

Payment Reform and Cost Control in Massachusetts: Where Are We Now?

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MAKING
IN
HEALTH CARE



THE AMERICAN
HEALTH CARE

LIBERTY

Massachusetts Reform Timeline

2006

2007

2008

2009

2010

2011

2007 Connector
Established

2009 Pmt.
Reform
Commission

Feb 2011 Broad
Cost &
Payment Bill

April 2006
Health Reform
Bill Signed

2008
Cost Control V 1.0
Transparency

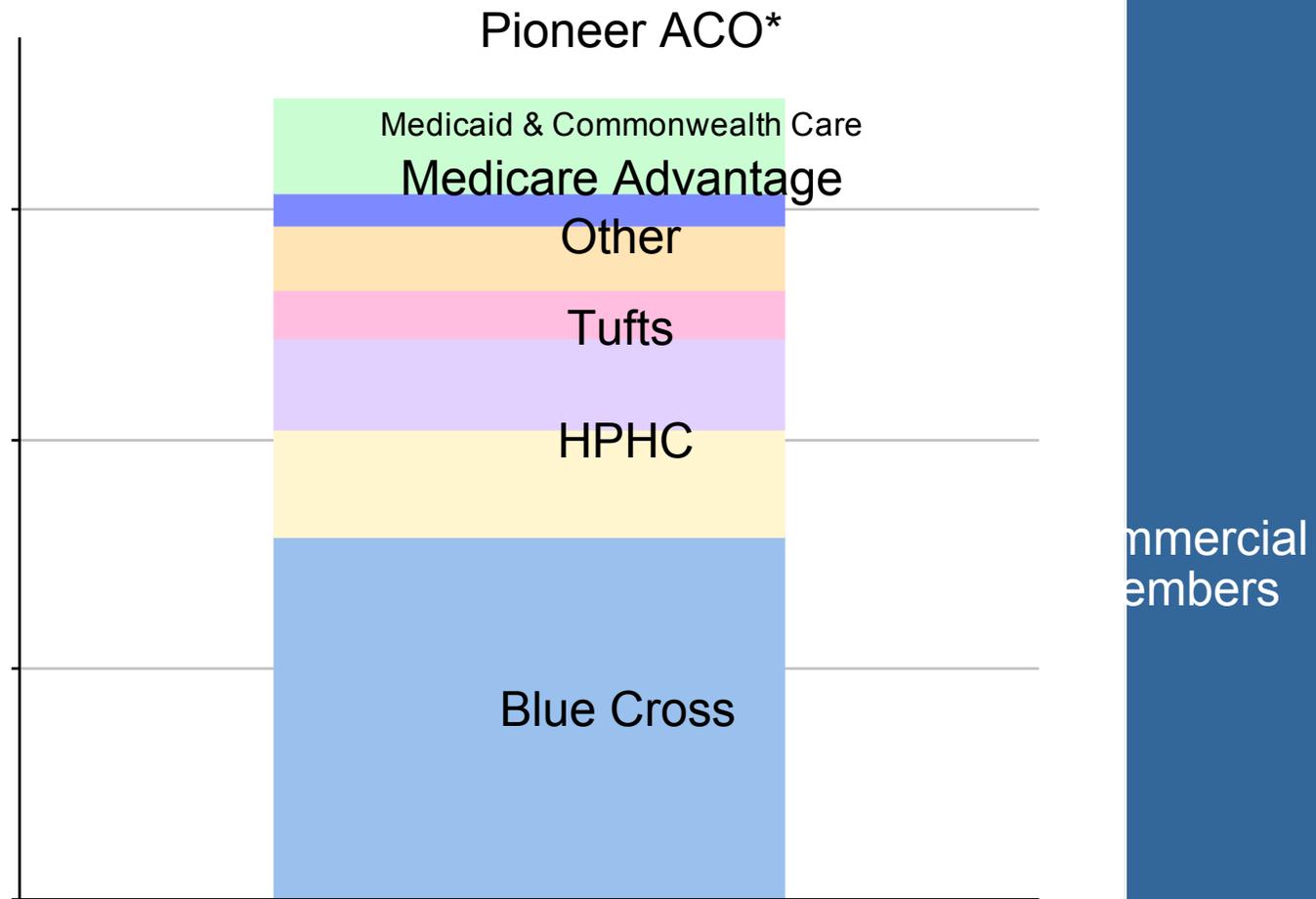
2010
Cost Control V 2.0
Premium Caps

Virtuous Cycle

Private
Sector
Action

Government
Action`

Massachusetts Enrollment in Global Payment



Payment Reform and Cost Control Proposals

Payment Reform and Cost Control Proposals

Alternative Payment Models

Limit Provider Price Variation

Health Workforce Support

Health Planning

Public Payers

Health IT Requirements

New State Oversight Bodies

Transparency & Reporting Requirements

Annual Spending Targets

Administrative Simplification

ACO Certification & Oversight

New Revenues

Annual Spending Targets

Governor

Yes:
To Be
Determine
d

House

2012: GSP

2016
GSP –
0.5%

Senate

2012:
GSP + 0.5%

2016: GSP

State Agencies Involved in Reform

Executive Office of Human Services

Health
Care
Finance

Public
Health

Medicaid

Division of
Insurance

Group
Insurance
Commission

Health
Insurance
Connector

Attorney
General

Spending & Delivery Reform Oversight

Governor

Health Service
System
Coordinating
Council
(EOHS)

Senate

“Independent”
IHCFP & CHCQF
Authority (11-
member board)

House

“Quasi-Public”
DHCCQ
(DHCFP with 9-
member board?)

