

# PERFORMANCE IMPROVEMENT PLAN PROPOSAL AS OF MAY 16, 2022 AS SUBMITTED BY MASS GENERAL BRIGHAM

## SUBJECT TO REVIEW AND APPROVAL BY THE HPC

The attached Performance Improvement Plan (PIP) proposal was developed and submitted by Mass General Brigham on May 16, 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: 05/16/2022

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

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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 \$70 million a year on or before December 31, 2023. 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 an estimated spending reduction of at least \$60 million a year. This figure is 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 reducing this figure to an annualized amount of approximately \$60 million.

In consideration of needing to meaningfully address health care cost growth in the Commonwealth, Mass General Brigham went above the estimated spending reduction. Considering the 18-month compliance period required by the HPC’s PIP, \$70 million is then multiplied by 1.5 to result in a \$105 million savings under the PIP.

## 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 spending performance has 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

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staff to develop viable solutions that address both price and utilization as part of a comprehensive plan to restrain cost growth.

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.

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 taken action 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 start on that journey.

When considering health status adjusted rates, which account for the higher acuity patients who seek care at Mass General Brigham, 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 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 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 systems control, such as pharmacy costs.

The HPC has also highlighted hospital outpatient and physician spending as being significantly above average at Mass General Brigham. 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. Hospital outpatient spending growth per commercial enrollee increased 4.1% in 2016 to 2017, 4.4% in 2017 to 2018, and 7.5% in 2018 to 2019. Spending growth for physician and other professionals increased 1.9% in 2016 to 2017, 6.4% in 2017 to 2018, and 6.1% in 2018 to 2019.

Although the majority of the data on utilization demonstrate that Mass General Brigham is not a significant outlier there is one exception during the period analyzed. The HPC showed that Mass General Brigham's utilization of MRIs was relatively high compared to others.

## 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 \$70 million a year. This will be achieved by implementing a comprehensive strategy to introduce and strengthen reforms that will reduce health care growth.

*Four elements producing \$70 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 \$10.8 million in spending a year by reducing avoidable hospitalizations, emergency room visits, post-acute care, and reducing utilization of high-cost outpatient imaging. Mass General Brigham is committed to working with the HPC 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. The program has been refined for Medicare patients and optimized for commercial and Medicaid patients. iCMP is now scaled across the entire Mass General Brigham system, with 17,349 patients in active care management as of April 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 optimizing the program to reach full enrollment targets particularly for commercial and Medicaid patients. Present enrollment for iCMP is 17,349. Based on the overall

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population we plan to invest in this program to expand to more than 19,650 patients. This will produce savings of \$10.8 million across our commercial and government payers.

#### *Skilled Nursing Facility Utilization*

Skilled Nursing Facility (SNF) utilization is relatively high in the Northeast and with the Mass General Brigham population. We have developed several programs which reduce healthcare expenses by coordinating post-acute care, managing utilization, and improving quality. We will continue to assess the impact of these programs and refine in the future. Some examples are listed below.

The Transitional Care Management program optimizes SNF utilization through use of an evidence-based decision support tool and Transitional Care Managers. Through data such as patient functional status information, the tool provides guidance on the ideal post-acute care setting, expected length of stay, and other benchmarks, such as expected functional improvement and readmission risk. Mass General Brigham providers and SNF Transitional Care Managers use this data to create personalized and patient centered care plans for patients, decreasing unnecessary SNF utilization.

Through the SNF Collaborative program, SNFs meeting specific quality criteria are identified and that list is publicized to patients. We collaborate with the SNFs to share information about successful programs and best practices.

The SNF 3-day waiver (3DW) program 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. As the Public Health Emergency ends, this program is now being restarted.

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.

#### *MRI Utilization*

Mass General Brigham has leveraged our system-wide electronic health record to implement decision support as a specific intervention to lower utilization of high-cost imaging. The impact of some of these efforts will not be reflected in the data reviewed by the HPC in requiring this PIP because of the significant lags in CHIA data, however Mass General Brigham's internal data suggests that this one area of overutilization is already being impacted by these changes.

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.

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

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

#### *Hospital at Home*

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

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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 Hospital at Home below in-hospital rates with our 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<sup>1</sup> 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 lower than parity payments than 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 work to proactively address 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 to patients 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 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 \$53.8 million in spending a year by reducing AMC outpatient rates and reducing 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 will work with the local commercial payers that represent the majority of Mass General Brigham's commercial patient revenue to reduce price variation vs. the market for all AMC outpatient services. We value actions taken to date with commercial payers at \$24.4 million in savings a year. Mass General Brigham intends to implement

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<sup>1</sup> Schwamm, L.H., Erskine, A. & Licurse, A. A digital embrace to blunt the curve of COVID19 pandemic. *npj Digit. Med.* 3, 64 (2020). <https://doi.org/10.1038/s41746-020-0279-6>

savings with other health plans, however that value is not being quantified in the PIP. 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 \$14.5 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 in AllWays Health Partners Plans. Mass General Brigham is committing to reducing rates within these plans to address price variability and equity. This change will directly translate to a trend 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 AllWays Health Partners. 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.

