



Thursday, October 18, 2018

**Statement from Lora Pellegrini, President of the MA Association of Health Plans
On the Attorney General’s Examination of Health Care Cost Trends and Cost Drivers**

“We appreciate the work of the Attorney General’s Office in examining payment methodologies used in the Massachusetts marketplace.

The payment methodologies identified in the report are primarily modeled on government reimbursements and are broadly used by both government and private payers throughout the country. Private payers apply modified government payment methodologies in an attempt to standardize payment practices for providers while taking into account different populations and services.

As a general matter, hospitals in collaboration with health plans determine payment contracting strategies that best suit the needs of the hospital and its providers, which may vary by subset, specialty and/or patient population. Flexibility in reimbursement methodologies allows for health plans and providers to explore innovative payment strategies as a way to improve care and lower costs. Flexibility in payment arrangements also allows health plans to meet providers where they are relative to their ability to take performance risk.

We appreciate the opportunity to work with providers to explore ways that we can work together to streamline contracting practices while maintaining market driven strategies that embraces innovation rather than a “one size fits all approach.”

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