

CITY OF NEWTON

IN BOARD OF ALDERMEN

LONG RANGE PLANNING COMMITTEE REPORT

Wednesday, March 10, 2010

Present: Ald. Linsky (Chairman), Albright, Baker, Blazar, Crossley, Danberg, Freedman, Lennon and Shapiro

City staff: Robert Rooney (Chief Operating Officer) Dolores Hamilton (Director of Human Resources)

#73-09 PRESIDENT BAKER, ALD. HESS-MAHAN, VANCE, ALBRIGHT, LENNON, SALVUCCI, LINSKY & SCHNIPPER requesting discussion of the recommendations of the Citizen Advisory Group as may be relevant for long-range planning for the City for coming fiscal years.
HELD 9-0

Malcolm Salter and Neil Silverston, who served on the Citizens Advisory Group (CAG), presented an economic model they have developed that forecasts the potential fiscal implications relating to the adoption of various policies and initiatives. The model has not been updated with current financial information but if there is a commitment to implementing the economic model from the City, it will be updated and there will be additional professional input.

The model was developed as part of the work of the CAG. The CAG came to the conclusion that costs need to be cut and revenues enhanced, as CAG members understood that the City of Newton is in a precarious financial situation. The economic model is used to demonstrate what the long-term financial impacts are to the City of Newton depending on what choices are input into the model. The City is facing many difficult choices and the ability to realize the impacts of a change before initiating the change is advantageous to the City.

The financial modeling approach is supported by the Mayor and the Chief Operating Officer. If the Board of Aldermen supports the implementation of the model, it would be beneficial for the Executive Department, the Aldermen, and Comptroller to work on revenue assumptions to populate the model. The Committee members were in favor of using the model and working with the Executive Office to provide assumptions in order to implement the software. The members thanked Mr. Salter and Mr. Silverston for their very informative presentation.

(1) Update On Ongoing Initiatives:

- (a) Report on health care options and obligations

Ald. Baker and Ald. Freedman spoke on health care cost management and strategies to reduce the cost to the City. One of the areas that could generate some additional savings to the City, employees, and retirees and provide additional health related benefits for the employees and retirees is disease management. Director of Human Resources Dolores Hamilton informed the Committee that the City has hired an outside company to provide disease management to the City's employees and retirees. The company works with employees and retirees to manage appointments, prescriptions, and preventative care. The program encourages people to stay on top of their disease by keeping appointments, getting the appropriate care, and taking prescriptions. When people manage their diseases, it is more likely that they will benefit by avoiding a rapid deterioration in health, which would require additional medication and doctor visits. The disease management program appears to have decreased some of the health care costs.

The City currently offers several wellness programs to employees and retirees, such as blood pressure clinics, a gym in the basement of city hall, lunchtime yoga classes and glucose screenings. The Human Resources Department is currently investigating adding additional programs. There is a possibility that an area health clinic or hospital would be willing to donate time or materials.

Tom Lopez, President of the Newton Firefighters Union, stated that the key to keeping people healthy is early intervention and testing. It is very important to get people involved in wellness programs. The International Association of Firefighters has established a wellness program to be used by fire departments throughout the country. The success of this type of program relies on cooperation between the union and the administration. Mr. Lopez suggested that Committee members look at the associations program for ideas on how to implement this type of program.

There are three things that drive healthcare costs: age, utilization of health care and price. There are many options that the City can explore to reduce healthcare costs, such as steering employees toward high quality – lower cost care centers. Ald. Freedman referenced information pertaining to the rate that healthcare plans pay individual hospitals on average for health care costs on a per member per month basis. Ald. Freedman provided articles and further data and information on healthcare costs per hospital, which is attached to the report. The City would need to work with employees and retirees to convince them that they would be receiving the same or better healthcare from a lower cost care center. There could be a benefit structure that rewarded an employee for choosing treatment at a lower cost care facility.

The cost of healthcare is bankrupting the City. There needs to be a collaborative effort between the City and employees and an educational program to inform employees and retirees on the impact of choices regarding healthcare.

Committee members agreed that the City should be working to address the rise of healthcare costs and its impact on the City's finances. Ald. Albright suggested that a citizen group might need to be formed to look at healthcare and provide recommendations. The Board and Executive Department could work on the membership of such a Committee. Committee

members felt that it was important that it be conveyed to the Executive Department that healthcare cost management is something that the Board of Aldermen would like to see pursued.

