

Alternative Payment Methods In Massachusetts

October 4, 2017



center
for health
information
and analysis

What's in the MA APCD?

- Payment Arrangement Type

Value	Description
01	Capitation
02	Fee for Service
03	Percent of Charges
04	DRG
05	Pay for Performance
06	Global Payment
07	Other
08	Bundled Payment

Aggregate Data Collection

Payments and Expenditures Data

- Total Medical Expenses
- Total Health Care Expenditures
- Alternative Payment Methods
- Provider Payment Methods
- Relative Price
- Network Average Relative Price Dollar Amount

Under Chapter 224 of the Acts of 2012, CHIA is statutorily mandated to collect and report APM data from private and public health care payers operating in the Massachusetts health care market.

PERFORMANCE OF THE MASSACHUSETTS HEALTH CARE SYSTEM

ANNUAL REPORT SEPTEMBER 2017

Total Medical Expenses & Alternative Payment Methods

Total Medical Expenses Per Member Per Month by Insurance Category, 2015-2016

Commercial Total Medical Expenses Per Member Per Month by Service Category, 2015-2016

MassHealth MCO Total Medical Expenses Per Member Per Month by Service Category, 2015-2016

Preliminary Commercial Health Status Adjusted TME by Payer, 2015-2016

Preliminary MassHealth MCO Health Status Adjusted TME by Payer, 2015-2016

Managing Physician Group Commercial Health Status Adjusted TME, 2014-2015

Adoption of Alternative Payment Methods by Insurance Category, 2014-2016

APM Adoption Trends by Commercial Payers, 2014-2016

Commercial APM Adoption by Product Type, 2015-2016

APM Adoption Trends by MassHealth MCOs, 2014-2016

APM Adoption Trends by MassHealth PCC Plan and Programs for Dually Eligible Members, 2014-2016

Total Medical Expenses and Alternative Payment Methods Notes

CY 2014 - 2016 Member Months by Payer, Insurance Category, Product Type, and Payment Method

The Commercial insurance category includes both Commercial full claims and Commercial partial claims data.

Year	Payer	Insurance Category	Product Type	Payment Method	Member Months
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Commercial	HMO and POS	Fee for Service	653
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Commercial	HMO and POS	Limited Budget	19,937
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Commercial	HMO and POS	Other,non-FFS based	222
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Commercial	Indemnity	Fee for Service	71,944
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Commercial	Other	Fee for Service	120,063
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Commercial	Other	Limited Budget	8
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Commercial	PPO	Fee for Service	2,127,278
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Commercial	PPO	Limited Budget	2,179
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Commercial	PPO	Other,non-FFS based	53,949
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Medicare and Medicare Advantage	HMO and POS	Fee for Service	12
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Medicare and Medicare Advantage	HMO and POS	Limited Budget	293
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Medicare and Medicare Advantage	PPO	Fee for Service	1,206
2014	Aetna Health Inc. (PA) - Aetna Life Ins. Co. (ALIC)	Medicare and Medicare Advantage	PPO	Limited Budget	20,201

