

HPC Pre-Filed Testimony Questions

1) STRATEGIES TO ADDRESS HEALTH CARE SPENDING GROWTH

To address excessive health care costs that crowd out spending on other needs of government, households, and businesses alike, the Massachusetts Health Policy Commission (HPC) annually sets a statewide target for sustainable growth of total health care spending. From 2013 to 2017, the benchmark rate was set at 3.6% growth. For the first time for 2018 and again for 2019, the HPC exercised its authority to lower this target to a more ambitious growth rate of 3.1%, the lowest level allowed by state law. Achieving this reduced growth rate in the future will require renewed efforts by all actors in the health care system, supported by necessary policy reforms, to achieve savings without compromising quality or access.

- a) What are your organization's top areas of concern for the state's ability to meet the 3.1% benchmark? Please limit your answer to no more than three areas of concern.
- *Nurse Staffing Ratios: Should the Nurse Staffing Ratio Ballot Initiative pass this fall it would be very disruptive to patients and create severe access issues in critical areas, such as behavioral health and in local community hospitals. It is estimated that there would be 1,000 fewer mental health bed statewide thereby increasing utilization and costs in hospital emergency departments and inpatient units throughout the state. Approximately, 25 hospitals would have negative operating margins. We estimate the cost of complying with mandated ratios would be \$141 million for Partners in year one. Hospitals will be forced to increase spending and/or reduce access to services with little to no benefit to patient quality or safety. There is no research that definitively shows nurse staffing ratios improve quality and safety.*
 - *Pharmacy and New Technology: Pharmacy continues to be a major driver of healthcare trend. Both the Commonwealth and commercial payers have shifted accountability to providers rather than pursuing accountability measures with the manufacturers and pharmacy benefit managers(PBMs). Pricing of new technology is variable and not built into the baseline.*
 - *Variation in ACO Implementation: The Commonwealth and commercial payers are implementing ACOs in different manners with varying requirements and expectations. Provider systems divert valuable resources to manage the varying contractual requirements and reporting burdens. The efforts are rife with redundancies and administrative burden on the provider side. Additionally, patient attribution methods vary among payers. These differences create challenges in the way we are able to identify, intervene, and track progress for our patient populations.*
- b) What are the top changes in policy, market behavior, payment, regulation, or statute your organization would recommend to address these concerns?
- *We agree with the recommendations by CHIA regarding pharmacy outlined in its 2017 Cost Trends Report particularly around accountability and transparency. As a provider system we are committed to appropriateness and will continue efforts to ensure appropriate prescribing practices. However, we believe the biggest impact is in developing new mechanisms for holding the drug industry and PBMs accountable for price increases.*
 - *Massachusetts should look to find areas where it can help to support providers in finding common ground in their mission to deliver high-value care. In a healthcare world that is increasingly data driven, there exists an enormous opportunity for the Commonwealth to invest in interoperability solutions. The success of the Maine Healthcare Information Exchange should serve as an example of the efficiencies and innovations that can be created through a unified approach to interoperability. The Mass Health ACO highlights the need for the Commonwealth to improve its data capabilities.*

c) What are your organization's top strategic priorities to reduce health care expenditures? Please limit your answer to no more than three strategic priorities.

- *We continue our work to identify and manage medically complex patients. In past years we have outlined our flagship integrated care management program (iCMP). A formal evaluation of iCMP published in May 2017 demonstrated cost savings of \$477 PMPM in the Medicare population. We have evolved the model over time from solely a nurse care manager model to a triad model that employs three different care providers as care managers: nurse, social worker, or community health worker. We are working to evaluate the program's effectiveness in our commercial and Medicaid population. In 2017, we began a new program in collaboration with Commonwealth Care Alliance to serve our most complex Medicaid patients: patients living with severe disabilities, struggling with homelessness, persistent mental illness, and other complex conditions. This "ambulatory ICU" initiative seeks to provide care to super-utilizers in more appropriate sites of care, often in their own home.*
- *Behavioral Health integration remains a strategic priority for Partners Healthcare. Our model provides tools and resources for primary care providers to help manage patients with depression. We employ a team-based collaborative care model, which includes input from psychiatrists, social workers, and non-clinical behavioral health care coordinators.*
- *Implementing the new Medicaid ACO has been a strategic priority for Partners HealthCare in its efforts to reduce health care expenditures. In addition to the ambulatory ICU initiative described above, we have rolled out several new initiatives related to the Medicaid ACO including screening for social determinants of health and the new community partners programs. Both of these new initiatives were extraordinarily resource intensive to administer across a diverse provider system. We also implemented a new ED Navigator program to help triage Medicaid patients in the hospital to make sure they are receiving the right care in the right place at the right time.*

2) INFORMATION ABOUT ALTERNATIVE CARE SITES

The HPC recently released a [new policy brief](#) examining the significant growth in hospital and non-hospital based urgent care centers as well as retail clinic sites in Massachusetts from 2010 to 2018. Such alternative, convenient points of access to health care have the potential to reduce avoidable and costlier emergency department (ED) visits.

Question Instructions: *If your organization does not own or operate any alternative care sites such as urgent care centers, please only answer questions (e) and (f) below. For purposes of this question, an urgent care center serves all adult patients (i.e., not just patients with a pre-existing clinical relationship with the center or its providers) on a walk-in (non-appointment) basis and has hours of service beyond normal weekday business hours. Information requested in question (a) below may be provided in the form of a link to an online directory or as an appended directory.*

- a) Using the most recent information, please list the names and locations of any alternative care sites your organization owns or operates in Massachusetts. Indicate whether the site is corporately owned and operated, owned and operating through a joint venture, or a non-owned affiliate clinical affiliate.

<https://www.partners.org/Services/General/Patient-Care/Community-Based-Programs/Urgent-Care.aspx>

Hospital- and Practice-Affiliated Urgent Care Centers

Brigham and Women's Urgent Care Center (Foxboro)

Brigham and Women's Urgent Care Center is staffed by Brigham and Women's emergency medicine specialists and provides non-emergency services throughout the day, after-hours, and on Saturdays and Sundays. This Urgent Care Center also offers access to diagnostic services, including radiology, and laboratory. All diagnostic testing requires an initial exam with one of their UCC providers.

Address: 20 Patriot Place, Foxborough, MA 02035

Phone number: 508-718-4400

Hours: Monday – Friday: 8:00 am – 8:00 pm; Saturday and Sunday: 8:00 am – 4:00 pm; exceptions for holidays and Foxboro stadium events

Ages served: Patients of all ages can be seen

Cooley Dickinson Urgent Care (Northampton)

Cooley Dickinson Urgent Care is a walk-in center providing urgent care with no appointment necessary that sees patients starting at 2 years old. This center offers afternoon, evening and weekend walk-in hours, and treats non-life-threatening minor illnesses and injuries with skill, compassion, and efficiency. X-Ray/radiology and laboratory services are also available on-site.

Address: 30 Locust St., Northampton, MA 01061

Phone number: 413-582-2330

Hours: Monday – Friday: 12:00 pm – 8:00 pm; Saturday and Sunday: 9:00 am – 5:00 pm

Ages served: 2 years and older

Harbor Medical Associates Urgent Care Center (South Weymouth)

Harbor Medical Associates Urgent Care Center is a walk-in center providing urgent care with no appointment necessary. Radiology and laboratory services are also available on-site. Harbor Medical Associates Urgent Care offers a full service lab, imaging, and MRI.

Address: 541 Main St., South Weymouth, MA, in Suite 414

Phone number: 781-952-1433

Hours: Monday – Friday: 8:00 am – 7:00 pm; Saturday: 9:00 am – 3:30 pm; Sunday: 9:00 am – 1:00 pm; Open all Holidays for 9:00 am – 1:00 pm, excluding New Year's Day, Thanksgiving, and Christmas.