(b) Report on Green Communities Act

Ald. Crossley provided an update on the possible attainment of the Green Community Badge and the grant monies associated with the badge. No community in the State has received the badge and it is likely that if the City meets all the criteria by the May 14, 2010 deadline it will receive \$1 million in grant money. The four parts of the necessary criteria are docketed before the appropriate Committees and the Committees have begun discussion. The vehicle purchasing policy is being discussed in the Programs and Services Committee. The energy action plan is being discussed in the Public Facilities Committee and the Public Buildings Department and volunteers are gathering information to complete the plan. The Zoning and Planning Committee has determined that sufficient language that addresses the expedited permitting for energy facilities and as of right siting for alternative or renewable energy generating facilities exists in the zoning ordinances. The City of Newton should be able to earn the Green Community Badge by the deadline. If the City is awarded the grant funds, many energy related projects could be undertaken.

(c) Report on capital budgeting

The Committee will discuss capital budgeting at a later date.

(2) Report on other potential initiatives

(a) Presentation on alternative delivery of EMS services

Tom Lopez, President of the Newton Firefighters Union, presented a request to investigate the possibility of establishing City operated Emergency Medical Services (EMS). This inquiry began last year. As a result, the Board petitioned Mayor Cohen to extend the EMS contract then in effect by six months in order for the city to fully evaluate the cost/benefit of bringing EMS services in-house. Mayor Cohen instead entered into a new three year contract with a new provider. This now provides the city an opportunity to begin an extended evaluation. However, if the city chooses to seriously consider such a direction, it will be a significant ramp-up and will take time to implement by the conclusion of the present contract.

The firefighters union believes that a city run EMS program would improve upon standards of medical care within the City. The Fire Department previously provided EMS to the City from 1976 to 1982. Last year the Fire Department responds to over 3,500 medical emergencies and it is responsible for the dispatching of EMS calls. The firefighters are all trained first responders and there are 50 emergency medical technicians and 2 paramedics on staff. There is also belief the city might be able to recoup some expenses through service to other nearby communities such as Weston.

Mr. Lopez provided statistics on how other communities handle EMS and most cities and towns have the Fire Department and/or another city or town agency handle EMS. The attached letter from Mr. Lopez provides additional statistics and information regarding providing City operated emergency medical services.

Respectfully submitted,

Alderman Stephen Linsky, Chair

Subject: RE: Newly publicized health cost data
Date sent: Thu, 11 Mar 2010 10:17:51 -0500
From: "John Freedman" <john@freedmanhealthcare.com>
To: "John Freedman" <john@freedmanhealthcare.com>,
<slinsky@newtonma.gov>,
"Sullivan Shawna" <ssullivan@newtonma.gov>,
<tlopez7479@yahoo.com>
Copies to: <dhamilton@newtonma.gov>,
<lbaker@newtonma.gov>

See also this article from today's Wall Street Journal, citing an article in yesterday's New England Journal of Medicine.

- [BUSINESS](#)
- MARCH 11, 2010

Heart Test May Be Overused

By [RON WINSLOW](#)

A widely used test to detect blockages in the heart's arteries often turns up little or no evidence of disease, a new study found, suggesting that patients are frequently exposed unnecessarily to the risks and costs of the invasive examination.

The test is called a coronary angiogram, in which cardiologists thread a catheter into the heart to take an X-ray movie to look for obstructions that might cause chest pain or increase the risk of a heart attack. More than a million U.S. patients undergo the diagnostic test each year at a cost of about \$10,000 each, according to government data. In cases where significant obstruction is found, the test helps doctors determine whether a patient should undergo coronary bypass surgery or have a stent implanted to alleviate the problem.



A cardiologist threads a catheter into the heart through a blood vessel in the groin to initiate an angiogram.

The new study, published in this week's New England Journal of Medicine, is based on data on nearly 400,000 angiograms performed between 2004 and 2008 that 633 hospitals in the U.S. submitted to a registry maintained by the American College of Cardiology. The patients weren't previously diagnosed with heart disease, but because of symptoms, family history or other reasons ended up getting the test. Such patients represent about 20% of all people who are referred for angiograms, researchers said.

The study found that 62% of the patients didn't have evidence of significant obstructions, while 38% had important blockages, researchers found. In all, 39% were determined not to have coronary-artery disease.

"The rate of obstructive disease isn't as high as we had hoped," said Manesh Patel, a cardiologist at Duke University's Duke Clinical Research Institute, who led the study. "Our process of diagnosing coronary artery disease needs improvement."

Dr. Patel and other cardiologists cautioned that the results don't apply to patients with established disease or, especially, with severe chest pain where there is concern for an imminent heart attack. For such patients, getting an urgent angiogram can be a crucial step in treatment.

Moreover, a "normal" test doesn't automatically indicate an angiogram wasn't necessary, doctors said. A finding of an absence of disease can be important information for both doctors and patients. For patients with persistent unexplained symptoms, for instance, ruling out heart disease can be reassuring and steer clinicians to other possible causes.

