

MINUTES OF THE HEALTH POLICY COMMISSION

Meeting of March 11, 2015

MASSACHUSETTS HEALTH POLICY COMMISSION

THE HEALTH POLICY COMMISSION
Bayside Expo Center
150 Mount Vernon Street
Dorchester, MA

Docket: March 11, 2015 12:00 PM

1. Vice Chair Appointment
2. Approval of Minutes from January 20, 2015
3. Executive Director Report
4. Cost Trends and Market Performance Update
5. Community Health Care Investment and Consumer Involvement Update
6. Quality Improvement and Patient Protection Update
7. Care Delivery and Payment System Transformation Update
8. Administration and Finance Update

Health Policy Commission

Date of Meeting: Wednesday, March 11, 2015

Start Time: 12:05 PM

End Time: 2:30 PM

Board Member	Attended	ITEM 1	ITEM 2	ITEM 3	ITEM 4c	ITEM 5b	ITEM 9a
		Election of Health Policy Commission Vice Chair Wendy Everett	Commendation of Karen Tseng	Approval of Minutes from January 20, 2015	Approval of the 2015 Health Care Cost Growth Benchmark	Approval of Additional CHART IPP Funds	Approval of HPC Lease Amendment
Carole Allen	Yes	Yes (2 nd)	Yes (2 nd)	Yes	Yes	Yes	Yes (M)
Stuart Altman*	Yes	Yes (M)	Yes	Yes	Yes	Yes	Yes
David Cutler	No	A	A	A	A	A	A
Wendy Everett	Yes	Yes	Yes	Yes (2 nd)	Yes (M)	Yes	Yes (2 nd)
Paul Hattis	Yes	Yes	Yes (M)	Yes	Yes	Yes (M)	Yes
Rick Lord	Yes	Yes	Yes	Yes (M)	Yes	Yes	Yes
Marylou Sudders	Yes	Yes	Yes	Yes	Yes	ab	ab
Kristen Lepore	Yes	Yes	Yes	Yes	Yes	Yes	ab
Veronica Turner	Yes	A	Yes	Yes	Yes (2 nd)	Yes (2 nd)	Yes
Summary	8 Members Attended	Approved with 7 votes in the affirmative	Approved with 8 votes in the affirmative	Approved with 8 votes in the affirmative	Approved with 8 votes in the affirmative	Approved with 7 votes in the affirmative	Approved with 6 votes in the affirmative

Presented below is a summary of the meeting, including time-keeping, attendance, and votes.

*Chairman

(M): Made motion; (2nd): Seconded motion; (ab): Abstained from Vote; (A): Absent from Meeting

PROCEEDINGS

A regular meeting of the Massachusetts Health Policy Commission was held on Wednesday, March 11, 2015 at 12:00 PM at the Bayside Expo Center in Dorchester, MA.

Commissioners present included Dr. Stuart Altman (Chair); Dr. Wendy Everett (Vice Chair); Dr. Carole Allen; Dr. Paul Hattis; Mr. Rick Lord; Ms. Marylou Sudders, Secretary, Executive Office of Health and Human Services, and Ms. Lauren Peters, designee for Ms. Kristen Lepore, Secretary, Executive Office of Administration and Finance.

Ms. Veronica Turner arrived late.

Dr. David Cutler was not present at the meeting.

Chair Altman called the meeting to order at 12:05 PM and reviewed the agenda.

Chair Altman took a moment to thank Commissioner Jean Yang for her service to the Health Policy Commission. Ms. Yang resigned from the board in early March when she accepted a position at a provider organization.

ITEM 1: Election of Vice Chair

Dr. Altman thanked Commissioner Wendy Everett for serving as the HPC's first Vice Chair. He stated that the board must vote on the Vice Chair each year. **Secretary Sudders** motioned for the board to appoint Dr. Everett to serve another one-year term as Vice Chair of the Health Policy Commission. Upon consideration of motion made and seconded by **Dr. Allen**, the board voted unanimously to appoint Dr. Everett as Vice Chair. Voting in the affirmative were the seven members present. There were no abstentions and no votes in opposition.