Beth Israel Deaconess Physician Organization - Boston	Fee for Service	240,072
Beth Israel Deaconess Physician Organization - Boston	Global	181,227
Boston Medical Center Mgt Service	Fee for Service	120,138
Boston Medical Center Mgt Service	Global	46,115
Boston Medical Center Mgt Service	Fee for Service	120,138
Boston Medical Center Mgt Service	Global	46,115
Harvard Pilgrim Non Risk Physicians	Fee for Service	56,064
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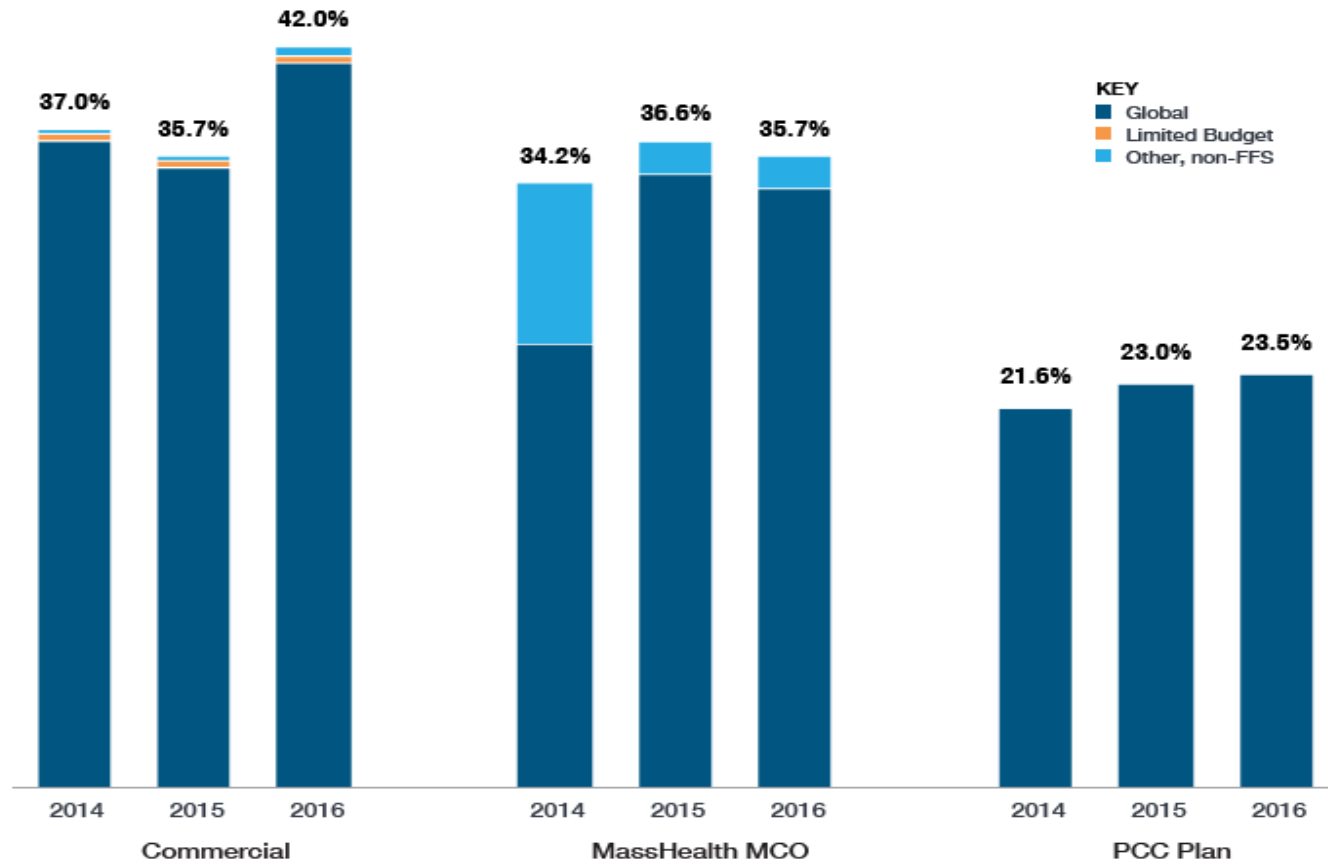
Lahey Hospital & Medical Center	Insurance Category	Payment Method	2014	2015	2016
Lahey Hospital & Medical Center	Commercial	Bundled Payments	138	168	120
		Fee for Service	27,324,897	28,373,740	25,665,915
		Global Budget/Payments	15,818,737	15,588,673	18,301,931
		Limited Budget	129,264	116,247	129,310
		Other,non-FFS based	78,350	53,499	146,376

MA APM STATS

Adoption of APMs grew by 6.3 percentage points in the commercial market in 2016.

Commercial APM adoption increased from 1.1% of PPO members in 2015 to 14.7% of PPO members in 2016.