Still, the findings underscore the long-standing challenge of diagnosing patients with chest pain—symptoms that can indicate an imminent heart attack, but that can also result from indigestion, muscle pain and a variety of other problems.

The study also comes amid growing concern about the exploding use of radiation-based imaging in medicine, which has sparked worries that many patients are electing to get scans that provide little benefit while increasing their risk of cancer.

Typically, patients suspected of heart disease based on family history or, say, unexplained chest pain, first undergo non-invasive tests such as a stress echocardiogram or nuclear perfusion study to see how well the heart is functioning. Guidelines suggest such tests should indicate a potential problem before a patient is referred for an angiogram. In the study, 84% of patients got at least one of these tests, but the information they provided was only modestly helpful in predicting whether patients had significant disease. Researchers said this underscored the need to find more effective ways to recommend patients for angiograms.

Other factors contribute to demands for more angiograms, doctors say. Among these: financial incentives for doctors to perform angiograms, worries of malpractice suits if a blockage is missed on early tests, and patients demanding more specific information about their condition.

"Our whole system is incented to do more," says Chet Rihal, a cardiologist and director of the catheterization clinic at Mayo Clinic in Rochester, Minn. "We've got to get much smarter about how we're ordering and interpreting these tests."

The American College of Cardiology said the registry that yielded the data for the study is part of the college's effort to assess and improve care provided to heart patients.

From: John Freedman

Sent: Thursday, March 11, 2010 9:33 AM

To: Stephen M. Linsky (slinsky@newtonma.gov); Sullivan Shawna; tlopez7479@yahoo.com

Cc: dhamilton@newtonma.gov; lbaker@newtonma.gov

Subject: Newly publicized health cost data

Hi all,

Here is the data I referenced last night. I think we are at the beginning of an educational process and we have opportunities to address some of our issues with health care. Choices are not necessarily easy, but neither is the status quo.

HPHC (one of our two health plans for active employees) this week released to the Comm of MA detailed information about its payment rates to providers. [See](http://www.mass.gov/Eeohhs2/docs/dhcfp/cost_trend_docs/testimony_harvard_pilgrim_health_care.pdf)

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Here are some highlights.

2008 HMO/POS Total Medical Expense (that is, total costs on a per member per month basis for patients enrolled with a PCP belonging to this contracting entity, adjusted for patient severity--this number takes into account how ill the patients are, the contracted prices for each service, and the volume of services rendered):

Newton Wellesley \$383.21

BI Deaconness	\$310.74
St. Elizabeth	\$351.72
MetroWest	\$307.63
MGH	\$366.02

In other words, patients who get select PCPs based at NWH have greater total average health care costs than those with PCPs at MGH, which is surprising. Switching your PCP from NWH to the other sites would (on average) save money:

BIDMC 19%
St Eliz 8%
MetroWest 20%

Other data provided by HPHC

Hospital price relativity, 2008 (relative price for identical services rendered at the hospital, either inpatient or outpatient)

NWH	1.02
BIDMC	0.89 (BIDMC-Needham is 0.90)
St Eliz	0.94
MetroWest	0.83
MGH	1.10

Physician price relativity, 2008 (relative price for same service rendered by physician affiliated with these hospitals)

NWH	1.02
BIDMC	0.92
St Eliz	0.87
MetroWest	0.77
MGH	1.21

I am not advocating for any particular action, but these data indicate that care through NWH is more expensive than other places nearby.

It is expected that additional data from Tufts Health Plan and Blue Cross will be coming out soon.

John

John D. Freedman, MD, MBA
Freedman Healthcare, LLC
29 Crafts Street, Suite 550
Newton, MA 02458
john@freedmanhealthcare.com
617-243-9509 voice

Subject: **Newly publicized health cost data**
Date sent: **Thu, 11 Mar 2010 09:33:24 -0500**
From: **"John Freedman" <john@freedmanhealthcare.com>**
To: **<slinsky@newtonma.gov>**,
"Sullivan Shawna" <ssullivan@newtonma.gov>,
<tlopez7479@yahoo.com>
Copies to: **<dhamilton@newtonma.gov>**,
<lbaker@newtonma.gov>

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Harvard Pilgrim
Health Care

March 4, 2010

David Morales
Commissioner
Division of Health Care Finance and Policy
2 Boylston Street
Boston, MA 02116

Re: Chapter 305 Hearings

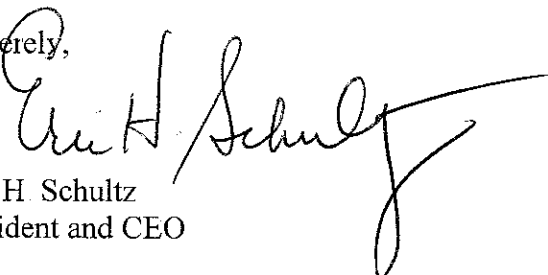
Dear Commissioner Morales:

Enclosed please find Harvard Pilgrim's written testimony in response to the Division's letter dated February 12, 2010

Harvard Pilgrim looks forward to the upcoming hearings on this issue. In the meantime, if you have any questions about our response, please feel free to contact Bill Graham or me

Thank you for your consideration.

