



HPC Board Meeting

October 10, 2024



Agenda



CALL TO ORDER

Approval of Minutes (VOTE)

Executive Director's Report

Market Oversight

2024 Health Care Cost Trends Report and Policy Recommendations (VOTE)

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts

Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program (VOTE)

Adjourn

Agenda



Call to Order



APPROVAL OF MINUTES (VOTE)

Executive Director's Report

Market Oversight

2024 Health Care Cost Trends Report and Policy Recommendations **(VOTE)**

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts

Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program **(VOTE)**

Adjourn

VOTE

Approval of Minutes from the September 19, 2024 Board Meeting

MOTION

That the Commission hereby approves the minutes of the Commission meeting held on **September 19, 2024**, as presented.

Agenda



Call to Order

Approval of Minutes (VOTE)



EXECUTIVE DIRECTOR'S REPORT

Market Oversight

2024 Health Care Cost Trends Report and Policy Recommendations (VOTE)

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts

Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program (VOTE)

Adjourn

Behavioral Health Workforce Center Advisory Group



- The HPC's new Behavioral Health Workforce Center (BHWC) is requesting **nominations for advisory group members** to support the BHWC's research agenda and development of policy recommendations.
- The advisory group will convene providers, patient representatives, industry experts, policymakers, and community advocates to provide **behavioral health workforce expertise and diverse perspectives** to the BHWC.
- Nominations will be accepted via email through **Friday, November 15.**

For more information, including the nomination form, visit:

masshpc.gov/bh-workforce

2024 ANNUAL HEALTH CARE COST TRENDS HEARING

From Crisis to Stability: The Path to a More
Affordable, Accessible, and Equitable Health Care System

9:00 AM on Thursday, November 14th, 2024

Suffolk University Law School
120 Tremont Street, Boston

Register:
tinyurl.com/HPCCTH24

Call to Order

Approval of Minutes (**VOTE**)

Executive Director's Report



MARKET OVERSIGHT

- Steward Hospital Transaction Reviews
- Stewardship – Rural Healthcare Group Transaction Review
- Other Notices of Material Change

2024 Health Care Cost Trends Report and Policy Recommendations (VOTE)

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts

Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program (VOTE)

Adjourn

Agenda



Call to Order

Approval of Minutes (**VOTE**)

Executive Director's Report

Market Oversight

 **STEWARD HOSPITAL TRANSACTION REVIEWS**

- Stewardship – Rural Healthcare Group Transaction Review
- Other Notices of Material Change

2024 Health Care Cost Trends Report and Policy Recommendations (**VOTE**)

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts

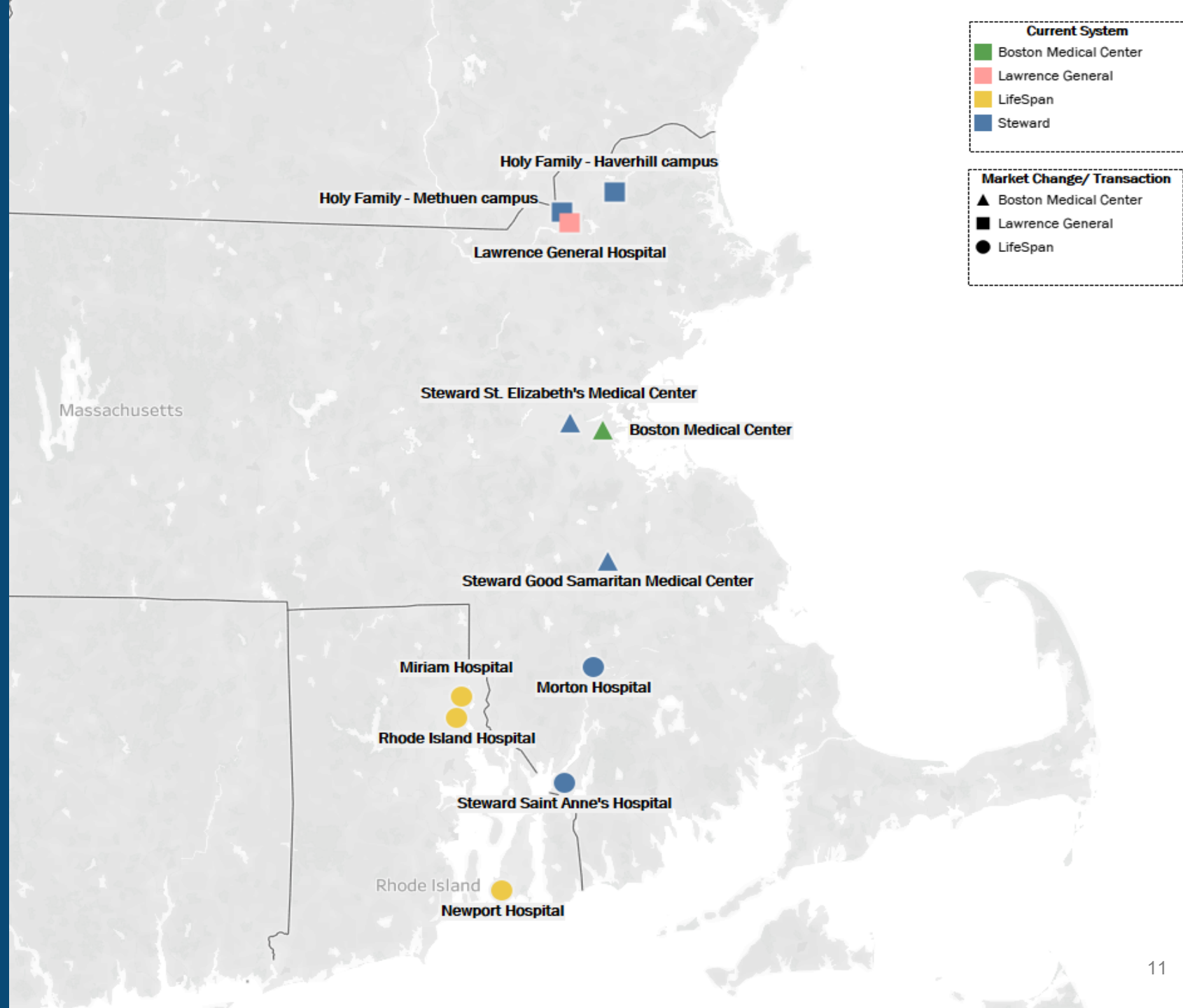
Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program (**VOTE**)

Adjourn

1. Background

2. Lifespan's Acquisition of Morton and Saint Anne's
3. Lawrence General's Acquisition of Holy Family
4. Boston Medical Center's Acquisition of St. Elizabeth's and Good Samaritan

Steward and Acquiring Entity Locations



Timeline of Transfers of Ownership for Steward Hospitals and Physicians



- May 6, 2024** • Steward and its affiliates file Chapter 11 Bankruptcy petitions
- August 15, 2024** • Stewardship Health physician group and Rural Healthcare Group file MCNs with the HPC
- August 22, 2024** • Court approves sale of Stewardship Health to Rural Healthcare Group
- August 31, 2024** • Carney Hospital and Nashoba Valley Hospital close with court approval
- Sept. 4, 2024** • Court approves sale of five Steward Hospitals to Lifespan, Boston Medical Center, and Lawrence General Hospital
- Sept. 6 - 10, 2024** • Hospital acquisition MCNs filed with the HPC
- Sept. 27, 2024** • HPC closes review of hospital acquisition MCNs
- October 1, 2024** • Hospitals transfer to new owners

1. Background

2. Lifespan's Acquisition of Morton and Saint Anne's

3. Lawrence General's Acquisition of Holy Family

4. Boston Medical Center's Acquisition of St. Elizabeth's and Good Samaritan

Material Change Notice: Steward Morton Hospital & Steward Saint Anne's

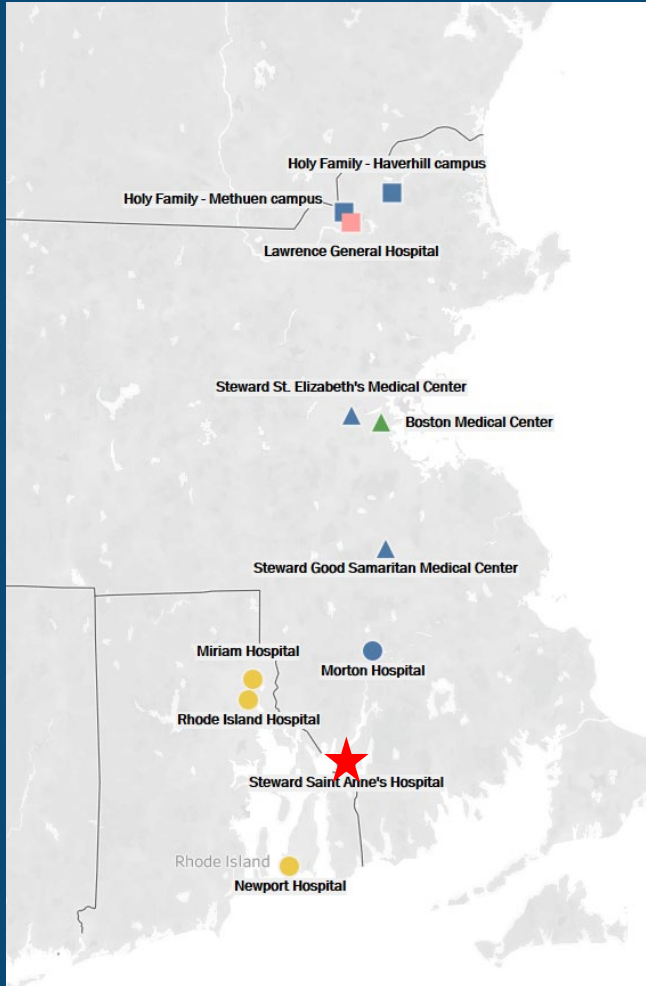
- The acquisition of **Steward Saint Anne's Hospital** and **Steward Morton Hospital**, acute care community hospitals in Fall River and Taunton, respectively, by Lifespan of Massachusetts, Inc., a subsidiary of **Lifespan Corporation**.
- Lifespan is the largest health system in Rhode Island, operating hospitals and physician practice groups in Rhode Island, with outposts in southern Massachusetts.
 - The transaction also includes the employment of certain **Steward Medical Group physicians** by Lifespan to ensure ongoing continuation of services.
 - Both parties anticipate that the hospitals will be operated in substantially the same way following the transaction.
- **Purchase price:** \$175 million, most of which is expected to be used to purchase the properties from Medical Properties Trust.

Material Change Notice: Steward Morton Hospital & Steward Saint Anne's

KEY FINDINGS

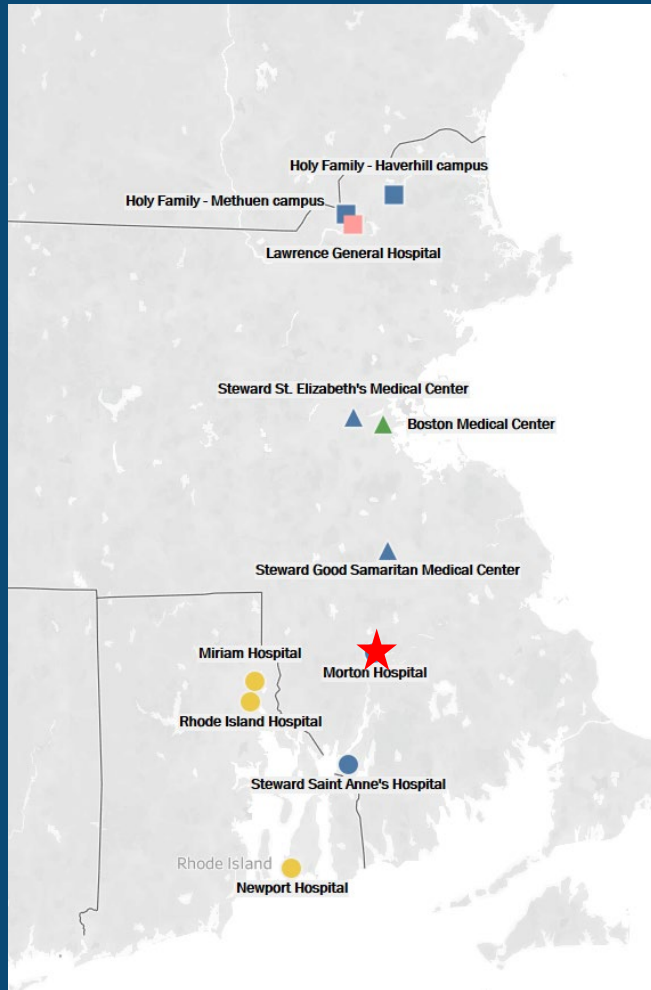
- Lifespan's acquisition of Morton and Saint Anne's **increases hospital market concentration locally**, but hospital market **concentration overall in Massachusetts remains unchanged**.
- **Changes to referral patterns may decrease spending** if Lifespan is able to redirect higher-acuity care to its AMC and children's hospital rather than Boston AMCs and Boston Children's Hospital.
- While the parties' quality performance is relatively comparable, **Lifespan has superior quality scores to Morton and Saint Anne's in some categories**, offering an opportunity for quality to be enhanced at those two hospitals.
- Importantly, this transaction **maintains access for the local community** to two hospitals that are very important providers of a range of services, including behavioral health, chronic disease care, and emergency services.

Steward Saint Anne's Hospital



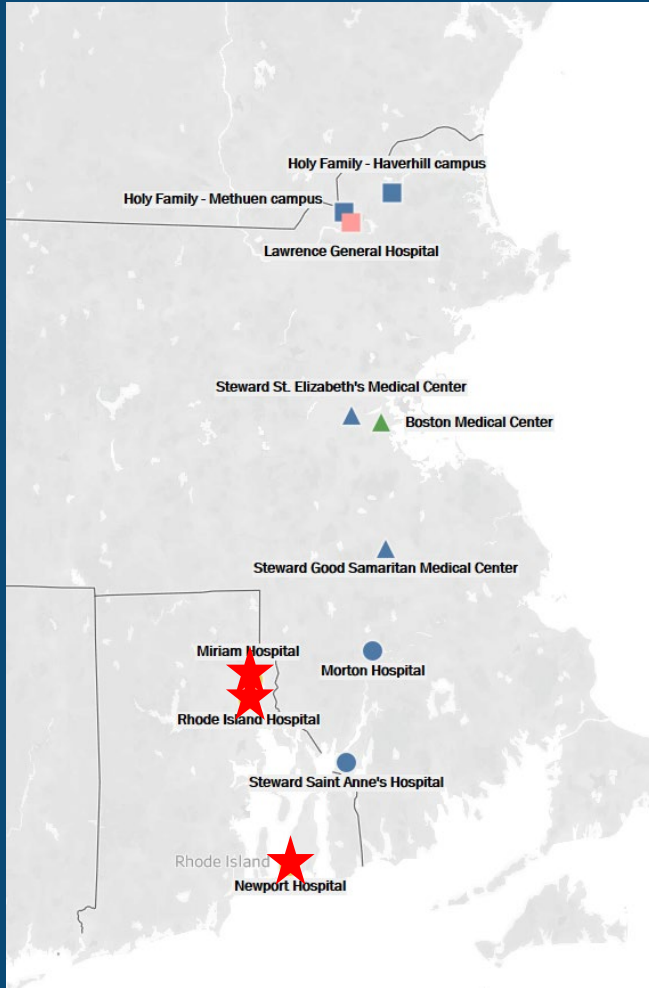
- 187-bed community hospital located in Fall River
- 71.6% public payer mix
- Higher-priced than its competitors
- Important provider of behavioral health services and chronic disease care
 - Top discharge categories include heart failure, joint replacement, procedures for obesity, COPD, and diabetes
- Has generally performed well across profitability and liquidity metrics over the last five years.

