

# PERFORMANCE IMPROVEMENT PLAN SUBMITTED BY MASS GENERAL BRIGHAM ON SEPTEMBER 20, 2022 AND APPROVED SEPTEMBER 27, 2022.

The attached Performance Improvement Plan (PIP) proposal was developed and submitted by Mass General Brigham on September 20, 2022, and is currently under review by the Massachusetts Health Policy Commission (HPC).

In accordance with its [regulations](#), the HPC will approve the proposed PIP if it finds that it is reasonably likely to successfully address the underlying cause(s) of Mass General Brigham's cost growth and if it has a reasonable expectation that Mass General Brigham will be capable of successfully implementing the proposed PIP.

The final PIP is subject to change and will be posted to the HPC's website upon approval.

For more information on this process, see the [PIP webpage](#) and the Mass General Brigham [Live PIP Tracker](#).

## Instructions

Before completing Your proposal, please refer to the PIP General Instructions.

**Narrative Responses:** Provide a concise but comprehensive written response to each of the below questions (~ 500 words per question). Responses must provide sufficient detail for the reader to understand the justification for and framework of the proposal as well as Your plan for implementation. Narrative responses should not include nonpublic information.

**Attachments:** Provide any information and documentation necessary to support Your proposal as attachments, identifying the section of the proposal to which each attachment relates. Certain sections below note where attachments are required, but You may supplement any section of Your public-facing response with attachments. Nonpublic clinical, financial, strategic or operational information You want the HPC to keep confidential pursuant to 958 CMR 10.14 should be included only in attachments, and must be clearly identified as confidential. You may submit numerical and tabular data as Microsoft Excel files.

## Contact Information

PIP Entity Name: Mass General Brigham

Date of Filing: 09/20/2022

Federal Tax ID #: 04-3230035

## I. Description of Your Organization

Briefly describe Your organization.

A worldwide leader in patient care, medical research, and teaching, Mass General Brigham Incorporated is a Massachusetts not-for-profit corporation and the parent organization of a charitable, integrated healthcare system (referred to herein as “Mass General Brigham”). Mass General Brigham currently comprises two tertiary and seven community acute care hospitals; three hospitals specializing in inpatient and outpatient services in behavioral health, rehabilitation medicine, and ophthalmology and otolaryngology; a home health agency; a nursing home; and a physician network with approximately 7,500 employed and affiliated primary care and specialty care physicians.

At the core of Mass General Brigham’s mission is a deep commitment to serve patients and underserved communities with access to equitable, high-quality, safe care.

Mass General Brigham operates a non-profit managed care organization and a for-profit insurance company that collectively provide health insurance and administrative services products to the MassHealth Program (Medicaid), ConnectorCare, and commercial populations.

Mass General Brigham is the largest private employer in the state of Massachusetts and provides a welcoming environment to employees, patients, and families of diverse cultures, ethnic backgrounds, ages, lifestyles, and physical abilities. Mass General Brigham maintains the largest non-university-based, nonprofit, private medical research enterprise in the United States; its

hospitals are principal teaching affiliates of the medical and dental schools of Harvard University; and it operates a graduate level program for health sciences.

The leaders of Mass General Brigham look forward to working with the state to implement this plan to deliver meaningful and sustainable solutions to cost growth in the Commonwealth – remaining fully focused on always ensuring improved outcomes and a better continuum of care for our patients, throughout their lives.

## II. Savings Target

*The overarching aim of the PIP must be to successfully reduce healthcare spending for Your members or patient population. The HPC will evaluate savings targets in the context of Your historic spending and growth trends.*

- A. Briefly describe your quantitative target for spending reduction and Your timeline, including a phrase such as, “My organization will reduce healthcare spending by at least \_\_\_\_\_ on or before \_\_\_\_\_.”

Mass General Brigham will reduce healthcare spending by \$127.8 million a year on or before March 31, 2024. This Performance Improvement Plan (PIP) represents a meaningful and sustainable approach to addressing health care cost growth in the Commonwealth. Please see the attached excel document for a comprehensive summary of Mass General Brigham’s estimated spending reduction to support this plan.

- B. Explain why Your organization selected this target and how the target will address concerns regarding Your organization’s spending growth.

Mass General Brigham has targeted a spending reduction of \$127.8 million on an annualized basis. We set a minimum target of \$60 million that was derived from taking the \$293 million amount cited by the Health Policy Commission (HPC) as being above the unadjusted benchmark in cumulative commercial spending for Mass General Brigham for the five-year period from 2014 to 2019 and dividing it over five years for an annualized amount of approximately \$60 million.

In consideration of needing to meaningfully address health care cost growth in the Commonwealth, Mass General Brigham far exceeded the minimum target of \$60 million to achieve \$127.8 million on an annualized basis.

## III. Causes of Growth

Describe the factors You have identified as the main cause(s) of Your excessive cost growth.

**Attachments:** Provide data and evidence sufficient to support Your narrative response.

The HPC has reported that Mass General Brigham has had more cumulative commercial unadjusted spending growth in excess of the health care cost growth benchmark from 2014 to 2019 than other providers, totaling \$293 million. The HPC has also cited that Mass General Brigham’s costs have impacted the state’s ability to meet the benchmark. Since Mass General Brigham was notified of the requirement to submit a PIP, we have worked collaboratively with the HPC and its staff to develop viable solutions that address both price and utilization as part of a comprehensive plan to restrain cost growth.

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Mass General Brigham acknowledges its contribution to spending growth in the Commonwealth and looks forward to working with the HPC, policymakers, and payers to come up with solutions to meaningfully address the health care spending challenge.

Similar to other health systems and hospitals across the state and country, Mass General Brigham is facing an unprecedented financial pressures driven by a widespread labor shortage, historic cost inflation, and an enduring capacity crisis that continues to interfere with patient care. Despite these significant challenges, Mass General Brigham is fully committed to working in a more rigorous partnership with the state to lower the cost of health care in Massachusetts, while building a new lower-cost continuum of care and ultimately improving patient outcomes.

The HPC has recognized that Mass General Brigham has made efforts to reduce health care spending through on-going cost control strategies, including taking on more risk in its payer contracts as an incentive to lower spending. This ensures that Mass General Brigham is accountable for controlling health care spending. Mass General Brigham has also taken actions to lower spending growth by reducing utilization to eliminate unnecessary services, shifting care to the lowest cost appropriate site of care, and participating in payer products designed to lower spending and direct savings to consumers.

Mass General Brigham has also integrated behavioral health offerings into the primary care setting, screening patients and supporting those with depression, anxiety, and substance use disorders using population health management approaches. This program, called Collaborative Care, is based on the nationally accepted IMPACT Model and streamlines the continuum of care, eliminating the duplication of services, and improving health outcomes.

Mass General Brigham recognizes there is still far more work to be done and the steps to control health care spending outlined in this PIP represent a robust continuation of that journey.