Sincerely,


Eric H. Schultz
President and CEO

**CERTIFICATION OF WRITTEN TESTIMONY FOR THE MASSACHUSETTS
DIVISION OF HEALTH CARE FINANCE AND POLICY'S PUBLIC HEARING
PURSUANT TO M.G.L. CHAPTER 118G, SECTION 6½**

I, Eric H. Schultz, am the President and Chief Executive Officer of Harvard Pilgrim Health Care, Inc. (Harvard Pilgrim). As such, I am legally authorized and empowered to represent Harvard Pilgrim for the purpose of submitting the written testimony and supporting documentation provided herein.

To the best of my knowledge, the factual and quantitative information presented in this submission is true and accurate. The information contained in the appendices of this submission was collected and compiled by employees of Harvard Pilgrim who are responsible for this type of information. To the best of my knowledge, such information was collected and compiled in a reasonable and diligent manner and accurately represents the underlying data.

Signed under the pains and penalty of perjury, on this 4th day of March, 2010,

By: _____


Eric H. Schultz
President and Chief Executive Officer
Harvard Pilgrim Health Care, Inc.

Exhibit B: DHCFP Questions for Written Testimony

Harvard Pilgrim Health Care

- 1) After reviewing the preliminary reports located at www.mass.gov/dhcfp/costtrends please provide commentary on any data, or finding that differs from your organization's experience and the potential reasons therefore.**

We have reviewed the findings of the Division at a high level and in general find that the trends are consistent with Harvard Pilgrim's experience. One specific area of the reports in which the findings are materially different than our experience is the analysis of retention, the portion of premium that covers administrative expenses and contributes to surplus (Part II of the Division's reports). The report concludes that in 2009, small group business had the highest retention, followed by mid-sized business, with large group having the lowest retention. That was not the experience for Harvard Pilgrim, which saw the highest retention in the midsize segment, followed by large group, with small group having the lowest retention. In addition, Part II of the Division's report also cites an average profit margin of 2-3% across all carriers in 2009. For Harvard Pilgrim, the average profit over all commercial business in Massachusetts as it is defined in this study was less than 1%. Additionally, our data indicate that while outpatient cost trends are higher than overall cost trends, we have not observed outpatient increases as high as those cited in the DHCFP report.

Questions Regarding Premium Pricing and Market Sector Differences

- 2) What were the differences by market sector in general administrative expenses built into your pricing from 2008 to the present? What portion of the differential by group size was attributable to fixed costs being spread over different group sizes? To what was the remainder of the difference attributable?**

Harvard Pilgrim does not allocate administrative costs by size segments (merged market vs. mid-size vs. large group) within its commercial book of business. Consequently, the difference in the retention, across the markets, that is added to claims to produce a rate is not based on the difference in administrative expenses. Rather, Harvard Pilgrim sets retention targets for each market based on market conditions.

- 3) We found that, when adjusted for differences in benefits and demographics, small employers are being charged higher premiums and are experiencing a greater growth in premiums than mid-sized and large firms. Is this finding consistent with your health plan's experience? Please comment on why you think this is happening and what can be done to assist small employers.**

As we describe in more detail below, and as has been highlighted in the reports issued by the Division and the Attorney General's Office (AGO) in preparation for these hearings, increasing reimbursement rates demanded by providers for medical services, and the trend toward providing care in more expensive settings, are the primary drivers of increasing health care costs, increases that are reflected in higher premiums. These trends drive up premiums for large, mid-size and small businesses alike, as well as for health care consumers. Given the economies of small businesses they often experience the impact of these increases more acutely. Our data show, however, that over the last few years, average PMPM premiums, adjusted for demographics and benefits, are about the same for Harvard Pilgrim's small and large group markets. In some years, the rate of growth has been greater for small group, and in other years, for large group.

