Price Normalized Databook for the eohhs ACO And MCO Procurements

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The Commonwealth of Massachusetts Executive Office of Health and Human Services (EOHHS) contracted with Mercer Government Human Services Consulting (Mercer) to develop preliminary data sharing for the EOHHS Accountable Care Organization (ACO) Procurement and the EOHHS Managed Care Organization (MCO) Procurement (also known as the Request for Responses for ACOs and Request for Responses for MCOs, respectively) for the contract period to begin December 18, 2017 (RY18).

This document provides an overview of the data included in the Price Normalized Databook for the EOHHS ACO and MCO Procurements, including a summary of caveats and considerations that bidders should keep in mind while reviewing the Databook.

# Overview

To support EOHHS rate and benchmark development for the ACO and MCO programs, Mercer has developed a single data source that will serve as the base data for development of rates and benchmarks for the ACO and MCO programs for RY18. The EOHHS data sources listed below have been combined into a single base data source:

* + - * 1. Medicaid Management Information System (MMIS) fee-for-service (FFS) claims, including:

Primary Care Clinician (PCC) Plan claims

FFS newborn claims

* + - * 1. MCO encounters
        2. Massachusetts Behavioral Health Partnership (MBHP) encounters
        3. EOHHS Eligibility Records
        4. DxCG Hierarchical Condition Category (HCC) risk adjustment data

Prior to completion of the base data, EOHHS had developed preliminary data to share with ACO and MCO bidders. This Price Normalized Databook provides a combined (or total) view of eligibility, utilization, and medical expenditures across EOHHS members enrolled in the MCO Program, PCC Plan, and managed care eligible newborns under the age of 1 for the period October 1, 2014 through September 30, 2016.

* + - * 1. These data do not include adjustments for incurred but not reported (IBNR) claims or encounters. Below are the dates through which claims and encounters were submitted for each primary data source:

MMIS claims: *paid through* January 24, 2017 for pharmacy claims and January 17, 2017 for all other claims.

MCO encounters: *paid through* November 16, 2016 and December 31, 2016 (varying by plan and claim type).

MBHP encounters: *paid through* December 27, 2016.

* + - * 1. These data have not been adjusted to account for program changes that occurred during or after the dates of services reflected above. The experience has been price normalized as of a point in time. Future changes in the fee schedule will be captured as part of the rate development process.
        2. MBHP encounters reflect behavior health services experience for PCC Plan members.

The Databook includes various summaries by rating category (RC), region, service area, age group, and gender, as well as:

* + - * 1. General information, including population and base data time period overviews
        2. Category of Service (COS) descriptions
        3. City/Town — Service Area — Region Crosswalk
        4. Eligibility summaries with and without age/gender splits
        5. Enrollment member months by RC, region, service area, age group, and gender
        6. Claim/encounter summaries by RC, region, service area, and COS
        7. Utilization patterns, mix of services, and medical expenditure levels by RC, region, service area, and COS Average cost per delivery event by region and service area
        8. The prevalence of DxCG HCCs by region

Mercer recommends that ACOs and MCOs who have bid for the EOHHS Request for Responses for ACOs and the EOHHS Request for Responses for MCOs supplement the data presented here with other readily-available membership, utilization, and medical and administrative expense data, including any other relevant information available to the ACO or MCO.

# Caveats and Considerations

The Price Normalized Databook for the EOHHS ACO and MCO Procurements is provided for informational purposes only. For the Databook, Mercer relied on enrollment, eligibility, claims, encounters, and other information supplied by EOHHS and its contracted vendors. EOHHS and its vendors are responsible for the completeness and validity of these data and information. Mercer has reviewed the summarized data and information for internal consistency and reasonableness. In Mercer’s opinion, the data are appropriate to support preliminary information; however, bidders should consider the caveats outlined below when interpreting these data.

Along with the significant program changes taking place in the ACO and MCO programs beginning in December 18, 2017, the data to support ACO and MCO Procurement data sharing and rate and TCOC benchmark development activities has changed. As the ACO and MCO Procurements have progressed, more recent eligibility and service utilization data has become available.

Mercer and EOHHS have also taken steps to standardize MCO encounters and MMIS claims (e.g., standardizing COS and service unit pricing). For example:

* + - * 1. Unit pricing for applicable prescription drug claims and encounters have been standardized to reflect reimbursement under the National Drug Acquisition Cost methodology and supplemented by the Wholesale Acquisition Cost where applicable.
        2. Unit pricing for behavioral health claims and encounters have been standardized to reflect reimbursement levels for similar services delivered to PCC Plan members where applicable.
        3. Unit pricing for other major service categories have been standardized to reflect 100% of the Medicaid fee schedule where applicable
        4. *Unit pricing for the remaining claims and encounters have been retained as reported*

As you review the Price Normalized Databook for the EOHHS ACO and MCO Procurements, please keep in mind the following caveats and considerations:

* + - * 1. MCO encounters and MMIS claims are combined to include only those listed as Covered Services in Appendix C of the ACO and MCO Model Contracts.
        2. Family planning services rendered out of network are excluded from the Price Normalized Databook.
        3. The terms region and service area are used throughout. Regions and service areas have been defined by the EOHHS zip code crosswalk used in the MCO and MMIS enrollment system.
        4. Some services may be represented under different COS depending on the place of service, type of service, or provider type (e.g., substance use disorder encounters may fall under inpatient or outpatient behavioral health COS).
        5. Mercer has not reviewed the data to determine consistency of the reporting of units across MMIS claims and MBHP and MCO Program encounters, including consistency across individual MCOs. Unit costs and utilization per 1,000 *may or may not* reflect actual differences between the programs and plans.
        6. Effective October 1, 2015, RC IX and RC X members were provided the option of enrolling in the PCC Plan. Previously, these members were only offered the option of enrolling in a CarePlus MCO. Therefore, PCC Plan experience for RC IX and RC X is included for FFY16 only.
        7. Unique utilizers count unique members *once* by RC, region, service area, and category of service:

If a member changed enrollment during the data period, then the member is counted in each group in which the member was enrolled.

If a member ages from child to adult within the year, that member is counted twice — once in *each* adult/child RC.

* + - * 1. For COS definitions, service mapping was assigned at the header level with the exception of professional claims.

For professional claims (claim types M and D), each claim line was assigned to a COS. As a result, some services may be represented under a different COS depending on the place of service, type of service, or provider type (e.g., substance use disorder claims and encounters may fall under inpatient or outpatient behavioral health COS).

* + - * 1. HCC risk adjustment data in this Databook was provided by EOHHS. Mercer summarized members by HCC during the period July 1, 2015 through June 30, 2016.

During this time period, a member may have multiple HCCs, and therefore, will be included in the member count for more than one HCC.

* + - * 1. Effective December 18, 2017, ACO and MCO programs will include a supplemental maternity payment. The supplemental maternity payment reflects the average facility cost per delivery. These expenses were previously included with other medical expenses, but have now been summarized separately. The supplemental maternity payment does not capture the professional component of the delivery event. The supplemental maternity payment is intended to protect ACOs and MCOs with a disproportionate share of maternity deliveries.

For MCOs and “Partnership Plan ACOs”, the supplemental maternity payment will provide additional revenue on top of the capitation premium the plan receives for every delivery event.

“Primary Care ACO” and “MCO-Administered ACO” TCOC benchmarks will be adjusted to reflect the actual number of deliveries during the measurement period.