

The Commonwealth of Massachusetts

HEALTH POLICY COMMISSION 50 Milk Street, 8th Floor Boston, Massachusetts 02109 (617) 979-1400

> DAVID M. SELTZ EXECUTIVE DIRECTOR

Stuart H. Altman Chair

<u>By Email</u>

January 27, 2022

Dr. Anne Klibanski Chief Executive Officer Mass General Brigham 399 Revolution Drive, Suite 660 Somerville, MA 02145

RE: Notice pursuant to 958 CMR 10.05 of requirement to file a Performance Improvement Plan

Dear Dr. Klibanski:

Consistent with Health Policy Commission's (HPC) November 12, 2021 notice to your organization, the HPC met in Executive Session on January 25, 2022 to consider whether to require a Performance Improvement Plan (PIP) from Mass General Brigham (MGB), based on the identification of Partners Community Physicians Organization and Cooley Dickinson Practice Associates by the Center for Health Information and Analysis (CHIA) as having excessive cost growth and threatening the Commonwealth's ability to meet the health care cost growth benchmark. The HPC Board identified significant concerns about MGB's costs and determined that a PIP could result in meaningful, cost-saving reforms. Pursuant to 958 CMR 10.04, the Board voted affirmatively to require MGB to file a PIP.

As presented during the Board's January 25, 2022 public meeting, the basis for the Board's determination is summarized as follows:

- MGB's high baseline spending levels for its primary care population, both on a health statusadjusted and unadjusted basis, combined with that fact that its total medical expenses have been growing apace or even faster than the payer network average, has resulted in greater cumulative commercial spending growth in excess of the benchmark from 2014-2019 than any other provider, totaling \$293 million. MGB acknowledged that this spending growth was not driven by a worsening of the health status of its primary care population;
- Even in alternative payment method contracts, spending for MGB's primary care patients is growing at rates above the benchmark across multiple years and multiple payers;
- MGB's hospital and physician prices are higher than nearly all other providers in the Commonwealth and price and mix were bigger drivers of spending growth for MGB's primary care patients than utilization; and
- MGB stated that its primary strategy for controlling spending growth would be to continue its current efforts around clinical and care management programs, shifting patients to lower cost

settings, and taking on more risk in its payer contracts, strategies which have not been sufficient to restrain spending to date.

The data and information used by the HPC in its determination was previously provided to MGB on November 24, 2021.

<u>Timeline and process for filing</u>: Pursuant to 958 CMR 10.06, MGB must file a proposed PIP, request a waiver from the requirement to file a PIP, or request to extend the timeline for filing a proposed PIP by March 13, 2022. Please refer to 958 CMR 10.06 - 10.09 and the <u>PIP General Instructions</u> for timing, processes, and other requirements. A proposed PIP or waiver request must be submitted using the forms available on the HPC's website.

<u>Consultation with HPC</u>: In developing a proposed PIP, you may consult with the HPC for guidance for meeting the criteria of 958 CMR 10.09(2). The HPC believes that such consultation and collaboration will maximize the potential for a PIP to result in meaningful, cost-saving reforms and encourages MGB to partner with and utilize the assistance of the HPC in developing a PIP proposal.

<u>Publication and confidentiality</u>: Pursuant to 958 CMR 10.05(5), the HPC shall include MGB on a list of entities required to file a PIP on its website. The HPC shall remove MGB's name from the list when MGB successfully completes the PIP or obtains a waiver from the requirement to file a PIP. Pursuant to 958 CMR 10.14, the HPC shall keep confidential all nonpublic clinical, financial, strategic or operational documents or information submitted to the HPC in connection with a PIP, including such material submitted in attachments, and shall not disclose the information or documents, except in summary form in evaluative reports or if the HPC believes that such disclosure should be made in the public interest. A finalized PIP proposal or waiver request, excluding any nonpublic materials described above, shall be a public record and will be posted on the HPC's website following approval by a Board vote.

If you have any questions and/or would like to consult with the HPC in developing a proposed PIP, please contact Lois Johnson, General Counsel, at <u>lois.johnson@mass.gov</u>.

Thank you for your cooperation in this important process that furthers the Commonwealth's health care cost containment efforts.

Sincerely,

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David M. Seltz Executive Director