Steward Morton Hospital



- 123-bed community hospital located in Taunton
- 69% public payer mix
- Moderately priced compared to its competitors
- Important provider of behavioral health services and chronic disease care
 - Top discharge categories include heart failure, COPD, cardiac arrhythmia, joint replacement, and diabetes
- Has posted losses in three of the last five full fiscal years.

Lifespan Health Care System



Lifespan

Delivering health with care.



- Lifespan is the largest provider organization in Rhode Island, with three general acute care hospitals and a behavioral health hospital:

HOSPITAL	LOCATION	NUMBER OF BEDS	2022 TOTAL EMPLOYEES
Rhode Island Hospital & Hasbro Children's Hospital*	Providence, RI	719	8,043
Miriam Hospital	Providence, RI	247	3,386
Newport Hospital	Newport, RI	129	862
Bradley Hospital ⁺	East Providence, RI	70	870

- In addition to its hospitals, Lifespan operates three physician organizations, including Lifespan (multi-specialty practice), Gateway (behavioral health), and Coastal (primary care).
- Lifespan also currently owns and operates four physician practices in southeastern MA: Hasbro Children's Hospital Fall River Specialty Practice, North Attleboro Pediatrics, North Attleboro Obstetrics & Gynecology Services, and Attleboro Cardiac Consultation Service & Lifespan Cardiovascular Institute.
- Lifespan has generally performed well on financial measures of profitability, liquidity, and solvency over the last 4 years.

* Hasbro Children's is the pediatric division of Rhode Island Hospital and shares the same license.

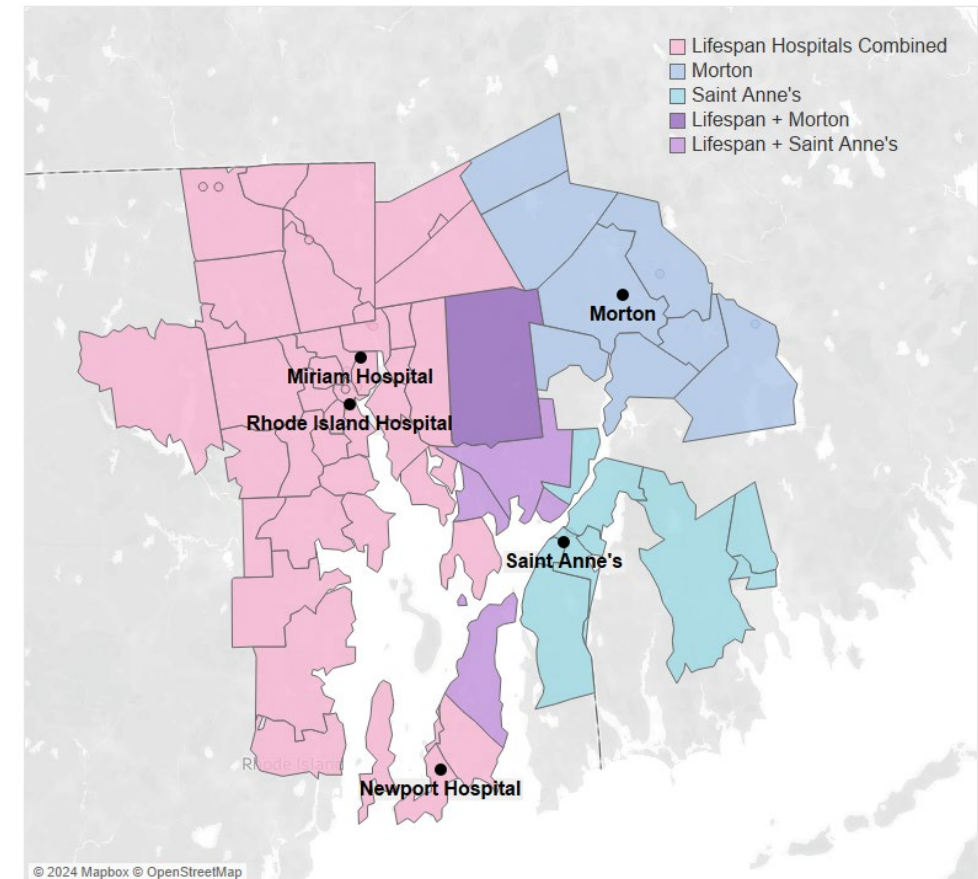
+ Emma Pendleton Bradley Hospital is a behavioral health hospital.

Source: Lifespan annual financial reports (<https://www.lifespan.org/about-lifespan/lifespan-reports>); Lifespan Audited Financial Statements FY20-FY23

While local market concentration may increase, the parties are unlikely to have significantly higher leverage to negotiate higher prices, and referrals shifts may decrease spending.

- Lifespan's acquisition of the two Southeast MA hospitals **increases market concentration in Saint Anne's primary service area (PSA)**.
 - However, this increase **may not reflect a meaningful change in bargaining leverage** to negotiate for higher prices as the service area includes parts of both Massachusetts and Rhode Island, which only have a few payers and insurance products in common.
 - Additionally, **hospital market concentration overall in Massachusetts is expected to remain unchanged**.
- Saint Anne's and Morton will become part of Lifespan's integrated health care delivery system.
- Lifespan has expressed that it hopes that providers and patients will consider its other facilities as viable options for continued care given their proximity and reputation for excellence.
 - Any shifts in adult or pediatric tertiary/quaternary care for Saint Anne's and Morton patients to Lifespan's AMC and children's hospital **would be expected to decrease spending**, given that they are generally lower-priced than Boston AMCs and Boston Children's Hospital.

Lifespan, Saint Anne's, and Morton 2022 Commercial Inpatient Primary Service Areas



Source: HPC Analysis of 2022 CHIA Hospital Discharge Data and 2022 RI Hospital Discharge Data

Saint Anne's is higher-priced than Southcoast, the only Massachusetts hospital system with a significant presence in its PSA. Morton is moderately priced compared to other community hospitals with a presence in its PSA.

Statewide Relative Prices of Massachusetts Party Hospitals and their Comparators (2022)



Source: HPC analysis of 2022 CHIA Relative Price Databook and 2022 CHIA Hospital Discharge Database. Comparator hospitals include hospitals in the same CHIA-defined cohort (treating all community hospitals as one cohort) with at least a 2% commercial inpatient market share in the focal hospital's primary service area with Nashoba Valley and Carney excluded from share calculation. **Saint Anne's** only comparator is Southcoast Hospitals Group. **Morton's** comparators are Sturdy Memorial Hospital, South Shore Hospital, Good Samaritan Medical Center, Newton-Wellesley Hospital, Signature Healthcare Brockton Hospital, and Southcoast Hospitals Group.

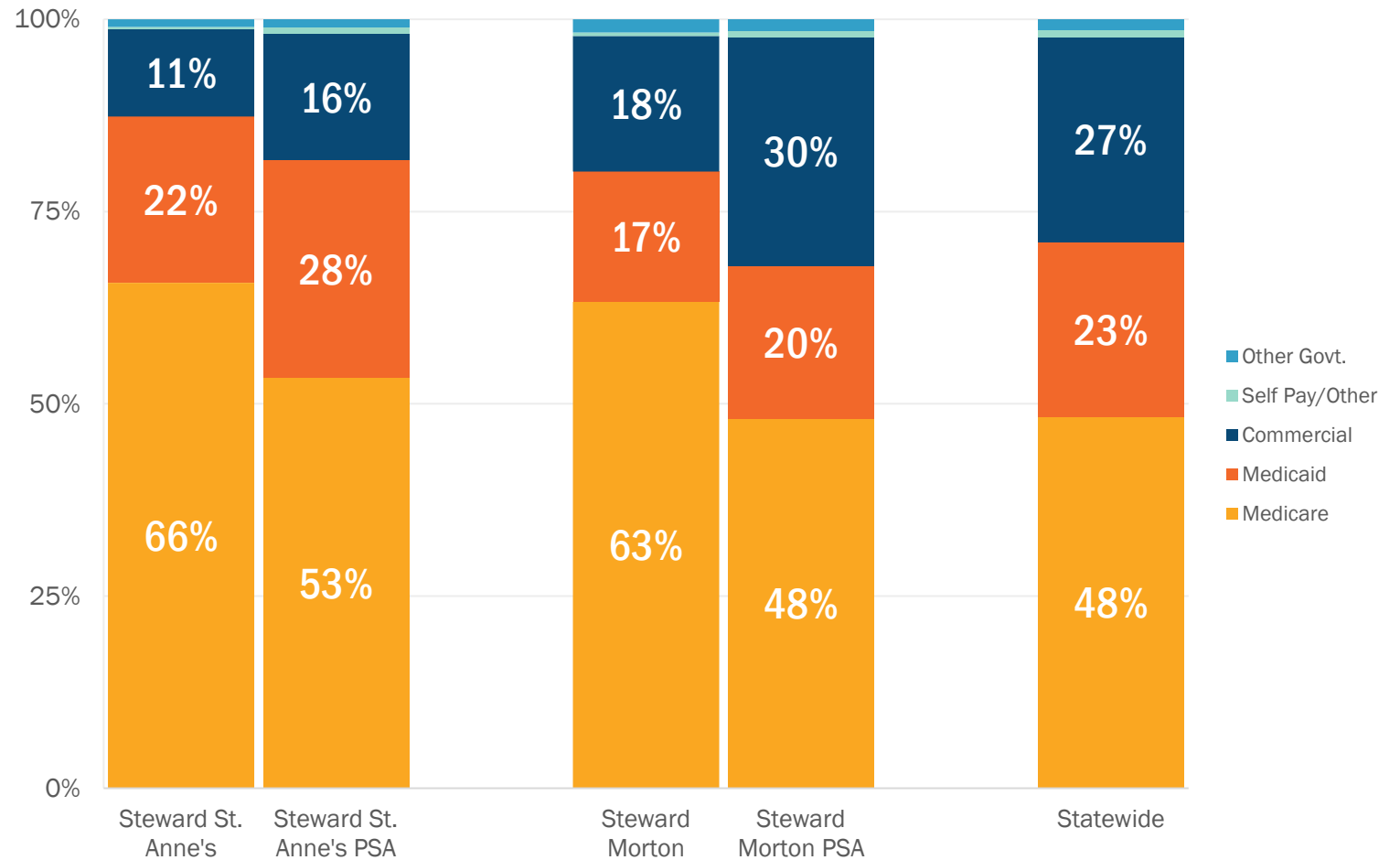
While the parties' quality performance is relatively comparable, Lifespan has superior quality scores to Morton and Saint Anne's in a couple of categories, offering some opportunity for quality to be enhanced at those two hospitals.



- Most hospitals in the Lifespan-Steward transaction performed well across **Patient Experience metrics**, with over 90% of metrics at or above benchmark levels. **Morton was a negative outlier**, with only 40% of metrics at or above benchmark levels.
- Hospital performance on **Timely and Effective Care metrics** varied by benchmark category, but in all categories **Saint Anne's performed worse than other hospitals** involved in the transaction.
 - Two hospitals (Newport and Miriam) performed at or above State benchmarks on over 85% of metrics; the remaining hospitals performed better on 75% or fewer.
- There were no meaningful differences between party hospitals on quality metrics related to unplanned hospital visits, complications and death, or maternal health.
- Given Lifespan's superior quality performance across a couple of categories, the transaction offers some **opportunity to improve quality** at Saint Anne's and Morton.

Saint Anne's and Morton provide a larger share of Medicare discharges and a smaller share of Medicaid and Commercial discharges than their PSA overall.

Payer Mix of Hospital and PSA Discharges (2022)



Source: HPC Analysis of 2022 CHIA Hospital Discharge Data

This transaction will maintain access for the local community to two hospitals that are important providers of a range of services.



- Southeastern Massachusetts has had a number of **health care resource challenges** in the last decade, including three Steward hospital closures (Quincy Medical Center in 2014, Norwood Hospital in 2020, and New England Sinai in 2024), the closure of Quincy-based Compass Medical in 2023, and tremendous hospital capacity pressures during the COVID-19 pandemic that remain an issue to this day.
- Lifespan has stated that it **is committed to taking steps to ensure continuity of care** for patients seeking care at Saint Anne's and Morton.
- Lifespan made the following commitments in an agreement with the Commonwealth to receive supplemental funding for Morton:
 - Lifespan will operate Morton as an **acute care hospital** at least through the end of FY 2027
 - Morton will continue to **participate in MassHealth**
 - Failure to meet these requirements will result in **loss of supplemental funding**
- Lifespan has stated that it has **no current plans to change the hospital services** that will be in place at Saint Anne's and Morton as of the closing, recognizing that its ability to continue those existing services will be subject to the condition and staffing of the facilities at closing as well as ongoing demand for the services.
 - HPC understands that the MORCAP addiction treatment program at Morton closed at the end of September.

The Determination of Need program imposed identical conditions on the acquirers focused on continuity of care and transparency.



- The commissioner of the Department of Public Health **approved Determinations of Need (DoNs) for each of the hospitals to be acquired** under DPH's expedited Emergency Application process on September 24th.
- DPH imposed **eight identical conditions** on the acquirers relating to facility improvements, hospital operations, service changes, and patient access that must be completed on certain timelines, including to:
 - Assess and develop a plan to improve facility conditions and operations, as well as a plan to assess the impact of the transaction including quality metrics, patient safety and experience, and health equity. [Conditions 1 and 2]
 - Report ongoing service provision and any anticipated material reductions in services. Changes in services that were not included in the initial plan produced by the acquirer may be reviewed by the Public Health Council. [Conditions 3 and 4]
 - Report on payer mix, payer network participation, and efforts to identify and address barriers to access, including for patients insured by or through MassHealth. [Condition 5]
 - Make good faith efforts to participate in the same insurance plans that the hospitals participated in as of the closing and, to the extent possible, at the same rates through the end of the applicable payer contract period. [Condition 6]
 - Ensure that all providers at the hospitals participate in MassHealth within two years from closing, and annually certify full participation. [Condition 7]
 - Make good faith efforts to offer jobs to the hospital employees as of the closing, on the same terms as feasible. [Condition 8]

The HPC chose not to conduct a cost and market impact review of the acquisition of Saint Anne's and Morton.

- Recognizing these findings and the importance of maintaining services at Saint Anne's and Morton, and in light of the conditions imposed by the Determination of Need (DoN) program and Lifespan's commitments to the Commonwealth tied to supplemental funding, the HPC elected not to conduct a cost and market impact review.
- The HPC notified the parties of its decision on Friday, September 27th and the transaction was completed on Tuesday, October 1st.
- The HPC will continue to monitor healthcare spending, quality, and access data for the parties going forward, and expects to closely review all materials submitted to the DoN program.

1. Background
2. Lifespan's Acquisition of Morton and Saint Anne's
- 3. Lawrence General's Acquisition of Holy Family**
4. Boston Medical Center's Acquisition of St. Elizabeth's and Good Samaritan

Material Change Notice: Steward Holy Family Hospital

- The acquisition of **Steward Holy Family Hospital**, an acute care community hospital with two campuses in Methuen and Haverhill, by **LG Newcorp**, a wholly owned subsidiary of **Lawrence General Hospital**, an acute care hospital in Lawrence.
 - LG Newcorp would own and operate the two hospital campuses in Methuen and Haverhill.
 - The transaction would also include the employment of certain **Steward Medical Group physicians** by LGH or LG Newcorp to ensure ongoing continuation of services.
 - LG Newcorp would enter into an agreement with the Archdiocese of Boston to preserve the name "Holy Family Hospital" to aid in a seamless transition.
- **Purchase price:** \$28 million, most of which is expected to be used to purchase the properties from Medical Properties Trust.