Ages served: 6 months and older

Massachusetts General Hospital Chelsea HealthCare Center Urgent Care (Chelsea)

Massachusetts General Hospital Chelsea HealthCare Center urgent care services provide high quality medical care for children and adults who are unable to see their regular physician or who have no primary care provider. Patients are seen on a first come, first serve basis. Radiology and laboratory services are available on-site.

Address: 151 Everett Ave., Chelsea, MA 02150

Phone number: 617-884-8302

Hours: Monday – Friday, 8:00 am – 8:00 pm; Weekends and holidays, 8:00 am – 4:00 pm; Urgent care services are open every day except Thanksgiving and Christmas.

Ages served: Patients of all ages can be seen

Newton-Wellesley Urgent Care – Waltham

Newton-Wellesley Urgent Care Center – Waltham provides unscheduled, walk-in treatment for minor illnesses and injuries that require medical attention but are not life threatening. Laboratory, X-ray and ultrasound services are also available. In addition, patients can pre-register for care from the convenience of their own homes.

Address: 9 Hope Ave., Waltham, MA 02453 (Located in the Children's Hospital Building)

Phone number: 617-243-5590

Hours: Monday – Saturday: 9:00 am – 7:00 pm; Sunday: 9:00 am – 2:00 pm; exceptions for holidays

Ages served: Patients of all ages can be seen

North Shore Urgent Care (Danvers)

North Shore Urgent Care offers immediate care for non life-threatening medical conditions, 7 days a week. No appointment is necessary and all patients are welcome. However, North Shore Urgent Care does allow patients to request an online reservation. In addition to X-rays and labs, ultrasound and CT scans are available at the center.

Address: 104 Endicott Street, Suite LL05; Danvers, MA 01923

Phone number: 978-739-7700

Hours: Monday – Friday: 8:00 am – 8:00 pm; Saturday - Sunday: 8:00 am – 5:00 pm

Ages served: Patients of all ages can be seen

Pentucket Medical ExpressCare

Pentucket Medical ExpressCare is open seven days a week to help you when you are sick or injured and can't get in to see your primary care doctor. There's no need to be a Pentucket patient, as they provide care for anyone who needs it and often for only an office visit co-pay. Both locations allow patients to reserve a time for an appointment. Pentucket Medical ExpressCare offers access to laboratory, digital X-ray, and other diagnostic services.

Andover Medical Center and ExpressCare

Address: 323 Lowell St., Andover, MA 01810

Phone number: 978-783-5020

Hours: Monday – Friday 7:30 am – 7:00 pm; Saturday: 8:30 am – 4:30 pm; Sunday 8:30 am – 2:30 pm; exceptions for holidays- closed on Thanksgiving and Christmas

Ages served: Patients of all ages can be seen

Lawrence: ExpressCare RiverWalk

Address: 360 Merrimack St., Lawrence, MA 01843

Phone number: 978-557-8800

Hours: Monday – Friday 7:30 am – 7:00 pm; Saturday: 8:30 am – 4:30pm; Sunday 8:30 am – 2:30 pm; exceptions for holidays- closed on Thanksgiving and Christmas

Ages served: Patients of all ages can be seen

Partners Urgent Care

From coughs and colds to cuts and burns and broken bones our providers treat a wide range of illnesses and injuries for adults and children over twelve months old. Digital x-ray and on-site labs are available. All locations allow patients to reserve a time for appointments online.

Partners Urgent Care is an affiliate of Massachusetts General Hospital and Brigham and Women's Hospital

Boston Common

Address: 137 Stuart St., Suite A-7, Boston, MA 02116

Phone number: 617-393-5059

Hours: 9:00 am – 9:00 pm seven days a week

Ages served: Adults and children over 12 months of age

Brookline

Address: 1285 Beacon St., Brookline, MA 02446
Phone number: 617-751-6205
Hours: 9:00 am – 9:00 pm seven days a week
Ages served: Adults and children over 12 months of age

Burlington

Address: 47 Middlesex Turnpike, Burlington, MA 01803
Phone number: 781-365-5999
Hours: 9:00 am – 9:00 pm seven days a week
Ages served: Adults and children over 12 months of age

Cambridge - Central Square

Address: 76 Prospect St., Cambridge, MA 02139
Phone number: 617-393-5058
Hours: 9:00 am – 9:00 pm seven days a week
Ages served: Adults and children over 12 months of age

Cambridge - Porter Square

Address: 1815 Massachusetts Ave, Cambridge, MA 02140
Phone number: 857-856-5770
Hours: 9:00 am – 9:00 pm seven days a week
Ages served: Adults and children over 12 months of age

Canton

Address: 95 Washington St., Suite 204, Canton, MA 02021
Phone number: 781-499-2640
Hours: 9:00 am – 9:00 pm seven days a week
Ages served: Adults and children over 12 months of age

Medford

Address: 127 Main Street, Medford, MA 02155
Phone number: 781-957-3160
Hours: 9:00 am – 9:00 pm seven days a week
Ages served: Adults and children over 12 months of age

Newton

Address: 71 Needham St., Newton, MA 02461
Phone number: 857-598-4460
Hours: 9:00 am – 9:00 pm seven days a week
Ages served: Adults and children over 12 months of age

Watertown

Address: 11 Mount Auburn St., Watertown, MA 02472
Phone number: 857-214-2970
Hours: 9:00 am – 9:00 pm seven days a week
Ages served: Adults and children over 12 months of age

Woburn

Address: 425 Washington St., Woburn, MA 01801
Phone number: 781-285-7955

Hours: 9:00 am – 9:00 pm seven days a week
Ages served: Adults and children over 12 months of age

All of the urgent care centers are fully-owned by PHS or one of its subsidiaries.

- b) Please provide the following aggregate information for calendar year 2017 about the alternative care sites your organization owns or operates in Massachusetts, including those operated through a joint venture with another organization (information from non-owned affiliates should not be included):

Number of unique patient visits	226,814
Proportion of gross patient service revenue that was received from commercial payers, Medicare, MassHealth, Self-Pay, and Other	Commercial Payers: 50% Medicare: 28% Mass Health: 17% Self-Pay: 2% Other: 3%
Percentage of patient visits where the patient is referred to a more intensive setting of care	1-10% ¹

¹*Varies based on urgent care site, does not include referral rate for MGH Walk In Clinic*

- c) For the alternative care sites your organization owns or operates in Massachusetts, briefly describe the clinical staffing model, including the type of clinicians (e.g., physicians, nurse practitioners, physician assistants, paramedics, nurses). If different models are used, describe the predominant model.

Depending on volume, the centers are typically staffed with 1-2 providers (could be a Physician or a Nurse Practitioner/Physician Assistant), Medical Assistants (MAs), and/or Radiology Technicians.

- d) For the alternative care sites your organization owns or operates in Massachusetts, briefly describe the method and timeliness of how the medical record of a patient's visit to an alternative care site is shared with that patient's primary care provider (e.g., interoperable electronic health record, secure email transfer, fax). What barriers has your organization faced in sharing real-time information about patient visits to your alternative care sites with primary care providers or other health care providers?

Most of our urgent care sites operate and use Epic, which offers full integration and interoperability with the Partners IS network. For the providers that are not within Partners, we share a progress note through the Mass HiWay. The biggest barrier has been around sharing imaging and lab information.

- e) Besides establishing alternative care sites, what other strategies is your organization pursuing to expand timely access to care with the goal of reducing unnecessary hospital utilization (e.g., after-hours primary care, on-demand telemedicine/virtual visits).
- *On demand/telehealth*
 - *After hours/walk-in primary care*
- f) Please comment on the growth of alternative care sites in Massachusetts, including implications for your organization as well as impacts on health care costs, quality, and access in Massachusetts.