Of note, when considering health status adjusted costs, which take the higher acuity patients who seek care at Mass General Brigham into account, the overall cost increases are in line with the state benchmarks. For example, the HPC reports that health status adjusted cost increases for Mass General Brigham's commercial population was 1.5% in 2016 to 2017, -0.9% in 2017 to 2018, and 1.1% in 2018 to 2019 – all below the benchmark. Recent discussions with the HPC and its staff, however, indicate a desire to shift to focus on unadjusted health care spending. Mass General Brigham acknowledges that concern through the steps outlined in this PIP. Although Mass General Brigham's contractual price increases during this period were below the benchmark, we saw increased utilization driven by a higher risk population. There also continue to be factors that drive health care spending that are outside of an individual health system's control, such as pharmacy costs.

The HPC has also highlighted hospital outpatient and physician spending as being significantly above average at Mass General Brigham. We recognize that hospital and physician spending contribute to overall cost pressures in the Commonwealth. In the 2021 Health Care Cost Trends report, these areas were highlighted as significant cost drivers. For the state overall, hospital outpatient spending growth per commercial enrollee increased 4.1% in 2016 to 2017, 4.4% in 2017 to 2018, and 7.6% in 2018 to 2019. Spending growth for physicians and other professionals increased 1.9% in 2016 to 2017, 6.4% in 2017 to 2018, and 6.1% in 2018 to 2019.

#### **IV. Interventions Evidence and Impacts**

*You may choose to implement a single intervention or many interventions to achieve Your savings target. In reviewing the proposed interventions, the HPC will consider: a) whether the intervention is*

*likely to influence total health care expenditures; and b) whether the total associated savings will be sufficient to reach Your savings target.*

- A. Describe the specific strategies, adjustments, and/or action steps You propose to implement to achieve the savings target described above. State the goals that You anticipate achieving for each intervention (e.g., number of readmissions avoided, percentage reductions in negotiated rates for specific books of business, etc.) and quantify the expected spending impact of each goal in dollars.

Mass General Brigham is committing to a spending reduction of \$127.8 million a year. This will be achieved by implementing a comprehensive strategy to introduce and strengthen reforms that will reduce health care spending growth.

Four elements producing \$127.8 million a year Total Medical Expenses (TME) trend reduction:

1. Reducing Utilization
2. Shifting Care to Lower Cost Sites
3. Price Reductions
4. Enhanced Accountability through Value-Based Care

Taken together, these actions will improve overall health care spend for Mass General Brigham and the Commonwealth. Please see below for detailed descriptions.

### **1. Reducing Utilization**

Mass General Brigham expects to save \$32.4 million in health care spending a year by reducing avoidable hospitalizations, emergency room visits and post-acute care, and reducing utilization of high-cost outpatient imaging. Mass General Brigham is committed to working with the HPC and payers to ensure that the savings realized through trend reduction programs are translated into lower premiums for employers and individuals.

#### *Integrated Care Management Program*

Mass General Brigham's Integrated Care Management Program (iCMP) is a high-risk care management program that originated from a highly successful, federally sponsored demonstration project for Medicare patients. The program has been refined for Medicare patients and optimized for commercial and Medicaid patients. iCMP is scaled across the entire Mass General Brigham system, with approximately 15,000 patients as of August 2022. In the original study from the Centers for Medicare & Medicaid Services and subsequent external controlled studies, including those published in peer reviewed journals, Mass General Brigham's program has been proven to reduce health care expenses by lowering hospitalizations and emergency room visits.

Unique characteristics contributing to the program's success include: 1) A sophisticated identification algorithm and processes to ensure that we are proactively enrolling the most vulnerable patients 2) Integration of the program with our primary care practices 3) A team approach with specialized roles (i.e., social worker, pharmacist, community health worker) to effectively support the complex needs of the patients.

Mass General Brigham is now expanding the program to reach full enrollment targets particularly for commercial and Medicaid patients. After commencement of the Performance Improvement Plan MGB will provide a current baseline of commercial and Medicaid enrollment and measure increases compared to that baseline. It is expected that with these increases, total enrollment

for all patients will exceed 19,000 patients. This will produce additional annualized savings of \$15.3 million.

#### *Skilled Nursing Facility Utilization*

Skilled Nursing Facility (SNF) utilization is relatively high in Massachusetts compared to national trends, and Mass General Brigham falls within average Massachusetts utilization. We have developed several programs which reduce healthcare expenses by coordinating post-acute care, managing utilization, and improving quality which have led to reduced utilization. We will continue to assess the impact of these programs and refine to optimize performance. Some examples are listed below.

The Transitional Care Management program's mission is to optimize system-wide performance on total medical expenditure through appropriate post-acute utilization, developing pathways for patients to receive the right level of care at the right time, and aiming to get them more days at home. This is accomplished by optimizing SNF use through length of stay management and fewer admissions, while maintaining quality of care. The program utilizes evidence-based decision support tools and employs Transitional Care Managers to work directly with SNFs and patients. Through data such as patient functional status information, the tools provide guidance on the ideal post-acute care setting and expected length of stay. Mass General Brigham providers and SNF Transitional Care Managers use this data to coordinate with inpatient care teams, intervene where appropriate to discuss home versus SNF safe discharge plans, and create personalized and patient centered care plans for patients, decreasing unnecessary SNF utilization.

The SNF 3-day waiver (3DW) program has been in place at Mass General Brigham for over 5 years. It shortens and eliminates hospitalizations, thereby reducing healthcare expenses, by waiving the Medicare requirement that patients spend three nights in the hospital. This allows patients to get the right level of care faster. While the national public health emergency is underway, Mass General Brigham entities are utilizing the federal 1135 SNF 3-day waiver. When the national public health emergency ends, Mass General Brigham entities will revert back to our standard SNF 3-day waiver program developed and refined over several years into a well-utilized mature program waiving over approximately 400 patients per year.

New interventions are in development or underway at each Mass General Brigham hospital to reduce the number of days our patients spend in SNF, further optimizing their care and reducing healthcare expenses.

Education and culture are at the heart of our new interventions; we will encourage our Mass General Brigham community to focus on reducing unnecessary SNF utilization through increased awareness, improved education, and building a culture that truly focuses on getting patients home when possible and appropriate.

In optimizing SNF utilization all of the SNF interventions together are estimated to reduce TME by \$10.7 million annually.

#### *Mass General Brigham Health Plan*

Mass General Brigham is planning to implement a Utilization Management Program with AllWays Health Partners, which will become Mass General Brigham Health Plan in 2023, that is designed to contain healthcare costs while improving affordability and supporting care coordination. The program includes the implementation of additional prior authorization review requirements for select services, such as inpatient and high-tech radiology for members with Mass General

Brigham Primary Care Physicians. These reviews will consider cost-effective sites of care and other appropriate pathways that can also lower costs for patients.

The prior authorization process is expected to save approximately \$950,000 in claims for our commercial fully insured business annually, and up to \$250,000 for the planned Medicare Advantage line of business, based on projected membership.