At this point, Ms. Turner arrived at the meeting.

ITEM 2: Commendation of Ms. Karen Tseng

Dr. Altman stated that Karen Tseng has done a lot of work for the Health Policy Commission. He noted that she is moving on to a position with the Office of the Attorney General. He stated that Ms. Tseng was one of a handful of people who helped create the HPC and wished her the best of luck.

Dr. Hattis thanked Ms. Tseng for her work. He noted that she is joining the office of a thoughtful, community-serving Attorney General and there could not be a better person to assume the role she is taking.

Dr. Allen stated that she has learned so much from Ms. Tseng and thanked her for her work.

Dr. Altman read a motion commending Karen Tseng for her work with the Health Policy Commission. Upon consideration of motion made and seconded by **Dr. Hattis**, the board voted unanimously to commend Karen Tseng for her two years at the HPC. Voting in the affirmative were the eight members present. There were no abstentions and no votes in opposition.

Ms. Tseng stated that it has been an honor to be a part of a novel, important, and special endeavor. She thanked the HPC board, Mr. David Seltz, Executive Director, Ms. Lois Johnson, General Counsel, Ms. Coleen Elstermeyer, Chief of Staff, and the Market Performance Team.

ITEM 3: Approval of Minutes from January 20, 2015

Chair Altman solicited comments on the minutes from January 20, 2015. Seeing none, he called for a motion to approve the minutes as presented. **Mr. Lord** made a motion to approve the minutes. After consideration upon motion made and duly seconded by **Dr. Everett**, the board voted unanimously to approve the minutes from January 20, 2015. Voting in the affirmative were the 8 members present. There were no abstentions and no votes in opposition.

ITEM 4: Executive Director Report

Chair Altman introduced Mr. Seltz to provide a report on the Commission's activities.

Mr. Seltz reviewed the day's agenda and highlighted votes before the board.

Mr. Seltz discussed the Health Policy Commission's 2015 work plan. He provided a summary of ongoing projects as well as new policy programs. He highlighted new work related to the HPC's certification programs and the Health Care Innovation Investment Program, a grant program funded by one-time gaming licenses that provides flexible funding opportunities to payers and providers. Mr. Seltz also reviewed proposed 2015 HPC publications and regulations.

Mr. Seltz summarized 2015 HPC activities based on 2014 Cost Trends Report recommendations. He highlighted the HPC's work to support the development of a Medicaid ACO, alternative payment methodologies, and behavioral health integration.

Secretary Sudders stated that the Executive Office of Health and Human Services (EOHHS) is currently reviewing public health regulations, including those governing the Determination of Need and Essential Services Notice processes. She stated that the HPC should pause its work along these areas until EOHHS has a stronger directive.

Dr. Altman asked Secretary Sudders whether EOHHS was looking to processes in other states to inform the Massachusetts regulations. Secretary Sudders responded in the affirmative and noted that many of the review activities are benchmarked with reference to other US states.

ITEM 5: Cost Trends and Market Performance Update

Noting Dr. Cutler's absence from the day's meeting, Mr. Seltz updated the board on recent activities from CTMP. He stated that the committee met on February 25, 2015 to hear a presentation from the Center for Health Information and Analysis.

ITEM 5a: Material Change Notices

Ms. Tseng reviewed the types of transactions noticed to date. She provided a summary of a new Material Change Notice (MCN) reviewed by the HPC since the previous board meeting.

Dr. Altman asked for clarification on the new MCN. Ms. Tseng responded that the clinical affiliation between Dana-Farber Cancer Institute and Steward Health Care System for the provision of oncology services would be expanding to another Steward Health Care campus.

Ms. Tseng also noted that the HPC elected not to pursue a Cost and Market Impact Review (CMIR) on the proposed acquisition of Pentucket Medical Group by Partners HealthCare System. She noted that, based on publically available data and information from the parties, the HPC found that Partners already employs Pentucket staff and owns its offices and equipment.

Mr. Lord asked for details on Pentucket Medical Group. Ms. Tseng responded that it is about three dozen people on the North Shore.