- *Urgent care and telehealth are an access point for patients that are not seeking a traditional primary care relationship or cannot access one (due to preference, availability or logistics of getting to/from appointment).*
- *Costs of urgent care and telehealth sites are significantly lower than Emergency Department.*
- *For similar diagnoses, patients pay lower copays and typically experience lower wait times in an Urgent Care Center vs. and Emergency Department.*

3) STRATEGIES TO SUPPORT PROVIDERS TO ADDRESS HEALTH-RELATED SOCIAL NEEDS

Earlier this year, the HPC held a special event entitled, [*Partnering to Address Social Determinants of Health: What Works?*](#), where many policymakers, experts, and market participants all highlighted the need for health care systems to partner with community-based organizations to address patients' and families' health-related social needs (e.g., housing stability, nutrition, transportation) in order to improve health outcomes and slow the growth in health care costs.

- a) What are the primary barriers your organization faces in creating partnerships with community-based organizations and public health agencies in the community/communities in which you provide care? [check all that apply]
 - ☒ Legal barriers related to data-sharing
 - ☒ Structural/technological barriers to data-sharing
 - ☒ Lack of resources or capacity of your organization or community organizations
 - ☒ Organizational/cultural barriers
 - ☐ Other: [Click here to enter text.](#)
- b) What policies and resources, including technical assistance or investments, would your organization recommend to the state to address these challenges?
 1. *Leverage policies that will enable bi-directional data sharing between providers and community-based organizations in order to track referral outcomes and follow-up. Specifically,*
 - a. *Clarify HIPAA regulations, making it easier to share certain patient data with community-based organization to help address patients' social needs.*
 1. *Freely allow [name, email, phone number] to be shared (with patient's verbal consent) for referral purposes*
 2. *Create guidelines/forms for community agencies to sign that they will responsibly manage patient data (laying out what it means to follow HIPAA)*
 3. *Publish a list of community-based organizations that sign data sharing agreements*
 - b. *Encourage interoperability between vendors providing referral platforms (i.e. Aunt Bertha, Healthify, NowPow, HelpSteps, etc), or develop a universal platform that consolidates referrals from these vendors allowing healthcare organizations to see what referrals were already made for patients to meet their myriad needs, and allowing patients to have one place to review and manage their referrals.*
 1. *Without such systems in place each healthcare organization chooses a different platform resulting in an unnecessary administrative burden*
 2. *Lack of interoperability leads to duplicative referrals to community-based organizations.*
 - c. *Increased state support for programs to support social determinants of health*
 1. *Encourage hospitals to share social needs data with the state*

2. *Create forums to better share scarce community resources to address affordable / subsidized transportation to medical appointments, housing and employment*
2. *Provide funding for community-based organizations to build secure data systems to enable real-time, protected information sharing*
3. *Provide funding to build additional capacity (staff and resources) to accommodate increased demand resulting from the implementation of the Medicaid ACO*
4. *Provide technical assistance and training to providers/practices and community-based organization organizations on best practices*

AGO Pre-Filed Testimony Questions

1. For provider organizations: please submit a summary table showing for each year 2014 to 2017 your total revenue under pay for performance arrangements, risk contracts, and other fee for service arrangements according to the format and parameters reflected in the attached **AGO Provider Exhibit 1**, with all applicable fields completed. To the extent you are unable to provide complete answers for any category of revenue, please explain the reasons why. Include in your response any portion of your physicians for whom you were not able to report a category (or categories) of revenue.

See attached "Partners Exhibit 1"

2. Chapter 224 requires providers to make price information on admissions, procedures, and services available to patients and prospective patients upon request.
 - a) Please use the following table to provide available information on the number of individuals that seek this information.

Health Care Service Price Inquiries CY2016-2018			
Year		Aggregate Number of Written Inquiries	Aggregate Number of Inquiries via Telephone or In-Person
CY2016	Q1	*	598
	Q2		723
	Q3		663
	Q4		635
CY2017	Q1		682
	Q2		793
	Q3		1085
	Q4		1145
CY2018	Q1		1297
	Q2		1451
TOTAL:			9072

**We do not have a way for patients to submit a written request (via an online form or secure email.) All requests are by phone or in person.*

- b) Please describe any monitoring or analysis you conduct concerning the accuracy and/or timeliness of your responses to consumer requests for price information, and the results of any such monitoring or analysis.

Currently MGH, NWH, NWH, NSMC, BWFH, NCH, and MVH are all using the Epic Patient Estimate Functionality. An estimate request typically comes in through our Customer Service,

Registration, Admitting, or Physician Practices areas. The staff member who receives the request completes an electronic intake form with the patient's information. They will then send a secure email with this information to the appropriate Patient Access Patient Estimate mailbox for the entity that will be providing the services. When the financial counselors receive estimate requests via the email box, they enter them into Epic. There are two reports established that show progress on the estimates: (1) estimates in process and (2) finalized estimates. This allows the managers to ensure that we are meeting the 48-hour timeframe for providing an estimate for a patient. In addition, we have the ability to run reports in Epic showing all the finalized estimates. From a support perspective, we do periodic quality reviews to ensure that the estimates are being done accurately in Epic.

- c) What barriers do you encounter in accurately/timely responding to consumer inquiries for price information? How have you sought to address each of these barriers?

We do not encounter barriers to successfully providing patients with estimates within the 48-hour timeline. We have firm processes in place for triaging the estimate requests, providing them to the appropriate entity, and providing them to the patient. The mailboxes utilized by the financial counselors are managed locally and multiple people have access to them if there is an issue. We also have a coding email box that is managed by the Partners coding team if there is a coding related question (such as a DRG request). In addition, we have a support structure in place to ensure that if there are system-related questions or issues, they are dealt with by the Partners eCare/Epic team.

3. For hospitals and provider organizations corporately affiliated with hospitals:

- a) For each year 2015 to present, please submit a summary table for your hospital or for the two largest hospitals (by Net Patient Service Revenue) corporately affiliated with your organization showing the hospital's operating margin for each of the following four categories, and the percentage each category represents of your total business: (a) commercial, (b) Medicare, (c) Medicaid, and (d) all other business. Include in your response a list of the carriers or programs included in each of these margins, and explain whether and how your revenue and margins may be different for your HMO business, PPO business, and/or your business reimbursed through contracts that incorporate a per member per month budget against which claims costs are settled. *See attached "Partners Tables Question 3a"*
- b) For 2017 only, please submit a summary table for your hospital or for the two largest hospitals (by Net Patient Service Revenue) corporately affiliated with your organization showing for each line of business (commercial, Medicare, Medicaid, other, total) the hospital's inpatient and outpatient revenue and margin for each major service category according to the format and parameters provided and attached as **AGO Provider Exhibit 2** with all applicable fields completed. Please submit separate sheets for pediatric and adult populations, if necessary. If you are unable to provide complete answers, please provide the greatest level of detail possible and explain why your answers are not complete. *See attached "Partners Exhibit 2"*

AGO Pre-Filed Testimony Questions 3. (a). (in millions)

MGH Total FY 2015 - FY 2017						
FY	Margin	Commercial	Medicare	Medicaid	Other	Total
2015	Net Margin	\$ 490	\$ (162)	\$ (131)	\$ 44	\$ 241
	Net Revenue	\$ 1,473	\$ 609	\$ 208	\$ 175	\$ 2,465
	Margin %	33%	-27%	-63%	25%	10%
2016	Net Margin	\$ 493	\$ (194)	\$ (137)	\$ 35	\$ 197
	Net Revenue	\$ 1,569	\$ 634	\$ 217	\$ 183	\$ 2,603
	Margin %	31%	-31%	-63%	19%	8%
2017	Net Margin	\$ 524	\$ (212)	\$ (118)	\$ 45	\$ 239
	Net Revenue	\$ 1,674	\$ 681	\$ 254	\$ 186	\$ 2,795
	Margin %	31%	-31%	-46%	24%	9%

Notes:

- ¹ Partners facilities included in the above data are as follows: Acute Care Hospital: Massachusetts General Hospital (does not include the physician organization)
- ² Operating Margin is calculated as follows: Net Revenue less Total Costs. The Margin was split into three categories "Government", "Medicare", "Medicaid" & "Other":
 - Commercial: Commercially negotiated payors Including Alliance Products & some Managed Medicare
 - Medicare: Traditional Medicare
 - Medicaid: MassHealth including some managed Medicaid plans, Out of State Medicaid and ACOs
 - Other: Other payors including Worker's Comp, Self Pay, International, Free Care and etc.
- ³ % Margin is calculated as follows: \$ Margin/Net Revenue