Harvard Pilgrim recommends two items for consideration to assist small businesses. First, the Affordable Health Plan (H.B. 4452) would provide a significantly less expensive coverage option for small businesses by requiring that both providers and health plans control their costs. Offering benefits equivalent to the Connector's Commonwealth Choice Bronze level plan, the Affordable Health Plan would reduce premiums for small businesses by as much as 22%. It achieves these savings by setting a statutory rate cap on this one product at 10% above Medicare rates, limiting plan operating surpluses to 2% and in the entire merged market, and requiring health plans to maintain at least an 85% medical loss ratio in the merged market. This solution directly addresses a primary driver of health care premiums highlighted in both reports cited above – the increase in provider unit prices – and would deliver real saving in the near term to small businesses. Secondly, we recommend the institution of an annual open enrollment period for non-group business in the merged market, which would address adverse selection issues that have emerged as a consequence of the merger of the non-group and small group markets, and which the Division of Insurance is currently studying.

- 4) **We also found that most of the difference in adjusted premium levels for small group vs. mid-size and large group was due to differences in medical spending rather than retention. Is this finding consistent with your health plan's experience? Please comment on why you think this is happening and what can be done to assist small employers.**

Small group business will generally experience greater medical costs on a PMPM basis, after adjustment for demographics and benefits. For small businesses and individuals, the decision maker often has the information to select whether and when to purchase health insurance, and if so, to select a benefit plan that would provide coverage for the anticipated medical needs of those covered. It is widely accepted and documented in the literature that this dynamic produces "anti-selection" in such markets, and results in higher claims costs on a PMPM basis.

For recommendations on how to assist small businesses, see the response to Question #3 above.

- 5) **Small firms (with fewer than 51 employees) frequently indicate receipt of double-digit premium increases, even though our analysis shows the average premium PMPM increase for the small group market during the period studied**

to be below 10%. Please provide the distribution of premium increases for small employers renewing in 2008 and 2009 that were quoted, assuming that no benefit changes would be made by the employer.

2008*		
Rate Increases	Distribution of Accounts	Distribution of Members
Less than -20%	0.4%	0.1%
-20% to -15%	0.5%	0.3%
-15% to -10%	1.2%	1.2%
-10% to -5%	2.6%	2.3%
-5% to 0%	5.2%	6.1%
0% to 5%	9.6%	13.3%
5% to 10%	15.9%	18.4%
10% to 15%	20.9%	22.0%
15% to 20%	15.9%	16.6%
20% to 25%	11.1%	9.3%
25% to 30%	6.7%	5.1%
30% to 35%	4.1%	2.7%
35% to 40%	2.0%	1.0%
40% to 45%	1.4%	0.7%
45% to 50%	1.0%	0.4%
50% and more	1.5%	0.5%

2009*		
Rate Increases	Distribution of Accounts	Distribution of Members
Less than -20%	0.4%	0.1%
-20% to -15%	0.3%	0.1%
-15% to -10%	1.1%	0.8%
-10% to -5%	2.7%	2.4%
-5% to 0%	4.6%	4.6%
0% to 5%	11.1%	12.7%
5% to 10%	25.7%	28.9%
10% to 15%	26.8%	26.8%
15% to 20%	13.3%	14.0%
20% to 25%	6.2%	5.1%
25% to 30%	3.4%	2.6%
30% to 35%	1.8%	0.8%
35% to 40%	1.0%	0.6%
40% to 45%	0.5%	0.1%
45% to 50%	0.4%	0.1%
50% and more	0.8%	0.2%

* Note that intermediary data is not included in the tables above

- 6) **We understand that premiums for any given effective date are set, prospectively based on claims experience from approximately a year and a half earlier. How well have your estimates matched actuals in 2006-2009? Do you see increasing volatility in claims costs, or prices/utilization rising more quickly than anticipated?**

Harvard Pilgrim's actual trends for 2006 and 2007 were about 3% lower than forecasted, while 2008 was about 2% lower than forecasted. A more rigorous methodology was implemented in the summer of 2008, and we anticipate that for 2009, the first full year in which this new methodology will have been utilized, the actual trend will be less than 1% lower than forecasted.

Questions Regarding Trend Toward Self-insured

- 7) **We have seen an increase in the members enrolled in self-insured plans over the past few years. Please provide information on the size of the firms that are becoming self-insured. Does it differ from those firms that have traditionally self-insured? What rationale are employers providing for changing to self-insured plans?**

Total Self Insured Membership

	2002	2003	2004	2005	2006	2007	2008	2009
# of groups	76	71	80	121	169	198	208	216
Avg membership size	1,992	2,154	2,490	2,356	1,824	1,748	1,926	1,868

Migrations from Fully-Insured to Self Insured

	2002	2003	2004	2005	2006	2007	2008	2009
# of groups	9	2	9	11	10	10	6	8
Avg membership size	895	3,271	6,231	2,756	959	1,200	2,644	2,053

Commonly observed rationales for accounts opting to self-insure:

- Greater flexibility in crafting plan designs that meet the needs of employees
- Exemption from state-mandated benefits

- Enhanced cash flow, as self-insured groups pay claims only after being billed by the health plan, whereas fully-insured premiums are paid in advance of rendered services
- Employer groups, especially those with poor experience, find self-insurance requires that they be more proactive at managing their own risk
- Increased cost savings, as employers pay for actual claims incurred and not for administrative (overhead) expenses levied by most health insurers
- Ultimate decision-making authority over which benefit exceptions are permitted (as opposed to the ombudsmen at a health plan)

8) Please provide an overview of the reinsurance products that the newly self-insured employers purchase from your organization.

