

APPENDIX P
MCO-Administered ACO Contract Specifications

The Contractor's Approved ACO Agreements (i.e., the Contract between the Contractor and the MCO-Administered ACOs) shall meet the requirements of this **Appendix P** and the requirements of the Contract (i.e. the MassHealth Managed Care Organization Contract between EOHHS and the Contractor). All terms of their abbreviations, when capitalized in this Appendix, are defined as set forth in the Contract or otherwise defined by EOHHS.

Section 1.1 Care Delivery, Care Coordination, and Care Management
Requirements for Approved ACO Agreements

The Contractor's Approved ACO Agreements shall obligate the Contractor's MCO-Administered ACOs to ensure that, in addition to Enrollees' other rights, such MCO-Administered ACOs' Attributed Members (i.e. Enrollees who are assigned by the Contractor to one of the MCO-Administered ACO's Participating PCPs) experience care that is integrated across providers, that is Member-centered, and that connects such Attributed Members to the right care in the right settings, as described in this Section and as further specified by EOHHS.

A. General Care Delivery Requirements

Each of the Contractor's Approved ACO Agreements with an MCO-Administered ACO shall delineate responsibilities and define areas of collaboration between the Contractor and the MCO-Administered ACO as set forth in this Section.

1. The Approved ACO Agreement shall obligate the MCO-Administered ACO to ensure that all Attributed Members:
 - a. Receive care that is timely, accessible, and Culturally and Linguistically Appropriate; and
 - b. Access care as described in Section 2.5 of the Contract;
2. The Approved ACO Agreement shall delineate responsibilities and define areas of collaboration between the Contractor and the MCO-Administered ACO to ensure all requirements in Section 2.5.A of the Contract are met.

B. Care Needs Screening and Appropriate Follow-Up

Each of the Contractor's Approved ACO Agreements with an MCO-Administered ACO shall delineate responsibilities and define areas of collaboration between the Contractor and the MCO-Administered ACO, including obligating the MCO-Administered ACO as appropriate, to ensure that Attributed Members receive screenings to identify their health and functional needs as specified in Section 2.5.B of the Contract and as follows:

1. The Approved ACO Agreement shall obligate the MCO-Administered ACO to assist the Contractor in developing, implementing, and maintaining procedures for completing an initial Care Needs Screening for each Attributed Member, and in making best efforts to complete such screening within required timeframes, as specified in Section 2.5.B.1 of the Contract;
2. The Care Needs Screening shall meet all requirements in Section 2.5.B.2 of the Contract;
3. The Approved ACO Agreement shall obligate the MCO-Administered ACO to assist the Contractor to evaluate Attributed Members' needs through means other than the Care Needs Screenings as described in Section 2.5.B.3 of the Contract;
4. The Approved ACO Agreement shall obligate the MCO-Administered ACO to ensure that Attributed Members receive Medically Necessary and appropriate care and follow-up based on their identified needs as specified in Section 2.5.B.4 of the Contract.

C. Care Coordination, Transitional Care Management, and Clinical Advice and Support Line

Each of the Contractor's Approved ACO Agreements with an MCO-Administered ACO shall delineate responsibilities and define areas of collaboration between the Contractor and the MCO-Administered ACO, including obligating the MCO-Administered ACO as appropriate, to perform care coordination activities for Attributed Members; to have a Transitional Care Management program to coordinate Attributed Members' care during transitions such as hospital discharges; and to maintain a Clinical Advice and Support Line to provide Attributed Members access to information and assistance that supports coordinated care as specified in Section 2.5.C of the Contract and as follows:

1. The Approved ACO Agreement shall obligate the MCO-Administered ACO to perform care coordination for Attributed Members with identified LTSS- or BH-related needs and all Enrollees as specified in Section 2.5.C.1 of the Contract;
2. The Approved ACO Agreement shall obligate the MCO-Administered ACO to have a Transitional Care Management program. The MCO-Administered ACO shall develop, implement, and maintain protocols for Transitional Care Management with all of the MCO-Administered ACO's Affiliated Hospitals. Such protocols shall be as described in Section 2.5.C.2 of the Contract;
3. The Approved ACO Agreement shall obligate the MCO-Administered ACO to assist the Contractor to ensure that the Contractor's Clinical Advice and Support Line meets the requirements in Section 2.5.C.3 of the Contract.

