

**COMMONWEALTH OF MASSACHUSETTS**  
**HEALTH POLICY COMMISSION**

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**TECHNICAL APPENDIX C3**  
**ALTERNATIVE PAYMENT METHODS**

**ADDENDUM TO 2018 COST TRENDS REPORT**

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## 1 Summary

This appendix describes the Health Policy Commission's (HPC) approach to measuring the percentage of members covered under an alternative payment method (APM) in Massachusetts, contained in section on **Alternative Payment Methods** of **Chartpack** released with the 2018 Cost Trends Report.

## 2 APM coverage by insurance category

### 2.1 Data

The HPC used the Center for Health Information and Analysis' (CHIA) 2018 Annual Report Alternative Payment Methods Databook (for calendar year 2017) for commercial, Medicaid (MassHealth), and Medicare Advantage APM coverage and publically available Centers for Medicare and Medicaid Services (CMS) data (2015-2017) for Original Medicare (fee-for-Service) APM coverage, including the Number of Assigned ACO Beneficiaries by County PUF for years 2014 - 2016, Medicare Pioneer Accountable Care Organization Model Performance Results for years 2015 and 2016, and Medicare Next Generation Accountable Care Organization Model Performance Year 1 (2016) Results and Year 2 (2017) Results.

### 2.2 Analysis

#### 2.2.1 Commercial and Medicaid (MassHealth) APM coverage

CHIA's 2017 Annual Report APM Databook reports APM adoption for commercial members, as well as MassHealth Primary Care Clinician (PCC) and Managed Care Organization (MCO) beneficiaries. HPC combined the data on overall member months and member months in APMs for PCC and MCO plans to create a single APM rate for MassHealth Managed Care eligible beneficiaries.

Overall APM adoption for MassHealth and commercial payers in the Commonwealth is reported in CHIA's 2017 Annual Report. To calculate commercial HMO and PPO APM coverage, the HPC summed member months associated with all payment methods, excluding fee-for-service, and divided by the total member months for these payer types.

#### 2.2.2 Medicare Advantage and Original Medicare (Fee-For-Service) APM coverage

APM coverage for the Medicare Advantage population was calculated using the same methodology above, from CHIA's 2018 Annual Report APM Databook.

To estimate Original Medicare (fee-for-service) APM coverage, HPC used Massachusetts and national enrollment data for the Medicare Shared Savings Program, the Pioneer program and the Next Gen ACO program. HPC summed the number of beneficiaries enrolled in any of those programs in Massachusetts and divided by total number of beneficiaries in Massachusetts enrolled in Part A and/or Part B.

APM enrollment for the Medicare Shared Savings Program (MSSP) population is reported by CMS by county and is precise; however, Pioneer and Next Gen membership is reported by ACO and several Massachusetts-based ACOs include residents of neighboring states are not excluded from the data.

The national comparison for Original Medicare APM coverage, which appears in the Dashboard, is calculated using the same method; the HPC summed the number of beneficiaries enrolled in all MSSP and Pioneer ACOs and next generation ACO and divided by total number of beneficiaries in the U.S. enrolled in Part A and/or Part B.

### **3. APM adoption by commercial plan and type**

#### **3.1 Data**

The HPC used the Center for Health Information and Analysis' (CHIA) 2018 Annual Report Alternative Payment Methods Databook (for calendar year 2017).

#### **3.2 Analysis**

CHIA's 2017 Annual Report APM Databook reports APM adoption by payer and insurance type. To calculate APM coverage by commercial plan and type, the HPC included only Blue Cross Blue Shield of MA, Harvard Pilgrim Health Plan, and Tufts Health Plan, and excluded indemnity type plans. HPC summed member months associated with all payment methods, excluding fee-for-service, and divided by the total member months for each payer and plan type (HMO or POS versus PPO).

### **3. Commercial APM coverage by payer Massachusetts versus National Carriers**

#### **3.1 Data**

The HPC used the Center for Health Information and Analysis' (CHIA) 2018 Annual Report Alternative Payment Methods Databook (for calendar year 2017).

#### **3.2 Analysis**

CHIA's 2017 Annual Report APM Databook reports APM adoption by payer and insurance category. To calculate APM coverage by commercial payer category, the HPC summed member months associated with all payment methods, excluding fee-for-service, and divided by the total member months for each payer category. They payers were grouped as follows: the three largest insurers in Massachusetts included Blue Cross Blue Shield of MA, Harvard Pilgrim Health Plan, and Tufts Health Plan. Other smaller Massachusetts plans included Network Health, BMC Health Net plan, Celticare Health Plan, Fallon Community Health Plan, Health New England, Health Plans Inc., Minuteman Health, Neighborhood Health Plan and Unicare. National Insurer's included Aetna, Cigna and United Health Plans.