

Mass General Brigham
Performance Improvement Plan
March 2024 Update & Final Report

Overview

Mass General Brigham is pleased to provide a final performance report on our performance improvement plan (PIP). Overall, we have delivered savings of \$197.1 million over the full 18-month PIP reporting period (October 2022 through March 2024), compared to our plan of \$176.7 million. On an annual basis, we have delivered savings of \$142.9 million, or 12% over projected annual savings of \$127.8 million.

Savings outperformed our plan in the two major categories – reducing utilization and price reductions, and we performed within \$1 million against the target for shifting care to lower cost sites.

- Reducing utilization achieved total savings of \$47.9 million compared to a total target of \$44.4 million. Results were driven by strong performance in MRI and CT utilization management along with on-target performance for expansion of the Integrated Care Management Program (iCMP) and new utilization management interventions by MGB Health Plan.
- Shifting care to lower cost sites achieved total savings of \$6.3 million compared to a target of \$7.0 million. Savings were driven by increasing discounts on the price for virtual care visits with MGB specialist care providers. We also made significant progress in expanding the Hospital at Home program, achieving \$900 thousand in savings. This intervention fell short of the target due to staffing challenges, but we continue to see strong momentum in this innovative solution.
- Price reductions achieved savings of \$142.9 million annually compared to a target of \$125.3 million. Results were driven by reductions in rates for On-Campus Outpatient procedures and services, MG West procedures and services, and MGB pricing on MGB Health Plan Connector Care products.

Summary Results by Intervention

Focus Area	Total Savings Target (\$M)	Savings through March 2024 (\$M)
Reducing Utilization		
Integrated Care Management Program (iCMP)	\$ 23.0	\$ 24.7
SNF Utilization Reduction	\$ 13.4	\$ 7.3
Mass General Brigham Health Plan Utilization Management	\$ 1.5	\$ 1.5
MRI and CT Utilization	\$ 6.5	\$ 14.4
Subtotal	\$ 44.4	\$ 47.9
Shifting Care to Lower Cost Sites		
Home Hospital	\$ 1.9	\$ 0.9
Virtual Care Discount	\$ 5.1	\$ 5.4
Subtotal	\$ 7.0	\$ 6.3
Price Reductions		
Reducing Outpatient Rates	\$ 86.8	\$ 85.3
Mass General Waltham Rates	\$ 19.1	\$ 24.8
Reducing ConnectorCare Rates	\$ 17.9	\$ 29.5
Confidential - Other Insurance Product Discount	\$ 1.5	\$ 3.3
Subtotal	\$ 125.3	\$ 142.9
Grand Total	\$ 176.7	\$ 197.1

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Detailed Results Explanation by Intervention

All savings numbers discussed are total savings and reported as of March 31, 2024.

Integrated Care Management (iCMP)

Description of Intervention	Mass General Brigham expanded the Integrated Care Management Program (iCMP) for commercial and MassHealth lines of business. This program has been proven through published studies to improve care and reduce expenses for vulnerable patients.
Savings Methodology	Savings are calculated by multiplying the number of net new patients added to iCMP (accounting for patients who leave the program) by the savings for each patient established in the published literature.
Reported Results	Savings generated are calculated to be \$24.7 million for the patients added during the PIP, compared to the plan of \$23.0 million.

SNF Utilization Reduction

Description of Intervention	This intervention optimizes the use of skilled nursing facility days through care management programs.
Savings Methodology	Savings are calculated by measuring the number of SNF days reduced from Mass General Brigham’s 2022 baseline number of SNF days.
Reported Results	Savings are \$7.3 million compared to a target of \$13.4 million. While this intervention has made meaningful progress in reducing cost, there have been challenges associated with patient needs and the staffing for transition to the home. We will continue to work with care continuum partners to strengthen this intervention strategy after completion of the PIP.

Mass General Brigham Health Plan Utilization Management

Description of Intervention	Mass General Brigham Health Plan is implementing utilization management across its commercial book of business and employer account to reduce unnecessary services, focused on high tech radiology, infertility, inpatient services, outpatient day surgery, and other outpatient services.
Savings Methodology	Savings are calculated by multiplying the number of unnecessary services that were avoided by the cost of each avoided service.
Reported Results	Savings of \$1.5 million achieved, on target for Plan.

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MRI & CT Utilization

Description of Intervention	Mass General Brigham installed new decision support tools for hospital-based providers to ensure all orders were within guidelines. In addition, savings have been achieved through utilizing our new Assembly Row campus for imaging instead of Mass General Hospital (at a price discount).
Savings Methodology	Savings are calculated by multiplying the number of unnecessary services that were avoided by the cost of each avoided service. For services shifted to Assembly Row, the utilization is multiplied by the unit discount.
Reported Results	Savings reported of \$14.4 million, compared to a plan of \$6.5 million.

Home Hospital

Description of Intervention	Mass General Brigham has expanded home-based acute care (home hospital) and its associated benefits to more of our patients across the Mass General Brigham system which will also reduce costs for our patients. Mass General Brigham's home hospital services are reimbursed at a discount from Mass General Brigham's rates for in-hospital admissions (for commercial payers).
Savings Methodology	Savings are calculated by multiplying the discount for home hospital admissions by the number of admissions to home hospital for patients enrolled with local commercial payers.
Reported Results	Savings of \$900k reported compared to a target of \$1.9 million. Savings fell short of target due to a lower number of admissions than forecasted, driven by staffing challenges. Mass General Brigham is continuing to increase staffing and remove barriers to usage across our system.