ITEM 5b: Partners' Proposed Acquisitions of Hallmark Health System and Harbor Medical Associates

Ms. Karen Tseng provided an update on Partners HealthCare System's proposed acquisition of Hallmark Health System and Harbor Medical Associates. She stated that on January 26 Attorney General Healey filed a Notice of Position with the court detailing a number of concerns regarding the parties' proposed Consent Judgment, and noted that if the Consent Judgment were rejected, she would void the agreement with the parties and move to litigate the South Shore Hospital acquisition.

Ms. Tseng stated that on January 29 Judge Sanders rejected the Consent Judgment on the basis that it was not in the public interest and would be difficult to enforce. On February 17, the parties notified the court that Partners had elected not to proceed with its bid to acquire South Shore Hospital and that the proposed acquisition of Hallmark Health System remains under review by the parties.

Ms. Tseng noted that Partners has indicated that it intends to proceed with the acquisition of Harbor Medical Associates, the largest medical practice within the South Shore Physician Hospital Organization, which was not a party to the proposed Consent Judgment.

Ms. Kate Scarborough Mills, Deputy Director for Market Performance, reviewed the HPC's analysis of Partners' proposed acquisition of South Shore Hospital and Harbor Medical Associates. She stated that the acquisition would increase total spending by \$23 million to \$26 million. Additionally, she stated it would have a continued cost impact of at least \$8 million in price increases and \$6-10 million in referral patterns.

Dr. Altman stated that if Partners and Harbor proceed with the original proposal, Harbor physicians would become community-based Brigham & Women's Hospital physicians. He stated that there would be an immediate increase in the fees that these physicians would receive from the various insurance companies because of contractual relations. Ms. Mills responded that the HPC's understanding is that Harbor physicians would be added at Partners' community rates. She noted that this would cause an \$8M price increase.

Dr. Altman asked whether the HPC would conduct another analysis of the transaction if Partners modified the agreement in some way. Ms. Johnson responded that the Attorney General publically expressed her opinion of the transaction and urged the parties not to proceed. She

stated that the HPC has no information on whether there is different proposal or terms for this transaction. She noted that if the parties proceeded with the original proposal, the transaction would not be subject to a new MCN. Ms. Johnson stated that if the parties seek to change the terms of the transaction in a significant way, they would have to submit a new MCN.

Dr. Hattis asked for clarification on the communication between the parties and the Office of the Attorney General. Ms. Johnson responded that there have been meetings between the parties and the AGO.

Dr. Hattis, as the consumer advocate appointee, commented on the price differential between services provided at Partners hospitals and those services provided elsewhere. He likened the price difference to buying a banana at Whole Foods Market and the Market Basket, respectively. He noted that consumers will bear the burden of the price differential from the Partners transaction. Dr. Hattis commented on the additional wasteful spending that will occur from this transaction and its impact on consumers and the market.

Ms. Mills reviewed the HPC's analysis of Partners' proposed acquisition of Hallmark Health System. She stated that the transaction is anticipated to increase spending in northeastern Massachusetts by \$15.5 million to \$23 million per year for the three major commercial payers. She noted that there will be a \$16.1 million increase in physician and hospital prices and up to a \$6.9 million impact in referral patterns.

ITEM 5c: Health Care Cost Growth Benchmark Establishment (VOTE)

Mr. Seltz reviewed the process used to create the annual Health Care Cost Growth Benchmark. He stated that for calendar years 2013 to 2017, the Cost Growth Benchmark is based on the potential gross state product. After 2018, the HPC may modify the benchmark within constraints.

Mr. Seltz stated that the potential gross state product for 2015-2016 was set by the legislature at 3.6%. He asked the board to vote to set the Health Care Cost Growth Benchmark at 3.6% for calendar year 2016.

Dr. Hattis made the motion. Upon consideration of motion made and seconded by **Dr. Everett**, the board voted unanimously to set the 2016 Health Care Cost Growth Benchmark at 3.6%. Voting in the affirmative were the eight members present. There were no abstentions and no votes in opposition.