- a. The MCO-Administered ACO shall ensure that the Contractor's Clinical Advice and Support Line's clinicians shall have access to information to identify such Attributed Member's MCO-Administered ACO and other information identified in Section 2.5.C of the Contract and specified by the Contractor relating to facilitating coordination of Enrollee care;
- b. The Clinical Advice and Support Line shall be incorporated in the MCO-Administered ACO's policies and procedures for care coordination and Care Management as specified in Section 2.5.C of the Contract.
- c. The Clinical Advice and Support Line shall otherwise coordinate with an Attributed Member's MCO-Administered ACO, in addition to other coordination specified in Section 2.5.C of the Contract, including through providing "warm handoffs" to such individuals through direct transfer protocols and processes and capabilities to share information with such entities and individuals;

D. Comprehensive Assessment and Member-Centered Care Planning

Each of the Contractor's Approved ACO Agreements with an MCO-Administered ACO shall obligate the MCO-Administered ACO to ensure that certain Attributed Members receive a Comprehensive Assessment that informs a documented Care Plan, and receive a documented Care Plan, in accordance with Section 2.5.D of the Contract.

E. Care Management

Each of the Contractor's Approved ACO Agreements with an MCO-Administered ACO shall delineate responsibilities and define areas of collaboration between the Contractor and the MCO-Administered ACO, including obligating the MCO-Administered ACO as appropriate, to provide Care Management activities to Attributed Members as described in Section 2.5.E of the Contract, as follow, and as further specified by EOHHS.

1. The Approved ACO Agreement shall delineate responsibilities and define areas of collaboration between the Contractor and the MCO-Administered ACO to, and shall obligate the MCO-Administered ACO to assist the Contractor in, proactively identifying certain Attributed Members who may benefit from Care Management activities based on the results of an evaluation as described in Section 2.5.E.1 of the Contract and further specified by EOHHS;

2. The Approved ACO Agreement shall obligate the MCO-Administered ACO to provide each identified Attributed Member with Care Management as set forth in Section 2.5.E.2 of the Contract.

Section 1.2 Certain Member Protections

Each of the Contractor's Approved ACO Agreements with an MCO-Administered ACO shall obligate the MCO-Administered ACO to:

- A. Assist the Contractor to ensure the receipt and timely resolution of Attributed Member's Grievances, which shall include but may not be limited to Grievances related to the MCO-Administered ACO, as described in Section 2.12 of the Contract and as further specified by EOHHS;
- B. Ensure that Attributed Members are not limited to obtaining services only from Affiliated Providers of the MCO-Administered ACO. The MCO-Administered ACO shall:
 1. Not impose additional requirements for referrals to providers who are not Affiliated Providers;
 2. Not impede Attributed Members' access to or freedom of choice of providers;
 3. Not reduce or impede access to Medically Necessary services; and
 4. Ensure that Attributed Members may obtain emergency services from any provider, regardless of its affiliation with the MCO-Administered ACO, including but not limited to receiving services from ESP or MCI providers;
- C. Ensure that all written materials provided by the MCO-Administered ACO to Attributed Members satisfy all requirements in the Contract related to written materials, such as those set forth in Section 2.10 of the Contract;
- D. As further specified by EOHHS, coordinate with the Contractor on the development and distribution of Enrollee materials;
- E. Coordinate with the Contractor to ensure interpretation services are available in accordance with all Contract requirements and to notify Attributed Members of this service and how to access it;
- F. Post on its website in a prominent place, in multiple languages and formats:
 1. Contact information for EOHHS' Ombudsman;
 2. A method for submitting inquiries, providing feedback, and initiating Grievances, which shall include but may not be limited to Grievances related to the MCO-Administered ACO, including for

- Attributed Members who do not have access to email;
 - 3. The identity, contact information, addresses, operating hours, qualifications, and availability of the MCO-Administered ACO's Affiliated Providers;
 - 4. How Attributed Members may access oral interpretation services free-of-charge in any non-English language spoken by Attributed Members;
 - 5. How Attributed Members may access written materials in Prevalent Languages and Alternative Formats;
 - 6. Additional information as specified by EOHHS;
- G. Not request that EOHHS disenroll an Attributed Member from the Contractor's plan for any reason, not influence in any way a Participating PCP or the Contractor such that the Participating PCP or Contractor requests that EOHHS disenroll an Attributed Member from the Contractor's plan, and not request that EOHHS disenroll an Attributed Member from the Contractor's plan on behalf of the Contractor;
- H. Coordinate with the Contractor to provide Attributed Members with, and have written policies ensuring Attributed Members are guaranteed, the Enrollee rights set forth in Section 5.1.L of the Contract, and ensure that the MCO-Administered ACO's employees and Material Subcontractors observe and respect these rights;
- I. Not, in any way, discriminate or use any policy or practice that has the effect of discriminating against Attributed Members on the basis of health status or need for health care services, race, color, national origin, sex, sexual orientation, gender identity, or disability; and
- J. Facilitate Attributed Members' immediate and unrestricted access to Emergency Services Program and Mobile Crisis Intervention services at hospital emergency departments and in the community, 24 hours a day, seven days a week;

Section 1.3 Total Cost of Care (TCOC) Accountability Requirements for Approved ACO Agreements

Each of the Contractor's Approved ACO Agreements with an MCO-Administered ACO shall include financial accountability for the MCO-Administered ACO's performance on Total Cost of Care (TCOC) and Quality Measures, as set forth in this Section.