Enforcing Spending Targets

Governor

- Disallow excessive small group rate increases
- Disallow increases in underlying provider contracts

House

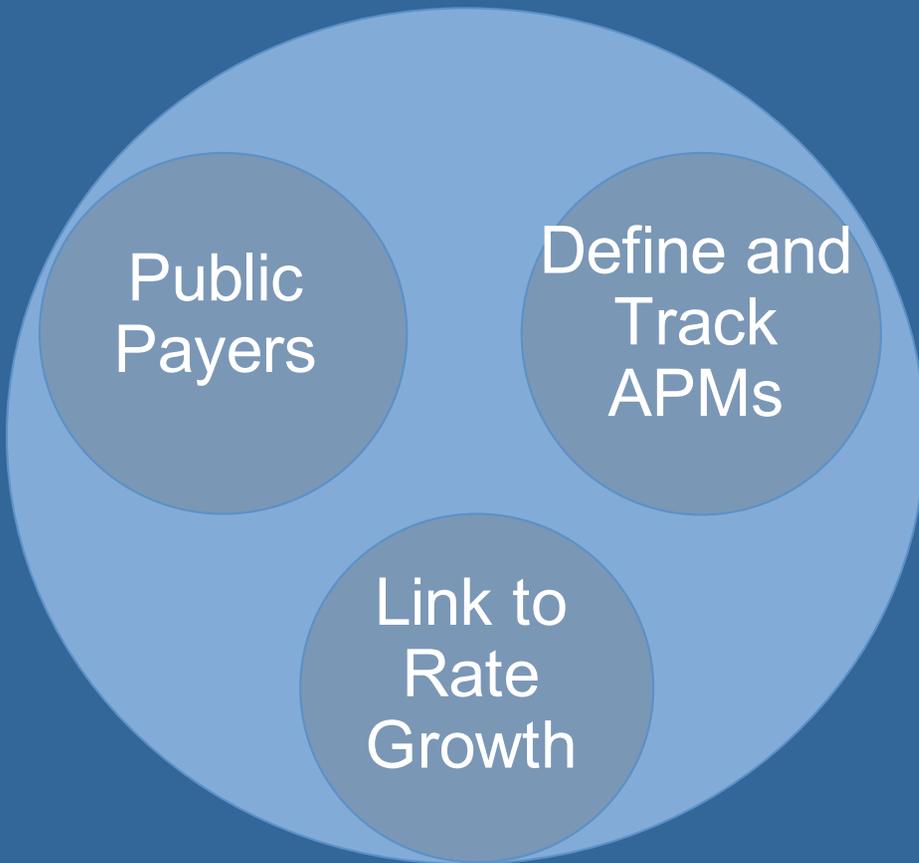
- May require corrective action plans
- May reopen provider contracts

Senate

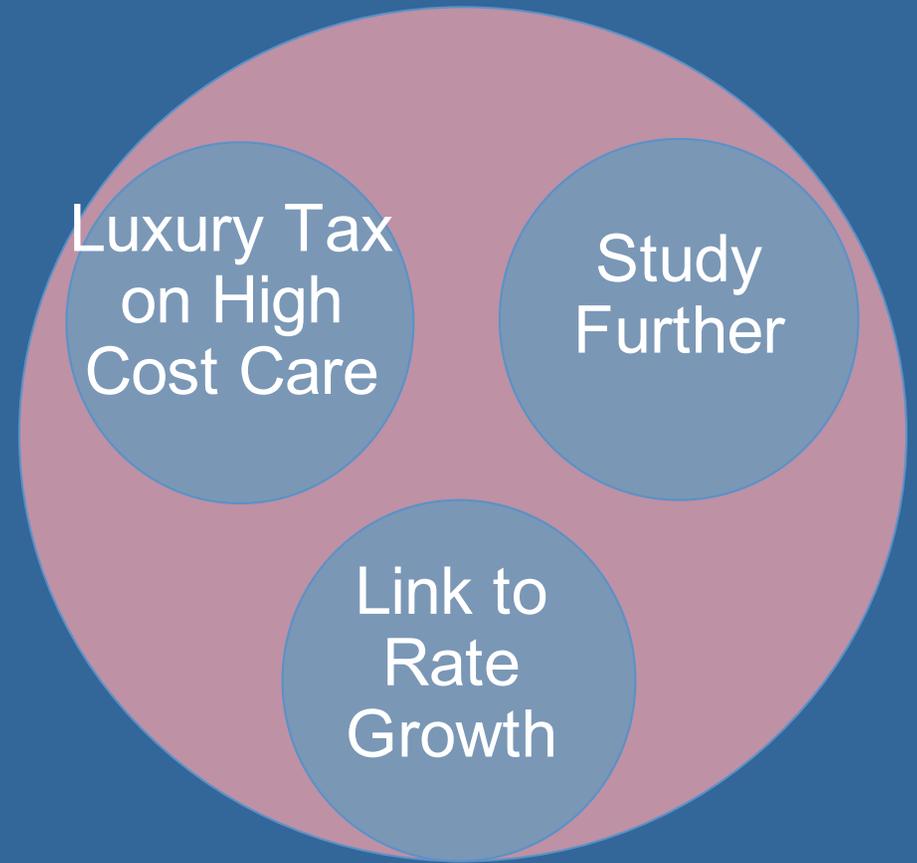
Beginning in 2016 entities with excessive costs may be required to submit performance improvement plans

Other Key Issues

Payment Reform



Payment Differential



This Stuff Isn't Easy



Lets Make Sure We Get it Right