#### *Increased Utilization Management for MRIs and CTs*

Mass General Brigham is implementing interventions to reduce inappropriate service use of high-cost imaging. We will be leveraging our system-wide electronic health record and adjusting workflows to incorporate screening questions, suggestions for alternate management pathways, identification of outliers, and peer to peer case review.

As we work on these new interventions, we have identified CTs for pulmonary embolism, incidental lung module and contrast CT performed in conjunction with PET for hematologic malignancies as potential opportunities. We are also planning to prioritize MRIs for knees and spines.

We project annual savings of \$5.2 million.

## **2. Shifting Care to Lower Cost Sites**

Mass General Brigham expects to save \$5.3 million in spending a year by shifting care to Home Hospital, expanding virtual care, and shifting care to lower cost community hospitals and ambulatory sites.

#### *Home Hospital*

Mass General Brigham will expand home-based acute care and its associated benefits to more of our patients across the Mass General Brigham system. Since 2016, Massachusetts General Hospital and Brigham and Women's Hospital have been shifting the site of health care to the home for patients with acute medical conditions that can safely be transitioned out of traditional hospital settings. Through our experience providing home-based acute care for nearly 1,800 patients to date and the numerous randomized clinical trials and publications that have demonstrated the value of shifting the site-of-care to the home, we believe that scaling home-based hospitalization can meaningfully decrease health care expenditures while affording additional, meaningful benefits to our patients.

Mass General Brigham has already negotiated rates for Home Hospital below in-hospital rates with our local commercial payers. As we expand this program to Mass General Brigham community hospitals and make investments to take on more volume, this value will be captured in lower site of service costs totaling \$1.3 million.

#### *Virtual Care*

Mass General Brigham is committed to sustaining its use of virtual care as we emerge from the pandemic. After quickly scaling our offerings across multiple care settings, we plan to continue virtual care delivery in outpatient and acute care settings. Mass General Brigham uses virtual care programs in multiple ways, including office visit replacement with virtual visits, eVisits, and eConsults, as well as virtual consults for acute patients.

Mass General Brigham supports telehealth payment at rates that are lower than parity with in-person payments when the Public Health Emergency is lifted. We plan to continue to follow policies for payment set by commercial payers, however we will proactively seek to implement

discounted rates for telehealth specialty care producing savings totaling \$4.1 million with our commercial payers.

#### *Shifting Care to Community Hospitals and Ambulatory Sites*

With the patient at the center, offering the right care, at the right time, at the right place, and at the right cost is at the core of Mass General Brigham's strategy. This includes shifting care to more appropriate sites based on patient need, such as our community hospitals and existing ambulatory sites, many of which are freestanding, that provide outpatient care.

Mass General Brigham's commitment to a value-based care strategy is critical to delivering high-quality, coordinated care, at a lower cost. While Mass General Brigham expects this strategy to translate into cost savings, it is not quantified under the targeted spending reduction for the PIP. Because it is not directly noted for additional cost savings in the PIP, please note that this section will no longer be included for additional sections.

### **3. Price Reductions**

Mass General Brigham expects to save \$90 million annually in spending a year by reducing AMC outpatient rates and reducing through a reduction in ConnectorCare rates to directly improve affordability.

#### *Reducing Outpatient Rates*

Mass General Brigham is committed to expanding access to consumers, particularly in ambulatory care. To achieve improved access, we are focused on decreasing the price variation between Mass General Brigham pricing and the marketplace.

To achieve this goal, Mass General Brigham proposes a comprehensive market solution, working with the local commercial payers that represent the majority of Mass General Brigham's commercial patient revenue (BCBS, Point32, and Mass General Brigham Health Plan) to reduce price variation vs. the market for all AMC outpatient services. We value the total of these actions to be \$59.8 million. In addition, Mass General Brigham will seek to convert pricing at Mass General Brigham's outpatient facility in Waltham to our community hospital rate schedule with the local commercial payers, valued at \$15.3 million in savings a year.

#### *Reducing ConnectorCare Rates*

Mass General Brigham is committed to expanding access to consumers, particularly in ConnectorCare plans. To achieve improved access, we are focused on costs for patients that are members of Mass General Brigham Health Plan. Mass General Brigham has taken the step of reducing rates within these plans to address price variability and equity. This change directly translated to a reduction in premiums and out-of-pocket costs for consumers. We estimate that annually this cost avoidance will result in \$11.9 million in reduced cost to consumers and purchasers.

#### *Other Insurance Product*

In support of our long-term collaboration with the state to improve affordability for residents of the Commonwealth, Mass General Brigham has also been providing an incremental discount to the state through Mass General Brigham Health Plan. For the last three fiscal years, the cumulative value has totaled approximately \$3 million. Moving forward, Mass General Brigham has proposed to further increase affordability for these members through a substantial improvement in contractual savings during 2023.



#### **4. Enhanced Accountability through Value-Based Care**

In addition to reducing utilization, shifting care to lower cost sites, and reducing price, an important element of Mass General Brigham's PIP is to build in accountability for controlling cost growth. Mass General Brigham is committed to transitioning volume to value and translating improved performance into affordability. This includes delivering products that offer community-based, high-quality care at lower cost and assessing opportunities to manage additional risk with public payers. While Mass General Brigham expects this strategy to translate into cost savings, it is not quantified under the targeted spending reduction for the PIP. Because it is not directly noted for additional cost savings in the PIP, please note that this section will no longer be included for additional sections.

##### *Mass General Brigham Health Plan*

Mass General Brigham's five-year strategic plan is designed to evolve our system into a unified, world class academic healthcare system. A central component of this plan is our value-based care strategy that is driving our systemwide transformation from volume to value for our patients and communities. As an integrated provider-payer healthcare system, Mass General Brigham Health Plan plays a critical role in advancing the system's value-based care goals. With Mass General Brigham Health Plan, we are taking on greater financial risk in managing the health of the populations we serve. This work centers on driving affordable products that improve health outcomes and reduce our system's total medical expense. It also holds the system accountable for its performance.

One example is through innovative benefit design, evidenced by our Allies suite of products. Allies is a high-performance network that provides high-quality community-based care, access to AMCs for more complex cases, expanded access to virtual services, dedicated navigation support, and lower costs. Originally launched in July 2020 with Newton-Wellesley Hospital, Allies was expanded to Salem Hospital in June 2022, with additional geographies now under consideration. The product drives affordability by shifting care from our AMCs to more convenient, affordable options in the community.

In addition to creating value-based care products, we are assessing opportunities to manage additional risk with public payers. As an early and successful participant in the Medicare Pioneer ACO – our \$50 million investment to build a robust population health infrastructure – Mass General Brigham is uniquely positioned to support the health care needs of Medicare-eligible members in the Commonwealth. We are exploring opportunities for growth in this market to support a broader range of health care needs and look forward to providing more information as plans progress in alignment with regulatory requirements.

Another example is our participation in the state's MassHealth Accountable Care Organization (ACO) program. Within the framework of the state's re-procurement process, we are also exploring opportunities to expand our risk-based arrangements and support the growth of our MassHealth population. A leader in the Medicaid space, we have an opportunity to leverage Mass General Brigham Health Plan and the expertise it has brought to supporting Medicaid members by enabling high-quality, affordable care and coverage.