- A. Contractor and EOHHS Involvement in TCOC Calculation
- 1. EOHHS will calculate and provide the Contractor with values related to the TCOC calculations for each of the Contractor's MCO-Administered ACOs. The Contractor shall, for all calculations described in this Section 1.3 of Appendix P, use such

values or other amounts calculated and provided to the Contractor by EOHHS.

2. The Contractor shall provide EOHHS with any requested information or assistance in calculating such values.
3. Values related to the TCOC calculation shall include but may not be limited to:
 - a. The MCO-Administered ACO's TCOC Benchmark;
 - b. The MCO-Administered ACO's TCOC Performance;
 - c. The MCO-Administered ACO's Quality Score;
 - d. The MCO-Administered ACO's Shared Savings or Shared Losses payment, as modified by the MCO-Administered ACO's Quality Score; and
 - e. Other values as specified by EOHHS.

B. RC IX Risk Sharing Arrangement

1. For Rating Category IX (hereinafter referred to as "RC IX"), the MCO-Administered ACO shall have the option to elect to share risk with the Contractor for the Medical Component of the Risk Adjusted Capitated Rate in accordance with the following provisions. EOHHS shall specify, prior to the start of the Contract Year, the date, form, and format by which the Contractor shall make such election. Should the MCO-Administered ACO elect to share risk with the Contractor in this way, the MCO-Administered ACO's arrangement with the Contractor shall hereinafter be referred to as "the MCO-Administered ACO's Chosen RC IX Risk Sharing Arrangement".
2. If the MCO-Administered ACO elects to participate in the RC IX Risk Sharing Arrangement, RC IX in all Regions shall be excluded from the MCO-Administered ACO's TCOC Benchmark for the purposes of performing Shared Savings/Shared Losses calculations described in **Section 1.3.D.2**. Instead, RC IX in all Regions shall be included for the purposes of performing Shared Savings/Shared Losses calculations described in **Section 1.3.D.5**.

C. The Contractor shall pay the MCO-Administered ACO Shared Savings, or the MCO-Administered ACO shall pay the Contractor Shared Losses, for each Contract Year as follows:

1. If the difference when the MCO-Administered ACO's TCOC Performance is subtracted from the MCO-Administered ACO's Benchmark is equal to an amount greater than zero (0), such difference shall be the MCO-Administered ACO's

Savings. If such difference is equal to an amount less than zero (0), such difference shall be the MCO-Administered ACO's Losses. If such difference equals zero (0) and MCO-Administered ACO's TCOC Performance and TCOC Benchmark are equal to each other, the MCO-Administered ACO shall have neither Savings nor Losses for the Contract Year; and

2. If the MCO-Administered ACO has Savings, the Contractor shall pay the MCO-Administered ACO Shared Savings based on the MCO-Administered ACO's Risk Track, as described in **Section 1.3.D** of this **Appendix P**, and based on the MCO-Administered ACO's Quality Score, as described in **Section 1.3.E** of this **Appendix P**.
3. If the MCO-Administered ACO has Losses, the MCO-Administered ACO shall pay the Contractor Shared Losses based on the MCO-Administered ACO's Risk Track, as described in **Section 1.3.D** of this **Appendix P**, and based on the MCO-Administered ACO's Quality Score, as described in **Section 1.3.E** of this **Appendix P**.
4. If the MCO-Administered ACO has neither Savings nor Losses for the Contract Year, the MCO-Administered ACO shall have neither a Shared Savings payment nor a Shared Losses payment.

D. Risk Tracks

1. The MCO-Administered ACO's Risk Track shall be one of the following, as identified to the Contractor by EOHHS:
 - a. Risk Track 1 – Limited Accountability;
 - b. Risk Track 2 – Moderate Accountability; and
 - c. Risk Track 3 – Increased Accountability;
2. The Contractor shall apply Risk Tracks for the TCOC Benchmark, as defined in **Section 1.3.F.2** of this **Appendix P**, as follows:
 - a. The Contractor shall pay the MCO-Administered ACO Shared Savings and the MCO-Administered ACO shall pay the Contractor Shared Losses payments for the TCOC Benchmark subject to the following risk corridor provisions:
 - 1) The minimum savings and losses rate shall both be equal to either one percent (1%) or two percent (2%) of the TCOC Benchmark, as chosen by the MCO-Administered ACO through a defined process and according to a timeline specified by EOHHS (hereinafter "MCO-Administered ACO's chosen minimum savings and losses percentage"). If the MCO-Administered ACO's Savings or the absolute value of the MCO-Administered ACO's Losses are less than the MCO-Administered ACO's chosen minimum savings and losses percentage of the TCOC Benchmark, there shall be no Shared Savings or Shared Losses payment.