ITEM 6: Community Health Care Investment and Consumer Involvement Update

Dr. Hattis updated the board on recent activities from CTMP. He stated that the committee met on February 25, 2015 to hear a presentation on the CHART Investment Program and Health Care Innovation Investment Program.

Dr. Hattis introduced Mr. Iyah Romm, Policy Director, System Performance and Strategic Investment.

ITEM 6a: CHART Investment Program

Mr. Romm reviewed key statistics from Phases 1 and 2 of the CHART Investment Program, noting that over 160,000 patients have been impacted by Phase 1 initiatives.

Mr. Romm discussed Phase 1 evaluation products, noting that the HPC is currently working on a series of case studies on key themes from Phase 1. Additionally, staff is working on a summary evaluation report on Phase 1 that will be released in Q2 2015.

Mr. Romm highlighted select CHART Phase 1 projects. He spotlighted a regional behavioral health collaborative in North-Central Massachusetts. Athol Hospital, Heywood Hospital and HealthAlliance Hospital which focused on hospital and community based services for people with behavioral health comorbidities. He noted that these hospitals worked with community partners to increase learning and reach. This school-based program was full to capacity within a few weeks of its launch.

Secretary Sudders challenged staff to think about linkages that already exist rather than using CHART investments to create a new service.

Mr. Romm responded that the school-based project in CHART was a linkage to enhance existing services between schools in the Athol community and hospitals. He added that the HPC is working hard to ensure that hospitals are not standing up their own services, but rather are partnering with community-based providers.

Mr. Romm briefly reviewed telehealth projects by Baystate Franklin Medical Center and Baystate Mary Lane Hospital to improve access to services and reduce tertiary transfers. He noted that Baystate Franklin had 76 inpatient telehealth encounters over six months and that 86% of patients were satisfied with their experience. Baystate Mary Lane had 40 telehealth encounters. Mr. Romm noted that the total number of patients reached by these programs is relatively low and that work in Phase 2 will build upon these processes.

Mr. Romm highlighted Mercy Medical Center's CHART project, which sought to build staff capacity for process improvement. He noted that 251 members of Mercy's staff were trained in aspects of Six Sigma, Just Culture, and Lean. Through this training, the HPC required that each staff member develop a project to improve processes and implement new skills. As a result of these projects, Mercy reduced length of stay for one service line from a baseline of 3.24 days to 2.987 days. Additionally Mercy improved compliance for documentation to greater than 95% for a target service line.

Mr. Romm summarized Harrington Memorial Hospital's initiative to redesign their behavioral health IT system. He noted that the redesign reduced the time for initial booking of a follow-up appointment from 5-7 days to less than 24 hours. Additionally, the program reduced the time for the first available appointment from 21-30 days to 11 days. Mr. Romm stated that Harrington plans to continue with this project through CHART Phase 2.

Dr. Allen noted that the results were impressive. She asked if the reductions were sustainable after the CHART funding ends. Mr. Romm responded that there is variation in sustainability. In CHART 1, there was core capacity investment which will live on through infrastructure, staff

training, etc. He stated that other activities require ongoing funding for the continuation of services.

Dr. Everett asked what the HPC is doing to take some of the proven innovations and scale them across the Commonwealth. Mr. Romm responded that HPC staff are having public conversations and documenting and describing what is happening within the CHART cohort. Mr. Seltz added that there is also the opportunity for additional funding to make targeted investments in proven pilot projects to bring them to scale across the CHART cohort.

Mr. Romm introduced the second CHART case study, *Deploying Effective Management Strategies to Drive Change*. He stated that there continues to be a need for improvement in how data is used locally. He also noted that the health care industry has been slow in utilizing dedicated individuals with strong management skills, rather than clinical staff, to lead projects. He noted that CHART Phase 2 aims to encourage the use of dedicated project support in each hospital.

ITEM 6b: CHART Implementation Planning (VOTE)

Mr. Romm provided background of the Implementation Planning Period for Phase 2 of the CHART Investment Program. He stated that the CHICI Committee had a robust conversation on implementation planning at the February 25 meeting. Mr. Romm stated that the process has been valuable, but extremely time-intensive to ensure that all of the details are right.