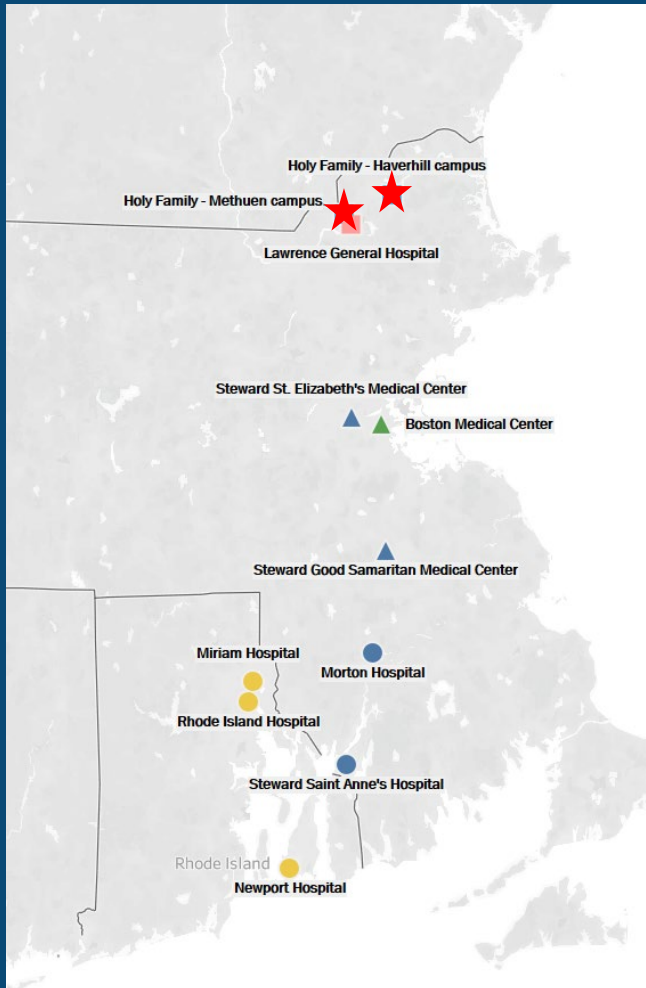
Material Change Notice: Steward Holy Family Hospital

KEY FINDINGS



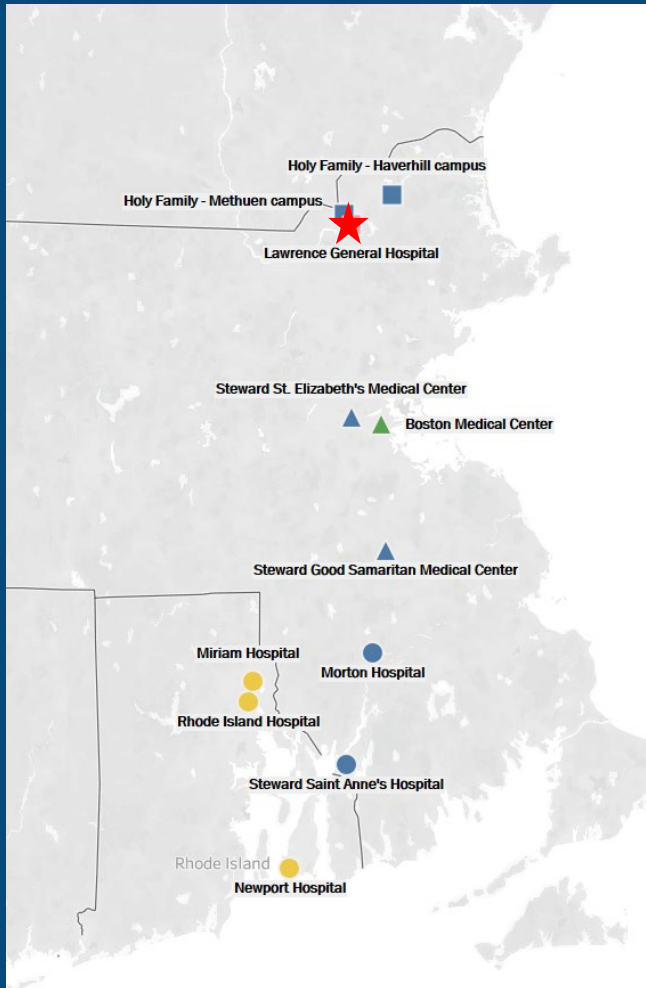
- Because Lawrence General Hospital (LGH) and Holy Family are two of the largest community hospitals in the Merrimack Valley region, **this acquisition increases market concentration locally but does not change market concentration statewide.**
- **Holy Family is currently higher-priced than LGH.** To the extent that LGH is able to negotiate to receive commercial rates closer to Holy Family's, spending could increase.
- **Referral patterns may shift** away from tertiary/quaternary providers historically preferred by Holy Family and to providers that have clinical affiliations with LGH. It is unclear whether these shifts would increase or decrease spending overall.
- The transaction has the potential to **improve quality of care provided at LGH and expand health equity initiatives at Holy Family**
- LGH and Holy Family are both **important safety net providers** in the Merrimack Valley region. **The acquisition maintains Holy Family's provision of important services** such as behavioral health and emergency care.

Steward Holy Family Hospital



- 182-bed community high-public payer hospital with two campuses in Methuen and Haverhill, which merged in 2014
- 69.5% public payer mix
- Higher-priced than most other community hospitals
- Important provider of behavioral health services in its campuses' service areas
- Methuen campus offers a catheterization suite and joint Center of Excellence named as a Blue Cross Blue Shield Blue Distinction+ Center for Knee and Hip Replacement; it is also an important labor and delivery provider
- Has generally performed well across profitability metrics

Lawrence General Hospital



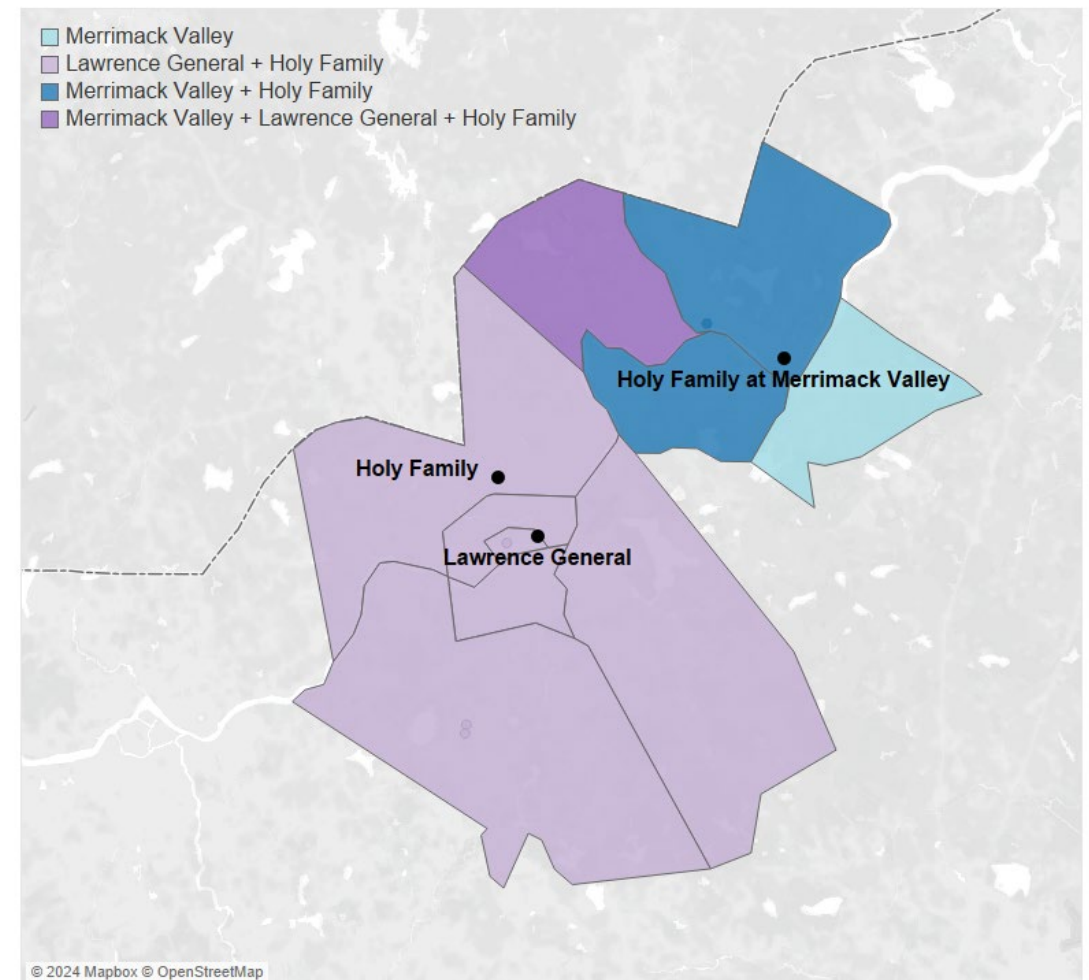
- 227-bed non-profit, independent community high-public payer hospital in Lawrence, Massachusetts
- 75.8% public payer mix
- Moderately priced compared with its competitors
- Level III adult trauma center
- Important labor and delivery provider in its service area
- Has routinely operated at a loss over the last 5 years and has relied on supplemental state funding to support its operations

Lawrence General's acquisition of Holy Family increases market concentration in the hospitals' PSAs, but their low commercial volume limits potential increases in negotiating leverage.



- Because LGH and Holy Family are two of the largest community hospitals in the Merrimack Valley region, **this acquisition will increase market concentration locally**, potentially increasing LGH's negotiating leverage.
 - However, the parties' PSAs are small, both hospitals have low commercial payer mix, and market concentration statewide is expected to be unchanged.
- Lawrence General Hospital (LGH) has been historically lower-priced. To the extent that LGH is able to negotiate to receive commercial rates closer to Holy Family's, spending could increase. However, the spending impact of any increase in rates at LGH would be limited by LGH's low commercial volume.

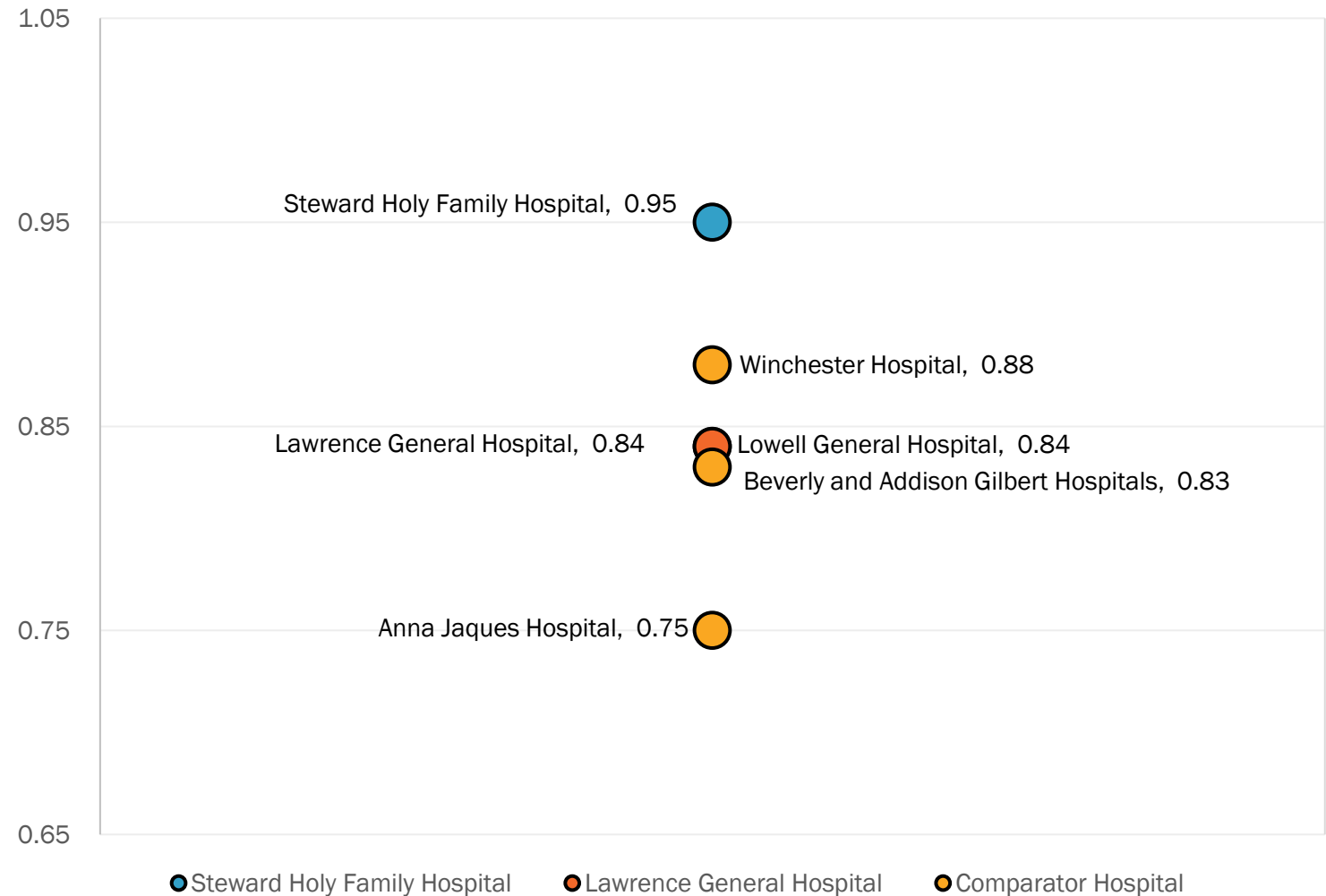
Lawrence General, Holy Family, and Holy Family at Merrimack Valley 2022
Commercial Inpatient Primary Service Areas



Source: HPC Analysis of 2022 CHIA Hospital Discharge Data.

Steward Holy Family is higher-priced and Lawrence General Hospital is moderately priced relative to other community hospitals with a presence in their service areas.

Statewide Relative Prices of LGH, Holy Family, and their Comparators (2022)



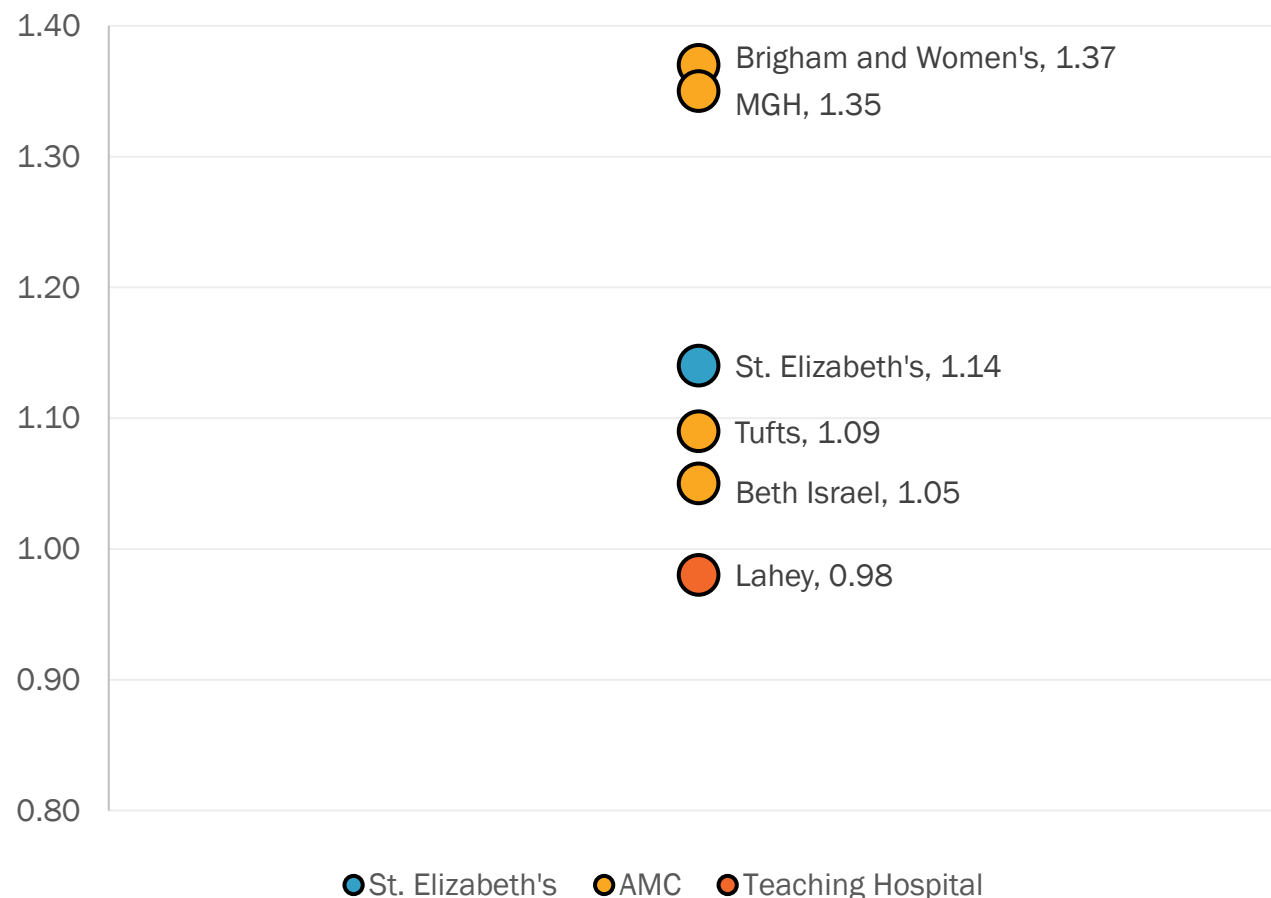
Source: HPC analysis of 2022 CHIA Relative Price Databook and 2022 CHIA Hospital Discharge Database. Comparator hospitals include hospitals in the same CHIA-defined cohort (treating all community hospitals as one cohort) with at least a 2% commercial inpatient market share in the focal hospitals' primary service areas with Nashoba Valley and Carney excluded from share calculation.