Our goal with these efforts is to expand our Mass General Brigham Health Plan product offerings so that we can offer high-value health insurance wrapped around the clinical services that make Mass General Brigham excellent for patients at a lower cost. These steps, with the commercial, Medicare, and Medicaid populations we serve, represent significant steps in the volume to value transition and ensure that the system will be held accountable for spending.

- B. Describe how Your proposed interventions will translate into savings in total health care expenditures in the Commonwealth (i.e., demonstrate that savings will accrue to consumers, rather than solely to Your organization through reducing internal expenses).

### 1. Reducing Utilization

#### *Integrated Care Management Program*

A 2017 study published in Health Affairs found that emergency room visits were reduced by 6%, hospitalizations were reduced by 8%, and costs were reduced by a blended rate of \$470 per member per month for adult Medicare patients who received high-risk care management compared to similar patients who did not receive care management. Since then, controlled studies show expenses for adult commercial patients were reduced by \$618 per member per month and expenses for adult Medicaid patients were reduced by \$311 per member per month. As we expand this program to more patients, we expect it will result in \$15.3 million in savings a year.

#### *Skilled Nursing Facility Utilization*

In a formal 2017 evaluation, the SNF Transitional Care Management program helped patients return to their homes, on average, 4 days sooner, with no increased risk of readmission to the hospital. According to 2021 claims data, patients in our SNF Transitional Care Management program had a lower average rate of 30-day readmissions back to the hospital and reduced average SNF cost per stay.

By further standardizing our program's processes and metrics, expanding coverage in acute facilities and educating patients and staff on our programs, we can continue to optimize patient's length of stay, reduce admission rates, and ensure our patients are discharged to high quality SNFs.

#### *Mass General Brigham Health Plan*

The interventions will lower the overall trend of increase in total cost of care. The expected impact has been reflected in trend projections in rate setting for commercial business, thus lowering the cost to consumers. Lower utilization of the targeted services may also lower out of pocket expenses for consumers, as many of the services have member cost-sharing.

The actual impact of the intervention will be reflected in base costs for future rate setting.

#### *Increased Utilization Management for MRIs and CTs*

We will implement these interventions for all patients, producing anticipated savings of \$5.2 million across all payers including commercial, Medicare, and Medicaid.

### 2. Shifting Care to Lower Cost Sites

#### *Home Hospital*

A randomized clinical trial published by our clinician researchers demonstrated that home-based hospital care carries direct cost reductions of 38% when compared to equivalent care provided in the traditional hospital setting. In addition to repeated demonstrations of reductions in direct expenditures, home hospitalization also improves complication rates, Emergency Department utilization, efficient resource utilization, and capital costs needed for traditional hospital beds. Collectively, those savings pass to consumers by way of discounts on payer-negotiated reimbursement rates.

We have agreed with local commercial payers on a discount in rates off of in person rates for Home Hospital. Based on projected visits during the performance improvement period, this will result in savings of \$1.3 million a year.

#### *Virtual Care*

Virtual care can be used to decrease health care spending in a number of important ways. First, virtual ambulatory visits can be offered from lower cost facility space, which will be an important element of the cost equation as reimbursement rates are reduced for certain specialties this year. Second, electronic and virtual consults can be done to replace higher cost in person consults. We use eConsults at high volume within our care system, with positive savings per consult as a high proportion replace the need for an in-person consultation or office visit with associated claims. We plan to offer reduced rates for virtual specialty care once the Public Health Emergency ends and aligned with local commercial payer policies. This will result in savings of \$4.1 million a year.

### **3. Price Reductions**

#### *Reducing Outpatient Rates*

Savings for Mass General Brigham's outpatient rate reductions will accrue to customers through savings in the cost of care for services of consumers in our outpatient facilities.

#### *Reducing ConnectorCare Rates*

Savings for our pricing for Mass General Brigham Health Plan ConnectorCare products accrue to customers through savings in member premiums based on the cost of care for services consumed in our facilities.

### **4. Enhanced Accountability through Value-Based Care**

#### *Mass General Brigham Health Plan*

Through product design and risk contracting with a focus on trend management, we are building a foundation of approaches to more effectively drive care to community settings and increase accountability for managing the cost of care for our populations.

We are continuing to build on a foundation of value-based care products designed to improve patient outcomes and satisfaction and reduce overall health care costs. In our product portfolio, we have introduced Allies, which improves affordability through premium savings and incents members to seek care at lower cost settings as appropriate. With proven positive outcomes and early interventions in the right setting, we can help patients avoid more complicated and expensive care down the road. We anticipate that in the long-term, these programs will reduce costs by improving outcomes.

#### **C. Identify the rationale (e.g., economic, business, clinical) for Your intervention(s).**

### **1. Reducing Utilization**

#### *Integrated Care Management Program*

Through health care and social determinants of health data, we identify the patients that are most vulnerable and intervene through a variety of services. We develop a close relationship with the patient so that we can prevent unnecessary hospitalizations and emergency room visits in the future.

#### *Skilled Nursing Facility Utilization*

Our focus on Medicare, particularly our MSSP ACO population in the majority of our SNF utilization reduction efforts, is due to the overwhelming prevalence of Medicare discharges to

SNFs – 70% of Mass General Brigham hospital discharges to SNF are Medicare patients. In addition to a much higher cost per day compared to a commercial patient, the largest economic impact is clearly in the Medicare population. Our Transitional Care Management Program has shown it reduces post-acute spend, without impacting outcomes.

#### *Mass General Brigham Health Plan*

Mass General Brigham Health Plan Utilization Management Program (“UMP”) is specifically designed to ensure the provision of the highest quality of health care to its members while at the same time promoting appropriate, efficient, and cost-effective resource utilization. As part of its UMP, Mass General Brigham Health Plan is continually tracking medical cost trends and identifying appropriate opportunities for medical cost containment. The services identified were identified due to the potential for over-utilization or direction to more cost-effective pathways.

#### *Increased Utilization Management for MRIs and CTs*

We have used external sources to identify clinical scenarios with good evidence for appropriate use of high-cost imaging including ABIM and CMS. We have also reviewed internal data and worked with Mass General Brigham subject matter experts to prioritize areas of intervention. These interventions are aligned with data from HPC about reducing utilization of high-cost imaging.

## **2. Shifting Care to Lower Cost Sites**

#### *Home Hospital*

Providing acute hospital-level care in patients’ homes has been successfully demonstrated in the scores of randomized clinical trials and publications as producing additional value to patients beyond decreased costs, including improved mortality, enhanced quality, and better patient safety when compared to traditional hospital-based care. The breadth of evidence supporting the benefits of shifting care into the home makes it a clear strategic initiative.

#### *Virtual Care*

We believe virtual care has clinical, economic, and patient experience benefits. A growing body of evidence demonstrates that virtual care is equal to the level of care provided in higher cost in person settings for common diseases such as hypertension.