Virtual Care

Description of Intervention	Mass General Brigham has implemented discounted rates for telehealth specialty care with local commercial payers.
Savings Methodology	Savings are calculated by multiplying the discount in rates for specialty telehealth visits by the number of specialty telehealth visits for patients enrolled with local commercial payers.
Reported Results	Savings generated of \$5.4 million compared to a target of \$5.1 million. The savings difference is driven by higher levels of utilization of virtual care for specialty visits than had been forecasted.

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Outpatient Rates

Description of Intervention	Mass General Brigham reduced AMC Main Campus Outpatient rates with local commercial payers.
Savings Methodology	Savings are calculated by multiplying the rate reduction for all on-campus AMC outpatient visits compared to outpatient market rates by the number of visits (commercial plans only).
Reported Results	Savings of \$85.3 million compared to a target of \$86.8 million. Savings in this intervention were robust due to the high volume of outpatient services, variance to target is due to volume assumptions.

Mass General Waltham Rates

Description of Intervention	Mass General Brigham has converted pricing at Mass General Brigham’s outpatient facility in Waltham to our community hospital rate schedule with local commercial payers.
Savings Methodology	Savings are calculated by multiplying the difference in rates between our academic and community hospitals by the number of visits at Mass General Waltham by patients enrolled with local commercial payers.
Reported Results	Savings of \$24.8 million compared to target of \$19.1 million. Savings exceeded forecast due to higher level of service volume than initially forecast.

ConnectorCare Rates

Description of Intervention	Mass General Brigham is committed to expanding access to consumers, particularly in ConnectorCare plans. To achieve improved access, we are focused on costs for patients that are members of Mass General Brigham Health Plan. Mass General Brigham has reduced rates within these ConnectorCare plans for services provided by Mass General Brigham providers.
Savings Methodology	Savings are calculated based on the difference in rates from the current rate schedule to the prior rate schedule.
Reported Results (Annualized)	Savings achieved of \$29.5 million compared to a target of \$17.9 million. This is largely driven by higher enrollment than expected in ConnectorCare products.

Confidential – Other Insurance Discount – information on this intervention contains confidential information and will be provided to the HPC for review.

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Reported Results vs. Claims Runout

Results reported in this document contain data with claims runout through April 2024. Mass General Brigham has analyzed the impact of expected further claims runout on the performance reported. We expect that further claims runout will not have a material impact on the overall reported savings (we expect that results could further vary by no more than +/- 0.6%). Any change of this magnitude would not be expected to impact MGB's overall performance vs. the PIP plan target. As a result, we are submitting this report as final to the Health Policy Commission.

Sustainability of Interventions

Mass General Brigham is committed to balancing our mission of care delivery, innovation, research, and teaching with the increased market pressures of affordability. As such, we submitted a comprehensive performance plan that addresses utilization, service mix, and unit cost to impact the cost of care in the Commonwealth of Massachusetts. As reported in this final report, we have delivered meaningful and sustainable solutions to cost growth in the Commonwealth through this plan. We are committed to continuing to drive these savings, as well as seeking other areas for affordability, now and in the long-term.

MGB submits the following rationale for sustainability of the PIP interventions:

- Mass General Brigham has and will continue to monitor benchmark data from CHIA and other data sources to ensure that our costs are appropriate for the services we offer in the marketplace. CHIA data has helped us identify areas of concern (e.g., AMC OP rates, high tech imaging utilization) where we have designed interventions to address our variation to the market.
- Our contracts with the major local commercial payers (BCBS, Point32, and Mass General Brigham Health Plan) are generally negotiated over a three-year period and extend beyond the PIP period.
- To maintain the annual cost growth benchmark, Mass General Brigham will need to continue to invest in initiatives that address utilization, service mix, and unit cost even after the PIP period ends. An example is the Patient Transfer and Access Center, which will reduce length of stay and improve coordination of care across the continuum. Unwinding any of those actions would increase the cost of care and is not in alignment with our strategy.
- The ultimate accountability for maintaining affordability and keeping costs under control is for Mass General Brigham to take on risk for the cost of care. Our commitment to taking on risk is comprehensive, spanning all three populations we serve: commercial, Medicare, and Medicaid. For our Medicare population, we participate in the Medicare Shared Savings program as well as programs with the commercial payers for Medicare Advantage plans. For Medicaid, we participate as a 'Model A' Accountable Care Organization, a full risk arrangement between the Commonwealth and Mass General Brigham Health Plan. For commercial, Mass General Brigham takes risk on our primary care attributed population with all our major local payers; we will continue to approach the local payers to expand the use of value-based care in our overall reimbursement strategy.
- We are also seeking to address costs through Mass General Brigham Health Plan and have recently extended our Allies product to the Salem marketplace with a plan for further expansion over time.

Conclusion

Mass General Brigham is pleased to report that we have achieved total savings of \$197.1 million during the 18-month PIP period, which exceeds the target of \$176.7 million. The solutions which have been delivered are meaningful and will continue to drive value beyond the PIP performance period. Finally, Mass General Brigham is committed to delivering affordable, quality care in Massachusetts and continues to invest in solutions to address both cost and access to build a sustainable future for our patients, providers, and stakeholders across the Commonwealth.