BWH Total FY 2015 - FY 2017						
FY	Margin	Commercial	Medicare	Medicaid	Other	Total
2015	Net Margin	\$ 303	\$ (128)	\$ (72)	\$ 14	\$ 117
	Net Revenue	\$ 1,087	\$ 410	\$ 149	\$ 139	\$ 1,784
	%	28%	-31%	-49%	10%	7%
2016	Net Margin	\$ 310	\$ (137)	\$ (92)	\$ 24	\$ 105
	Net Revenue	\$ 1,153	\$ 436	\$ 149	\$ 161	\$ 1,899
	%	27%	-31%	-62%	15%	6%
2017	Net Margin	\$ 321	\$ (174)	\$ (80)	\$ 26	\$ 93
	Net Revenue	\$ 1,252	\$ 480	\$ 180	\$ 166	\$ 2,077
	%	26%	-36%	-45%	16%	4%

Notes:

- ¹ Partners facilities included in the above data are as follows: Acute Care Hospital: Brigham and Women's Hospital (does not include the physician organization)
- ² Operating Margin is calculated as follows: Net Revenue less Total Costs. The Margin was split into three categories "Government", "Medicare", "Medicaid" & "Other":

- Commercial: Commercially negotiated payors Including Alliance Products & some Managed Medicare
- Medicare: Traditional Medicare
- Medicaid: MassHealth including some managed Medicaid plans, Out of State Medicaid and ACOs
- Other: Other payors including Worker's Comp, Self Pay, International, Free Care and etc.

³ % Margin is calculated as follows: $\$ \text{ Margin} / \text{Net Revenue}$

Percentage of Total Business ¹

	Commercially	Medicare	Medicaid	Other	Total	
MGH FY15		46%	34%	14%	6%	100%
FY16		46%	34%	13%	6%	100%
FY17		46%	35%	13%	6%	100%

	Commercially	Medicare	Medicaid	Other	Total	
BWH FY15		49%	31%	13%	7%	100%
FY16		48%	31%	12%	8%	100%
FY17		48%	32%	12%	7%	100%

Footnote:

¹ Percentage of total business is calculated based on charges.

Contract Type	PayerSummaryDSC
Commercially Negotiated	Aetna/USHC
	Alliance Products
	BC Medicare HMO/PPO
	Blue Care Elect
	Blue Cross Indemnity
	Blue Cross OOA
	CCHIP
	Cigna
	Coventry (HCVI)
	Evercare
	Fallon
	Fallon Senior
	First Freedom
	HMO Blue
	HP HMO
	HP PPO
	Medicare Managed PPO/FFS
	NHP Commercial
	Other Mgd Care
	PHCS (Includes Unicare)
	QHP
	THP HMO
	THP PPO
	Tufts Medicare Pref HMO/PPO
	Unicare GIC
	United
Medicare Medicaid	Medicare
	Boston Healthnet
	Mass Health ACO
	Medicaid
	Network Health
	NHP ACO
	NHP Medicaid
	OOS Medicaid
	OOS Medicaid Managed
	Other ACO
	Other Contracted ACO
Other	Other Medicaid
	Free Care
	International
	Worker's Comp Self Pay

1. For hospitals and provider organizations corporately affiliated with hospitals:
 - a) For each year 2015 to present, please submit a summary table for your hospital or for the two largest hospitals (by Net Patient Service Revenue) corporately affiliated with your organization showing the hospital's operating margin for each of the following four categories, and the percentage each category represents of your total business: (a) commercial, (b) Medicare, (c) Medicaid, and (d) all other business. Include in your response a list of the carriers or programs included in each of these margins, and explain whether and how your revenue and margins may be different for your HMO business, PPO business, and/or your business reimbursed through contracts that incorporate a per member per month budget against which claims costs are settled.

Required Question:

FFS reimbursement is not different for contracts with risk arrangement. Revenue and margins will be different because of service mix, carriers' network design, and etc.

Exhibit 1 AGO Questions to Providers

NOTES:

1. Data entered in worksheets is **hypothetical** and solely for illustrative purposes, provided as a guide to completing this spreadsheet. Respondent may provide explanatory notes and additional information at its discretion.
2. Please include POS payments under HMO.
3. Please include Indemnity payments under PPO.
4. **P4P Contracts** are pay for performance arrangements with a public or commercial payer that reimburse providers for achieving certain quality or efficiency benchmarks. For purposes of this excel, P4P Contracts do not include Risk Contracts.
5. **Risk Contracts** are contracts with a public or commercial payer for payment for health care services that incorporate a per member per month budget against which claims costs are settled for purposes of determining the withhold returned, surplus paid, and/or deficit charged to you, including contracts that subject you to very limited or minimal "downside" risk.
6. **FFS Arrangements** are those where a payer pays a provider for each service rendered, based on an agreed upon price for each service. For purposes of this excel, FFS Arrangements do not include payments under P4P Contracts or Risk Contracts.
7. **Other Revenue** is revenue under P4P Contracts, Risk Contracts, or FFS Arrangements other than those categories already identified, such as management fees and supplemental fees (and other non-claims based, non-incentive, non-surplus/deficit, non-quality bonus revenue).
8. **Claims-Based Revenue** is the total revenue that a provider received from a public or commercial payer under a P4P Contract or a Risk Contract for each service rendered, based on an agreed upon price for each service before any retraction for risk settlement is made.
9. **Incentive-Based Revenue** is the total revenue a provider received under a P4P Contract that is related to quality or efficiency targets or benchmarks established by a public or commercial payer.
10. **Budget Surplus/(Deficit) Revenue** is the total revenue a provider received or was retracted upon settlement of the efficiency-related budgets or benchmarks established in a Risk Contract.
11. **Quality Incentive Revenue** is the total revenue that a provider received from a public or commercial payer under a Risk Contract for quality-related targets or benchmarks established by a public or commercial payer.

2014 Cost Hearing Submission - PHS	P4P Contracts				Risk Contracts						FFS Arrangements		Other Revenue		
	Claims-Based Revenue		Incentive-Based Revenue		Claims-Based Revenue		Budget Surplus/ (Deficit) Revenue		Quality Incentive Revenue						
	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	Both
Blue Cross Blue Shield	\$ -	\$ -	\$ -	\$ -	\$ 292.37	\$ 302.10	\$ (13.51)	\$ -	\$ 1.11	\$ -	\$ 296.64	\$ 925.01	\$ 4.01	\$ -	\$ -
Tufts Health Plan	\$ -	\$ -	\$ -	\$ -	\$ 89.02	\$ 5.22	\$ (0.80)	\$ -	\$ 1.00	\$ -	\$ 141.33	\$ 210.51	\$ 4.12	\$ -	\$ -
Harvard Pilgrim Health Care	\$ -	\$ -	\$ -	\$ -	\$ 90.30	\$ 5.00	\$ (1.76)	\$ -	\$ 1.11	\$ -	\$ 298.50	\$ 228.62	\$ 2.39	\$ -	\$ -
Fallon Community Health Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43.10	\$ -	\$ -	\$ -	\$ -
CIGNA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136.87	\$ 12.92	\$ -	\$ -	\$ -
United Healthcare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219.88	\$ -	\$ -	\$ -
Aetna	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191.53	\$ 30.77	\$ -	\$ -	\$ -
Other Commercial	\$ -	\$ -	\$ -	\$ -	\$ 21.08	\$ -	\$ (0.42)	\$ -	\$ -	\$ -	\$ 63.44	\$ 363.43	\$ -	\$ -	\$ -
Total Commercial	\$ -	\$ -	\$ -	\$ -	\$ 492.77	\$ 312.32	\$ (16.49)	\$ -	\$ 3.22	\$ -	\$ 1,171.41	\$ 1,991.14	\$ 10.52	\$ -	\$ -
Network Health	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55.80	\$ -	\$ -	\$ -	\$ -
Neighborhood Health Plan	\$ -	\$ -	\$ -	\$ -	\$ 49.98	\$ -	\$ (3.10)	\$ -	\$ -	\$ -	\$ 186.14	\$ -	\$ -	\$ -	\$ -
BMC HealthNet, Inc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health New England	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fallon Community Health Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Managed Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49.56	\$ -	\$ -	\$ -	\$ -
Total Managed Medicaid	\$ -	\$ -	\$ -	\$ -	\$ 49.98	\$ -	\$ (3.10)	\$ -	\$ -	\$ -	\$ 291.50		\$ -	\$ -	\$ -
MassHealth	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240.66	\$ -	\$ -	\$ -
Tufts Medicare Preferred	\$ -	\$ -	\$ -	\$ -	\$ 13.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64.04	\$ 77.06	\$ -	\$ -	\$ -
Blue Cross Senior Options	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20.10	\$ 20.10	\$ -	\$ -	\$ -
Other Comm Medicare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6.81	\$ 66.51	\$ -	\$ -	\$ -
Commercial Medicare Subtotal	\$ -	\$ -	\$ -	\$ -	\$ 13.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90.95	\$ 163.67	\$ -	\$ -	\$ -
Medicare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247.47	\$ -	\$ 13.22	\$ -	\$ -	\$ -	\$ 1,201.97	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309.75	\$ -	\$ -	\$ -
GRAND TOTAL	\$ -	\$ -	\$ -	\$ -	\$ 555.76	\$ 559.79	\$ (19.59)	\$ 13.22	\$ 3.22	\$ -	\$ 1,553.86	\$ 3,907.19	\$ 10.52	\$ -	\$ -