Shifts in tertiary/quaternary care for Holy Family patients from St. Elizabeth's to other teaching hospitals and AMCs may occur; the spending impact of such shifts is unclear.



- Steward historically referred patients primarily to high-priced St. Elizabeth's for tertiary/quaternary care.
- After the acquisition, some of this care for Holy Family patients may shift to other teaching hospitals or AMCs.
- Whether these shifts increase or decrease spending will depend on the relative proportions of care shifted to other hospitals, some of which are more expensive than St. Elizabeth's and some of which are less expensive.

2022 Statewide Relative Prices of Academic Medical Centers and Teaching Hospitals Used by Patients Residing in Holy Family's PSA (2022)



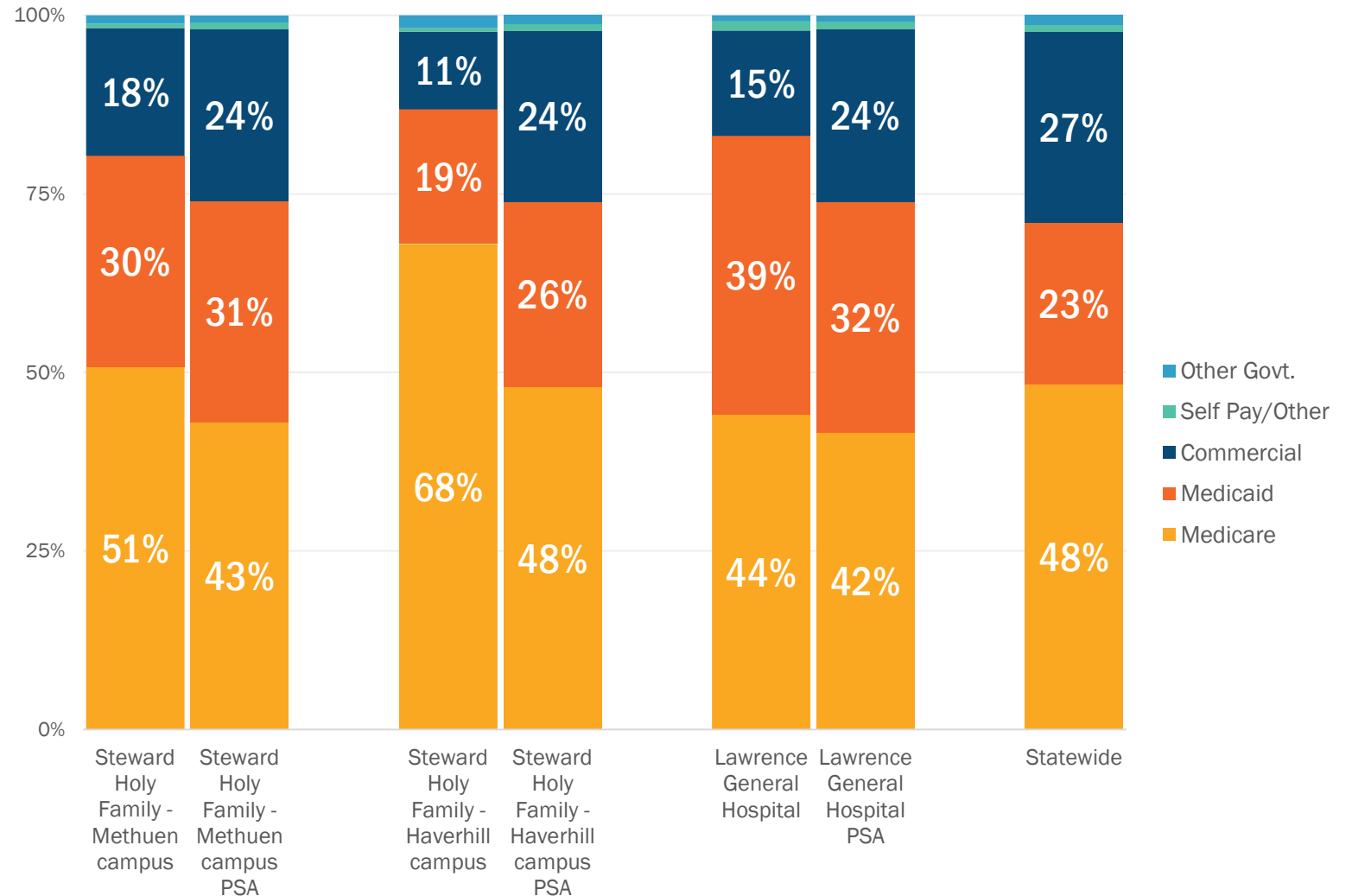
The transaction also has the potential to improve quality of care provided at LGH and expand health equity initiatives at Holy Family.



- Lawrence General Hospital has earned The Joint Commission's Health Care Equity Certification for excellence in its efforts to provide equitable care, treatment and services.
 - The transaction presents the opportunity for LGH to share its health equity practices with Holy Family, including work to decrease health disparities and to promote diversity, equity, and inclusion for staff.
- Holy Family performed slightly better than LGH on Patient Experience and Timely and Effective Care metrics.
 - On Timely and Effective Care metrics, both hospitals performed at or above state benchmarks on 70% or more metrics; on Patient Experience metrics the two hospitals performed at or above state levels on fewer than 50% of metrics.
 - When compared to statewide community hospital benchmarks, the share of Patient Experience metrics at or above state levels substantially increased (67% for Holy Family).
- Holy Family also performed better than LGH on Imaging metrics.
- There were no meaningful differences between party hospitals on quality metrics related to unplanned hospital visits, complications and death, or maternal health.
- The transaction offers an opportunity for both hospitals to share best practices around quality improvement.

Both Holy Family campuses and Lawrence General serve predominately Medicare and Medicaid patients; they all see fewer commercial patients than in their PSAs overall.

Payer Mix of Hospital and PSA Discharges (2022)



The acquisition of Holy Family by Lawrence General Hospital allows Holy Family to continue to provide services that are important to the Merrimack Valley region.



- Lawrence General Hospital (LGH) and Holy Family are both **important safety net providers** in the Merrimack Valley region, and both care for a significant percentage of Hispanic, Latino, and Spanish patients. LGH stated that through the acquisition it is working to preserve access to acute care hospital services in the Merrimack Valley.
- Holy Family is an important provider of services such **as behavioral health and emergency care** in a region that has historically faced barriers to care.
- LGH has committed to the following in an agreement with the Commonwealth in order to receive supplemental funding:
 - LGH will **operate Holy Family as an acute care hospital** at least through the end of FY 2027
 - Holy Family will continue to **participate in MassHealth**
 - LGH will not cease or reduce services at **Holy Family's Haverhill campus** for at least six months, and any cessation or reduction in essential health services at either Holy Family campus may result in reduction of funding
 - LGH will **participate in a Regional Collaborative** convened by EOHHS to advise on the reorganization of healthcare delivery services in the Eastern Merrimack Valley
 - LGH will continue to **work closely and in good faith with Greater Lawrence Family Health Center and other local providers** of primary care, urgent care, and behavioral health services to ensure robust access to services in the Merrimack Valley region
 - Failure to meet these requirements will result in **loss of supplemental funding**

The HPC chose not to conduct a cost and market impact review of the acquisition of Holy Family's two campuses.

- Recognizing these findings and the importance of maintaining services at Holy Family's Methuen and Haverhill campuses, and in light of the conditions imposed by the Determination of Need (DoN) program and LGH's commitments to the Commonwealth tied to supplemental funding, the HPC elected not to conduct a cost and market impact review.
- The HPC notified the parties of its decision on Friday, September 27th and the transaction was completed on Tuesday, October 1st.
- The HPC will continue to monitor healthcare spending, quality, and access data for the parties going forward, and expects to closely review all materials submitted to the DoN program.

1. Background
2. Lifespan's Acquisition of Morton and Saint Anne's
3. Lawrence General's Acquisition of Holy Family
- 4. Boston Medical Center's Acquisition of St. Elizabeth's and Good Samaritan**

Material Change Notice: Steward Good Samaritan & Steward St. Elizabeth's

- Three separate MCNs by **BMC Health System** for:
 - The acquisition of **Steward St. Elizabeth's Medical Center**, an acute care teaching hospital in Boston;
 - The acquisition of **Steward Good Samaritan Medical Center**, an acute care community hospital in Brockton; and
 - The employment of certain **Steward office and hospital-based physicians** following these two hospital acquisitions.
- BMC Health System would own Good Samaritan and St. Elizabeth's and would operate both hospitals following the transaction.
- **Hospital purchase price:** \$140 million, most of which is expected to be used to purchase the properties from Medical Properties Trust.

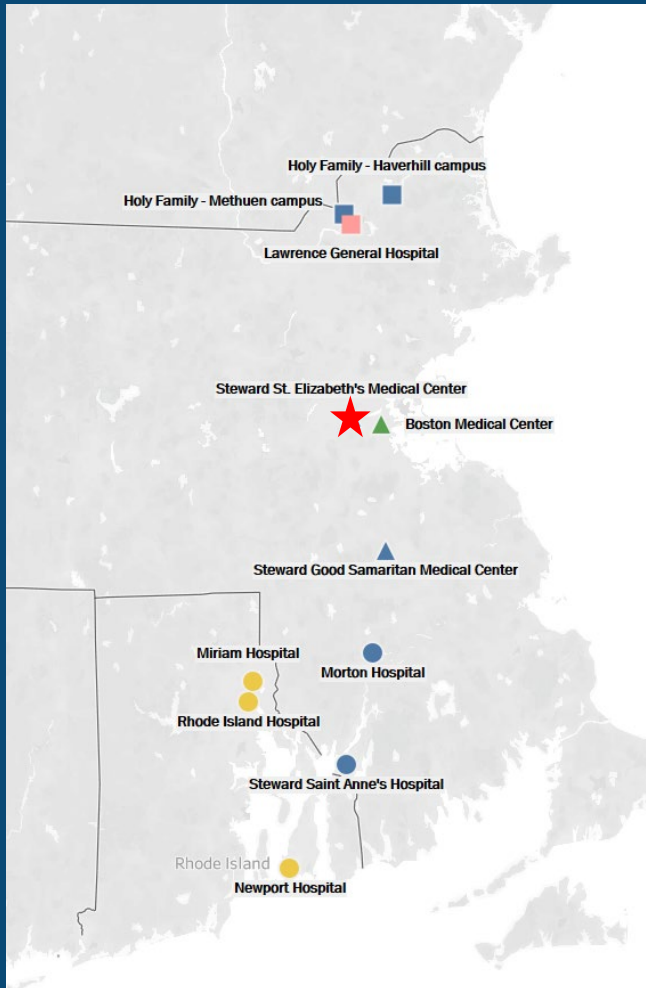
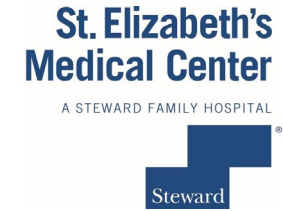
Material Change Notice: Steward Good Samaritan & Steward St. Elizabeth's

KEY FINDINGS



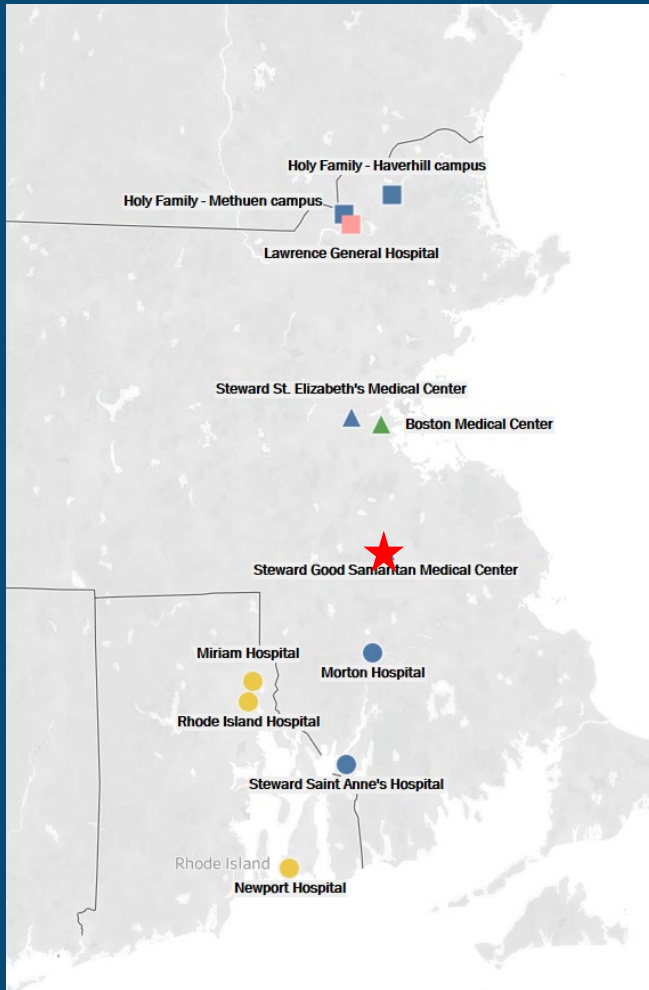
- The acquisition of St. Elizabeth's and Good Samaritan by Boston Medical Center **does not have a substantial impact on market concentration** and is not expected to significantly change the parties' pricing leverage with commercial payers.
- The transaction could lead to **shifts in tertiary/quaternary referrals** for St. Elizabeth's and Good Samaritan patients to BMC from other Boston AMCs, which is **anticipated to reduce spending** given BMC's low AMC rates.
- **BMC generally has greater quality performance than St. Elizabeth's and Good Samaritan**, offering an opportunity for quality to be enhanced at those two hospitals.
- **St. Elizabeth's and Good Samaritan are important safety-net providers in Boston and south of Boston.** The acquisition would maintain their provision of important services such as behavioral health, deliveries, and emergency care.