Mr. Romm stated that the process is providing hospitals with the implementation infrastructure they will need to complete their two year CHART projects. He noted that in the five step process, many hospitals are still between steps three and four.

Mr. Romm noted that HPC staff continues to provide technical assistance to hospitals to facilitate planning and resolve key implementation challenges. He noted that the Implementation Planning Period is when the HPC and hospitals will reach agreement on the services, target populations for investment, and workflows. He stated that this process will culminate in the development of a measurable Phase 2 Aim Statement for each hospital.

Mr. Romm reiterated that the Implementation Planning Period work is taking longer than expected. He noted that there is still substantial work and planning to be completed through May. Mr. Romm asked the board for a vote to provide additional funds to hospitals to support their work during the extended planning process.

Dr. Hattis asked how the hospitals would spend the additional investments. Mr. Romm responded that the funds would be dedicated to project management activities and staff.

Mr. Lord asked how the HPC would determine how much additional funding hospitals would receive. Mr. Romm responded that staff proposed an additional \$100,000 investment for each CHART hospital. He stated that this money would not be taken from the CHART awards, but rather would be an additional award from the Distressed Hospital Trust Fund.

Dr. Hattis recommended removing the words "up to" in the motion to indicate that each hospital would be receiving \$100,000.

Secretary Sudders noted that the vote asked for an additional \$2.8 million investment into the CHART hospitals on top of the \$59.5 million approved in October 2014. She stated that this would be a \$63-64 million total investment.

Dr. Hattis made the motion to increase the overall award funding for each hospital participating in Phase 2 of the CHART Investment Program by \$100,000 to support additional implementation planning activities. Upon consideration of motion made and seconded by **Dr. Altman**, the board voted to increase Phase 2 awards by \$100,000. Seven members voted in the affirmative. Secretary Sudders abstained from voting. No members voted in opposition.

Due to time constraints, the board did not hear an update on CHART technical assistance.

ITEM 7: Quality Improvement and Patient Protection Update

Dr. Everett, interim Chair of QIPP, updated the board on recent activities. She stated that the committee met on March 4, 2015 to hear a presentation on the proposed nurse staffing regulation, the HPC's 2015 behavioral health agenda, and the Risk Bearing Provider Organization appeals process through the Office of Patient Protection.

Dr. Everett announced two public hearings on the HPC's proposed regulation governing nurse staffing ratios in hospital ICUs. The Boston hearing will be held on March 25 and the Worcester hearing on April 2.

ITEM 7a: Quality Measures Relative to ICU Nurse Staffing Ratios

Ms. Lois Johnson reviewed the timeline for proposed regulation 958 CMR 8.00, which governs nurse staffing ratios in hospital ICUs. She noted that the HPC anticipates final regulation in Q2 2015.

Mr. Johnson summarized the proposed quality measures released for public comment. She stated that based on the statute, the HPC must determine three to five quality measures. Based on extensive stakeholder input, the HPC proposed four evidence-based, nationally recognized, nursing sensitive quality measures that are applicable across ICU types, where feasible. The quality measures are: (1) central line-associated blood stream infection; (2) catheter-associated urinary tract infection; (3) pressure ulcer prevalence (hospital acquired); and (4) patient fall rate.

Mr. Johnson reviewed the next steps for the proposed regulation. She stated that the quality measures will be subject to the public comment process, which closes on April 6, 2015. She noted that there is a list of framing questions for the public hearings on the HPC website.

Mr. Lord asked if the quality measures will be part of the final regulation. Ms. Johnson responded that they will either be integrated into the regulation or released through interim guidance. She noted that the later provides the HPC more flexibility to adjust the measures.

Dr. Everett noted that there is much overlap between the work of the HPC and the Department of Public Health (DPH) for reporting and enforcement of quality measures.