- 2) The savings and losses cap shall be equal to ten percent (10%) of the TCOC Benchmark (hereinafter referred to as “the cap”). If the MCO-Administered ACO’s Savings for the TCOC Benchmark are greater than the cap, the MCO-Administered ACO’s Shared Savings payment shall be calculated as if MCO-Administered ACO’s Savings were equal to the cap, and the MCO-Administered ACO shall receive no additional Shared Savings payment for any Savings beyond the cap. If the absolute value of the MCO-Administered ACO’s Losses for the TCOC Benchmark are greater than the cap, the MCO-Administered ACO’s Shared Losses payment shall be calculated as if the absolute value of the MCO-Administered ACO’s Losses were equal to the cap, and the MCO-Administered ACO shall make no additional Shared Losses payment for any Losses beyond the cap;

b. Risk Track 1 – Limited Accountability

If the MCO-Administered ACO’s Risk Track as identified to the Contractor by EOHHS is Risk Track 1 – Limited Accountability, then subject to the provisions in **Section 1.3.D.2.a** of this **Appendix P** above, the MCO-Administered ACO’s Shared Savings payment or Shared Losses payment, prior to modifying for the MCO-Administered ACO’s Quality Score as described in **Section 1.3.E** of this **Appendix P** below, shall be as follows:

- 1) If the MCO-Administered ACO has Savings less than or equal to three percent (3%) of the TCOC Benchmark:
 - a) In Contract Year 1, Shared Savings shall be twenty percent (20%) of Savings;
 - b) In Contract Year 2, Shared Savings shall be twenty-five percent (25%) of Savings;
 - c) In Contract Years 3-5, Shared Savings shall be thirty percent (30%) of Savings;
- 2) If the MCO-Administered ACO has Savings greater than three percent (3%) of the TCOC Benchmark, the MCO-Administered ACO’s additional Shared Savings payment for the amount of Savings above three percent (3%) of the TCOC Benchmark shall be equal to:
 - a) In Contract Year 1, additional Shared Savings shall be ten percent (10%) of such additional Savings;
 - b) In Contract Year 2, additional Shared Savings shall be twelve and one half percent (12.5%) of such additional Savings; and
 - c) In Contract Years 3-5, additional Shared Savings shall be fifteen percent (15%) of such additional Savings;

- 3) If the MCO-Administered ACO has Losses with absolute value less than or equal to three percent (3%) of the TCOC Benchmark:
 - a) In Contract Years 1-3, Shared Losses shall be twenty percent (20%) of Losses; and
 - b) In Contract Years 4-5, Shared Losses shall be thirty percent (30%) of Losses;
 - 4) If the MCO-Administered ACO has Losses with absolute value greater than three percent (3%) of the TCOC Benchmark, the MCO-Administered ACO's additional Shared Losses payment for the amount of Losses beyond three percent (3%) of the TCOC Benchmark shall be equal to:
 - a) In Contract Years 1-3, additional Shared Losses shall be ten percent (10%) of such additional Losses; and
 - b) In Contract Years 4-5, additional Shared Losses shall be fifteen percent (15%) of such additional Losses;
- c. Risk Track 2 – Moderate Accountability

If the MCO-Administered ACO's Risk Track as identified to the Contractor by EOHHS is Risk Track 2 – Moderate Accountability, then subject to the provisions in **Section 1.3.D.2.a** of this **Appendix P** above, the MCO-Administered ACO's Shared Savings payment or Shared Losses payment, prior to modifying for MCO-Administered ACO's Quality Score as described in **Section 1.3.E** of this **Appendix P** below, shall be as follows:

- 1) If the MCO-Administered ACO has Savings less than or equal to three percent (3%) of the TCOC Benchmark:
 - a) In Contract Year 1, Shared Savings shall be thirty percent (30%) of Savings;
 - b) In Contract Year 2, Shared Savings shall be forty percent (40%) of Savings;
 - c) In Contract Years 3-5, Shared Savings shall be fifty percent (50%) of Savings;
- 2) If the MCO-Administered ACO has Savings greater than three percent (3%) of the TCOC Benchmark, the MCO-Administered ACO's additional Shared Savings payment for the amount of Savings above three percent (3%) of the TCOC Benchmark shall be equal to:
 - a) In Contract Year 1, additional Shared Savings shall be fifteen percent (15%) of such additional Savings;