Steward Saint Elizabeth's Medical Center



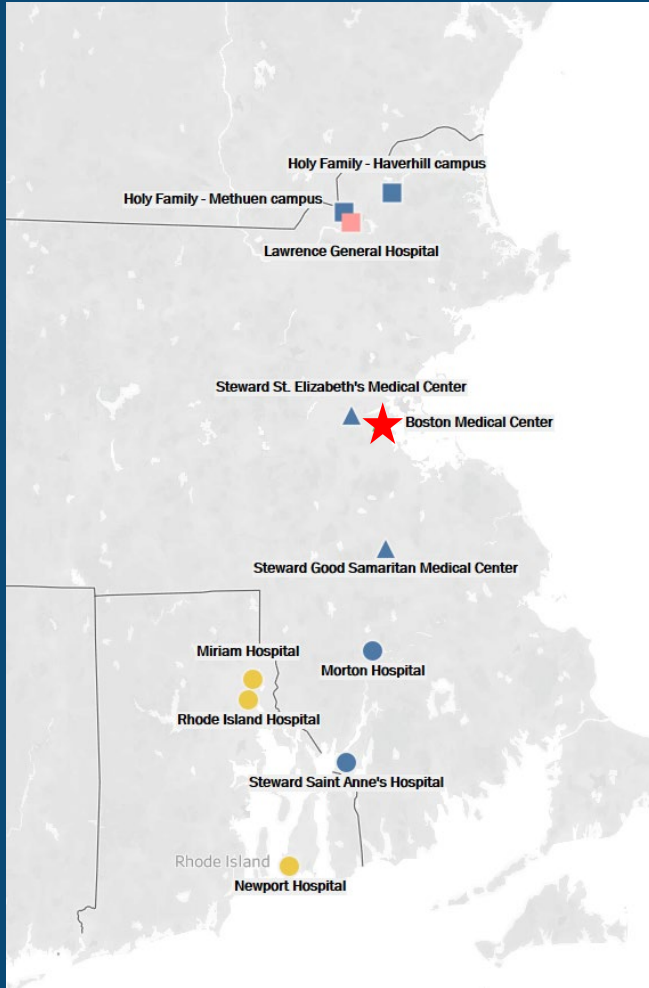
- 234-bed acute care teaching hospital with high public payer mix located in Boston
- Important provider of behavioral health services in its PSA. Other services include labor and delivery, stroke care, a level III NICU, and cardiac care
- 67.7% public payer mix
- Higher-priced compared with other teaching hospitals, and some academic medical centers
- Profitability has varied year-to-year, with reasonable liquidity metrics.

Steward Good Samaritan Medical Center



- 192-bed community-high Public Payer Hospital located in Brockton, MA
- Important provider of behavioral health and labor and delivery services in its primary service area
- Level III adult trauma center
- 69.8% public payer mix
- Higher-priced in relation to its competitors
- Good Samaritan Radiation Oncology Center is located on its campus and is included in the acquisition.
- Has generally performed well across profitability and liquidity metrics.

Boston Medical Center Health System

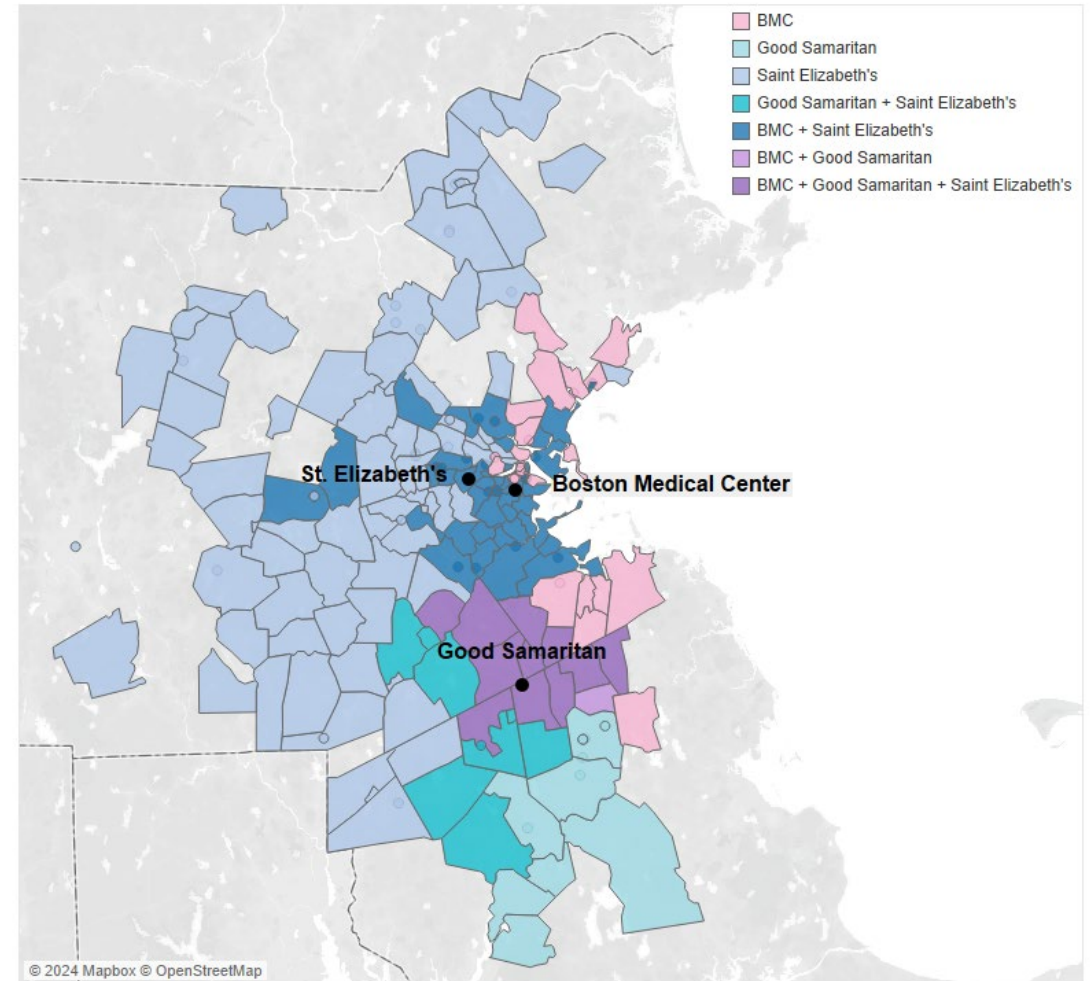


- Health system anchored by Boston Medical Center, a 461-bed high public payer academic medical center in Boston.
- Level I adult and pediatric trauma center
- 74.4% public payer mix
- Lowest-priced academic medical center in the Commonwealth
- Founder of Boston HealthNet, WellSense Health Plan, Boston Accountable care Organization, Boston University Medical Group, and Clearway Health
- BMC is generally in a strong financial position, including positive operating and total margins in 4 of the last 5 years, and has seen increasing net assets during this time.

BMC's acquisition of St. Elizabeth's and Good Samaritan will not substantially impact inpatient market concentration. Shifts in referrals are likely to reduce spending.

- The acquisition of St. Elizabeth's and Good Samaritan by Boston Medical Center **would not have a substantial impact on market concentration** in the parties' PSAs and is not expected to significantly change the parties' pricing leverage with commercial payers.
- Many discharges in St. Elizabeth's and Good Samaritan's PSAs are from Boston-area AMCs. The transaction could lead to **shifts in tertiary/quaternary referrals** for St. Elizabeth's and Good Samaritan patients to BMC from other Boston AMCs, which is **anticipated to reduce spending** given BMC's low AMC rates.

Boston Medical Center, Saint Elizabeth's, and Good Samaritan 2022 Commercial Inpatient Primary Service Areas



2022 AMC Inpatient Market Shares in Steward Party PSAs		
AMC	St. Elizabeth's	Good Samaritan
Brigham and Women's Hospital	15.6%	12.5%
Massachusetts General Hospital	10.2%	4.6%
Beth Israel Deaconess Medical Center	10.2%	7.8%
Tufts Medical Center	4.0%	3.6%
Boston Medical Center	3.1%	2.4%
UMass Memorial Medical Center	1.5%	0.1%

Source: HPC Analysis of 2022 CHIA Hospital Discharge Data. Share calculations exclude Nashoba Valley and Carney.

St. Elizabeth's and Good Samaritan are generally higher-priced than their comparators. BMC is the lowest-priced AMC in Massachusetts on average.

Statewide Relative Prices of Party Hospitals and their Comparators (2022)



Source: HPC analysis of 2022 CHIA Relative Price Databook and 2022 CHIA Hospital Discharge Database. Comparator hospitals include hospitals in the same CHIA-defined cohort (treating all community hospitals as one cohort) with at least a 2% commercial inpatient market share in the focal hospital's primary service area with Nashoba Valley and Carney excluded from share calculation. **St. Elizabeth's** comparators are Lahey Hospital & Medical Center and Mount Auburn Hospital. **Good Samaritan's** comparators are South Shore Hospital, Newton-Wellesley Hospital, Signature Healthcare Brockton Hospital, and Beth Israel Deaconess Medical Center Milton, and Morton Hospital. **Boston Medical Center's** comparators are Beth Israel Deaconess Medical Center, Boston Medical Center, Brigham and Women's Hospital, Massachusetts General Hospital, and Tufts Medical Center

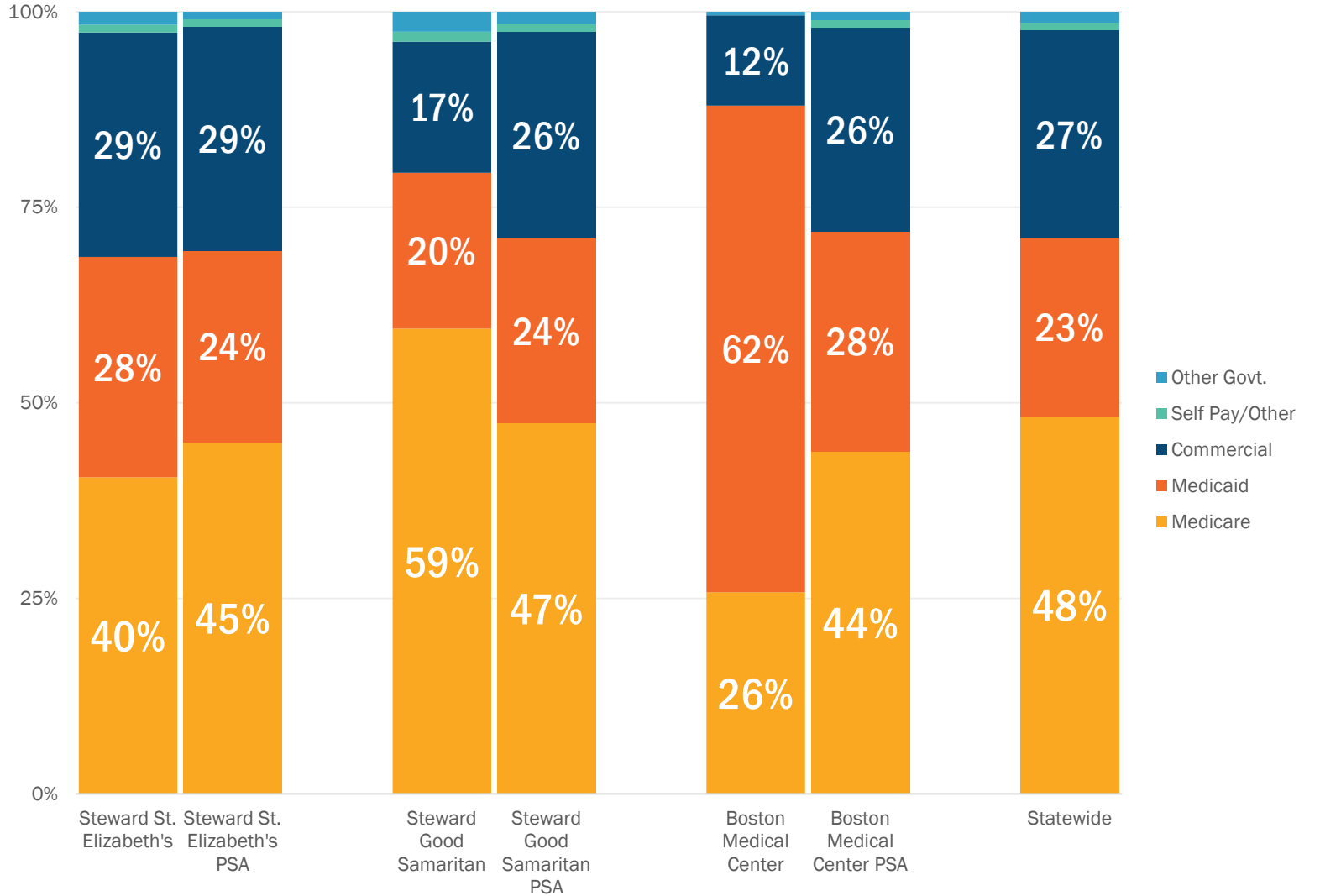
BMC generally has greater quality performance compared to St. Elizabeth's and Good Samaritan, offering an opportunity for quality to be enhanced at those two hospitals.



- BMC performed better than St. Elizabeth's and Good Samaritan on metrics of **Patient Experience** and **Timely and Effective Care**.
 - For **Patient Experience** metrics, BMC performed at or above state benchmarks on 90% of metrics; St. Elizabeth performed at or above state level on 57% of metrics, and Good Samaritan on 5% of metrics
 - For **Timely and Effective Care** metrics, BMC performed at or above state benchmarks on 85% of metrics; St. Elizabeth performed at or above state levels on 75% of metrics, and Good Samaritan on 70% of metrics
- There were no meaningful differences between party hospitals on quality metrics related to **Unplanned Hospital Visits, Complications and Death**, or **Maternal Health**.
- Given BMC's superior quality performance, and its intent to standardize patient care across hospitals, the transaction offers an **opportunity to improve quality** at St. Elizabeth's and Good Samaritan.

Good Samaritan, St. Elizabeth's and BMC all serve a higher portion of public payer patients compared to their PSAs overall. BMC serves an especially large share of Medicaid patients compared to its PSA.

Payer Mix of Hospital and PSA Discharges (2022)



BMC, St. Elizabeth's, and Good Samaritan are all important safety net providers in Boston and south of Boston.



- The acquisition would **maintain St. Elizabeth's and Good Samaritan's provision of important services** such as behavioral health, deliveries, and emergency care for the time being.
- Boston Medical Center is an **important provider of services to BIPOC patients** residing in its primary service area, serving a far greater percentage of Black, Hispanic, Latino, and Spanish patients than its overall service area. St. Elizabeth's and Good Samaritan may benefit from BMC's expertise in working with a more racially diverse patient population.
- BMC has committed to the following in an agreement with the Commonwealth in order to receive supplemental funding:
 - BMC will **operate Good Samaritan as an acute care hospital** through at least FY 2026
 - BMC will **operate St. Elizabeth's as an acute care hospital** through at least FY 2027
 - Good Samaritan and St. Elizabeth's will **continue to participate in MassHealth**
 - BMC will **not cease or reduce essential health services** at Good Samaritan or St. Elizabeth's prior to FY 2026 or FY 2027, respectively
 - Failure to meet these criteria will result in **loss of supplemental funding**

The HPC chose not to conduct a cost and market impact review of the acquisition of St. Elizabeth and Good Samaritan.

- Recognizing these findings and the importance of maintaining services at St. Elizabeth's and Good Samaritan, and in light of the conditions imposed by the Determination of Need (DoN) program and BMC's commitments to the Commonwealth tied to supplemental funding, the HPC elected not to conduct a cost and market impact review.
- The HPC notified the parties of its decision on Friday, September 27th and the transaction was completed on Tuesday, October 1st.
- The HPC will continue to monitor healthcare spending, quality, and access data for the parties going forward, and expects to closely review all materials submitted to the DoN program.

Agenda



Call to Order

Approval of Minutes (**VOTE**)

Executive Director's Report

Market Oversight

- Steward Hospital Transaction Reviews

 **STEWARDSHIP – RURAL HEALTHCARE GROUP TRANSACTION REVIEW**

- Other Notices of Material Change

2024 Health Care Cost Trends Report and Policy Recommendations (**VOTE**)

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts

Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program (**VOTE**)

Adjourn

Material Change Notice: Stewardship Health, Inc.