Most of the self-insured employers do not purchase reinsurance products from Harvard Pilgrim for two reasons:

1. They are large enough in size to absorb adverse financial impact due to high cost claims and require no reinsurance coverage, or
2. They purchase reinsurance products from carriers that specialize in providing reinsurance coverage to self-insured employers.

Harvard Pilgrim does, however, offer reinsurance products to self-insured employers through its wholly owned subsidiary, HPHC Insurance Company, Inc., which competes against the specialized reinsurance carriers in the marketplace. We offer both Specific Stop Loss and Aggregate Stop Loss coverage.

9) We found that the growth in spending for health care services in self-insured and insured large groups was faster than that in small and mid-sized groups. We also found that these groups generally offered richer benefit packages and have had a slower “buy-down” than the other markets. Has your organization found a similar trend? If so, to what can you attribute this trend? Are there other factors associated with this trend beside the cost-sharing differences for members? Has this trend continued in 2009 and 2010?

Our data supports that fully-insured large groups offer richer plans and have slower “buy-down”. One possible explanation is that the larger groups are more likely to be unionized and the employer must bargain with the union(s) over the health care package.

Questions Regarding Claims Trends

10) We found that increased prices were the most important driver of health care costs. We were unable to determine how much of the price increase was because of higher negotiated base rates and how much was because of care being delivered in more expensive settings. What do you believe to be the relative

contribution to price increases of this shift to more expensive locations? What solutions, if any, are you developing to address this trend?

Most of the increases in provider prices were due to increases in provider base rates. Of great importance is the sheer size and magnitude of certain integrated delivery systems or their centrality in the medical community given the specialized care they provide. These large providers are basically in a position of strength to demand reimbursement far in excess of other providers, and possibly far in excess of covering costs for teaching and research (if a factor) and/or for any cost shifting from public payers. In addition, there is a multiplier effect in that these entities can offer physicians higher rates of reimbursement based on their favorable contracts, which allow them to successfully recruit physicians, primary and specialty alike, from competing but smaller entities. The Commonwealth's existing regulatory structure presents few obstacles or financial disincentives for the growth of these entities into communities far from their base. This further inflates the cost of care in the suburbs and leads competing providers to also demand higher rates of reimbursement so that they can compete and retain their affiliated physician base.

There are several potential solutions. First, the state should prohibit hospitals from billing for services provided off of their primary campus at the same charges as apply to the primary campus. New sites should be treated as secondary facilities, and should be contracted for separately and at comparable rates for similar services available in the community. Second, "all-or-none contracting" with entire delivery systems should be banned. Health plans, on behalf of their employer customers, should have the ability to contract with only those facilities required in any particular geographic area. Third, a more comprehensive Determination of Need (DON) process should be implemented to counter the growth of unnecessary service expansions, new MRI magnets, unnecessary duplicative services, such as radiation therapy centers, etc. Each of these solutions would serve to restore balance to the process of rate negotiations, and slow price increases while maintaining access to, and quality of, services.

- 11) We found that expenditures on hospital outpatient facility services grew – both due to increases in prices and an increase in the volume of services. In examining your plan's experience, what have you found accounts for the growth of hospital facility services? Do you foresee the same factors continuing to drive high growth in facility charges in future years? What might be done to mitigate this cost growth?**

Each year, services that previously required a hospital stay are increasingly able to be safely managed in an outpatient setting. In addition, developments in surgical techniques, for example, that are less invasive encourage patients to seek services that in the past they may have declined due to long recovery time, hospital admissions, and so on. Both of these factors drive the volume of outpatient services up, and lead hospitals to negotiate increases for outpatient services that are higher than those for inpatient services. This is a trend likely to continue into the foreseeable future. Finally, while many outpatient services could be safely delivered in free-standing ambulatory surgical centers, most of this care continues to take place in the hospital outpatient setting where rates are higher, often much more so.

Harvard Pilgrim has championed greater transparency in provider rates for many years now. We are also looking at structuring health benefits in such a way that promotes greater consumer awareness of price differences. Finally, some of the solutions recommended in Question 10 above would help mitigate the cost increases in outpatient care.