- b) In Contract Year 2, additional Shared Savings shall be twenty percent (20%) of such additional Savings;
 - c) In Contract Years 3-5, additional Shared Savings shall be twenty-five percent (25%) of such additional Savings;
- 3) If the MCO-Administered ACO has Losses with absolute value less than or equal to three percent (3%) of the TCOC Benchmark:
- a) In Contract Years 1-3, Shared Losses shall be thirty percent (30%) of Losses; and
 - b) In Contract Years 4-5, Shared Losses shall be fifty percent (50%) of Losses;
- 4) If the MCO-Administered ACO has Losses with absolute value greater than three percent (3%) of the TCOC Benchmark, the MCO-Administered ACO's additional Shared Losses payment for the amount of Losses beyond three percent (3%) of the TCOC Benchmark shall be equal to:
- a) In Contract Years 1-3, additional Shared Losses shall be fifteen percent (15%) of such additional Losses; and
 - b) In Contract Years 4-5, additional Shared Losses shall be twenty-five percent (25%) of such additional Losses;
- d. Risk Track 3 – Increased Accountability

If the MCO-Administered ACO's Risk Track as identified to the Contractor by EOHHS is Risk Track 3 – Increased Accountability, then subject to the provisions in **Section 1.3.D.2.a** of this **Appendix P** above, the MCO-Administered ACO's Shared Savings payment or Shared Losses payment, prior to modifying for MCO-Administered ACO's Quality Score as described in **Section 1.3.E** of this **Appendix P** below, shall be as follows:

- 1) If the MCO-Administered ACO has Savings less than or equal to three percent (3%) of the TCOC Benchmark:
 - a) In Contract Year 1, Shared Savings shall be fifty percent (50%) of Savings;
 - b) In Contract Year 2, Shared Savings shall be sixty percent (60%) of Savings; and
 - c) In Contract Years 3-5, Shared Savings shall be seventy percent (70%) of Savings;

- 2) If the MCO-Administered ACO has Savings greater than three percent (3%) of the TCOC Benchmark, MCO-Administered ACO's additional Shared Savings payment for the amount of Savings above three percent (3%) of the TCOC Benchmark shall be equal to:
 - a) In Contract Year 1, additional Shared Savings shall be twenty-five percent (25%) of such additional Savings;
 - b) In Contract Year 2, additional Shared Savings shall be thirty percent (30%) of such additional Savings;
 - c) In Contract Years 3-5, additional Shared Savings shall be thirty-five percent (35%) of such additional Savings;

- 3) If the MCO-Administered ACO has Losses with absolute value less than or equal to three percent (3%) of the TCOC Benchmark:
 - a) In Contract Years 1-3, Shared Losses shall be forty percent (40%) of Losses; and
 - b) In Contract Years 4-5, Shared Losses shall be seventy percent (70%) of Losses;

- 4) If the MCO-Administered ACO has Losses with absolute value greater than three percent (3%) of the TCOC Benchmark, the MCO-Administered ACO's additional Shared Losses payment for the amount of Losses beyond three percent (3%) of the TCOC Benchmark shall be equal to:
 - a) In Contract Years 1-3, additional Shared Losses shall be twenty percent (20%) of such additional Losses; and
 - b) In Contract Years 4-5, additional Shared Losses shall be thirty-five percent (35%) of such additional Losses;

3. [Reserved]
4. [Reserved]

5. Risk Sharing for the TCOC Benchmark under the MCO-Administered ACO's Chosen RC IX Risk Sharing Arrangement as identified to the Contractor by EOHHS for Contract Year 2019
 - a. The MCO-Administered ACO's Shared Savings payment or the MCO-Administered ACO's Shared Losses payment for the TCOC Benchmark for RC IX in aggregate across all Regions, prior to modifying for the MCO-Administered ACO's Quality Score as described in **Section 1.3.E** of this **Appendix P** below shall be as follows:

- 1) If the MCO-Administered ACO has Savings less than or equal to one percent (1%) of the TCOC Benchmark for RC IX in aggregate across all Regions, the MCO-Administered ACO's Shared Savings shall be twenty percent (20%) of the Savings if the MCO-Administered ACO elects "Risk Track 1 – Limited Accountability"; thirty percent (30%) of the Savings if the MCO-Administered ACO elects "Risk Track 2 – Moderate Accountability"; and fifty percent (50%) of the Savings if the MCO-Administered ACO elects "Risk Track 3 – Increased Accountability";
- 2) If the MCO-Administered ACO has Savings greater than one percent (1%) and less than or equal to two percent (2%) of the TCOC Benchmark for RC IX in aggregate across all Regions:
 - a) the MCO-Administered ACO's Shared Savings payment for the amount of Savings below one percent (1%) of the TCOC Benchmark for RC IX in aggregate across all Regions shall be twenty percent (20%) of the Savings if the MCO-Administered ACO elects "Risk Track 1 – Limited Accountability"; thirty percent (30%) of the Savings if the MCO-Administered ACO elects "Risk Track 2 – Moderate Accountability"; and fifty percent (50%) of the Savings if the MCO-Administered ACO elects "Risk Track 3 – Increased Accountability;" and
 - b) the MCO-Administered ACO's Shared Savings payment for the amount of Savings above 1% of the TCOC Benchmark for RC IX in aggregate across all Regions shall be ten percent (10%) of the additional Savings if the MCO-Administered ACO elects "Risk Track 1 – Limited Accountability"; fifteen percent (15%) of the additional Savings if the MCO-Administered ACO elects "Risk Track 2 – Moderate Accountability"; and twenty-five percent (25%) of the additional Savings if the MCO-Administered ACO elects "Risk Track 3 – Increased Accountability;"
- 3) If the MCO-Administered ACO has Savings greater than 2% of the TCOC Benchmark for RC IX in aggregate across all Regions:
 - a) the MCO-Administered ACO's Shared Savings payment for the amount of Savings below one percent (1%) of the TCOC Benchmark for RC IX in aggregate across all Regions shall be twenty percent (20%) of the Savings if the MCO-Administered ACO elects "Risk Track 1 – Limited Accountability"; thirty percent (30%) of the Savings if the MCO-Administered ACO elects "Risk Track 2 – Moderate Accountability"; and fifty percent (50%) of the Savings if the MCO-Administered ACO elects "Risk Track 3 – Increased Accountability";

- b) the MCO-Administered ACO's Shared Savings payment for the amount of Savings between one percent (1%) and two percent (2%) of the TCOC Benchmark for RC IX in aggregate across all Regions shall be ten percent (10%) of the additional Savings if the MCO-Administered ACO elects "Risk Track 1 – Limited Accountability"; fifteen percent (15%) of the additional Savings if the MCO-Administered ACO elects "Risk Track 2 – Moderate Accountability"; and twenty-five percent (25%) of the additional Savings if the MCO-Administered ACO elects "Risk Track 3 – Increased Accountability;" and
 - c) the MCO-Administered ACO's Shared Savings payment for the amount of Savings in excess of two percent (2%) of the TCOC Benchmark for RC IX in aggregate across all Regions shall be 10% of the additional Savings;
- 4) If the MCO-Administered ACO has Losses less than or equal to one percent (1%) of the TCOC Benchmark for RC IX in aggregate across all Regions, the MCO-Administered ACO's Shared Losses shall be twenty percent (20%) of the Losses if the MCO-Administered ACO elects "Risk Track 1 – Limited Accountability"; thirty percent (30%) of the Losses if the MCO-Administered ACO elects "Risk Track 2 – Moderate Accountability"; and forty percent (40%) of the Losses if the MCO-Administered ACO elects "Risk Track 3 – Increased Accountability";
- 5) If the MCO-Administered ACO has Losses greater than one percent (1%) and less than or equal to two percent (2%) of the TCOC Benchmark for RC IX in aggregate across all Regions;
- a) the MCO-Administered ACO's Shared Losses payment for the amount of Losses below one percent (1%) of the TCOC Benchmark for RC IX in aggregate across all Regions shall be twenty percent (20%) of the Losses if the MCO-Administered ACO elects "Risk Track 1 – Limited Accountability"; thirty percent (30%) of the Losses if the MCO-Administered ACO elects "Risk Track 2 – Moderate Accountability"; and forty percent (40%) of the Losses if the MCO-Administered ACO elects "Risk Track 3 – Increased Accountability"; and
 - b) the MCO-Administered ACO's Shared Losses payment for the amount of Losses above one percent (1%) of the TCOC Benchmark for RC IX in aggregate across all Regions shall be ten percent (10%) of the additional Losses if the MCO-Administered ACO elects "Risk Track 1 – Limited Accountability"; fifteen percent (15%) of the additional Losses if the MCO-Administered ACO elects "Risk Track 2 – Moderate Accountability"; and twenty

percent (20%) of the additional Losses if the MCO-Administered ACO elects “Risk Track 3 – Increased Accountability”;

