

Commonwealth of Massachusetts

Executive Office of Health and
Human Services



Chapter 305: AN ACT TO PROMOTE COST CONTAINMENT, TRANSPARENCY AND EFFICIENCY IN THE DELIVERY OF QUALITY HEALTH CARE

Massachusetts Health Council
September 23, 2008



Summary of S.2863 (Chapter 305 of the Acts of 2008)



- Health care cost containment
- Reform and efficiency
- Access to care
- Quality and transparency
- Adoption of Health Information Technology



Health Care Cost Containment



- Monitor Health Care Cost Trends
 - Requires DHCFP to hold annual hearings on provider and payer costs and cost trends, and to provide an analysis of health care spending trends with recommendations for strategies to promote an efficient health delivery system
- Determination of Need regulatory authority strengthened



Reform and efficiency



- **Commission on Health Payment Reform** co-chaired by Commissioner of DHCFP and Secretary of Administration and Finance to investigate restructuring the current payment system to provide incentives for efficient and effective care
 - 10-member Commission reports by April 1, 2009
- **Joint Study on Disposition of Reserves:** Mandates DHCFP, in conjunction with the Division of Insurance, to examine options to provide regulation, oversight, and disposition of reserves, endowments, and surpluses of health insurers and hospitals
 - Report due July 1, 2009
- **Study on Use of State Funds:** EOHHS and ANF report on the allocation and use of state funds by acute care hospitals, non-acute care hospitals, Medicaid MCOs, other managed care organizations, community health centers and carriers contracting with the Connector under chapter 118H or any other publicly funded program
 - Make recommendations for performance benchmarks, regulatory and statutory changes to strengthen oversight, hospital debt collection practices



Reform and efficiency



- **End of Life Care Initiative to be Led by EOHHS:** Calls for regulations and activities including expert panel, public awareness campaign, and POLST pilot programs
 - Consultation with HCQCC, the End of Life Commission and Betsy Lehman Center
 - Form an expert panel on End of Life care for patients with chronic illnesses
- **Record Retention:** Changes process by which hospitals and clinics may destroy medical records and decreases mandatory time period for retention
- **Interstate Health Technology Assessment Commission**
 - Explore feasibility an interstate compact to establish an independent entity to research the comparative effectiveness of medical procedures, drugs, devices, and biologics, so that research results can be used as a basis for health care purchasing and payment decisions,



Access to Care



- Workforce initiatives
 - DPH Health Care Workforce Center
 - Creates an affordable housing model for health care professionals committed to providing care in underserved regions
 - Requires health insurers to recognize and reimburse nurse practitioners as primary care providers
 - Expands the number of physician assistants that a physician may supervise from 2 to 4 in medically underserved areas
 - Establishes a Nursing and Allied Health Workforce Development Trust Fund to increase the nursing workforce and creates a loan forgiveness/incentive program for nursing graduates who commit to serve as nursing faculty for a specified number of years



Access to Care



- **Primary Care**
 - Expands enrollment at UMass Medical School for students committed to primary care specialties
 - Increases residencies for those in primary care
 - Waives UMass Medical School tuition for commitment to practice in underserved areas
 - Creates an enhanced “learning contract” for UMass medical students who commit to working four years in primary care in Massachusetts; includes a tougher penalty for students who don’t complete their commitment
- **Primary Care Reimbursement Study**
 - MassHealth Payment Policy Advisory Board to study methods to improve reimbursements or bonuses for those engaged in primary care
- **Medical Home Pilot**
 - Establishes medical home demonstration project with payment that supports multi-disciplinary teams and services including telephone communication, home-based care and group care



Quality and Transparency



Changes to the HCQCC

- Membership
 - Adds Secretary ANF, Commissioners of DPH and HCFP
 - At least 1 member of the Council shall be a clinician licensed to practice in the commonwealth
- Mandate
 - Website: display cost and quality data
 - Goals: establishing quality improvement and cost containment goals (elimination of HC disparities)
 - Health IT Adoption: establish standard performance measures, quality performance benchmarks and statewide health information technology adoption goals
- Data Collection, Dissemination, and Sharing
 - Request that third-party administrators submit data
 - Disseminate to health care providers their individualized de-identified data, including comparisons with other health care providers on the quality, cost and other data to be published on the consumer health information website
 - Publish DPH data from hospital HAIs and SREs reports
 - Share data with other state agencies



Quality and Transparency



Changes to the HCQCC

- Goals, Metrics, Benchmarks
 - Standard performance measures, including, common and consistent reporting of quality measures and common use of measures used for P4P reimbursement
 - Quality performance benchmarks for health care providers and insurers
 - Goals for statewide adoption of health information technology
- Public Hearings - Providers, insurers, relevant state agencies, and public and private health care organizations report progress towards
 - Achieving the quality improvement and cost containment goals
 - Adopting the standard performance measures
 - Meeting the quality performance benchmarks.
- Advisory Council
 - Membership: adds the Retailers Association of Massachusetts
 - Structure: requires committee to annually elect a chair, vice chair and secretary



Quality and Transparency



New DPH Requirements

- Patient/Family Advisory councils
- Emergency Assistance
- Hospital HAI/SRE Reporting
- Non-Payment for SREs
- Rx Dispensing Errors
- Regulations on code of ethics for industry and on reporting gifts to providers



Adoption of Health IT



- **CPOE Adoption:** mandates DPH to promulgate regulations by October 2012 that will require hospitals/CHCs to implement Computerized Physician Order Entry systems (CPOE)
- **EHR Adoption:** mandates DPH to promulgate regulations by October 2015 that will require hospitals/CHCs to implement interoperable electronic health record systems
- **License Requirement:** Requires MD licensure requirements to demonstrate that applicants are competent in electronic medical records/e-prescribing
- **Massachusetts e-Health Institute:** establishes the MA e-Health Institute under the Mass. Technology Collaborative to advance HIT across the state
 - **Advisory Council (Chair, Secretary EOHHS)**
 - **e-Health Institute Fund**
 - A. \$25M in FY09
 - B. Jointly controlled by Institute and Council



Summary



- Consistent with many initiatives already underway at EOHHS, HealthyMass, HCQCC
- Recognizes need for an informed approach to containing costs
- Opportunities for adopting policies and procedures that recognize the need for a diverse approach to addressing costs and quality
 - Reduce waste
 - Administrative simplification
 - Reduce operational waste
 - Reduce overuse, misuse, underuse
 - Reform payment system
 - Redesign delivery system
 - Encourage consumers to make informed choices
 - Information and education
 - Cost sharing that promotes prevention, primary care, chronic disease self-management
 - Primary prevention and health promotion