## **3. Price Reductions**

#### *Reducing Outpatient Rates*

Mass General Brigham continuously evaluates benchmarking data to ensure that our pricing is rational based on market data for AMC-based systems nationwide. This includes reviewing CHIA data and HPC recommendations. This data has demonstrated that we have an opportunity to reduce price variation in our outpatient facilities.

#### *Reducing ConnectorCare Rates*

Mass General Brigham continuously evaluates benchmarking data to ensure that our pricing is rational based on market data for AMC-based systems nationwide. This includes reviewing CHIA data and HPC recommendations. This data has demonstrated that we have an opportunity to reduce price variation in our pricing for ConnectorCare products, which we have implemented beginning in 2020 and continued in 2021.

## **4. Enhanced Accountability through Value-Based Care**

#### *Mass General Brigham Health Plan*

Through providing community-based, high-quality care at a lower cost, Mass General Brigham is taking the commitment even further to build a value-based care operating model for primary and

secondary care in the community that improves patient access and outcomes and lowers total medical expense. Over the next year, we are building out this model by assuming more risk and driving affordable product offerings. By expanding into value-based service lines and markets, we can provide care in cost-effective settings with earlier interventions that improve outcomes and reduce long-term costs.

- D. Describe any ways in which Your proposed interventions may generate new costs or increase existing costs and the steps You will take to mitigate any potential cost increases.

## 1. Reducing Utilization

### *Integrated Care Management Program*

The Care Management program includes expenses for analytic tools and team members caring for patients including RN care managers, social workers, pharmacists, community health workers, and community resource specialists. There is also an increase in expenses related to more frequent primary care visits for patients as we reestablish standard care patterns.

Mass General Brigham funds its population health management activities through an internal allocation mechanism based on claims which solves future funding needs.

### *Skilled Nursing Facility Utilization*

The expenses to reduce SNF utilization include analytic resources, staff including clinical transitional care managers, and funds to continue successful QI projects. These expenses have been allocated for in the population health management budget.

### *Mass General Brigham Health Plan*

Mass General Brigham Health Plan is committed to minimizing administrative requirements for providers through a focus on efficiency, such as improved automation of utilization management processes. In 2020, Mass General Brigham Health Plan launched the InterQual Connect portal. This is an automated utilization management process that allows provider offices to submit the necessary information and receive a real-time response. This solution is meant to reduce administrative work for healthcare providers, as well as reduce overall administrative costs associated with utilization management. Mass General Brigham Health Plan will launch targeted provider training for offices with high expected authorization volumes to provide communication and program support.

### *Increased Utilization Management for MRIs and CTs*

These interventions will generate new internal costs in adjusting our IT systems, producing new reports, and creating new workflows (e.g., peer to peer reviews). These investments are part of Mass General Brigham's overall efforts to take on increased risk.

## 2. Shifting Care to Lower Cost Sites

### *Home Hospital*

Shifting acute care from the hospital to the home will require investment and scale in a home-based workforce, transportation, and associated care remote capabilities. However, these investments are a fraction of the cost of traditional hospital capital expenditures.

### *Virtual Care*

The primary mechanism for virtual care leading to increased spending is through additive utilization with in-person care, rather than substitutive use. We monitor the proportion of our outpatient care which is virtual and are working with individual specialties on appropriateness

factors for in-person vs virtual care. For certain programs like eConsults, we also monitor the degree to which eConsults may replace office-based care, by assessing whether office consultations were preceded by an eConsult.

### **3. Price Reductions**

#### *Reducing Outpatient Rates*

We do not anticipate any new costs that would be caused through this intervention. It is a direct change to our pricing strategy and will not result in additional utilization.

#### *Reducing ConnectorCare Rates*

We will evaluate plan utilization on an ongoing basis and evaluate impacts to premiums with the goal of staying aligned with market trend.

### **4. Enhanced Accountability through Value-Based Care**

#### *Mass General Brigham Health Plan*

Potential expansion in the public payer space to improve affordability and access will require upfront investments to meet CMS administrative requirements and move into value-based care models focused on effective care delivery. We anticipate membership growth in these programs to drive lower medical spend, with efficiencies and shared provider-payer functions moderating increases in associated administrative costs.

To drive affordability and access through product design, we have invested in increased patient navigation capabilities to encourage care in appropriate lower-cost settings, such as Allies. We anticipate these investments to be offset by total cost of care savings related to reduced use of higher-cost settings.

- E. Describe any anticipated non-spending impacts of the PIP, including any positive or negative impacts on service availability, quality of care, or service or network access for underserved populations. Describe the steps You will take to mitigate any potential negative impacts of the PIP in these areas and provide the rationale for the effectiveness of these steps.

### **1. Reducing Utilization**

#### *Integrated Care Management Program*

We will track enrollment of patients in iCMP program for the Medicare, Commercial, and Medicaid populations to make sure we are tracking to expectations.

As Mass General Brigham puts in place interventions to reduce healthcare spending as part of our performance in risk contracts, the benefits will also positively benefit other healthcare systems since Mass General Brigham receives referrals from other systems.

Studies have shown reductions in Emergency Department visits, hospitalizations, and total medical expense. A 2017 study published in Health Affairs found that emergency room visits were reduced by 6%, hospitalizations were reduced by 8%, and costs were reduced by a blended rate of \$470 per member per month for adult Medicare patients who received high-risk care management compared to similar patients who did not receive care management. Since then, subsequent studies have shown larger increases for commercial and Medicaid payers. Please see attached studies.

#### *Skilled Nursing Facility Utilization*

SNF length of stay for Medicare patients discharging to a facility in our programs will be tracked

and projections will be internally analyzed on a quarterly basis to ensure targets are being met. The days saved will be summarized to produce a total amount of savings.

*Mass General Brigham Health Plan*

Savings estimates include appropriate utilization of services, as well as greater oversight.

*Increased Utilization Management for MRIs and CTs*

Mass General Brigham is developing reports to monitor progress in achieving targets. As we progress in implementation, we will assess progress and adjust strategies and interventions based on actual results.

## **2. Shifting Care to Lower Cost Sites**

*Home Hospital*

Transitioning the site of care to the home will generate value for all patients, and we will apply a lens of diversity, equity, and inclusion to our hospital-at-home enrollment in alignment with our hospital activities.

Transitioning the site of care to the home will generate value for patients extending beyond direct cost reductions. Research conducted at our institutions has demonstrated that when compared with facility-based hospitalization, patients hospitalized at home receive more patient-centered and satisfying care. We have found that two out of three patients want to receive more care at home. Perhaps this is because they undergo fewer lab draws (median of 3 vs 15), imaging studies (14% vs 44%), and consultations (2% vs 31%). By receiving care at home, patients can be surrounded by their family and friends, eat their own food, and move around their own homes. Patients hospitalized at home are more active than when hospitalized in a facility. Fewer spend a portion of the day sedentary (median of 12% vs 23%) or lying down (median 18% vs 55%). Finally, and perhaps most significantly, home hospitalization results in fewer readmissions within 30 days when compared with facility-based hospitalization (7% vs 23%). The reduction in readmissions further enhancing the patient experience by maximizing their time at home and in their communities – a truly invaluable benefit. We anticipate that these study findings will be replicated in our ongoing, real-world experience as we scale our operation to afford these benefits to more of our patients, decreasing healthcare costs while enhancing value and the patient experience.