- 6) If the MCO-Administered ACO has Losses greater than two percent (2%) of the TCOC Benchmark for RC IX in aggregate across all Regions;
 - a) the MCO-Administered ACO’s Shared Losses payment for the amount of Losses below one percent (1%) of the TCOC Benchmark for RC IX in aggregate across all Regions shall be twenty percent (20%) of the Losses if the MCO-Administered ACO elects “Risk Track 1 – Limited Accountability”; thirty percent (30%) of the Losses if the MCO-Administered ACO elects “Risk Track 2 – Moderate Accountability”; and forty percent (40%) of the Losses if the MCO-Administered ACO elects “Risk Track 3 – Increased Accountability”;
 - b) the MCO-Administered ACO’s Shared Losses payment for the amount of Losses between one percent (1%) and two percent (2%) of the TCOC Benchmark for RC IX in aggregate across all Regions shall be ten percent (10%) of the additional Losses if the MCO-Administered ACO elects “Risk Track 1 – Limited Accountability”; fifteen percent (15%) of the additional Losses if the MCO-Administered ACO elects “Risk Track 2 – Moderate Accountability”; and twenty percent (20%) of the additional Losses if the MCO-Administered ACO elects “Risk Track 3 – Increased Accountability”; and
 - c) the MCO-Administered ACO’s Shared Losses payment for the amount of Losses in excess of two percent (2%) of the TCOC Benchmark for RC IX in aggregate across all Regions shall be 10% of the additional Losses;
- b. The savings and losses cap shall be equal to 10% of the TCOC Benchmark for RC IX in aggregate across all Regions (hereinafter “the RC IX cap”). If the MCO-Administered ACO’s Savings for the TCOC Benchmark for RC IX in aggregate across all Regions are greater than the RC IX cap, the MCO-Administered ACO’s Shared Savings payment shall be calculated as if the MCO-Administered ACO’s Savings were equal to the RC IX cap, and the Contractor shall receive no additional Shared Savings payment for any Savings beyond the RC IX cap. If the absolute value of the MCO-Administered ACO’s Losses for the TCOC Benchmark for RC IX in aggregate across all Regions is greater than the RC IX cap, the MCO-Administered ACO’s Shared Losses payment shall be calculated as if the absolute value of the MCO-Administered ACO’s Losses were equal to the RC IX cap, and the MCO-Administered ACO shall make no additional Shared Losses payment for any Losses beyond the RC IX cap.

6. If EOHHS modifies the Risk Tracks, the Contractor agrees to negotiate in good faith to implement such modifications, including but not limited to by amending this **Appendix P** and negotiating in good faith with any MCO-Administered ACOs to implement any such modifications in the Contractor's Approved ACO Agreement.

E. Quality Modifier and Payment

Prior to payment, the MCO-Administered ACO's combined Shared Savings or Shared Losses payment for the TCOC Benchmark calculated in **Sections 1.3.B and 1.3.C** shall be adjusted based on the MCO-Administered ACO's Quality Score. The MCO-Administered ACO or the Contractor shall pay the resulting adjusted amount, as follows:

1. The MCO Administered ACO's Quality Score shall be a number between zero (0) and one (1) as determined by EOHHS;
2. If the MCO Administered ACO has combined Shared Savings for the TCOC Benchmark as calculated above, the amount of such Shared Savings shall be multiplied by MCO-Administered ACO's Quality Score. The resulting amount shall be the amount of the MCO-Administered ACO's Shared Savings payment for the Contract Year, and the Contractor shall pay the MCO-Administered ACO such resulting amount;
3. If the MCO-Administered ACO has combined Shared Losses for the TCOC Benchmark, eighty percent (80%) of such Shared Losses shall be unmodified by the MCO-Administered ACO's Quality Score. The remaining twenty percent (20%) of MCO-Administered ACO's Shared Losses payment shall be multiplied by an amount equal to one (1) minus the MCO-Administered ACO's Quality Score. Such product, plus the unmodified eighty percent (80%) of MCO-Administered ACO's initial Shared Losses, shall be the amount of MCO-Administered ACO's Shared Losses payment for the Contract Year, and MCO-Administered ACO shall pay the Contractor such resulting amount;
4. The Contractor shall pay the MCO-Administered ACO the Shared Savings payment, as adjusted for the MCO-Administered ACO's Quality Score in this Section, or notify the MCO-Administered ACO of the MCO-Administered ACO's Shared Losses payment for each Contract Year no later than one calendar year from the end of the Contract Year; and
5. The MCO-Administered ACO shall pay the Contractor any Shared Losses payment, as adjusted for MCO-Administered ACO's Quality Score as set forth in this Section, within thirty (30) days of receiving such notification from the Contractor of the amount of the MCO-Administered ACO's Shared Losses payment.