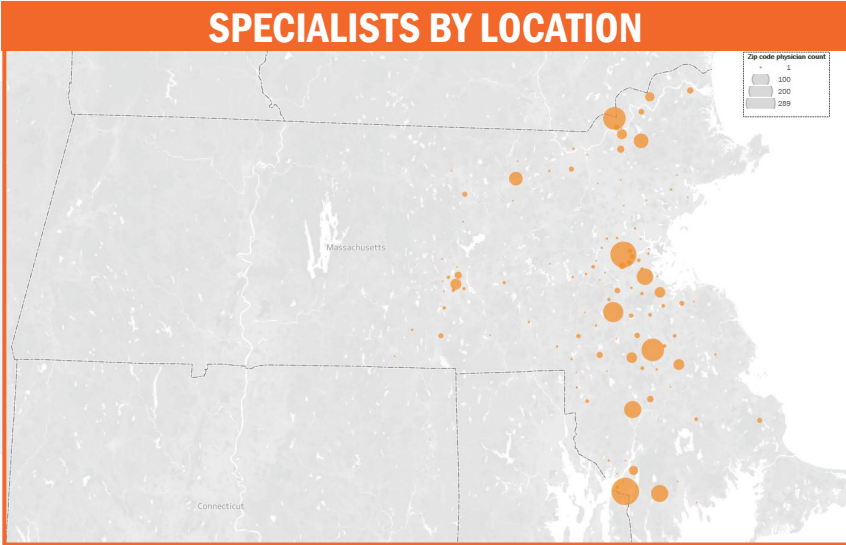
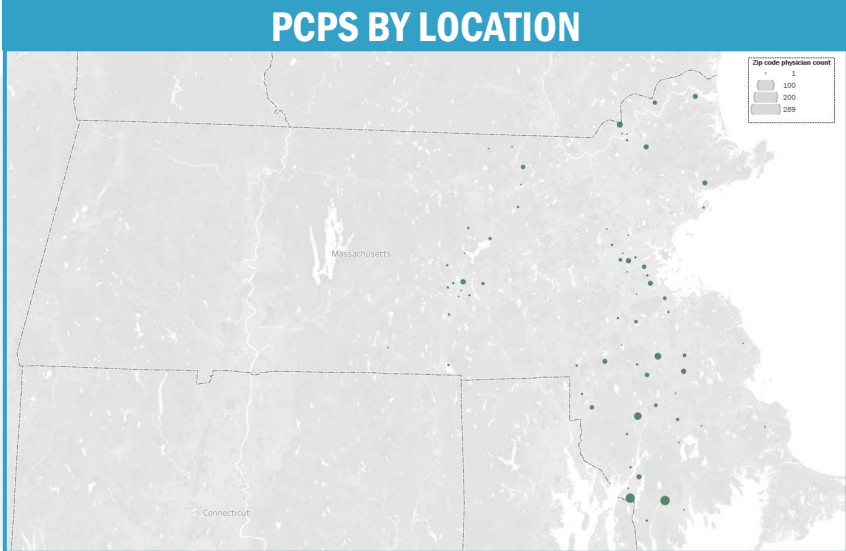
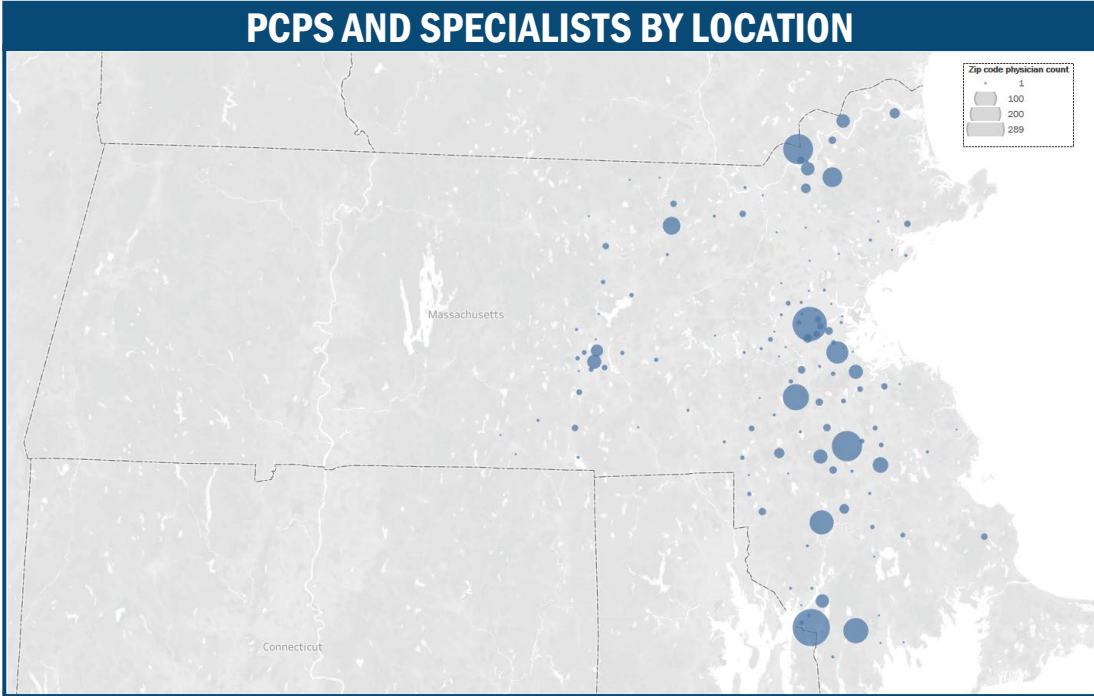
- The proposed sale of Steward subsidiary **Stewardship Health, Inc.**, the parent of Stewardship Health Medical Group, which employs primary care and other clinicians across nine states, and Steward Health Care Network, a provider contracting network, to **Brady Health Buyer, LLC**, an affiliate of **Rural Healthcare Group** and subsidiary of **Kinderhook Industries**
- Medical Properties Trust real property leases are excluded from the transaction; however, Steward is required to assist Rural Healthcare Group with any new lease agreements.
- **Purchase price:** \$245 million
- **Court approval date:** August 22, 2024
- **Target closing date:** October 30, 2024
- **Federal and State Review Status** The parties submitted required antitrust filings, and both Federal and State law enforcement officials have closed review without further action.

➤ **Stewardship Health, Inc. (SHI)**, a subsidiary of **Steward Health Care System**, is comprised of **Stewardship Health Medical Group, Inc., (SHMG)** and **Steward Health Care Network, Inc. (SHCN)**



- **SHMG** employs primary care physicians, paneled specialist physicians, and other clinicians that provide care to patients in clinical practice locations across nine states, including Massachusetts
- **SHCN** is a contracting organization that enters into value-based, risk-based, and other payer contracts on behalf of providers in the Steward health system
 - **SHCN** is currently the third-largest physician contracting network in Massachusetts, behind Mass General Brigham and Beth Israel Lahey Health, with **approximately 2,950 physicians** (45% employed; 86% specialists) reported into our Registration of Provider Organization (RPO) program, as well as significant additional clinical and non-clinical staff.
- **SHI** provides administrative and other non-clinical business support services to SHMG and SHCN

Stewardship providers are located across the Commonwealth, with a particularly strong presence in the eastern and southern regions



Most providers employed by or contracting with Stewardship in Massachusetts are classified as specialists.

Sources: Steward Health Care System 2022 MA-RPO Filing
Notes: Providers located Cape Code in Steward's 2022 MA-RPO Physician Roster were excluded from the maps above

Rural Healthcare Group is a new, but rapidly growing value-based care provider with 17 primary care locations in North Carolina and Tennessee.

- The company was created in 2022 with the acquisition of three clinics from Smoky Mountain Urgent Care
- Since its initial transaction, RHG has acquired 14 additional clinics, including the acquisition of six clinics from Crossroads in 2023
- RHG clinics employ 2 to 3 providers on average, most of whom are APPs

Kinderhook Industries is a private equity company focused on investing in mid-sized companies.

- Since its start in 2003, Kinderhook has raised \$8.5 billion in capital across 8 funds and participated in over 450 investments
- The company's portfolio includes 7 active health care holdings, which encompass pharmacy services, physician groups, health screening services, and communication support for the deaf and hard of hearing community

Kinderhook Industries Current Healthcare Portfolio



Rural Healthcare Group plans to retain many elements from Stewardship to ensure continuity of care and operations.

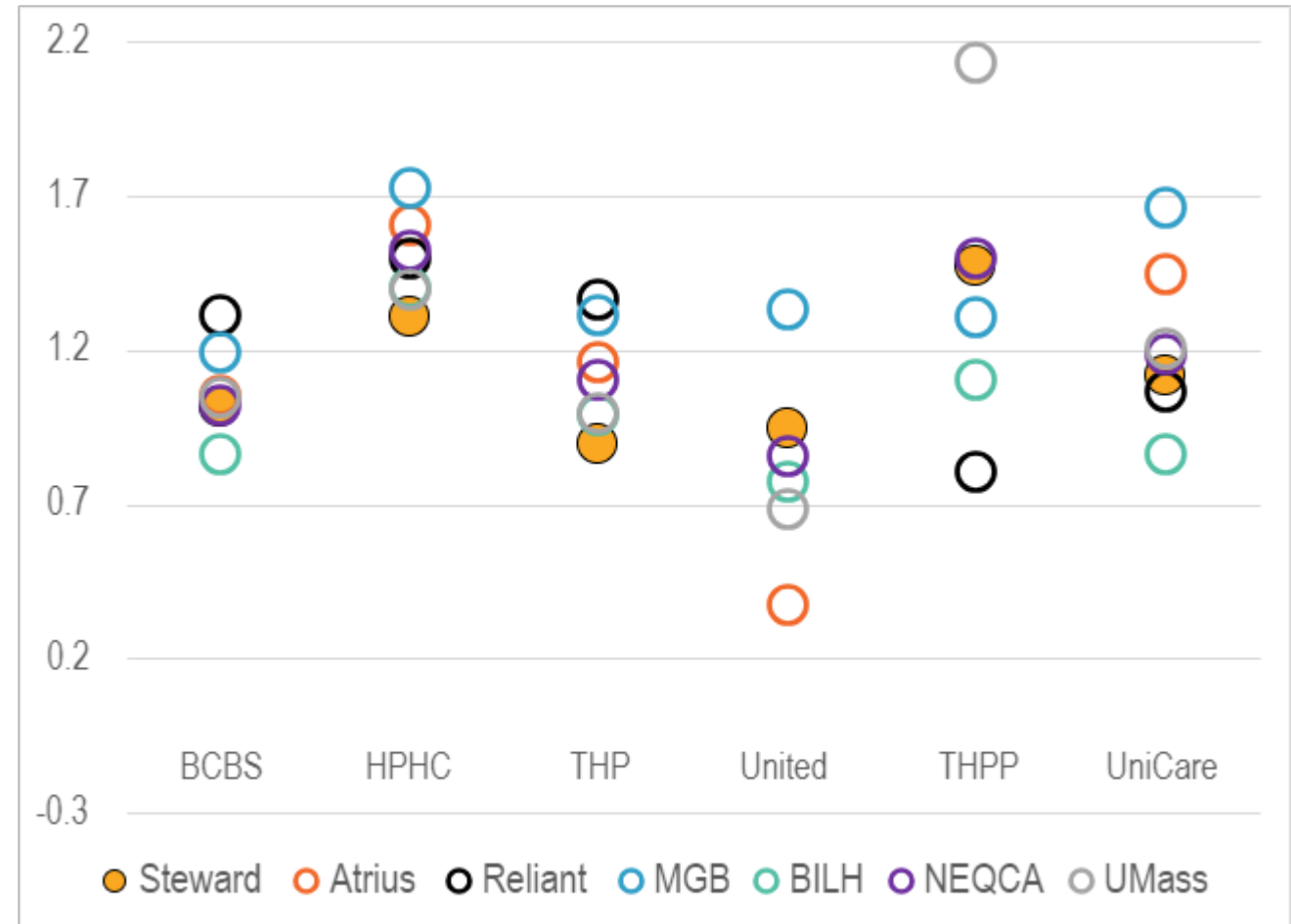


- RHG plans to establish a new corporate structure for Stewardship assets that **largely mirrors the existing Stewardship structure**, facilitating continuity of operations:
 - RHG would provide management services under a Management Services Organization (MSO) to Stewardship clinicians. Stewardship clinicians, under a Professional Corporation (PC), would separately provide clinical care without improper influence by RHG.
 - This “Friendly PC” and MSO model is a common structure used by many provider organizations in Massachusetts, and RHG has emphasized that the MSO has no ability to interfere with or control medical decisions by the PC.
- RHG is expecting to **retain much of Stewardship’s clinical leadership**.
- RHG also plans to **retain nearly all clinical and non-clinical staff currently employed by Stewardship** to support operations in Massachusetts.
- RHG **does not anticipate changes to hospital admission privileges** for Stewardship physicians and is currently working with health systems in the Commonwealth to ensure a smooth transition after the transaction closes.

Cost and Market Findings: Pricing and Market Share

- Steward physicians' **relative price is generally low to moderate** for commercial payers in Massachusetts.
- While Steward was the third largest physician network in Massachusetts, RHG is a new entrant to the Massachusetts market. The acquisition is therefore **not anticipated to increase market concentration or Stewardship's physician market share**. To the contrary, Stewardship's market share is likely to decrease as some providers leave the network.
- Given that the parties' bargaining leverage is not expected to increase, the transaction is also **not anticipated to increase pricing**.

Commercial Relative Price by Physician Group (2022)

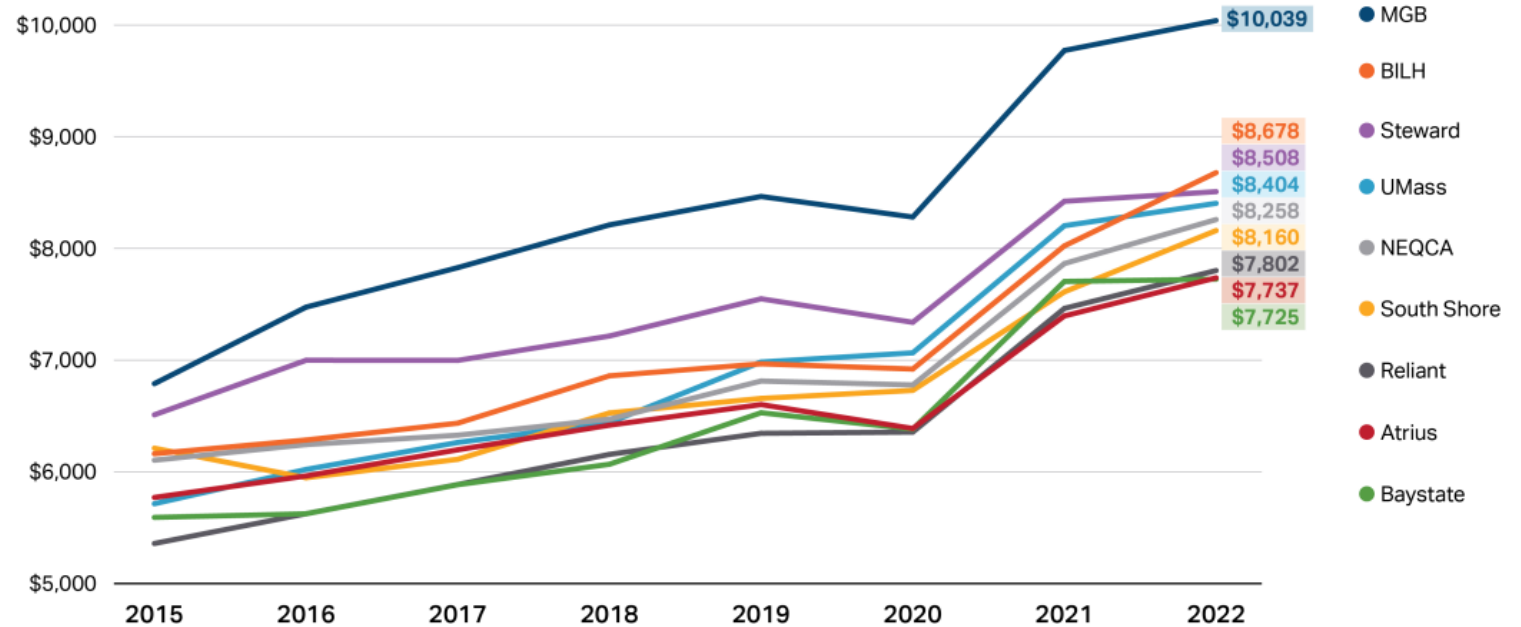


Cost and Market Findings: Total Medical Expense, Referral Patterns, and Utilization



- In recent years, Steward has had **high unadjusted total medical expenses** for its primary care patients which has been **increasing rapidly**, though its health status-adjusted spending has been more moderate.
- Steward’s high unadjusted spending for primary care patients suggests an opportunity to improve care management and reduce expenditures through changes in utilization, particularly in reducing unnecessary hospital utilization given that Stewardship will no longer be corporately affiliated with hospitals.