Ms. Peters stated that the Executive Office for Administration and Finance (ANF) would like to see a financial analysis of implementation of the nurse staffing regulation. Ms. Johnson responded that HPC staff is required to prepare a small business impact statement for the regulation. She stated that the HPC has received comments from stakeholders related to the cost impact of the legislation and proposed regulation and that HPC staff will provide information to the board on public comments that relate to the cost of implementation of the law and proposed regulation.

Dr. Altman stated that the HPC did not write or pass the statute. He noted that the HPC is not legally obligated to study the financial impact of the regulation.

Dr. Everett noted that the QIPP Committee is considering a possible methodology for a cost analysis. She stated her reluctance to commit to completing such an analysis. As a next step, Dr. Everett recommended that she and HPC staff meet with Secretary Lepore to better understand what she wants from a financial study since it is out of the scope of HPC's work in developing the regulation.

Dr. Hattis asked when the financial analysis would be completed. Mr. Seltz responded that the next step is to meet with Secretary Lepore.

Secretary Sudders noted that the request for a financial analysis comes from prudent good government that wants to see the cost implications of regulations.

ITEM 7b: Office of Patient Protection (OPP) Role in Health Insurance Waiver Process

Ms. Jenifer Bosco provided an update on the Office of Patient Protection. She noted that Massachusetts and federal law establish open enrollment periods to limit when consumers can buy individual or non-group insurance. She stated that Massachusetts law allows residents to seek an open enrollment waiver on a case-by-case basis. Ms. Bosco noted that the Office of Patient Protection reviews requests to determine whether to grant a waiver to open enrollment.

Ms. Bosco reviewed the situations in which a consumer would and would not need an open enrollment waiver. She summarized the process that consumers can go through to purchase non-group insurance when enrollment is closed.

Dr. Allen asked how long it takes for the Office of Patient Protection to determine whether a consumer will receive a waiver. Ms. Bosco stated that it could take up to 30 days. Dr. Allen asked whether the coverage would be retroactive. Ms. Bosco responded that the consumer receives a waiver based on the start date for which they applied.

Ms. Bosco noted that phone calls to the Office of Patient Protection have increased by 49% since open enrollment closed in February 2015. She noted that the increased calls concerned health insurance enrollment issues related to the Health Connector and MassHealth. She stated that there was a 9-fold increase in calls related to Health Connector and/or MassHealth enrollment. She stated that many of the callers were MassHealth recipients who experienced an increase in income and were therefore transitioning to health insurance through the Health Connector.

Secretary Sudders asked for phone data for calls received in March 2014. Ms. Bosco responded that the HPC did not have a database to track calls at that point.

Secretary Sudders asked for the names of individuals at MassHealth with whom the HPC is corresponding. She stated that the number of calls in February 2015 is not shocking since open enrollment closed on February 23, 2015.

Secretary Sudders stated that many people may be calling because of redetermination of eligibility for MassHealth legacy members. She stated that EOHHS added 100 support staff to call centers with extended hours to help with the transition.

Dr. Hattis asked whether the waiver for an individual mandate was a separate process. Ms. Bosco responded in the affirmative.

ITEM 7c: Risk-Bearing Provider Organizations (RBPO)

Due to time constraints, the board tabled the discussion of the appeals processes for Risk-Bearing Provider Organizations and Accountable Care Organizations.

ITEM 8: Care Delivery and Payment System Transformation Update

Dr. Allen updated the board on recent activities from CDPST. She stated that the committee met on March 4, 2015 to hear a presentation on Accountable Care Organizations (ACO) from Dr. Elliott Fisher, Director of the Dartmouth Institute.

Dr. Allen stated that Dr. Fisher provided important input on the framework for ACO certification. Dr. Fisher noted that the ACO payment model is continuing to expand, but that the data is still in early stages regarding impacts on quality and cost. He challenged the HPC to encourage innovation rather than being overly prescriptive.

Dr. Allen introduced Ms. Ipek Demirsoy, Policy Director, Accountable Care, to provide an update on the HPC's certification programs.

ITEM 8a: PCMH and ACO Certification Programs

Ms. Demirsoy stated that the proposed patient-centered medical home (PCMH) certification standards were released for public comment. She noted that the HPC will host two stakeholder Q&A sessions during the public comment period. Ms. Demirsoy also stated that the PCMH model payment framework is under development. The CDPST Committee will hear a presentation on this framework on April 1, 2015.