Notes:

¹ Revenue reported in \$Millions.

² Data includes MGH, BWH, NSMC, NWH, BWFH, MGPO, BWPO, NSPG, NWAS, and PHS. Payer specific information for other PHS providers (McLean, Spaulding Network, MVH, and NCH) is not available.

³ Revenue based on payments minus denials, bad debt, free care surcharge, and uncompensated care assessment.

⁴ Other Commercial primarily includes Coventry, UniCare GIC, NHP Commercial, PHCS, One Health, and other smaller payers; the HMO/PPO split of other commercial is an estimate due to data limitations, in total it is accurate.

⁵ Claims-Based Revenue under Risk Contracts includes revenue associated with services provided to PHS employees/dependents for whom PHS is 100% at risk through self-insured employer account.

⁶ Claims-based revenue for P4P contracts with Unicare (Other Commercial) and United Healthcare are included in FFS Arrangements Revenue, due to a limited ability to isolate the data.

⁷ Change from 2015 submission – Revenue under Risk Contracts has been restated with updated information, and may have impacted the revenue reported as FFS Arrangements for the same payer(s).

⁸ Change from 2015 submission – Tufts Medicare Preferred previously reported under FFS Arrangements, is now properly reported in the Claims-Based Revenue under Risk Contracts.

⁹ Change from 2015 submission – Revenue from prior year submission may be restated due to new information.

¹⁰ Other revenue such as infrastructure could be overstated due to revenue collected by affiliated entities, not legally owned by PHS.

2015 Cost Hearing Submission - PHS	P4P Contracts				Risk Contracts						FFS Arrangements		Other Revenue		
	Claims-Based Revenue		Incentive-Based Revenue		Claims-Based Revenue		Budget Surplus/(Deficit)		Quality Incentive Revenue		HMO	PPO	HMO	PPO	Both
	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO					
Blue Cross Blue Shield	\$ -	\$ -	\$ -	\$ -	\$ 284.18	\$ 417.22	\$ (13.50)	\$ -	\$ 0.86	\$ -	\$ 301.43	\$ 860.28	\$ 3.79	\$ -	\$ -
Tufts Health Plan	\$ -	\$ -	\$ -	\$ -	\$ 79.31	\$ 5.80	\$ 5.58	\$ -	\$ 0.03	\$ -	\$ 137.42	\$ 228.00	\$ 4.07	\$ -	\$ -
Harvard Pilgrim Health Care	\$ -	\$ -	\$ -	\$ -	\$ 85.32	\$ 5.20	\$ 2.98	\$ -	\$ 0.93	\$ -	\$ 314.27	\$ 232.60	\$ 2.03	\$ -	\$ -
Fallon Community Health Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45.10	\$ -	\$ -	\$ -	\$ -
CIGNA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84.69	\$ 58.26	\$ -	\$ -	\$ -
United Healthcare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213.01	\$ -	\$ -	\$ -
Aetna	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186.74	\$ 32.91	\$ -	\$ -	\$ -
Other Commercial	\$ -	\$ -	\$ -	\$ 2.40	\$ 33.26	\$ -	\$ (1.42)	\$ -	\$ -	\$ -	\$ 57.05	\$ 325.16	\$ -	\$ -	\$ -
Total Commercial	\$ -	\$ -	\$ -	\$ 2.40	\$ 482.07	\$ 428.22	\$ (6.36)	\$ -	\$ 1.82	\$ -	\$ 1,126.70	\$ 1,950.22	\$ 9.89	\$ -	\$ -
Network Health	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15.93	\$ -	\$ -	\$ -	\$ -
Neighborhood Health Plan	\$ -	\$ -	\$ -	\$ -	\$ 66.28	\$ -	\$ (4.97)	\$ -	\$ 1.28	\$ -	\$ 145.39	\$ -	\$ -	\$ -	\$ -
BMC HealthNet, Inc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health New England	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fallon Community Health Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34.36	\$ -	\$ -	\$ -	\$ -
Other Managed Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27.04	\$ -	\$ -	\$ -	\$ -
Total Managed Medicaid	\$ -	\$ -	\$ -	\$ -	\$ 66.28	\$ -	\$ (4.97)	\$ -	\$ 1.28	\$ -	\$ 222.72	\$ -	\$ -	\$ -	\$ -
MassHealth	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265.13	\$ -	\$ -	\$ -
Tufts Medicare Preferred	\$ -	\$ -	\$ -	\$ -	\$ 13.25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53.71	\$ -	\$ -	\$ -	\$ -
Blue Cross Senior Options	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25.95	\$ -	\$ -	\$ -	\$ -
Other Comm Medicare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86.65	\$ -	\$ -	\$ -
Commercial Medicare Subtotal	\$ -	\$ -	\$ -	\$ -	\$ 13.25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79.66	\$ 86.65	\$ -	\$ -	\$ -
Medicare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275.59	\$ -	\$ -	\$ -	\$ -	\$ 0.14	\$ 1,238.94	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318.35	\$ -	\$ -	\$ -
GRAND TOTAL	\$ -	\$ -	\$ -	\$ 2.40	\$ 561.60	\$ 703.81	\$ (11.33)	\$ -	\$ 3.10	\$ -	\$ 1,429.22	\$ 3,859.29	\$ 9.89	\$ -	\$ -

Notes:

Revenue reported in \$Millions.

Data includes MGH, BWH, NSMC, NWH, BWFH, MGPO, BWPO, NSPG, NWAS, and PHS. Payer specific information for other PHS providers (McLean, Spaulding Network, MVH, and NCH) is not available.

Revenue based on payments minus denials, bad debt, free care surcharge, and uncompensated care assessment.

Other Commercial primarily includes Coventry, UniCare GIC, NHP Commercial, PHCS, One Health, and other smaller payers; the HMO/PPO split of other commercial is an estimate due to data limitations, in total it is accurate.

Claims-Based Revenue under Risk Contracts includes revenue associated with services provided to PHS employees/dependents for whom PHS is 100% at risk through self-insured employer account.

Claims-based revenue for P4P contracts with Unicare (Other Commercial) and United Healthcare are included in FFS Arrangements Revenue, due to a limited ability to isolate the data.