In recognition of the above, our savings for the PIP are based on discounted rates for Home Hospital.

*Virtual Care*

We believe virtual care is more efficient and convenient for patients (by reducing the total minutes spent traveling to and waiting for office visits), and highly satisfying for patients. We also see anecdotal evidence of provider satisfaction with virtual care and increased flexibility, which is a key factor related to clinical wellbeing and burnout.

## **3. Price Reductions**

*Reducing Outpatient Rates*

We expect this intervention will have a positive impact on consumer out-of-pocket spend for outpatient services.

*Reducing ConnectorCare Rates*

We expect this intervention will have a positive impact on consumer out-of-pocket spend for all services by patients in ConnectorCare Plans.

#### **4. Enhanced Accountability through Value-Based Care**

##### *Mass General Brigham Health Plan*

One of our strategic levers for containing costs while improving health outcomes is risk contracting with a focus on trend management. We are assuming more risk through a higher level of coordination with Mass General Brigham Health Plan to drive down costs and ensure equitable and high-quality care for our MassHealth and subsidized insurance populations.

In addition, Mass General Brigham is proud to participate in the state's MassHealth ACO program to deliver coordinated, high-quality care to underserved populations. Through our ACO, our goal is to make sure that patients have access to our world-class doctors and caregivers that can help improve their overall health. These patients also have access to additional benefits, support programs, and services to ensure seamless care and coverage.

As part of the state's Medicaid re-procurement process, we are exploring opportunities to expand our risk-based arrangements and support the growth of our MassHealth population. Through this process, we are also working with the state to assess the different ACO models, as well as the level of risk to be taken on by ACO partners to manage care most effectively. We will be able to share additional information and details in alignment with the state's RFR process.

This work supports our longstanding commitment to provide equitable access to health care and coverage and builds on significant investments that Mass General Brigham has made in community health.

- F. Identify any other entities (e.g., contracting affiliates, clinical affiliates, community partners, suppliers, or other third parties) that will be directly involved as voluntary partners in the activities contemplated under the PIP.

#### **1. Reducing Utilization**

##### *Integrated Care Management Program*

We are not engaging with third parties who will be involved as voluntary partners for iCMP.

##### *Skilled Nursing Facility Utilization*

The SNFs who participate in our Transitional Care Management, SNF Collaborative and SNF 3-Day Waiver programs will be directly involved in efforts to optimize care and reduce length of stay. However, they are not anticipated to be contracted affiliates, aside from current Collaborative and MSSP ACO SNF Affiliate contracts. We will also need the support of Mass General Brigham affiliated acute hospitals to expand our programs' presence in the acute setting.

##### *Mass General Brigham Health Plan*

The implementation of authorization review will impact all providers contracted through the Mass General Brigham contract, including affiliated providers.

Mass General Brigham Health Plan will coordinate with existing utilization management vendors for some services.

##### *Increased Utilization Management for MRIs and CTs*

Not applicable.



## 2. Shifting Care to Lower Cost Sites

### *Home Hospital*

Mass General Brigham's Home Hospital relies on the cooperation of Mass General Brigham clinical entities, community partners including EMS agencies for the provision of patient transport and mobile integrated healthcare services, infusion services, medical equipment supply vendors, remote patient monitoring vendors, and a number of yet-identified technical vendors with whom we will contract for digital services. We will also rely on commercial payers to be able to administer variable rates within claim payment systems.

### *Virtual Care*

Our virtual care programs involve Mass General Brigham clinical entities, our licensed electronic medical record, and other technical platforms related to virtual care. For both Home Hospital and the expansion of virtual care to translate into lower costs, Mass General Brigham will need to work with insurers to contract for lower than parity rates for those services. We will also rely on commercial payers to be able to administer variable rates within claim payment systems.

## 3. Price Reductions

### *Reducing Outpatient Rates*

This intervention applies to Mass General Brigham AMC licensed outpatient facilities only. This intervention will require the cooperation of commercial payers to execute contract amendments and set up new rate structures.

### *Reducing ConnectorCare Rates*

This intervention applies to Mass General Brigham Health Plan ConnectorCare products only on the Massachusetts Health Exchange.

## 4. Enhanced Accountability through Value-Based Care

### *Mass General Brigham Health Plan*

Allies represents a major first step in creating a value-based care model that delivers care in the community by engaging with trusted and established community partners. We are continually assessing the opportunity to expand this product to new geographies and populations. To that effect, we are exploring other collaborative relationships within the Massachusetts healthcare market that leverage innovative product design and site of care strategies to create more access to high-quality, affordable care. We expect to partner with the Commonwealth's Executive Office of Health and Human Services on our Medicaid strategy under the new waiver.

**Attachments:** Provide evidence, such as peer-reviewed literature or internal data, sufficient to show that the proposed interventions are reasonably likely to address Your underlying cost growth and to be implemented successfully. Provide data or documents to support Your planned steps to mitigate any potential negative impacts of the PIP, including any steps to ensure service availability, quality of care, and access for underserved or government payer populations. Internal data must be provided in native file format (e.g., as Microsoft Excel files). To the extent Your proposed interventions or mitigation steps require the cooperation of a third-party, provide documentation or evidence that You have secured or are likely to secure that party's support.

## V. Measures

For each section below, describe how Your organization will measure its progress toward the stated target(s). For each proposed measure, define key terms (e.g., "avoidable readmission", "low-value

care”, etc.), units of measurement, and data sources. State the intervals at which You propose to measure each result.

- A. **Savings Target:** Describe the measure(s) that Your organization will use to assess and publicly report on Your progress toward Your savings target. The measure(s) You propose must be objective, numerical, and sufficient to determine whether savings have been passed on to payers (for provider PIP Entities) and/or consumers (for payer or provider PIP Entities).

## 1. Reducing Utilization

### *Integrated Care Management Program*

On a quarterly basis we track enrollment metrics for iCMP patients for the Medicare, Commercial and Medicaid populations. We will make sure they are in line with projections and, if not, execute mitigation strategies.

We also track quarterly metrics on inpatient utilization and TME reduction compared to prior quarters.

### *Skilled Nursing Facility Utilization*

Via claims data, SNF utilization, including admissions, SNF length of stay, and days per beneficiary for Medicare ACO patients will be internally tracked on a quarterly basis, taking into consideration claims runout. The combination of the prior measures will be reported as savings based on number of days saved. If our savings are not on target, we will perform additional analyses identifying opportunities to implement.

### *Mass General Brigham Health Plan*

#### 1. Denial rates and related savings:

- % denial rate (based on final disposition after appeals) for services under authorization will be reported on a quarterly basis, with three months of claims paid run out. Targets vary by type of service.
- Savings from denials will be measured as number of denials x average cost per service

2. Year over year risk adjusted utilization per 1000 trends for services under authorization will be measured annually, with three months claims run out. Savings will be measured as improvement in average annual trend from 2019 through 2022 vs. Actual.