Ms. Demirsoy highlighted key takeaways from Dr. Fisher's presentation. She noted that the HPC listened and discussed different options for ACO certification with Dr. Fisher to narrow design options. She summarized a discussion about the role of ACOs in the market. Dr. Fisher recommended that the level of ACO certification be linked to the degree of risk-bearing.

Dr. Hattis asked whether the HPC has flexibility as to when it establishes model ACO criteria. Ms. Demirsoy responded that the HPC has flexibility. She noted that the intent is to signal what areas will be part of a model ACO without being very specific yet.

Ms. Demirsoy stated that there are open questions about the number of distinct ACO tiers. She also noted that the HPC needs to determine whether the ACO program will be a data collection process for the state or a more robust program with assessment components.

ITEM 9: Administration and Finance Update (VOTE)

Ms. Elstermeyer provided an update on the HPC's current office space and presented the board with an opportunity to expand the HPC's space at 50 Milk Street. She stated that the HPC is keenly aware of the extremely difficult budget situation the state is facing and assured the board that the proposed amendment is absolutely necessary for the HPC to conduct its work.

Ms. Elstermeyer stated that the HPC went out to bid for 10,000 square feet of office space in October 2013. The board approved a seven year lease with the landlord of 50 Milk Street in April 2014.

Ms. Elstermeyer stated that the landlord at 50 Milk Street approached the HPC with the opportunity to expand its space on the 8th floor. Ms. Elstermeyer stated that the proposed lease amendment would add 3,000 square feet to the HPC's current lease and extend the lease from seven to ten years. She noted that the HPC's Administration and Finance Committee considered the proposed lease amendment at its February meeting and endorsed the staff's proposal to amend the lease as necessary to meet the HPC's statutory responsibilities under chapter 224 and subsequent laws.

Ms. Elstermeyer stated that the Division of Capital Asset Management and Maintenance (DCAMM), the ANF agency that acts as the HPC's real estate broker, negotiated the HPC's original lease and the amendment. She stated that DCAMM very strongly recommends that with the booming current market conditions, the HPC move forward to secure the space at these favorable rates and based on the HPC's projected needs.

Ms. Elstermeyer briefly summarized the HPC's need for additional space. She noted that the agency currently fills 90% of its existing space. She stated that when the HPC originally went out to bid for the office space, staff used the best information that they had at the time based on staff projections. She stated that the HPC has taken a careful and deliberate approach to hiring. Ms. Elstermeyer pointed to expanding statutory responsibilities as a driver for the need for additional staff.

Ms. Elstermeyer noted the HPC's plan to expand its existing conference space at 50 Milk Street to house both the HPC's committee and board meetings. She stated that the expansion will significantly enhance the work of staff and commissioners and increase public accessibility of all of the HPC's meetings. Ms. Elstermeyer noted that the large conference space will also be a public good available to other state agencies and authorities.

Dr. Altman asked whether the HPC could sublease potentially unused space. Ms. Elstermeyer responded that the HPC could sublet unused space to other state agencies.

Ms. Peters stated that Secretary Lepore did not have sufficient time to review the materials. She noted that she would be abstaining from the vote.

Dr. Everett made the motion to amend the HPC's lease for additional, contiguous office space for a term of ten years. Upon consideration of motion made and seconded by **Ms. Turner**, the board voted to approve the lease amendment. Six members voted in the affirmative. Secretary Sudders and Ms. Peters abstained from voting. No members voted in opposition.

ITEM 10: Schedule of Next Commission Meeting

Following the conclusion of the final agenda item, Chair Altman announced the date of the next board meeting (April 29, 2015) and asked for any public comment.

Public comment was offered by Ms. Marci Sindell of Atrius Health and Ms. Pat Edraos of the Massachusetts League of Community Health Centers.

Seeing none, Chair Altman adjourned the meeting of the Health Policy Commission at 2:30 PM.