

Percent of Members Whose Care is Covered by Alternative Payment Methods

Time Period/Data Year(s): CY 2012-CY 2023

Governing Legislation: M.G.L. c. 12C, sections 10 and 16; Regulation 957 CMR 2.00

Description	Alternative payment methods (APMs) are payment arrangements in which some of the financial risk associated with delivering medical care and managing health conditions is shifted from payers to providers. Generally, APMs are intended to give providers new incentives to control overall costs (e.g., reduce unnecessary services and provide services in the most appropriate setting) while maintaining or improving quality. The most common APMs in Massachusetts are global budgets, which establish spending targets for a comprehensive set of health care services to be delivered to a specified population.
Frequency	Annual- APM data is collected each year for the previous calendar year.
Statutory Definition	CHIA is required to collect from private and public health care payers “data on changes in type of payment methods implemented by payers and the number of members covered by alternative payment methodologies” and “the average negotiated monthly or yearly budget weighted by member months for each geographic region of the Commonwealth.” M.G.L. c. 12C, section 16 further directs CHIA to collect “the proportion of health care expenditures reimbursed under fee-for-service and alternative payment methodologies.”
Data Submitters	The 17 largest payers in the Massachusetts commercial health insurance market that offer commercial, Medicare Advantage, MassHealth Managed Care Organization, and/or MassHealth ACO-A plans.
Data Included	<p>Three file types: 1) ZIP Code-level 2) managing physician group-level 3) supplemental data</p> <p>1) For each provider, payers report by insurance category, product type, and payment method:</p> <ul style="list-style-type: none"> • Member months • Claims payments • Non-claims payments • Health status adjustment (H.S.A.) score • Average monthly budget per member • Payments due to financial and quality performance measures (separate and combined) <p>2) Payers report member months, H.S.A. scores and total payments data for each zip code by insurance category, product type and payment method.</p> <p>3) Payers report member months at the plan and provider level by insurance category, product type, payment method, market segment (for commercial populations), risk type, and carved-out benefit type.</p>
Quality Assurance Process	<ul style="list-style-type: none"> • Data is reviewed for quality by CHIA staff using a standard quality assurance checklist • Each payer’s data analysis is distributed to the payer for verification that results match the payer’s expected results • Data submissions are certified by payer CFO or equivalent

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	<ul style="list-style-type: none">• Data submissions and output are reviewed by CHIA's actuarial consultant• Staff project lead reviews all APM data for quality and accuracy• All publication materials are reviewed by staff analysts, managers, and team director
Reports	Published each September as part of CHIA's Annual Report on the Performance of the Massachusetts Health Care System . Products include: report narrative, databooks, chartbook, and technical appendix.
Data Notes	<p>Provider organizations and members are attributed to payment methods according to payers' contractual agreements with provider organizations. The adoption rate for a given payment method equals the proportion of member months attributed to that method.</p> <p>Payment methods are assigned based on the following mutually exclusive hierarchy: 1) global payments; 2) limited budget; 3) bundled payments; 4) other, non-fee-for-service based; and 5) fee-for-service (e.g., if a contract between a payer and provider involves both a limited budget and some bundled payments, then all associated member months and payments are reported as limited budget).</p>
How to Obtain Data	Current and historical databooks are available on CHIA's website .
Related CHIA Measures	None
Questions?	Questions may be directed to Molly Bailey at molly.bailey@chiamass.gov .