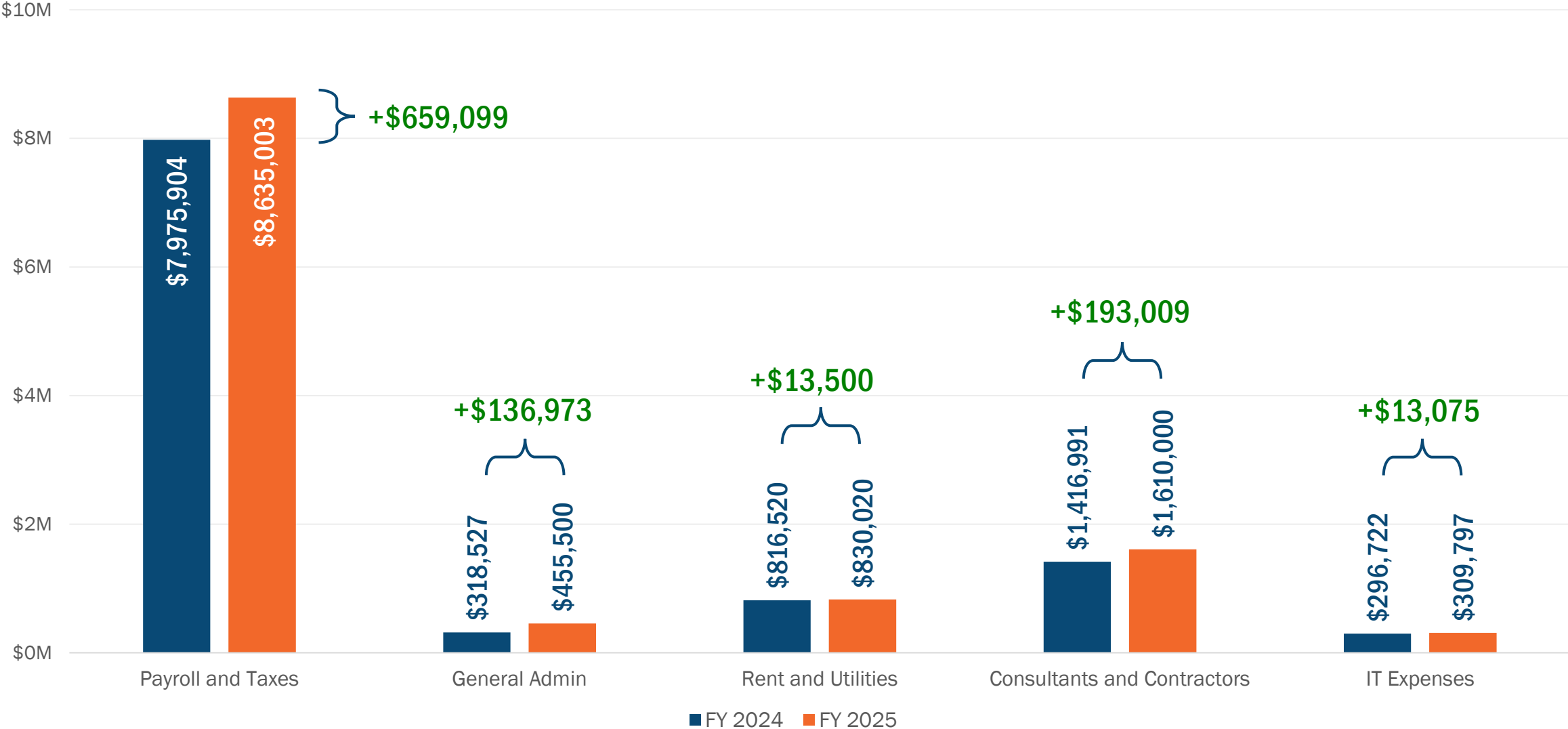
- The request assumes **annualized funding for staff and professional services** to support the HPC's statutory obligations for FY25. In addition to core programs and activities, for FY25 these obligations also include a final evaluation of the MGB performance improvement plan (PIP) and the five-year retrospective of the Beth Israel – Lahey (BILH) merger.
- **The budget request is a conservative estimate**, as there are significant unknowns in any given year (e.g., the number of market transactions, drugs that will be referred to the HPC, potential new PIPs, etc.).
 - Notably, the FY 2025 budget request did not anticipate the significant and unprecedented hospital and physician market changes will be likely this year. In addition to the HPC's important oversight role in these changes, the HPC will continue to provide in-kind data analysis and consulting support to other state agencies to support the Commonwealth's response and planning.
- Additionally, this request **does not include** additional resources and staff that will be needed to implement any new responsibilities and programs resulting from legislation passed this session.