### *Increased Utilization Management for MRIs and CTs*

Through a quarterly internal review of claims data, Mass General Brigham will track the number of MRI and CT exams for each clinical scenario for our Medicare, Commercial, and Medicaid populations to ensure savings align with target projections.

## 2. Shifting Care to Lower Cost Sites

### *Home Hospital*

In scaling our operations to make home hospitalization available to more patients with corresponding decreases in associated costs, we anticipate providing care to additional commercial patients at home, which will generate a total savings of \$1.3 million based on a discount in rates off of in person rates for Home Hospital. Those savings will be passed on to commercial payers.

### *Virtual Care*

Our primary virtual care savings target relates to our eConsult program. In FY23, we anticipate offering at least 30,000 eConsults across our system with a total estimated savings of \$4.1

million in total medical expenditure.

### 3. Price Reductions

#### *Reducing Outpatient Rates*

Mass General Brigham will assess total cost for outpatient services at reduced costs compared to a benchmark rate using the same utilization but applying market average increases to demonstrate savings.

#### *Reducing ConnectorCare Rates*

Mass General Brigham will assess utilization priced at 100% of Medicaid rates compared to 2019 pricing.

**B. Interim Targets:** Describe any interim outcomes expected from implementation of the PIP (e.g., X% reduction in readmissions, renegotiation of Y contracts). Interim targets should include both process goals (e.g., reducing avoidable readmissions by X) as well as financial targets (e.g., an estimated savings of \$X for each prevented readmission, for a total of \$Y), as applicable.

### 1. Reducing Utilization

#### *Integrated Care Management Program*

Interim targets for the iCMP program are for full enrollment of patients identified with the understanding that some patients may refuse to participate.

We also track quarterly metrics on inpatient utilization and TME reduction compared to prior quarters.

#### *Skilled Nursing Facility Utilization*

In the interim, we are refining our network programs and supporting early stage RSO-based projects that optimize SNF utilization through QI efforts, human-centered design, or implementing an intervention with a promising solution. These grants will assist in optimizing system-wide performance through appropriate post-acute utilization to get patients to the right level of care at the right time. Each will be vigorously monitored and studied for cost savings and potential expansion across the network.

On a quarterly basis we internally track enrollment metrics for the Transitional Care Management patients for the Medicare ACO population. We will make sure they are in line with projections and, if not, execute mitigation strategies.

Overall, we anticipate an annualized savings of \$10.7 million.

#### *Mass General Brigham Health Plan*

1. Denial rates and related savings from authorization source of record:

- % Initial denial rates reported quarterly
- Savings from denials will be measured as number of denials x average cost per service

2. % of Authorization requests coming through Interqual Connect

#### *Increased Utilization Management for MRIs and CTs*

Mass General Brigham currently has a backlog of scheduled MRI and CT exams so we will need to work through that backlog as we initiate our criteria screenings to guide appropriate utilization and reduce the number of patients referred for an MRI or CT.

## 2. Shifting Care to Lower Cost Sites

### *Home Hospital*

Interim targets will include successfully meeting the growth benchmarks for FY22 and FY23 as we work towards our FY24 goals. Achieving those savings will require successful negotiation of contracted rates with commercial payers to achieve both patient targets and the associated savings.

### *Virtual Care*

See above.

## 3. Price Reductions

### *Reducing Outpatient Rates*

Mass General Brigham will assess total cost on a periodic basis including interim intervals.

### *Reducing ConnectorCare Rates*

Mass General Brigham will assess total cost savings on a periodic basis including interim intervals.

## C. **Balancing Measures:** Describe the measures Your organization will track to ensure that the proposed interventions are not negatively impacting quality or access.

### 1. Reducing Utilization

#### *Integrated Care Management Program*

Mass General Brigham gathers feedback from physicians and patients on their experience with the iCMP program to ensure that the program is achieving a high level of satisfaction and that it is not negatively impacting quality.

#### *Skilled Nursing Facility Utilization*

Readmission rates will be reviewed quarterly as balance measures for our MSSP ACO population to ensure appropriate recommendations are being made for patients to discharge home, and patient outcomes are maintained if not improved.

Through the SNF Collaborative program, SNFs meeting specific quality criteria and who work with us on population health programs are identified and that list is publicized to patients.

Maintaining patient choice, Mass General Brigham providers and staff review the list and criteria with patients to emphasize the importance of choosing a high quality SNF. Additionally, SNFs meet on a regular basis with Mass General Brigham teams to review individual cases, overall performance, and areas for improvement. We collaborate with the SNFs to share information about successful programs and best practices. As part of our continued commitment to high-quality post-acute care, we will look to refine the network and put increased emphasis on analytics to assess the quality of the facilities our patients are discharged to. Through these efforts, we aim to improve the quality of care our patients receive, thereby reducing SNF days needed, as well as readmissions.

#### *Mass General Brigham Health Plan*

Authorized turnaround time- Mass General Brigham Health Plan will monitor turnaround time for authorization requests and appeals to ensure that members can access appropriate services in a timely manner.

#### *Increased Utilization Management for MRIs and CTs*

To ensure there are not negative impacts on quality or access, the Radiology department will

regularly review data, discuss alternative management pathways utilized and evaluate imaging utilization protocol in order to make any necessary adjustments based on clinical judgement and patient outcomes.

## 2. Shifting Care to Lower Cost Sites

### *Home Hospital*

Quality metrics, including but not limited to, rate of Emergency Department returns, readmissions, and mortality will be tracked alongside hospital-based metrics to ensure equivalent quality is being provided through our Home Hospital operations.

### *Virtual Care*

As a system we track clinical access across all departments offering eConsults and monitor response time for eConsults specifically. As a proxy for quality as well as appropriateness, we track the proportion of eConsults, which are completed without a subsequent office consultation.

## 3. Price Reductions

### *Reducing Outpatient Rates*

This intervention should positively impact both quality and access by decreasing price variation for consumers. Mass General Brigham will track key quality and access metrics for outpatient facilities to ensure that this intervention does not negatively impact quality and access metrics.

### *Reducing ConnectorCare Rates*

This intervention should positively impact both quality and access by decreasing price variation for consumers. Mass General Brigham will track key quality and access metrics for Mass General Brigham Health Plan ConnectorCare Plans to ensure that this intervention does not negatively impact quality and access metrics.

**Attachments:** For any measures included in Your proposal for which Your organization already collects data, provide Your baseline performance data in native file format (e.g. as Microsoft Excel files).

## VI. Reporting and Revising

*Your reporting and revising plan should reflect the types of interventions and measures Your organization has proposed to meet Your savings target. While the HPC expects at least quarterly reporting in any PIP proposal, some PIP proposals, such as those that aim to affect care delivery patterns, may warrant more frequent reporting (e.g., monthly dashboards).*

- A. Describe Your plan for reporting to Your leadership and the HPC on implementation of the proposed interventions, savings target measure results, interim target measure results, balancing measure results, and any unexpected outcomes. All measurement results must be included in progress reports delivered to the HPC on at least a quarterly basis via in-person meetings, written reports, or testimony before the HPC Board.