2015 Unicare Risk Contract Settlement is included in Other Commercial P4P Contracts Incentive-Based Revenue, but Unicare Claims-Based Revenue is included in FFS Arrangements due to a limited ability to isolate the data.

Change from 2015 submission – Revenue under Risk Contracts has been restated with updated information, and may have impacted the revenue reported as FFS Arrangements for the same payer(s).

Change from 2015 submission – Tufts Medicare Preferred previously reported under FFS Arrangements, is now properly reported in the Claims-Based Revenue under Risk Contracts.

Other revenue such as infrastructure could be overstated due to revenue collected by affiliated entities, not legally owned by PHS.

FY16 Cost Hearing Submission - Exhibit 1 (PHS)

		P4P Contracts				Risk Contracts						FFS Arrangements		Other Revenue	
Payers by Category		Claims-Based Revenue		Incentive-Based Revenue		Claims-Based Revenue		Budget Surplus/(Deficit) Revenue		Quality Incentive Revenue					
Category	Payer	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO
Commercial	Blue Cross Blue Shield	\$0.00	\$0.00	\$0.00	\$0.00	\$290.67	\$489.31	\$5.48	\$0.00	\$0.63	\$0.00	\$334.44	\$840.35	\$2.79	\$0.00
Commercial	Tufts Health Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$84.78	\$0.00	(\$4.09)	\$0.00	\$0.25	\$0.00	\$153.85	\$228.25	\$2.22	\$0.00
Commercial	Harvard Pilgrim Health Care	\$0.00	\$0.00	\$0.00	\$0.00	\$192.82	\$0.00	\$9.26	\$0.00	\$0.69	\$0.00	\$242.18	\$262.58	\$3.37	\$0.00
Commercial	Fallon Community Health Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42.30	\$0.00	\$0.00	\$0.00
Commercial	CIGNA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60.29	\$75.58	\$0.00	\$0.00
Commercial	United Healthcare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$222.60	\$0.00	\$0.00
Commercial	Aetna	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$194.51	\$26.96	\$0.00	\$0.00
Commercial	Other Commercial	\$0.00	\$0.00	\$0.00	\$0.00	\$51.19	\$0.00	(\$6.56)	\$0.00	\$0.00	\$0.00	\$71.12	\$374.76	\$0.00	\$0.00
Total Commercial		\$0.00	\$0.00	\$0.00	\$0.00	\$619.46	\$489.31	\$4.09	\$0.00	\$1.57	\$0.00	\$1,098.69	\$2,031.08	\$8.38	\$0.00
Managed Medicaid	Network Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21.33	\$0.00	\$0.00	\$0.00
Managed Medicaid	Neighborhood Health Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$71.81	\$0.00	(\$1.59)	\$0.00	\$1.62	\$0.00	\$176.53	\$0.00	\$0.00	\$0.00
Managed Medicaid	BMC HealthNet	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17.24	\$0.00	\$0.00	\$0.00
Managed Medicaid	Health New England	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Managed Medicaid	Fallon Community Health Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Managed Medicaid	Other Managed Medicaid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24.28	\$0.00	\$0.00	\$0.00
Total Managed Medicaid		\$0.00	\$0.00	\$0.00	\$0.00	\$71.81	\$0.00	(\$1.59)	\$0.00	\$1.62	\$0.00	\$239.38	\$0.00	\$0.00	\$0.00
MassHealth	MassHealth	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$240.06	\$0.00	\$0.00
Commercial Medicare	Tufts Medicare Preferred	\$0.00	\$0.00	\$0.00	\$0.00	\$40.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34.37	\$0.00	\$0.00	\$0.00
Commercial Medicare	Blue Cross Senior Options	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31.77	\$0.00	\$0.00	\$0.00
Commercial Medicare	Other Comm Medicare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.69	\$126.84	\$0.00	\$0.00
Total Commercial Medicare		\$0.00	\$0.00	\$0.00	\$0.00	\$40.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$67.83	\$126.84	\$0.00	\$0.00
Medicare	Medicare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$379.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,213.37	\$0.00	\$0.00
Other	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37.70	\$280.40	\$0.00	\$0.00
GRAND TOTAL		\$0.00	\$0.00	\$0.00	\$0.00	\$731.47	\$869.27	(\$8.15)	\$0.00	\$1.62	\$0.00	\$1,443.60	\$3,891.75	\$8.38	\$0.00

Notes:

- ¹ Revenue reported in Millions.
- ² Data includes MGH, BWH, NSMC, NWH, BWFH, MGPO, BWPO, NSPG, Nwas, and PHS. Payer specific information for other PHS providers (McLean, Spaulding Network, MVH, and NCH) is not available.
- ³ Revenue based on payments minus denials, bad debt, free care surcharge, and uncompensated care assessment.
- ⁴ Other Commercial primarily includes Coventry, UniCare GIC, NHP Commercial, PHCS, One Health, and other smaller payers; the HMO/PPO split of other commercial is an estimate due to data limitations, in total it is accurate.
- ⁵ Claims-Based Revenue under Risk Contracts includes revenue associated with services provided to PHS employees/dependents for whom PHS is 100% at risk through self-insured employer account.
- ⁶ Claims-based revenue for P4P contracts with Unicare (Other Commercial) and United Healthcare are included in FFS Arrangements Revenue, due to a limited ability to isolate the data.
- ⁷ Unicare Risk Contract Settlement is included in Other Commercial P4P Contracts Incentive-Based Revenue, but Unicare Claims-Based Revenue is included in FFS Arrangements due to a limited ability to isolate the data.
- ⁸ Other revenue such as infrastructure could be overstated due to revenue collected by affiliated entities, not legally owned by PHS.

FY17 Cost Hearing Submission - Exhibit 1 (PHS)

		P4P Contracts				Risk Contracts						FFS Arrangements		Other Revenue	
Payers by Category		Claims-Based Revenue		Incentive-Based Revenue		Claims-Based Revenue		Budget Surplus/(Deficit) Revenue		Quality Incentive Revenue					
Category	Payer	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO
Commercial	Blue Cross Blue Shield	\$0.00	\$0.00	\$0.00	\$0.00	\$296.52	\$563.35	Not Settled	\$0.00	Not Settled	\$0.00	\$352.57	\$892.04	\$2.85	\$0.00
Commercial	Tufts Health Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$84.96	\$0.00	(\$1.15)	\$0.00	Not Settled	\$0.00	\$179.61	\$239.59	\$2.31	\$0.00
Commercial	Harvard Pilgrim Health Care	\$0.00	\$0.00	\$0.00	\$0.00	\$188.14	\$0.00	\$6.80	\$0.00	Not Settled	\$0.00	\$221.55	\$276.94	\$3.23	\$0.00
Commercial	Fallon Community Health Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44.16	\$0.00	\$0.00	\$0.00
Commercial	CIGNA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50.50	\$92.14	\$0.00	\$0.00
Commercial	United Healthcare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$240.83	\$0.00	\$0.00
Commercial	Aetna	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$190.33	\$30.52	\$0.00	\$0.00
Commercial	Other Commercial	\$0.00	\$0.00	\$0.00	Not Settled	\$52.91	\$0.00	Not Settled	\$0.00	\$0.00	\$0.00	\$35.46	\$366.99	\$0.00	\$0.00
Total Commercial		\$0.00	\$0.00	\$0.00	\$0.00	\$622.53	\$563.35	\$5.65	\$0.00	\$0.00	\$0.00	\$1,074.18	\$2,139.05	\$8.39	\$0.00
Managed Medicaid	Network Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30.58	\$0.00	\$0.00	\$0.00
Managed Medicaid	Neighborhood Health Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$66.50	\$0.00	Not Settled	\$0.00	Not Settled	\$0.00	\$196.01	\$0.00	\$0.00	\$0.00
Managed Medicaid	BMC HealthNet	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22.09	\$0.00	\$0.00	\$0.00
Managed Medicaid	Health New England	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Managed Medicaid	Fallon Community Health Plan	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Managed Medicaid	Other Managed Medicaid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$77.66	\$0.00	\$0.00	\$0.00
Total Managed Medicaid		\$0.00	\$0.00	\$0.00	\$0.00	\$66.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$326.34	\$0.00	\$0.00	\$0.00
MassHealth	MassHealth	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$284.84	\$0.00	\$0.00
Commercial Medicare	Tufts Medicare Preferred	\$0.00	\$0.00	\$0.00	\$0.00	\$32.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38.93	\$0.00	\$0.00	\$0.00
Commercial Medicare	Blue Cross Senior Options	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37.92	\$0.00	\$0.00	\$0.00
Commercial Medicare	Other Comm Medicare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.14	\$169.20	\$0.00	\$0.00
Total Commercial Medicare		\$0.00	\$0.00	\$0.00	\$0.00	\$32.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$77.99	\$169.20	\$0.00	\$0.00
Medicare	Medicare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$414.86	\$0.00	Not Settled	\$0.00	\$0.00	\$0.00	\$1,261.50	\$0.00	\$0.00
Other	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36.40	\$315.67	\$0.00	\$0.00
GRAND TOTAL		\$0.00	\$0.00	\$0.00	\$0.00	\$721.75	\$978.21	\$5.65	\$0.00	\$0.00	\$0.00	\$1,514.91	\$4,170.26	\$8.39	\$0.00