- 12) By how much do the rates your organization pays vary when procedures are provided in hospital facilities, rather than free-standing facilities or in a physician's office? How do these rates correlate with underlying costs of these different providers?**

For the most part, outpatient services provided in a hospital setting are considerably more expensive than those provided at freestanding facilities. The extent of the difference depends on which service (radiology, lab, procedure), and which hospital the freestanding facility is compared with. One example is high end radiology. While most freestanding facilities are reimbursed at 100% of Harvard Pilgrim's fee schedule, hospital outpatient departments are reimbursed at rates that are as much as 250% of the fee schedule. While it may be reasonable to suggest that some variation in these rates is to be expected, the wide distribution of this variation raises serious questions about the extent to which rates are in fact reflective of underlying costs, an issue which we note is addressed in the Attorney General's Preliminary Report on Health Care Cost Trends and Cost Drivers, issued on January 29, 2010.

- 13) The growth in imaging services continues to be an important factor in cost growth. What steps are you taking, if any, to reduce the growth rate in imaging services? Do you have different pre-authorization policies for imaging services done in an outpatient facility, free-standing facility and a physician's office? If so, please provide a brief description.**

In 2003, Harvard Pilgrim determined that high-end radiology was an appropriate candidate for utilization review, given double-digit trends and literature suggesting that unnecessary tests are commonly ordered. After a review of vendors, National Imaging Associates (NIA) was selected to conduct this review. In 2004, following several months of intensive provider communication and training, a prior consultation program was instituted that requires ordering clinicians to contact NIA to obtain authorization. Within the first year, the utilization trend that had exceeded 9% per year went basically flat and has varied between 0% and 5% each year since.

Questions Regarding Provider Rate Negotiations

- 14) What factors do you consider when negotiating payment rates for inpatient care, facility charges for outpatient care, and physicians, and other professionals? Please explain each factor and rank them in the order of impact on negotiated rates.**

While it is very difficult to quantify the relative weight of each factor or the approach we take in negotiating provider rates, we can describe the process.

The process for negotiating rates of reimbursement with hospital, ancillary and physician providers consists of two main components: 1) Research and Analysis, and 2) Negotiation Discussions.

In the Research and Analysis component, we complete a comprehensive assessment of the provider to evaluate current levels of reimbursement and to determine acceptable levels of future reimbursement. Examples of information considered in the assessment include:

- General overview of the provider, including historical rate increases, number of beds, number of physicians, location, etc.
- Revenue highlights broken out by carrier and service category, including hospital profitability in aggregate and on Harvard Pilgrim business
- Payer mix
- Provider comparisons
- Quality performance
- Rates as a percent of Medicare

Data sources that support this assessment include publically available and internally derived analysis such as:

- Profile analyses which evaluate provider reimbursement and performance
- Analysis based on Medicare Cost Reports and the 403 Reports
- Benchmarking and comparative analysis
- Severity adjusted comparisons

The Negotiation Discussions component focuses on reaching agreement on reimbursement terms that are both reasonable and justifiable in terms of unit cost for all constituents. This process typically commences with a proposal from the provider. Counter-proposals are then exchanged until agreement is reached.

During the negotiation process, Harvard Pilgrim utilizes the cost information and any derived analysis in support of its proposal. Cost discussions are one of the key components of negotiations with hospitals, integrated delivery systems and physician groups. These discussions first focus on arriving at agreement on the definition of costs. From the Plan's perspective, we attempt to propose a definition of costs applicable to the delivery of medical services to our membership, effectively disallowing costs for which the provider is appropriately receiving reimbursement from other sources such as research and teaching. It is not uncommon for providers to propose that Harvard Pilgrim consider "shortfalls" from government payers as a component of allowable costs.

- 15) Is there a material difference in how you approach contracts when you are contracting with a healthcare system vs. contracting with organizations representing a single facility or provider group?**

Harvard Pilgrim approaches systems differently than individual providers due to the complex arrangements these systems have developed with their constituent parties, which can include physician groups, hospitals, ambulatory surgery centers, rehabilitation hospitals, and so on. As one might expect, the financial modeling and operational issues for such systems are more complex than for a single facility or provider group.

Reimbursement rates are generally higher for physician providers who negotiate through provider networks than rates for providers who are not part of a network. While there are some exceptions for certain specialty providers, for the most part large integrated delivery networks (IDNs) are paid more. The average rates for physicians negotiating through highly leveraged IDNs is 45% higher than rates negotiated through smaller, more loosely managed provider networks. Even these smaller networks, however, can be reimbursed 10-20% higher than some physicians with individual contracts. The difference in rates between the lowest reimbursed physicians and the highest can be as much as 300% for the same services. Some physician and hospital networks are paid well in excess of 200% of Medicare.