Mass General Brigham will report quarterly to the Mass General Brigham leadership on key metrics and analytics to ensure progress toward the elements of the PIP, including enrollment levels for iCMP, performance in risk contracts, eConsult data, and data supporting reducing outpatient and ConnectorCare rates.

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Mass General Brigham will report on a six- month basis to the HPC on savings estimates across all interventions. Due to data availability, this will begin April 2023. We will supply other information as needed.

- B. Describe Your approach to revising Your interventions as needed, including if interventions are not producing the expected results on the expected timeline, or if unanticipated negative consequences arise from the proposed interventions.

Mass General Brigham has identified a comprehensive Interventions Mitigation Plan that outlines a series of steps to be taken:

1. Identify the sources of potential risk to track and rank their potential impact on the project.
2. Quarterly intensified financial and management reviews including continuous risk monitoring.
3. Redundant assessment of risk exposure to reduce the components impact.
4. Develop contingency plans, if applicable.
5. Iteratively redefining strategies and action items depending on financial linkages and severity.
6. Track project risk to align outcomes with scope.

## VII. Other Filings

Do You anticipate that any regulatory filings with the HPC or other state or federal agencies will be necessary in order to implement the proposed interventions?

### Shifting Care to Lower Cost Sites

#### *Home Hospital*

Massachusetts General Hospital and Brigham and Women's Hospital are both authorized by CMS to operate Home Hospital programs. The Department of Public Health has similarly authorized our Home Hospital programs and Mass General Brigham holds a license for Mobile Integrated Health operations to support Home Hospital.

The Home Hospital program is in place for Medicare and commercial members. Use of the program for Medicare members is dependent on CMS waivers. If CMS terminates the waivers, hospitals no longer have federal authority to operate the program. It is unclear if DPH will use its special project authority to license hospital at home programs with the federal waivers in place. If DPH takes this position that they will no longer license the hospital at home program, then Mass General Brigham needs to have a mitigation strategy for continuing the programs. From a regulatory perspective, this may mean shifting the model to a physician practice model.

Yes  Please list:

No

## VIII. Sustainability

Summarize Your plans to ensure that any savings or efficiencies achieved through the PIP will continue after the 18-month implementation period.

Mass General Brigham has put forth a comprehensive plan that addresses utilization, service mix, and unit cost to impact the cost of care in the Commonwealth of Massachusetts. We are committed to delivering meaningful and sustainable solutions to cost growth in the Commonwealth both through this plan and to affordability in the long-term. Improving affordability is a strategic priority for the Mass General Brigham system and we are committed to doing this work during the period of this PIP and for the years following. At the same time, we will remain fully focused on always ensuring improved outcomes and a better continuum of care for our patients.

1) Mass General Brigham is focused on affordability in the long-term and commits to continuing the comprehensive market solution proposed in the PIP to address the role of pricing in cost growth in the Commonwealth. Our goals for future contract negotiations with local commercial payers will include continuing to decrease price variation between Mass General Brigham and the marketplace and ensuring that the value of pricing actions included in the PIP are not recouped through rate increases (as evaluated in the context of underlying market rates). This is evidenced by the following proof points:

- a. Mass General Brigham has and will continue to monitor benchmark data from CHIA and other data sources to ensure that our costs are appropriate for the services we offer in the marketplace. CHIA data has helped us identify areas of concern (e.g., AMC OP rates, high tech imaging utilization) where we have designed interventions to address our variation to the market.
- b. Our contracts with the major local commercial payers (BCBS, Point32, and Mass General Brigham Health Plan) are generally negotiated over a three-year period and extend beyond the PIP period.

2) There will be ongoing monitoring and evaluation during the PIP performance period, as well as after the PIP is complete. CHIA will continue to monitor the cost of care in the Commonwealth and Mass General Brigham's contribution to that overall cost. To maintain the annual cost growth benchmark, Mass General Brigham will need to continue to invest in utilization, service mix, and unit cost even after the PIP period ends. Unwinding any of those actions would increase the cost of care and is not in alignment with our strategy. The HPC can continue to evaluate Mass General Brigham's spending, as they did before the PIP, and we expect that to continue after the PIP period to ensure we are following the intent of the PIP.

3) The ultimate accountability for maintaining affordability and keeping costs under control is for Mass General Brigham to take on risk for the cost of care. Under these risk models, if we spend more, we will be the ones paying for it. Our commitment to taking on risk is comprehensive, spanning all three populations we serve: commercial, Medicare, and Medicaid. For our Medicare population, we are exploring opportunities to serve a broader set of healthcare needs and provide an affordable option for seniors to access Mass General Brigham. For Medicaid, we are working with the state's re-procurement process to transition 140,000 members into a Model A full risk arrangement between the Commonwealth and Mass General Brigham Health Plan. For commercial, Mass General Brigham takes risk on our primary care attributed population with all of our local payers; we will continue to approach the local payers to expand the use of value-based care in our overall reimbursement strategy. We are also seeking to address costs through Mass General Brigham Health Plan and have recently extended our Allies product to the Salem marketplace with a plan for further expansion over time. This significant commitment to making the volume to value transition while taking direct accountability for spending will, over the long run, provide the ultimate assurance to the residents of the Commonwealth that the cost control measures committed to in our PIP will continue into the

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future.

4) Mass General Brigham will provide the HPC data and evidence of this commitment, which may include rate increase tables and other contract figures.

## IX. Timeline

Submit a timeline for the implementation of Your PIP, which is not to exceed 18 months, as an attachment. Your timeline must indicate start dates, end dates, and key milestones for Your intervention(s) and incorporate the relevant dates for the measurement and reporting activities You describe in sections V and VI, respectively.

## X. Requests for Technical Assistance

*Please note that the provision of technical assistance by the HPC is discretionary, and that the amount and nature of technical assistance is subject to HPC staff capacity and expertise.*

Request for Technical Assistance:    Yes  No

**Attachments:** Provide a detailed description of the nature of technical assistance being requested.



### MGB PIP Timeline

	2021				2022				2023				2024			
	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
<b>Compliance Period</b>																
<b>Mass General Brigham's Quarterly Financial Savings Report Out to HPC</b>																
<b>Reducing Utilization</b>																
Integrated Care Management Program																
Additional Utilization Management																
<b>Shifting Care to Lower Cost Sites</b>																
Home Hospital																
Virtual Care																
<b>Price Reductions</b>																
Reducing Outpatient Rates- BCBS																
Reducing Outpatient Rates- Other Payers																
Price Reduction at the Mass General Waltham Outpatient Facility																
Reducing ConnectorCare Rates																
<b>Enhanced Accountability through Value-Based Care</b>																
Mass General Brigham Health Plan																

◆ = milestone