Notes:

Revenue reported in Millions.

Data includes MGH, BWH, NSMC, NWH, BWFH, MGPO, BWPO, NSPG & NWMG. Payer specific information for other PHS providers (McLean, Spaulding Network, MVH, and NCH) is not available.

Revenue based on payments minus denials, bad debt, free care surcharge, and uncompensated care assessment.

Other Commercial primarily includes Coventry, UniCare GIC, NHP Commercial, PHCS, One Health, and other smaller payers; the HMO/PPO split of other commercial is an estimate due to data limitations.

Claims-Based Revenue under Risk Contracts includes revenue associated with services provided to PHS employees/dependents for whom PHS is 100% at risk through self-insured employer account.

Claims-based revenue for P4P contracts with Unicare (Other Commercial) and United Healthcare are included in FFS Arrangements Revenue, due to a limited ability to isolate the data.

Unicare Risk Contract Settlement is included in Other Commercial P4P Contracts Incentive-Based Revenue, but Unicare Claims-Based Revenue is included in FFS Arrangements due to a limited ability to isolate the data.

Other revenue such as infrastructure could be overstated due to revenue collected by affiliated entities, not legally owned by PHS.

PHS participated in the MassHealth ACO Pilot Program in FY17 but currently does not have the ability to report on claims-based risk revenue due to data limitations.

Service Category	Commercial				Medicare				Medicaid				All Other				Total			
	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)
Burns	\$2M	\$1M			\$3M	(\$2M)			\$3M	(\$5M)			\$2M	\$1M			\$10M	\$1M		
Cardiology Total	\$56M	\$17M			\$67M	(\$11M)			\$10M	(\$2M)			\$5M	\$1M			\$138M	\$6M		
Invasive	\$25M	\$9M	\$37M	\$17M	\$31M	(\$4M)	\$15M	(\$1M)	\$4M	(\$1M)	\$1M	(\$1M)	\$2M	\$1M	\$2M	\$1M	\$63M	\$5M	\$55M	\$17M
Medical	\$31M	\$8M			\$36M	(\$7M)			\$6M	(\$1M)			\$3M	\$5M			\$75M	\$3M		
Cardiac Surgery	\$52M	\$18M			\$44M	\$2M			\$9M	\$3M			\$5M	\$3M			\$110M	\$23M		
Dental																				
Dermatology																				
Endocrinology	\$12M	\$5M			\$5M	(\$2M)			\$2M	(\$1M)			\$1M	\$3M			\$20M	\$3M		
Gastroenterology	\$47M	\$16M			\$30M	(\$7M)			\$10M	(\$3M)			\$3M	\$1M			\$90M	\$7M		
General Medicine	\$13M	\$2M			\$10M	(\$4M)			\$8M	(\$3M)			\$2M	\$3M			\$33M	(\$5M)		
General Surgery	\$25M	\$8M			\$14M	(\$9M)			\$7M	(\$2M)			\$5M	\$1M			\$51M	(\$2M)		
Gynecology	\$4M	\$1M			\$3M	(\$2M)			\$2M	(\$50M)			\$1M	\$50M			\$1M	(\$1M)		
Hematology																				
Infectious Disease	\$23M	\$7M			\$22M	(\$10M)			\$7M	(\$3M)			\$3M	\$4M			\$55M	(\$5M)		
Neonatology	\$21M	\$6M							\$14M	(\$2M)				(\$1M)	(\$3M)		\$36M	\$3M		
Nephrology																				
Neurology	\$28M	\$7M			\$18M	(\$7M)			\$6M	(\$3M)			\$4M	\$2M			\$55M	(\$3M)		
Neurosurgery	\$42M	\$15M			\$19M	(\$2M)			\$7M	(\$2M)			\$5M	\$2M			\$73M	\$12M		
Normal Newborns	\$10M	(\$2M)							\$2M	(\$2M)			\$2M	(\$1M)			\$12M	(\$4M)		
Obstetrics	\$40M	\$15M			\$2M	(\$1M)			\$9M	(\$1M)			\$1M	\$2M			\$50M	\$13M		
Oncology	\$185M	\$55M			\$82M	(\$25M)			\$18M	(\$5M)			\$25M	\$8M			\$309M	\$34M		
Ophthalmology																				
Orthopedics	\$56M	\$20M			\$45M	(\$1M)			\$8M	(\$3M)			\$11M	\$4M			\$119M	\$20M		
Otolaryngology																				
Psychiatry	\$3M	(\$10M)			\$4M	(\$2M)			\$3M	(\$2M)			\$1M	\$1M			\$12M	(\$5M)		
Pulmonary																				
Rehab			\$17M	\$3M			\$2M	(\$3M)			\$2M	(\$1M)			\$1M	(\$1M)			\$22M	(\$5M)
Rheumatology																				
Transplant Surgery	\$27M	\$7M			\$19M	(\$7M)			\$3M	(\$1M)			\$12M	\$1M			\$60M	\$1M		
Trauma	\$4M	\$1M			\$1M	(\$4M)			\$2M	(\$1M)			\$3M	\$4M			\$11M	\$4M		
Urology	\$5M	\$1M			\$6M	(\$1M)			\$1M	(\$4M)			\$1M	\$5M			\$13M	(\$50M)		
Vascular Surgery	\$7M	\$1M			\$10M	(\$2M)			\$1M	(\$2M)			\$1M	\$5M			\$19M	(\$1M)		
Other Inpatient	\$81M	\$18M			\$34M	(\$17M)			\$28M	(\$12M)			\$12M	\$2M			\$154M	(\$8M)		
Imaging			\$93M	\$37M			\$24M	(\$11M)			\$8M	(\$1M)			\$7M	\$3M			\$132M	\$28M
Other Treatments			\$324M	\$134M			\$99M	(\$26M)			\$17M	(\$10M)			\$22M	\$12M			\$462M	\$110M
Laboratory			\$53M	\$30M			\$5M	(\$4M)			\$4M	(\$1M)			\$2M	\$1M			\$64M	\$26M
Ambulatory Surgery			\$150M	\$63M			\$24M	(\$6M)			\$11M	(\$5M)			\$15M	\$4M			\$199M	\$55M
Therapies			\$3M	(\$1M)			\$4M	(\$1M)			\$1M	(\$2M)			\$1M	(\$1M)			\$5M	(\$4M)
Office Visits			\$88M	(\$24M)			\$33M	(\$28M)			\$23M	(\$29M)			\$5M	(\$1M)			\$149M	(\$82M)
Observation			\$31M	\$13M			\$11M	(\$6M)			\$5M	(\$3M)			\$4M	\$2M			\$52M	\$6M
Other Outpatient			\$140M	\$34M			\$35M	(\$20M)			\$23M	(\$17M)			\$24M	(\$2M)			\$222M	(\$6M)
GRAND TOTAL	\$739M	\$218M	\$935M	\$306M	\$432M	(\$105M)	\$249M	(\$106M)	\$159M	(\$48M)	\$95M	(\$70M)	\$103M	\$25M	\$82M	\$20M	\$1434M	\$90M	\$1361M	\$149M

Notes:

1 Partners facilities included in the above data are as follows: Acute Care Hospital: Massachusetts General Hospital (does not include the physician organization)

2 Operating Margin is calculated as follows: Net Revenue less Total Costs.

- Commercial: Commercially negotiated payors Including Alliance Products & some Managed Medicare
- Medicare: Traditional Medicare
- Medicaid: MassHealth including some managed Medicaid plans, Out of State Medicaid and ACOs
- Other: Other payors including Worker's Comp, Self Pay, International, Free Care and etc.)

