

ChoiceNet HMO and PPO Plans (Offered to employer groups in Massachusetts)

Basis of Evaluation	Quality of care performance was based on information reported by hospitals to the Centers for Medicare & Medicaid Services (CMS) and published on the Hospital Compare website. Hospital cost-efficiency was based on Harvard Pilgrim's 2019 inpatient and outpatient allowed cost for contracted acute care facilities' HMO/POS and PPO fully insured and self-insured membership.
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Hospital Quality	Timely and Effective Care performance was evaluated by comparing measures to the national average. Patients' hospital experience was evaluated based on the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey results on 8 questions, as compared to the national average. Readmission/Mortality and Healthcare Associated Infections/Surgery performance was evaluated using measures related to hospital acquired infection rates and readmission/mortality rates.
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Quality Threshold	<p>A hospital could pass the quality threshold by meeting the targets in at least 3 of the following 4 categories:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Target</th> <th>Time Frame</th> </tr> </thead> <tbody> <tr> <td>Timely & Effective Care</td> <td>One point for each measure which is at or above the national average. Pass gate: score above 0.</td> <td>October 2019–March 2020 (flu immunization) January–December 2019 (other measures)</td> </tr> <tr> <td>Readmissions/Mortality</td> <td>>40% of possible points for measures at or above national average.</td> <td>July 2016–June 2019</td> </tr> <tr> <td>HCAHPS</td> <td>At least 3 of 8 questions at or above the national average.</td> <td>January–December 2019</td> </tr> <tr> <td>Hospital Associated Infections/Surgery</td> <td>≥ 50% of possible points for measures at or above national average.</td> <td>January–December 2019</td> </tr> </tbody> </table>	Category	Target	Time Frame	Timely & Effective Care	One point for each measure which is at or above the national average. Pass gate: score above 0.	October 2019–March 2020 (flu immunization) January–December 2019 (other measures)	Readmissions/Mortality	>40% of possible points for measures at or above national average.	July 2016–June 2019	HCAHPS	At least 3 of 8 questions at or above the national average.	January–December 2019	Hospital Associated Infections/Surgery	≥ 50% of possible points for measures at or above national average.	January–December 2019
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Average Cost Calculation	To calculate the average allowed cost (including member liability) per inpatient case for each facility, 2019 inpatient utilization for all contracted facilities was adjusted to 2020 then 2021 Harvard Pilgrim contractual terms. All carve outs, per diem rates, and outlier payments were taken into account when adjusting claims to 2020 then 2021 terms. Transplant and sub-acute admissions were excluded.
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<p>Relative Facility Cost</p>	<p>Harvard Pilgrim used a standard inpatient and outpatient benchmark upon which to compare the cost of all in-network facilities. The reimbursement rates for each facility's specific inpatient and outpatient claims for 2019 dates of service were adjusted based upon 2020 then 2021 contracted rate increases. The same utilization was also adjusted to the applicable benchmark rates. Each facility's inpatient and outpatient inflators over the benchmark were normalized to the network average inflator for each facility setting. The normalized scores were averaged into one overall composite relative cost score for each facility.</p>
<p>Cost Ranking</p>	<p>Hospitals were ranked on cost-efficiency from lowest to highest based on their overall composite score rank to determine tier assignments. Approximately 75% of all hospitals were ranked either low- or medium-cost.</p>
<p>Cost Sharing Tier Level Assignment*</p>	<p>Three tier levels were established:</p> <ul style="list-style-type: none"> • Tier 1 Level — low • Tier 2 Level — medium • Tier 3 Level — high <p>Facilities that passed the quality threshold and had low cost-efficiency rankings were assigned to Tier 1. Facilities that passed the quality threshold and had medium-range cost-efficiency rankings and facilities that had low cost-efficiency rankings, but did not pass the quality threshold, were assigned to Tier 2. Facilities with high cost-efficiency rankings, regardless of quality performance, were assigned to Tier 3.</p>

*Cost sharing ranges and actual dollar amounts vary by product version.