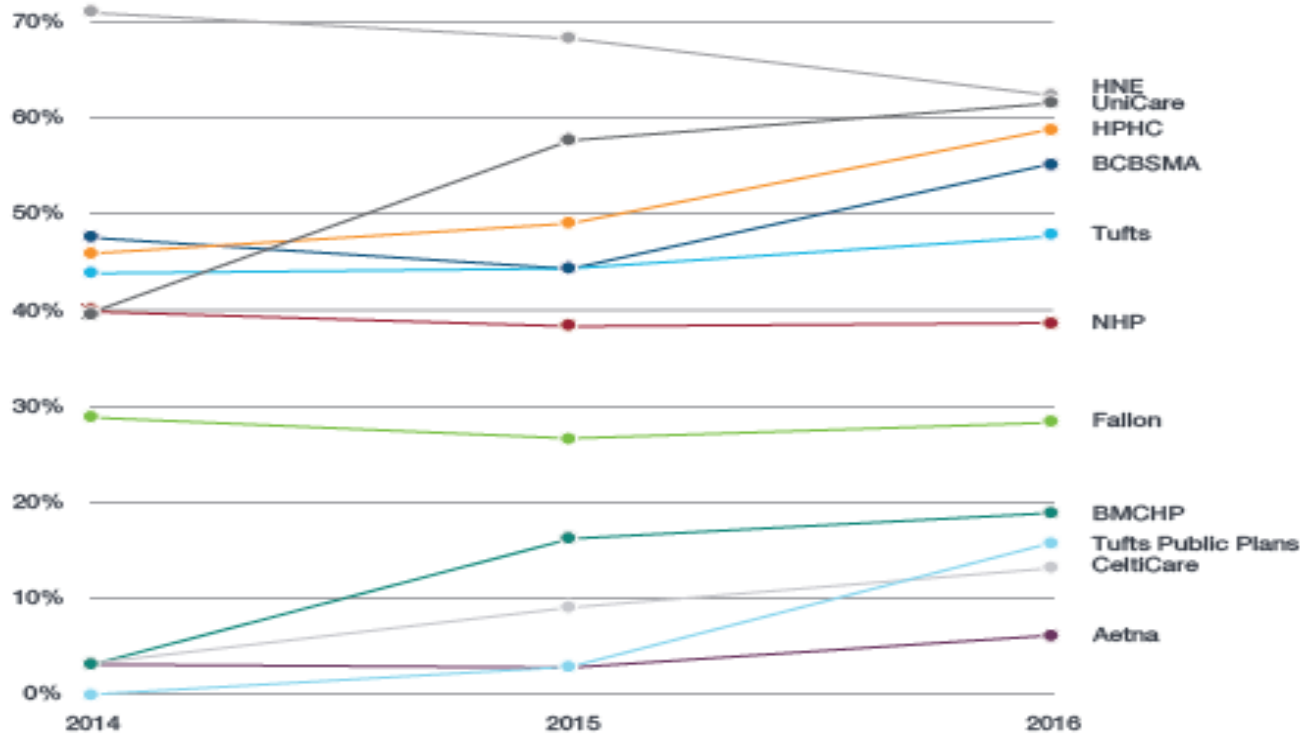
Adoption of Alternative Payment Methods by Insurance Category, 2014-2016



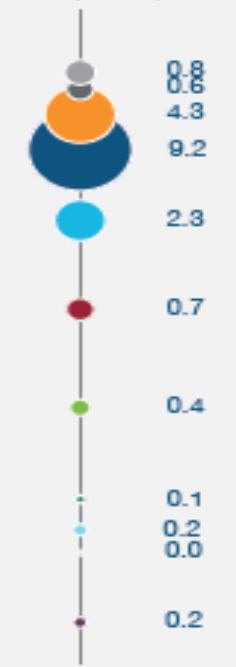
ADOPTION OF APMS INCREASED BY 6.3 PERCENTAGE POINTS IN THE COMMERCIAL MARKET IN 2016.

Source: Payer-reported APM data to CHIA.

APM Adoption Trends by Commercial Payers, 2014-2016



2016 Member Months under APMs (millions)



THE MAJORITY OF COMMERCIAL PAYERS REPORTED INCREASES IN THE PROPORTION OF MEMBERS COVERED UNDER APMS FROM THE PRIOR YEAR.

Source: Payer-reported APM data to CHIA.

Challenges...

- Claim/Encounter Data
 - Identifying Costs
 - Tying Costs to Service Level
 - ID/Categorize “bundled” and “global”
- Non-claims Payments
- ACO Data Needs

Future...

- MassHealth Waiver Initiative
- Quality Alignment Task Force
- Clinical Data Collection
- RPO/Provider Directory