FY 2025 Budget by Category



Note: \$187,758 was built into budget assumptions for the ongoing operation of the HPC's two investment programs.

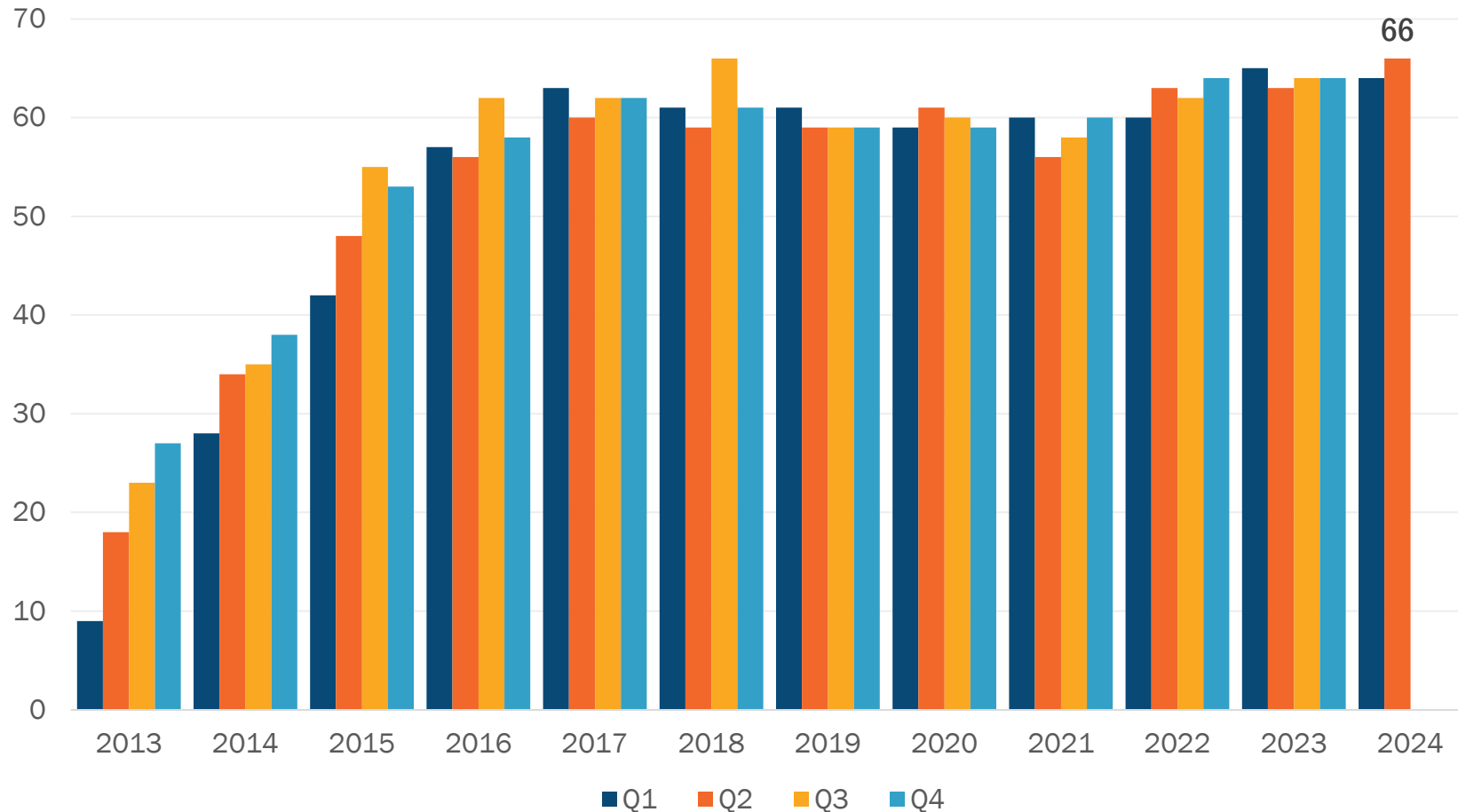
The primary difference between the HPC's FY 2024 and FY 2025 budgets is an increase in payroll expenses and consultants/contractor services.