Total annual health care spending for all services per patient based on provider organization where the patient receives primary care, 2015-2022.



- While RHG does not anticipate changes to referral patterns in the near term, referrals may shift over time to lower-cost providers, which could moderate increases in total medical expenses in the future.
- RHG has expressed an interest in succeeding in value-based care arrangements which will incentivize it to provide care efficiently.

Notes: TME includes claims and non-claims payments as well as patient cost-sharing paid. Analysis includes commercial full claims only (excluding partial claims) and includes all payers except BMCHP and THPP. Partners HealthCare changed its name to Mass General Brigham (MGB) in 2019. Beth Israel Deaconess Care Organization (BIDCO) and Lahey Hospital and Medical Center merged in 2019 and became Beth Israel Lahey (BILH). BIDCO and Lahey data were reported separately by CHIA until 2022. Payer methods for attributing patients to provider group for TME data differ from HPC methods used in APCD analyses.
Source: HPC analysis of Center for Health Information and Analysis 2018, 2019, 2022, 2022, 2023, and 2024 Annual Report TME Databooks.

Quality Findings



- While RHG has a limited track record which the HPC can evaluate to examine its past strategies and their success, RHG has described plans to implement several changes at Stewardship to drive quality improvement, including in **care management and care coordination**.
- RHG also plans investments in **analytics and technology**, including restoring and enhancing EHR functionality for Stewardship practices.
- RHG's planned investments in the practices alone may increase quality to some degree.
- The limited data available also suggests relatively strong quality performance for RHG's current practices to date across most metrics.
- In sum, while RHG has a limited track record to assess, available information suggests that a **decrease in quality is unlikely** as a result of the transaction, and that there is an **opportunity to improve quality**.

- Stewardship is an important provider for patients with public payers, with a **58% public payer mix** (primarily Medicare) for its Medical Group in 2022.
- RHG stated it is committed to maintaining access for the current patient panel, including MassHealth patients, and growing patient panels with all payers.
 - RHG stated it does **not anticipate changes to payer mix**. HPC will be able to monitor trends in **Stewardship’s payer mix** through required reporting into its Registration of Provider Organizations program.
 - RHG has also committed to providing updates to the HPC regarding the patients it is serving. HPC will also be able to examine **demographic information** about Stewardship’s commercial patients for payers in the APCD.
- RHG also stated plans to **increase access to primary care services**, including by increasing its primary care patient panel.
- RHG also emphasized that its business strategy for generating profit is through **quality improvement, participation in value-based contracts, and growth in volume**, rather than by cutting internal costs or services.

PAYER CATEGORY	STEWARD MEDICAL GROUP PAYER MIX
Commercial	37%
Medicare	44%
Medicaid	14%
Other	5%
Total	100%

- RHG acknowledged it will comply with **state transparency and market oversight requirements**, including participation in the **Annual Cost Trends Hearings** and immediate registration with the **Registration of Provider Organizations** program, and annual registration thereafter, which will include public reporting of:
 - **organizational charts** and other key information about the structure of the organization;
 - **financial information**, including audited financial statements;
 - **physician rosters** with NPIs and other key data;
 - Information on **contracting and clinical relationships**, including information on contract participation;
 - detailed **payer mix information**; and more.

- Additionally, although the HPC does not have the authority to require conditions in connection with a material change notice review, RHG has also **committed to the HPC** that it will provide periodic updates on its operations over the next two years to the HPC including, but not limited to, updates on personnel changes, any changes to services, updates on patients served, as well as information regarding any significant financial activities that could impact operations in Massachusetts.

- Finally, RHG has stated that it is aware that some private equity investors engage in behaviors that have been identified as destabilizing to the companies in which they invest. RHG states **it is committed to the long-term success of Stewardship** for the benefit of its clinicians, patients, and the broader Massachusetts communities and **does not intend to engage in any behaviors that destabilize it.**

Summary of Preliminary Findings and Commitments



- This transaction presents many uncertainties as RHG is a young organization with a limited track record and is a new private equity backed entrant to the Massachusetts market. However, the transaction **will allow Stewardship providers to continue practicing in largely the same structure as today**, retaining Stewardship's clinical leadership, maintaining continuity of care for patients, and providing stability for both clinicians and non-clinical staff.
- As new entrant to the Massachusetts market, RHG's acquisition of Stewardship will not increase market shares in Massachusetts. To the contrary, Stewardship's physician market share may decrease as some providers transition to other networks, meaning that the transaction is **unlikely to increase prices**. There is also an opportunity to shift referrals to lower-priced referral partners over time, which could moderate increases in health care spending in the future.
- The currently available data from RHG's limited history suggest relatively strong quality performance by RHG's practices across most metrics. RHG's plans to invest in care management, care coordination and technology, are likely to offer greater stability to the Stewardship practices and have the **potential to improve quality**.
- Stewardship is an important provider for MassHealth patients; **RHG has committed to continuing its participation in MassHealth and does not anticipate changes to Stewardship's payer mix.**
- While RHG has a limited track record which the HPC can evaluate to examine past strategies and their success, RHG has emphasized that its business strategy for generating profit is through **quality improvement, participation in value-based contracts, and growth in volume**, rather than by cutting internal costs or services.
- Finally, RHG has **committed to participating in state transparency and market oversight efforts**, including immediate registration with the Registration of Provider Organizations program and participation in the annual Cost Trends Hearing. RHG has also committed to providing **ongoing updates to the HPC** on its operations.

Agenda



Call to Order

Approval of Minutes **(VOTE)**

Executive Director's Report

Market Oversight

- Steward Hospital Transaction Reviews
- Stewardship – Rural Healthcare Group Transaction Review

OTHER NOTICES OF MATERIAL CHANGE

2024 Health Care Cost Trends Report and Policy Recommendations **(VOTE)**

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts

Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program **(VOTE)**

Adjourn

Since 2013, the HPC has reviewed 182 market changes.

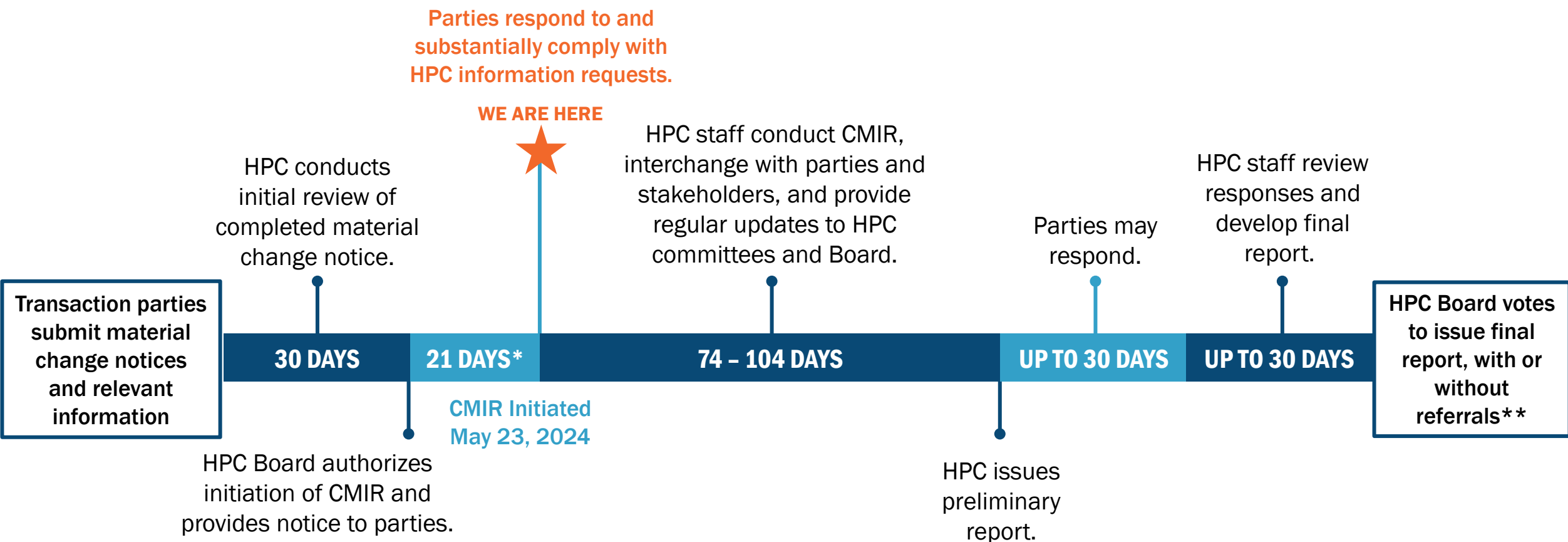
TYPE OF TRANSACTION	NUMBER	FREQUENCY
Formation of a contracting entity	41	23%
Clinical affiliation	36	20%
Physician group merger, acquisition, or network affiliation	35	19%
Acute hospital merger, acquisition, or network affiliation	32	18%
Merger, acquisition, or network affiliation of other provider type (e.g., post-acute)	32	18%
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 Cost and Market Impact Report (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 formation of a new contracting entity in Massachusetts, **Optum Health Networks**, by UnitedHealth Group, to operate as a new provider organization and negotiate risk contracts on behalf of independent physicians and facilities seeking to participate in the OptumCare network.
- The proposed acquisition of **Steward Saint Anne's** and **Steward Morton Hospital**, acute care hospitals in Fall River and Taunton, respectively, by **Lifespan of Massachusetts, Inc.**
- The proposed acquisition of **Steward Holy Family Hospital**, an acute care hospital comprised of two campuses in Methuen and Haverhill, by LG Newcorp, a wholly owned subsidiary of **Lawrence General Hospital**, an acute care hospital in Lawrence.
- The proposed acquisition of **Steward St. Elizabeth's Medical Center**, a teaching hospital in Boston, by **BMC Health System**.
- The proposed acquisition of **Steward Good Samaritan Medical Center**, an acute care hospital in Brockton, by **BMC Health System**.
- The proposed employment of certain **Steward office and hospital-based providers** by **BMC** following BMC's proposed acquisitions of St. Elizabeth's and Good Samaritan.

Material Change Notices Currently Under Review

- The proposed sale 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, to **Brady Health Buyer, LLC**, an affiliate of Rural Healthcare Group and subsidiary of Kinderhook Industries.
- The proposed creation of **Northeast Orthopaedic Alliance** and an affiliated management services organization by four existing orthopedic group practices in Massachusetts and New Hampshire: Boston Sports and Shoulder Center, EONE Medical, EONE Medical Subsidiary, and New England Orthopedic Surgeons.
- A proposed contracting affiliation between **Mass General Brigham** and **Healthcare South**, a for-profit Family Practice, Internal Medicine, and Pediatric Primary Care practice with nine locations in the South Shore and which is currently a contracting affiliate of Tufts Medicine Integrated Network.

Material Change Notices Currently Under Review (con't)

- The proposed acquisition of **Vibra Hospital of Western Massachusetts**, the for-profit owner and operator of both an inpatient long term acute care hospital and a skilled nursing facility in Rochdale, Massachusetts, by Everest Hospital, LLC, a newly formed Massachusetts corporation in coordination with Nielk Equities, LLC

RECEIVED SINCE 9/19/2024

- The proposed acquisition of **Alden Court Nursing Care & Rehabilitation Center**, a 142-bed licensed nursing facility in Fairhaven owed by for-profit Gordon Operating Company, LLC, by **Southcoast Health System**, a non-profit healthcare system that includes St. Luke's, Charlton Memorial, and Tobey hospital campuses.
- The proposed acquisition of **Rotech Healthcare, Inc.**, a national provider of home medical equipment, by **Owens & Minor, Inc.**, a national manufacturer and distributor of medical supplies.

Agenda



Call to Order

Approval of Minutes **(VOTE)**

Executive Director's Report

Market Oversight



**2024 HEALTH CARE COST TRENDS REPORT AND POLICY RECOMMENDATIONS
(VOTE)**

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts

Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program **(VOTE)**

Adjourn

Overview of the HPC's Annual Health Care Cost Trends Report



What is the Health Care Cost Trends Report?

- State law directs the HPC to issue an **annual report on health care spending trends**, along with any **policy recommendations**.
- In this annual report for 2024, the HPC presents **new research** to enhance the collective understanding of the performance of the Commonwealth's health care system and evaluates progress in meeting the state's **affordability, access, and health equity** goals.
- The material is presented in a **narrative report** and an accompanying **graphic chartpack**. For the past few years, select material has also been made available in an **interactive Tableau** format on the HPC's website.
- This report is informed by sources including the data and research of the **Center for Health Information and Analysis (CHIA)**, as well as by presentations and testimony submitted during the **HPC's 2023 Annual Health Care Cost Trends Hearing** and the **2024 Health Care Benchmark Hearing**.



- **Chapter #1: Massachusetts Spending Performance and Affordability of Care** *Findings presented at the HPC Board meeting on September 19, 2024*
- **Chapter #2: Variation in Treatment Intensity** *Findings presented at the HPC Board meeting on September 19, 2024*
- **Chartpacks** *Findings presented at the HPC Board meeting on September 19, 2024*
 - Primary Care and Behavioral Health
 - Price Trends and Variation
 - Hospital Utilization
 - Post-Acute Care
 - Provider Organization Performance Variation
- **Performance Dashboard**
- **Policy Recommendations** *Discussion at the HPC Board meeting on September 19, 2024*

Interactive Tableau Visualizations – Report Highlights and Performance Dashboard



HIGHLIGHTS FROM 2024 COST TRENDS REPORT

In this annual report for 2024, the HPC presents new research to enhance the collective understanding of health care spending trends and cost drivers and evaluates progress in meeting the Commonwealth's cost containment, care delivery, and payment system goals.

Hover over the icons below to explore highlights from the report:

Spending Growth

Affordability

Inpatient Prices

HOP

COST TRENDS REPORT DASHBOARD 2024

Topic areas:

- ALL MEASURES**
- EQUITY**
- SPENDING**
- QUALITY**
- VALUE AND APMS**

No.	Measure	MA performance relative to previous year	MA performance relative to the US
1	Individuals under age 65 with high out-of-pocket spending relative to income	●	▲
2	Share of total compensation devoted to health care for middle class families	▲	■
3	Adults who reported needing to see a doctor but could not because of cost in the past year	●	▲
4	Rate of uninsurance among non-elderly adults with income less than 200% FPL	●	▲
5	Adults without all age- and gender-appropriate cancer screenings	■	▲
6	Infant mortality (per 1,000 live births)	▲	▲

▲ Better performance
 ● Similar performance
 ■ Worse performance

- The bankruptcy and dissolution of Steward Health Care created an unprecedented crisis in our health care system, resulting in a devastating toll on the communities, patients, and health care workers in Massachusetts. Recognizing the HPC's unique role and expertise as a health care market monitor, there is an opportunity to focus this year's Cost Trends Report Recommendations on addressing the causes and consequences of this situation, many of which still remain to be seen.
- In so doing, the HPC will advance our platform of reforms and policy changes to policymakers and the public necessary to:
 - Protect our system from **predatory actors**;
 - Strengthen **public accountability** and **transparency** of all health care organizations, including those private equity investors;
 - Confront the long-standing health care market dysfunctions that underlie **financing inequities** and the **drive to consolidation**; and
 - Rebuild a health care system that is **affordable** and **equitable** and **puts patients first**.

