

Chapter 224: Improving the quality of health care and reducing costs



**Public Health Council
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Great progress on providing health care access....

- Massachusetts has achieved unparalleled levels of insurance coverage for any US State – over 98% of people are insured
- Massachusetts ranks #1 in Access on the Commonwealth Fund State Scorecard 2009
- After health reform, over 90% of residents report having a usual source of care



Now it's time to make health care affordable

- Without significant cost containment, total health care spending is projected to increase from \$68B in 2010 to \$123B in 2020; annual per capita spending will grow from \$10,262 to \$17,872
- If health insurance premiums grow at the current projected annual rate of 6%, Massachusetts workers will lose around \$17,000 per worker in overall take-home pay from 2011-2019
- In 2012, health care costs now account for about 41% of the state budget, up from 22% in 1998.

Key provisions of the cost containment law

- Sets a health care cost growth target
- Promotes payment and delivery system reform
- Promotes prevention and wellness
- Implements sensible malpractice reforms
- Addresses market power
- Continues review of health insurance rates
- Supports expansion of health information technology
- Implements health resource planning
- Provides consumers and employers with quality and cost data to inform decision-making
- Restructures government agencies and functions

Health care cost growth target

- Sets a first in the nation target for controlling the growth of health care costs:
 - Annual increase in total health care spending not to exceed economic growth (Potential Gross State Product, or PGSP) through 2017, PGSP minus 0.5% for next 5 years, then back to PGSP
 - Growth rate of PGSP in 2013 equals 3.6%
- If target is not met, the Health Policy Commission can require health care entities to develop and submit Performance Improvement plans

Payment and delivery system reform

- Alternative payments have the potential to provide incentives for efficiency in the delivery of services that are absent in the fee-for-service system, while potentially promoting improvements in quality through better coordination of care
- New commission to establish standards for certification of accountable care organizations (ACOs) and Patient Centered Medical Homes (PCMHs)
- Commission will designate “Model ACOs” that will receive priority in state contracting
- Government programs, such as MassHealth, the GIC, and the Health Connector, are required to move to alternative payment methods

Engage consumers

- The law gives consumers better information about the price of procedures and health care services by requiring health insurers to provide a toll-free number and website that enables consumers to request and obtain price information.
- The law allows the creation of “smart tiering” plans that encourage consumers to choose lower-cost, high quality providers
- The law increases the discount for insurance plans that use limited networks, tiering, or smart tiering

SUMMARY – DPH RESPONSIBILITIES



Prevention and wellness

- Establishes tax credits for businesses worth 25% of the cost of implementing a wellness program, up to \$10,000 per business. Requires DPH regulations prior to January 1, 2013.
- The DPH, in consultation with the Division of Insurance, will produce a wellness guide for payers, employers, and consumers.

Prevention and Wellness Trust Fund

- Creates a prevention and wellness trust fund and provides \$15 million per year over 4 years. The funds are to be used to support the state's cost containment goals, and will be awarded in a competitive award process.
- Form Advisory Council to guide decisions and evaluate outcomes



Health resource planning

- Oversupply of health care services is a driver of the overuse of health care services while there is a shortage of key clinical services
- The law establishes a statewide health planning council and advisory committee, creates a statewide public hearing process, and requires the development of a state health resource plan .
- The plan will make recommendations for the appropriate supply and distribution of resources, programs, capacities, technologies and services on a state-wide or regional basis based on an assessment of need for the next 5 years
- Department of Public Health to issue guidelines, rules or regulations consistent with the state health plan for making determinations of need

Workforce Transformation

- Creation of HealthCare Workforce Center
- Develop workforce loan repayment
- Encourage primary care workforce development and loan forgiveness at CHCs



DoN – regulation changes

- Linkage to health plan timing
- Review within 4 months
- DoN for all ambulatory and hospital-based surgical centers



Expanded roles for PAs and NPs

- Remove cap on number of PAs that a MD can supervise
- Allow PA's to write prescriptions without a MD name, and to sign and stamp on behalf of MD
- Responsibility of professional boards

Limited Service Clinics

- Nurse practitioners to increase responsibilities by providing all services at limited service clinics



Other Issues

- Moving a patient to another nursing home room
- Receipt of reports of nurse overtime
- Facilities/providers must report on palliative care/end of life counseling for patients
- Newborn screening – change language - “provider” not “physician”
- Development of checklists