#### *AllWays Health Partners*

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, AllWays Health Partners plays a critical role in advancing the system's value-based care goals. With AllWays, 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 will be 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 AllWays Health Partners and the expertise it has brought to supporting an ACO partnership with the Greater Lawrence Family Health Center and Lawrence General Hospital to provide high-quality, affordable care and coverage to one of the highest need regions in the state.

Our goal with these efforts is to expand our AllWays Health Partners 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.<sup>2</sup> 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, it will result in \$10.8 million in savings a year.

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

#### ***Hospital At Home***

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.<sup>3</sup> 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.<sup>4,5</sup>

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<sup>2</sup> Hsu J., Price M., Vogeli C., Brand R., Chernew M.E., Chaguturu S.K., Weil E., Ferris T.G. Bending The Spending Curve By Altering Care Delivery Patterns: The Role Of Care Management Within A Pioneer ACO. *Health Aff. (Millwood)*. 2017 May 1. Other studies pending publication.

<sup>3</sup> Levine DM et al. *Ann Intern Med*. 2021;172:77–85

<sup>4</sup> B. Leff, L. Burton, S. L. Mader et al., "Hospital at Home: Feasibility and Outcomes of a Program to Provide Hospital-Level Care at Home for Acutely Ill Older Patients," *Annals of Internal Medicine*, Dec. 2005 143(11):798–808.

<sup>5</sup> Arsenault-Lapierre G, Henein M, Gaid D, Le Berre M, Gore G, Vedel I. Hospital-at-Home Interventions vs In-Hospital Stay for Patients With Chronic Disease Who Present to the Emergency Department: A Systematic Review and Meta-analysis. *JAMA Netw Open*. 2021;4(6):e2111568. doi:10.1001/jamanetworkopen.2021.11568

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Collectively, those savings pass to consumers by way of discounts on payer-negotiated reimbursement rates.

We have agreed with commercial payers on a 15% decrease 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 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 consumer in our outpatient facilities.

#### *Reducing ConnectorCare Rates*

Savings for our pricing for AllWays Health Partners 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

#### *AllWays Health Partners*

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 the communities 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

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### *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.

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

### *Hospital at Home*

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.<sup>6</sup>

## **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 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 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**

### *AllWays Health Partners*

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**

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<sup>6</sup> Taylor P. Effective Access to Care in a Crisis Period: Hypertension Control During the COVID-19 Pandemic by Telemedicine, Mayo Clinic Proceedings: Innovations, Quality & Outcomes, Volume 6, Issue 1, 2022, Pages 19-26,

### *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.

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

### *Hospital at Home*

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**

### *AllWays Health Partners*

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.

## 2. Shifting Care to Lower Cost Sites

### *Hospital at Home*

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 Hospital at Home.

### *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**

#### *AllWays Health Partners*

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 AllWays Health Partners 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 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.

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

##### *Hospital at Home*

Mass General Brigham's Hospital at Home 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 Hospital at Home 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 AllWays Health Partners ConnectorCare Products only on the Massachusetts Health Exchange.

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

#### *AllWays Health Partners*

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.

## 2. Shifting Care to Lower Cost Sites

### *Hospital at Home*

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 \$1.2 million based on a 15% discount in the rates. 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.

## 2. Shifting Care to Lower Cost Sites

### *Hospital at Home*

Interim targets will include successfully meeting the growth benchmarks for FY22 and FY23 as we



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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.

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

*Hospital at Home*

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 Hospital at Home 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 AllWays Health Partners 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 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.

Mass General Brigham will report every six months to the HPC on savings estimates across all interventions.

- 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

#### *Hospital at Home*

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

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 is deeply committed to transforming the future of health care, making it more affordable and improving outcomes for patients. This commitment includes building a new low-cost continuum of care for patients, fully embracing the opportunities presented by virtual care, and ensuring that patients are being seen at the right time, in the right place, and at the right cost. These overarching goals are embedded in the elements of Mass General Brigham's PIP, and we will continue to build our strategy well beyond the 18-month implementation period.

Programs such as Hospital at Home and virtual care will be sustained as a care standard of the future. Mass General Brigham is also committed to continuous benchmarking of pricing for all services to ensure that we are favorably impacting price variability in the Commonwealth.

### 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			
	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
<b>Compliance Period</b>												
<b>Quarterly Financial Savings Report Out to Mass General Brigham's Leadership</b>												
<b>Mass General Brigham's Six-Month Financial Savings Report Out to HPC</b>												
<b>Reducing Utilization</b>												
Integrated Care Management Program												
<b>Shifting Care to Lower Cost Sites</b>												
Hospital at Home												
Virtual Care												
<b>Price Reductions</b>												
Reducing Outpatient Rates												
Reducing ConnectorCare Rates												
<b>Enhanced Accountability through Value-Based Care</b>												
AllWays Health Partners												

◆ = milestone