Summary of 2024 Policy Recommendations



1

Strengthen and expand the state's market oversight tools.

- Strengthen and expand the Material Change Notice (MCN) process.

2

Strengthen and expand the state's transparency requirements.

- Require that new provider types, including types frequently targeted by private equity investors, report to the Massachusetts RPO program.
- Enhance enforcement mechanisms for financial reporting.

3

Revitalize health planning to ensure that the supply of health services aligns with community health needs and to protect the interests of historically underserved communities.

- Conduct focused assessments of need, supply, and distribution.
- Strengthen tools to monitor and regulate supply of health care services.
 - Strengthen tools to monitor and regulate supply of health care services.
 - Better equip the state to monitor and respond to essential service closures.

4

Address known market dysfunctions that both drive consolidation among providers and create opportunities for predatory actors to profit through actions that can harm patients, health care workers, and others.

- Address long-standing inequities in provider prices.
- Require site-neutral payment.
- Adopt default out-of-network payment rate.

1

Strengthen and expand the state's market oversight tools.

- A. Strengthen and Expand the Material Change Notice (MCN) Process.** The law authorizing the HPC to review health care provider transactions should be broadened to ensure that all significant health care transactions involving private equity require notice to the HPC. Similar to approaches used in other states, the Commonwealth should consider a process for imposing conditions upon parties to transactions.

2

Strengthen and expand the state's transparency requirements.

- A. Require that New Provider Types, including Types Frequently Targeted by Private Equity Investors, Report to the Massachusetts RPO Program.** The authorizing statute of the Registration of Provider Organization (RPO) program should be updated to collect information from a broader range of provider types, including types frequently targeted by private equity investors.
- B. Enhance Enforcement Mechanisms for Financial Reporting.** Steward Health Care System did not submit its financial statements as required for 2017-2022, and instead filed suit against the Commonwealth. Given the importance of financial oversight, the Commonwealth should strengthen enforcement mechanisms to ensure compliance with state-mandated financial reporting.

3

Revitalize health planning to ensure that the supply of health services aligns with community health needs and to protect the interests of historically underserved communities.

- A. Conduct Focused Assessments of Need, Supply, and Distribution.** The Commonwealth should conduct focused, data-driven assessments of the supply and distribution of services based on identified needs or disparities in outcomes. Such targeted assessments would identify specific provider types or service lines that warrant examination, include an evaluation of the current and future workforce needs, and make recommendations to address misalignment of need, supply, and distribution.
- B. Strengthen Tools to Monitor and Regulate Supply of Health Care Services.** The DoN program could be updated to align with the focused assessments of need described above, along with cost growth, affordability, and health equity goals. The Essential Services process could be improved through enhancing financial monitoring of providers who may be at-risk, earlier confidential notice of potential reduction in services or closure, and allowing for sensitive information to be provided confidentially to better inform regulator response.

4

Address known market dysfunctions that both drive consolidation among providers and create opportunities for predatory actors to profit through actions that can harm patients, health care workers, and others.

- A. Address Long-Standing Inequities in Provider Prices.** The Legislature should take action to compress unwarranted variation in prices between different providers and ensure that pricing reflects value, limit excessive commercial provider prices beyond reasonable benchmark amounts for the highest priced providers, and allow price increases to accrue appropriately to lower-priced providers.
- B. Require Site-Neutral Payment.** Policymakers should take action to require site-neutral payments for certain ambulatory services that are commonly provided in office-based settings (e.g., office visits, lab tests, basic imaging and diagnostic services, and clinician-administered drugs).
- C. Adopt Default Out-of-Network Payment Rate.** The Legislature should enact the default out-of-network payment rate for “surprise billing” situations which would reduce the incentive for predatory market entrants, provide predictability, transparency, and simplicity, and reduce health care spending in Massachusetts.

VOTE

2024 Health Care Cost Trends Report and Policy Recommendations

MOTION

That, pursuant to section 8(g) of chapter 6D of the Massachusetts General Laws, the Commission hereby authorizes the Executive Director to issue the annual report on cost trends as presented.

Agenda



Call to Order

Approval of Minutes (**VOTE**)

Executive Director's Report

Market Oversight

2024 Health Care Cost Trends Report and Policy Recommendations (**VOTE**)



HPC SHORTS EPISODE 7: INEQUITIES IN SEVERE MATERNAL MORBIDITY IN MASSACHUSETTS

Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program (**VOTE**)

Adjourn



**INEQUITIES IN SEVERE
MATERNAL MORBIDITY
IN MASSACHUSETTS**

Agenda



Call to Order

Approval of Minutes (**VOTE**)

Executive Director's Report

Market Oversight

2024 Health Care Cost Trends Report and Policy Recommendations (**VOTE**)

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts



AWARDEE SELECTION: HYPERTENSIVE DISORDERS EQUITABLY ADDRESSED WITH REMOTE TECHNOLOGY FOR BIRTHING PEOPLE (HEART-BP) INVESTMENT PROGRAM (VOTE)

Adjourn

Hypertensive disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program Overview



The purpose of the HEART-BP investment program is to accelerate adoption of **remote blood pressure**



monitoring (RBPM) with an emphasis on ensuring access for populations experiencing disproportionate prevalence of **hypertensive disorders of pregnancy** (HDP) and/or risk of severe maternal morbidity (SMM) in areas and populations, including Black non-Hispanic and Hispanic birthing people.

- **Remote blood pressure monitoring** (RBPM): Telehealth that monitors patients outside the traditional care setting using blood pressure monitors.

- **Hypertensive disorders of pregnancy** (HDP) include:
 - Chronic hypertension
 - Preeclampsia-eclampsia
 - Preeclampsia superimposed on chronic hypertension
 - Gestational hypertension



\$1.5 Million

The HPC will invest \$1.5 million in funding for the HEART-BP Investment Program.



27-30 Months

The program's Period of Performance will be 27-30 months, comprising a mandatory Planning Period of three to six months, and a 24-month Implementation Period.



5 Awards

The HPC will award funding of up to \$300,000 each to four DHTF-eligible hospitals and one provider of OB services through the PRTF.



6 Months

Following the Period of Performance, there will be a six-month Evaluation Period during which Awardees will participate in evaluation-related activities.

HEART-BP Investment Program Aims

1

Support Awardees in making high-quality, patient-centered RBPM programs available to appropriate patients for a minimum of 6 weeks postpartum.

2

Improve access to care, experience of care, and outcomes for birthing people experiencing HDP.

3

Ensure that Awardees address the presence of or potential for inequities in access, outcomes, and experience in all elements of the Program.

4

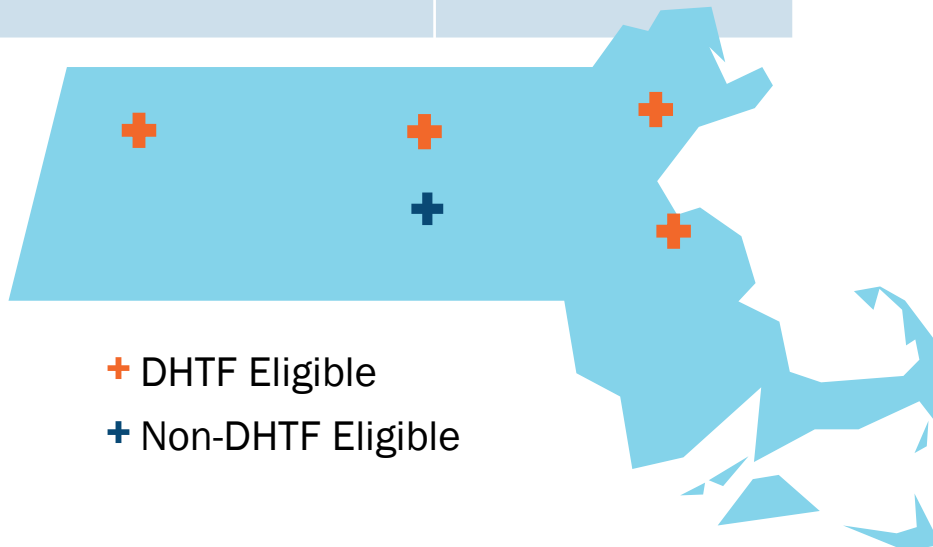
Reduce avoidable readmissions and ED visits associated with HDP to support both the clinical and the business case for RBPM.

5

Capture Program insights that can inform development of sustainable, scalable RBPM programs across the Commonwealth by collecting data on relevant processes, outcomes, experience, and avoided costs.

Review and Selection Committee Award Recommendations

APPLICANT	AWARD AMOUNT
Berkshire Medical Center	\$299,788
Beverly Hospital	\$299,073
Edward M. Kennedy Community Health Center	\$300,000
Heywood Hospital	\$300,000
Signature Health Care Brockton Hospital	\$300,000



ACHIEVING HEALTH EQUITY IN MASSACHUSETTS (AHEM) PRIORITY COMMUNITIES SERVED
Athol
Brockton
Fitchburg
Holbrook
Lynn
North Adams
Orange
Pittsfield
Rockland
Southbridge
Ware
Webster
Winchendon
Worcester

Requested HPC funding:
\$299,788

**Achieving Health Equity
Massachusetts (AHM)
Communities Served:**

- North Adams
- Pittsfield



Program Overview:

Berkshire Medical Center proposes to create a new RBPM program built on a partnership between Berkshire Obstetricians, nursing staff and an external contractor, who will provide the hardware, software, and technology platform needed for remote monitoring. Berkshire intends to use HEART-BP funds to support start-up costs, with the goal of increasingly relying on insurance reimbursement so that RBPM is embedded in their approach to providing prenatal care.

Key Features:

Hiring a **bilingual, bicultural community health worker** to support the adoption and maintenance of RBPM and connect patients to local resources.

Provision of **cellular enabled blood pressure cuffs**; not relying on patient access to internet or data.

Soliciting input on design and planning through **1:1 interviews with eligible birthing patients** at any stage of pregnancy or postpartum care.



Requested HPC funding:
\$299,073

**Achieving Health Equity
Massachusetts (AHM)
Communities Served:**

- Lynn



Program Overview:

Beverly Hospital proposes to build on an existing outpatient RBPM program with the creation of the “Beverly Engagement for Advancing Cardiovascular Outcomes in New parents” (BEACON) program, which they hope will surface best practices and foster program expansion across the BILH system. Clinical pharmacists will serve as patients’ primary point of contact and will be responsible for BP monitoring and medication management.



Key Features:

Provision of tablets that can be **pre-configured to 30 different languages** for patients without cell phones.

Engagement with **patient experience advocate** to inform development of patient-facing educational materials and program design.

Transition of clinical oversight from the BEACON program to primary care through one year after postpartum period.

Requested HPC funding:

\$300,000

Achieving Health Equity Massachusetts (AHM)

Communities Served:

- Southbridge
- Ware
- Webster
- Worcester



Program Overview:

Kennedy Community Health proposes to build on their existing BP monitoring program through the establishment of “Remote Blood Pressure Monitoring for Obstetric Patients” (BP-OB). The BP-OB program will include birthing people with an HDP diagnosis as well as patients at risk for HDP. Kennedy Community Health will leverage its existing relationship with a BP monitoring vendor to provide cuffs, technology onboarding, and TA to patients, in addition to managing an online dashboard.

Key Features:

Offering wireless, cellular-enabled blood pressure monitoring cuffs improved to **fit patients with larger arm circumferences.**

Creation of an **internal engagement campaign** to improve outreach to populations at disproportionate risk of HDP.

Implementation of **continuous patient feedback mechanisms** through regular check-ins and surveys to improve their program.



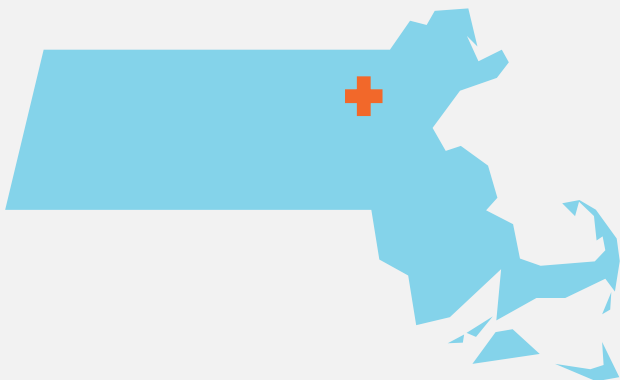
Requested HPC funding:

\$300,000

Achieving Health Equity Massachusetts (AHM)

Communities Served:

- Athol
- Fitchburg
- Orange
- Winchendon



Program Overview:

Heywood Hospital proposes to create a new RBPM program that involves primary care, family medicine, obstetrics, an external consultant to provide telehealth TA, and a third-party vendor to provide RBPM software and hardware. Heywood seeks to adopt an RBPM option that may allow for monitoring of a broader set of diagnoses in the future, and they intend to bill for applicable services to promote sustainability of their program.

Key Features:

Convening a **maternal care hub** that brings together clinicians, CBOs, and patients with lived experience to build community linkages and strengthen social supports.

Providing referrals to **culturally competent doula services** that can offer patients ongoing support and encourage engagement in RBPM.

Developing **culturally and linguistically appropriate educational materials** tailored for priority populations, including for those with low technology and literacy levels.

Requested HPC funding:

\$300,000

Achieving Health Equity Massachusetts (AHM)

Communities Served:

- Brockton
- Holbrook
- Rockland



Program Overview:

Signature Healthcare seeks to establish a new program that serves patients at risk of HDP as identified by referring physicians in Signature Medical Group. The program proposes to work with an external contractor to provide RBPM technology and collect patient data. A Signature nurse care manager will conduct monthly check-ins, provide care coordination with enrolled patients' care teams, and handle patient education.

Key Features:

Creation of a program implementation team that engages **two birthing people of color with lived experience**, who will share input based on their delivery experiences at Signature.

Provision of **smart phones and discounted data plans** for patients without cellphone and internet access.

Develop **culturally and linguistically appropriate educational materials** tailored for priority populations, including for those with low technology and literacy levels.

Anticipated HEART-BP Program Timeline



VOTE

HEART-BP Investment Program Awardee Selection



MOTION

That the Commission hereby accepts and approves the Executive Director's recommendations that the Applicants for the Hypertensive disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) investment program receive award funding pursuant to section 7 of chapter 6D and section 2GGGG of chapter 29 of the Massachusetts General Laws, and 958 CMR 5.07, as applicable, up to the amounts presented and subject to successful completion of awardee contracting, and authorizes the Executive Director in his discretion to determine the final terms and amount of each award.

Agenda



Call to Order

Approval of Minutes (VOTE)

Executive Director's Report

Market Oversight

2024 Health Care Cost Trends Report and Policy Recommendations (VOTE)

HPC Shorts Episode 7: Inequities in Severe Maternal Morbidity in Massachusetts

Awardee Selection: Hypertensive Disorders Equitably Addressed with Remote Technology for Birthing People (HEART-BP) Investment Program (VOTE)



ADJOURN



BOARD

December 12



Masshpc.gov

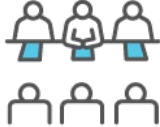


COMMITTEE

Next meeting in 2025



HPC-info@mass.gov



ADVISORY COUNCIL

December 5



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SPECIAL EVENTS

November 14
Cost Trends Hearing



tinyurl.com/hpc-linkedin