

MA Health Policy Updates - Moves to Strengthen HPC and Expand Telemedicine

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In a recent [Alert](#), the [Mintz Levin Health Care Practice](#) and [ML Strategies](#) provided a comprehensive look at recent developments in Massachusetts health policy. In addition to a detailed report on recent Health Policy Commission (HPC) activities, the Alert highlights pending legislation that will affect the health industry:

- A bill (H3678) that would give legal weight to the HPC's Cost and Market Impact Reviews on proposed mergers. The bill would make these reports a "rebuttable presumption" which the company would have to dispute if a court case is brought by the Attorney General due to anticompetitive concerns.
- A bill (H267) to require Medicaid coverage of telemedicine and equal reimbursement for these services, and to create a central licensing process for telemedicine providers. At a hearing, advocates argued the Commonwealth should adopt the coverage to help the state's hard-to-reach patients, while others voiced concerns about the logistics and payment structures.
- A bill (HD4209) from Governor Baker on the growing opioid crisis, focusing on education, prevention, and expanding access to treatment. Mayor Walsh joined Governor Baker in a letter this week asking the legislature to act swiftly on the bill. To find out more about the legislature's action on opiates, [read Mintz Levin's recent alert](#).

Recent HPC Meeting Updates

The HPC has a new authority to use Performance Improvement Plans (PIPs) as a way to contain spending growth. The HPC can require certain payers and providers to implement a PIP to address and contain cost growth, and can levy fines of up to \$500,000 if the entity does not make a good faith effort to implement the PIP. The Cost Trends and Market Performance Committee recently discussed how the HPC should use this new authority, and are considering what factors are most important to the analysis behind requiring a PIP.

A new \$6 million program to invest in payers and providers proposing "validated innovations," or new ideas with evidence of success was discussed by the HPC Community Health Care Investment and Consumer Involvement Committee. A preliminary slate of eight priority areas, mainly focused on high-need patients, was presented for the Health Care Innovation Investment Program.

The HPC is also seeking to expand telemedicine statewide, with a year-long pilot program that will grant \$500,000 to selected community-based providers and telemedicine projects.

A number of stakeholders attended the [HPC's annual Cost Trends Hearing](#) in October to discuss the Commonwealth's health care system and its costs. Total health care expenditures grew 4.8% in 2014, exceeding the 3.6% growth benchmark established under Massachusetts' 2012 health care reform legislation. Government, academic and industry leaders discussed a number of topics:

- **A Deeper Look at Cost Trends** – rising MassHealth enrollment fueled some of last year's growth, but the overall increase still represents real spending, outpacing economic growth
- **Rising Drug Costs** – stakeholders had differing opinions on the importance of drug costs in the overall cost of health care
- **Value-Based Payment Reform** – there is a continued push to move away from fee-for-service payment models, but some think alternative payment models are not ready for prime-time, while others believe certain models are the best path forward
- **Disparities in Reimbursements** – the Attorney General's office discussed the existing variance in provider payments as part of a dysfunctional system that needs a closer look and possibly more regulation
- **The Debate over Mergers and Competition** – whether mergers and acquisitions result in cost-savings or cost-increases were debated by participants, and speakers disagreed on whether regulation and

government intervention in the space helps or hinders cost-control

- **Transforming Care Delivery: Minute Clinics, Telemedicine, and Nurse Practitioners**

For more detail on any of these topics, [see the full Alert](#). If you have any questions or would like to discuss further, please contact the authors or your principal Mintz Levin attorney.

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