The number of employees has been stable at 60-65 for the past eight years; the HPC will add approximately 2-3 positions in FY25 to support agency work and operations.



HPC Employee Count: 2013-2023*



Employees by Department July 1, 2024

Health Care Transformation and Innovation	13
Office of the Chief of Staff (Internal/External Relations)	15
Office of the General Counsel/Office of Patient Protection	8
Market Oversight and Transparency	18
Research and Cost Trends	12
Total Employees	66

*This graph includes a count of both full time and part time paid employees, including temporary contract employees but excluding seasonal fellows. The table is an adjusted count based on 37.5-hour work week (FTE).

VOTE

Approval of the HPC's FY 2025 Operating Budget

MOTION

That the Commission hereby accepts and approves the Commission's total operating budget for fiscal year 2025, as reviewed by the Commission's Administration and Finance Committee and as presented and attached hereto and authorizes the Executive Director to expend these budgeted funds.

Agenda



Call to Order

Approval of Minutes (**VOTE**)

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FY 2025 HPC Operating Budget (**VOTE**)



ADJOURN PUBLIC MEETING

Executive Session (**VOTE**)

Schedule of Upcoming Meetings



BOARD

September 19

December 12



Mass.gov/HPC



COMMITTEE

October 10



HPC-info@mass.gov



ADVISORY COUNCIL

September 26

December 5



[@Mass_HPC](https://twitter.com/Mass_HPC)



SPECIAL EVENTS

November 14

Cost Trends Hearing



tinyurl.com/hpc-linkedin

2024 Public Meeting Calendar



- JANUARY -

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
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28	29	30	31			

- FEBRUARY -

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- MARCH -

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- APRIL -

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- MAY -

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- JUNE -

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- JULY -

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- AUGUST -

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- SEPTEMBER -

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- OCTOBER -

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- NOVEMBER -

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- DECEMBER -

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BOARD MEETINGS

- Thursday, January 25
- Thursday, April 11
- Thursday, June 13
- Thursday, July 18
- Thursday, September 19
- Thursday, December 12

COMMITTEE MEETINGS

- Thursday, February 15
- Thursday, May 9
- Monday, July 15 (ANF)
- Thursday, October 10

ADVISORY COUNCIL

- Thursday, February 29
- Thursday, June 27
- Thursday, September 26
- Thursday, December 5

SPECIAL EVENTS

- Thursday, March 14 – Benchmark Hearing
- Thursday, November 14 – Cost Trends Hearing

Agenda



Call to Order

Approval of Minutes (**VOTE**)

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FY 2025 HPC Operating Budget (**VOTE**)

Adjourn Public Meeting



EXECUTIVE SESSION (VOTE)

VOTE

Enter Executive Session



MOTION

That having first convened in open session at its July 18, 2024 board meeting and pursuant to M.G.L. c. 30A, § 21(a)(7), the Commission hereby approves going into executive session for the purpose of complying with M.G.L. c. 6D, § 10 and its associated regulation, 958 CMR 10.00, M.G.L. c. 6D, § 2A, and M.G.L. c. 12C, § 18, in discussions about whether to require performance improvement plans by entities confidentially identified to the Commission by the Center for Health Information and Analysis.