F. TCOC Benchmark and TCOC Performance Calculations

1. The MCO-Administered ACO's TCOC for a given period shall be calculated as follows and as further specified by EOHHS:

- a. TCOC shall be a risk-adjusted per-Attributed Member, per month amount representing the costs of care for the MCO-Administered ACO's Attributed Members over such period, as described in this Section and further specified by EOHHS;
 - b. TCOC shall include all paid claims and encounters with dates of service during such period, where the Member receiving the service was the MCO-Administered ACO's Attributed Member on the date of service, except for services that are not MCO Covered Services as set forth in **Appendix C** of the Contract on the date of service.
 - c. TCOC shall be based on the amounts paid for such claims and encounters, but shall incorporate certain adjustments to these amounts as further specified by EOHHS to account for effects including but not limited to the different fee schedules historically used by MassHealth and the MassHealth-contracted MCOs and price inflation for certain categories of service (e.g., pharmacy);
 - d. Admission-level stop-loss: TCOC shall exclude an amount equal to 95 percent (95%) of allowed expenditures as specified by EOHHS in excess of \$150,000 per Attributed Member hospital inpatient admission as determined by EOHHS; and
 - e. TCOC shall be risk adjusted as further specified by EOHHS using a generally accepted diagnosis grouper and statistically developed risk model. Such risk model may include adjustments for Attributed Members' health-related social needs.
2. The MCO-Administered ACO's TCOC Benchmark shall be calculated each Contract Year according to EOHHS specifications as follows:
 - a. The MCO-Administered ACO's Historic TCOC and the MCO-Administered ACO's Market-Rate TCOC shall be calculated as described in this Section;
 - b. The MCO-Administered ACO's Historic TCOC and the MCO-Administered ACO's Market-Rate TCOC shall be blended as further specified by EOHHS. Each Contract Year, EOHHS may increase the portion of the blend that is based on the MCO-Administered ACO's Market Rate TCOC, as further specified by EOHHS. The resulting

amount shall be the MCO-Administered ACO's TCOC Benchmark.

- c. The MCO-Administered ACO's Historic TCOC shall be calculated as follows:
 - 1) The MCO-Administered ACO's TCOC shall be calculated during a baseline period, as further specified by EOHHS;
 - 2) Such TCOC shall be adjusted to account for anticipated trend between the baseline period and the Contract Year, and to account for the anticipated impact of changes to the MassHealth program to ensure that the MCO-Administered ACO is not unfairly penalized or rewarded for such program changes, as further specified by EOHHS;
 - 3) Such adjusted TCOC shall be the MCO-Administered ACO's Historic TCOC.
- d. The MCO-Administered ACO's Market-Rate TCOC shall be calculated as follows:
 - 1) The Market-Rate TCOC shall be a risk-adjusted per-Attributed Member, per month amount representing the average anticipated cost for the MCO-Administered ACO's population of Attributed Members based on the market benchmark of all ACO-Eligible Members, as described in this Section and further specified by EOHHS;
 - 2) Base rates for each EOHHS rating category shall be calculated based on the costs of care for all ACO-Eligible Members in each such rating category during a baseline period, as further specified by EOHHS, and using similar adjustments and exclusions as described above for TCOC calculations;
 - 3) Such base rates shall be risk adjusted as further specified by EOHHS using a generally accepted diagnosis grouper and statistically developed risk model. Such risk model may include adjustments for Attributed Members' health-related social needs;
 - 4) These base rates shall be averaged across the MCO-Administered ACO's population of Attributed Members based on the number of Attributed Members the MCO-Administered ACO has in each rating category, as further specified by EOHHS;

- 5) The resulting amount shall be the MCO-Administered ACO's Market-Rate TCOC;
 - e. In calculating the MCO-Administered ACO's TCOC Benchmark, costs associated with newborn deliveries shall initially be excluded, as further specified by EOHHS. A set per-delivery rate shall instead be developed, and a supplemental maternity amount shall retrospectively be added to the MCO-Administered ACO's TCOC Benchmark. Such supplemental maternity amount shall be calculated by multiplying such per-delivery rate by the number of eligible deliveries the MCO-Administered ACO's Attributed Members receive during the Contract Year. This adjustment is intended to protect Contractor and the MCO-Administered ACO from unfair Shared Savings or Shared Losses payments due to variation in the number of deliveries;
 - f. The MCO-Administered ACO's preliminary TCOC Benchmark for a Contract Year shall be calculated no later than one month prior to the start of the Contract Year;
 - g. [Reserved]
 - h. Additional retrospective adjustments to the MCO-Administered ACO's TCOC Benchmark may be made to ensure the TCOC Benchmark is appropriate and to ensure the MCO-Administered ACO is not unfairly penalized or rewarded, as further specified and approved by EOHHS. Such adjustments may include but may not be limited to adjustments such as:
 - 1) Additional program changes not initially captured;
 - 2) Modifications to trend based on unforeseen events;
 - 3) Adjustments to reflect updated accounting of the number of Attributed Members in each rating category; and
 3. The MCO-Administered ACO's TCOC Performance shall be calculated by calculating the MCO-Administered ACO's TCOC during the Contract Year; and
 4. EOHHS shall publish the detailed methodology for calculating TCOC Benchmark and TCOC Performance, including details such as the definition of the baseline year and the terms and conditions for any retrospective adjustments to the MCO-Administered ACO's TCOC Benchmark, prior to the Operational Start Date, and

shall publish any subsequent revisions no later than thirty (30) days prior to the start of the Contract Year for which the methodology revisions take effect.