3

PHS reports financial performance by service line using a definition that assigns encounters to services for which the patient is receiving active treatment or is utilizing the most resources. Inpatient services are largely defined using either ICD 10 diagnoses, MS DRGs or APR 30 DRGs, while outpatient services largely defined using CPT, HCPCs, and revenue center.

Service Category	Commercial				Medicare				Medicaid				All Other				Total			
	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)	Inpatient Revenue (\$)	Inpatient Margin (\$)	Outpatient Revenue (\$)	Outpatient Margin (\$)
Burns	\$1M	\$.2M			\$.4M	(\$.03M)			\$1M	\$.05M			\$.4M	\$.1M			\$2M	\$.3M		
Cardiology Total	\$48M	\$8M			\$51M	(\$17M)			\$7M	(\$3M)			\$4M	\$1M			\$110M	(\$11M)		
Invasive Medical	\$23M	\$4M	\$47M	\$18M	\$27M	(\$6M)	\$15M	(\$6M)	\$3M	(\$1M)	\$1M	(\$1M)	\$2M	\$1M	\$3M	\$1M	\$54M	(\$3M)	\$66M	\$12M
Cardiac Surgery	\$26M	\$4M			\$24M	(\$11M)			\$4M	(\$2M)			\$2M	\$.3M			\$56M	(\$8M)		
Dental	\$47M	\$14M			\$34M	(\$3M)			\$5M	(\$.4M)			\$2M	(\$.2M)			\$88M	\$10M		
Dermatology																				
Endocrinology	\$12M	\$4M			\$3M	(\$1M)			\$2M	(\$1M)			\$1M	\$.4M			\$18M	\$2M		
Gastroenterology	\$35M	\$12M			\$22M	(\$8M)			\$6M	(\$1M)			\$2M	\$.01M			\$65M	\$3M		
General Medicine	\$8M	\$2M			\$7M	(\$3M)			\$4M	(\$2M)			\$.4M	(\$.2M)			\$19M	(\$3M)		
General Surgery	\$21M	\$5M			\$10M	(\$7M)			\$5M	(\$1M)			\$2M	\$.2M			\$38M	(\$3M)		
Gynecology	\$1M	\$.3M			\$.2M	(\$.1M)			\$.2M	(\$.1M)			\$.2M	\$.1M			\$2M	\$.1M		
Hematology																				
Infectious Disease	\$20M	\$3M			\$14M	(\$8M)			\$3M	(\$1M)			\$1M	(\$.1M)			\$38M	(\$6M)		
Neonatology	\$39M	\$3M							\$15M	(\$3M)			\$2M	\$1M			\$56M	\$1M		
Nephrology																				
Neurology	\$16M	\$4M			\$15M	(\$6M)			\$4M	(\$1M)			\$1M	(\$.2M)			\$36M	(\$4M)		
Neurosurgery	\$35M	\$12M			\$18M	(\$1M)			\$4M	(\$1M)			\$4M	\$1M			\$61M	\$12M		
Normal Newborns	\$17M	(\$2M)			\$.01M	(\$.002M)			\$4M	(\$3M)			\$.3M	(\$.1M)			\$21M	(\$6M)		
Obstetrics	\$67M	\$10M			\$.4M	(\$.2M)			\$15M	(\$7M)			\$2M	\$.1M			\$84M	\$3M		
Oncology	\$237M	\$69M			\$96M	(\$32M)			\$24M	(\$6M)			\$39M	\$10M			\$396M	\$41M		
Ophthalmology																				
Orthopedics	\$39M	\$15M			\$33M	\$.3M			\$5M	(\$1M)			\$4M	\$.3M			\$80M	\$15M		
Otolaryngology																				
Psychiatry																				
Pulmonary																				
Rehab			\$10M	\$1M			\$2M	(\$2M)			\$1M	(\$1M)			\$1M	(\$.2M)			\$13M	(\$2M)
Rheumatology																				
Transplant Surgery	\$21M	\$4M			\$11M	(\$6M)			\$1M	(\$2M)			\$9M	\$1M			\$42M	(\$4M)		
Trauma	\$3M	\$1M			\$2M	(\$.3M)			\$2M	(\$.3M)			\$3M	\$.1M			\$9M	\$.2M		
Urology	\$4M	\$1M			\$3M	(\$1M)			\$1M	(\$.3M)			\$2M	\$1M			\$10M	(\$.1M)		
Vascular Surgery	\$5M	\$1M			\$7M	(\$2M)			\$2M	(\$1M)			\$.5M	\$.02M			\$14M	(\$2M)		
Other Inpatient	\$33M	\$4M			\$26M	(\$13M)			\$11M	(\$3M)			\$4M	\$.3M			\$74M	(\$12M)		
Imaging			\$103M	\$45M			\$17M	(\$7M)			\$11M	(\$.4M)			\$8M	\$5M			\$139M	\$43M
Other Treatments			\$106M	\$33M			\$27M	(\$9M)			\$8M	(\$4M)			\$6M	\$3M			\$147M	\$23M
Laboratory			\$27M	\$13M			\$2M	(\$2M)			\$1M	(\$.5M)			\$1M	\$.5M			\$31M	\$10M
Ambulatory Surgery			\$86M	\$28M			\$16M	(\$9M)			\$5M	(\$4M)			\$8M	\$3M			\$116M	\$17M
Therapies			\$1M	\$.05M			\$.2M	(\$.3M)			\$.2M	(\$.3M)			\$.05M	\$.003M			\$2M	(\$1M)
Office Visits			\$47M	(\$17M)			\$18M	(\$11M)			\$14M	(\$15M)			\$3M	(\$1M)			\$82M	(\$44M)
Observation			\$22M	\$5M			\$6M	(\$6M)			\$5M	(\$7M)			\$3M	\$1M			\$36M	(\$8M)
Other Outpatient			\$95M	\$27M			\$23M	(\$12M)			\$14M	(\$10M)			\$51M	(\$2M)			\$183M	\$3M
GRAND TOTAL	\$708M	\$170M	\$544M	\$151M	\$353M	(\$109M)	\$127M	(\$65M)	\$121M	(\$38M)	\$59M	(\$43M)	\$82M	\$16M	\$85M	\$11M	\$1263M	\$39M	\$814M	\$54M

Notes:

- 1 Partners facilities included in the above data are as follows: Acute Care Hospital: Brigham and Women's Hospital (does not include the
- 2 Operating Margin is calculated as follows: Net Revenue less Total Costs:
 - Commercial: Commercially negotiated payors including Alliance Products & some Managed Medicare
 - Medicare: Traditional Medicare
 - Medicaid: MassHealth including some managed Medicaid plans, Out of State Medicaid and ACOs
 - Other: Other payors including Worker's Comp, Self Pay, International, Free Care and etc.)
- 3 PHS reports financial performance by service line using a definition that assigns encounters to services for which the patient is receiving active treatment or is utilizing the most resources. Inpatient services are largely defined using either ICD 10 diagnoses, MS DRGs or APR 30 DRGs, while outpatient services largely defined using CPT, HCPCs, and revenue center.