The difference in average rates between hospitals negotiating as integrated delivery systems and those negotiating as individual hospitals is not as extreme as the difference for physicians. An individual hospital, because of its size, geographic dominance, breadth of services, uniqueness of services or reputation, can have a leverage position that is much more difficult for an individual physician to achieve. Average rates at the IDN hospitals can be 25-40% higher than individual hospital rates. The variation in overall reimbursement to hospitals can also be as high as 300%, but the difference when comparing facility inpatient rates or outpatient rates can be as much as 300-400%.

16) We understand that certain systems demand higher rates because of geographic isolation, specialty practice and reputation. Please explain your understanding of this dynamic. Has this always been the case? Has this pattern changed over the past 10-20 years?

There are some providers in geographic areas and in certain provider specialties which have been unwilling to contract with Harvard Pilgrim unless it is at a level that they deem appropriate. If a provider is the sole provider in a geographic area, and Harvard Pilgrim is unable to reach agreement with such providers, we run the risk of losing the affected membership at renewal. The Plan might also be in danger of not meeting minimum network requirements for a given area which would likely limit our ability to sell new business in the area. There are also certain specialized providers, such as ambulance companies, ER physicians, anesthesiologists and radiologists, for which the plan and its members have limited ability to actively choose the physician who provides these services. As a result some specialty groups that provide the majority of services in a given facility or location will use that leverage in the negotiation process, if they choose to contract at all.

Also, certain providers, particularly in the Boston area, have developed a "brand" in terms of the types of care or services that they provide, and employers and members expect such providers to be included in any network. Examples of such brands include services related to teaching and

research, cancer care, orthopedics and pediatric specialties. The reputation of such providers gives them a good deal of leverage in contract negotiations with carriers.

This dynamic has remained in place since the first Tufts Health Plan-Partners impasse in 2000 that resulted in massive increases to Partners facilities and physicians

Questions Regarding Possible Approaches to Mitigating Cost Growth

- 17) **What actions is your organization currently undertaking that could slow the growth in premiums, including but not limited to alternative payment methods, provider network strategies, benefit designs and consumer information and incentives?**
- a. What current factors limit your ability to execute these strategies or limit their effectiveness?
 - b. What systemic or policy changes would allow you to carry out these strategies more effectively?
 - c. What other systemic or policy changes do you think would encourage or help healthcare providers to operate more effectively without reducing quality?

Harvard Pilgrim Health Care takes an aggressive and industry leading approach to medical cost containment. Over the past decade, we have implemented a number of successful programs design to help slow the growth in medical spending. Below are the first year savings for a sample of the programs we have implemented over the past decade:

- Health Advance = \$20 million
- Harvard Pilgrim Healthbeats = \$13 million
- Advanced Imaging (NIA) = \$11 million
- Payment Policies = \$11 million
- Your Care Champion = \$10 million
- Claims Audit = \$7 million
- ESRD = \$1 million

Recognizing that provider unit costs are the leading driver of increased costs, Harvard Pilgrim has taken the position for the past several years that hospitals and physicians should receive inflation-based increases only. Providers have responded that (1) their costs are increasing faster than both the general and medical CPI, (2) that their expansion needs, including capital investments, require increases greater than inflation, and/or (3) that competitor systems or groups command higher reimbursement from health plans which puts them at risk for losing their physicians to these competing entities. Despite these pressures, for the past several years, we have been able through our negotiations to reduce the aggregate provider unit cost trend from the prior year

One key example of a potentially significant cost containment initiative that we have not been undertaken (outside of our contract with the GIC) is the use of limited or tiered network

products. Ideally, these types of products should produce cost savings while maintaining or improving quality of care by providing members with both quality and cost information and financial incentives so they can choose providers wisely. Coupling quality and cost information is essential to ensure that members don't automatically assume that a high cost provider is necessarily better or that they choose lower cost providers purely on the basis of cost. In the long run, we believe this is the type of initiative that has the potential to bend the medical cost trend. Policymakers could make a number of changes to make these types of products more feasible. First, more cost and quality information could be made available to consumers through the HCQCC website. Second, the DOI could relax regulatory restrictions that prohibit carriers from making tier changes during the policy year, making it simpler for carriers to administer these products. Finally, the state could prohibit providers from contracting on an "all or nothing" basis, enabling carriers to contract only those parts of a multi-provider group that are cost effective or are needed to ensure adequate access to services

Questions Regarding Possible Approaches to Mitigating Cost Growth

- 18) Could enhanced competition or government intervention or a combination of both mitigate the cost trends found in the Division's report? Please describe the nature of the changes you would recommend. In addition, please address the following:**
- a) What would be the impact on your organization of making data public, regarding quality and the reimbursement rates paid by each carrier to each hospital or system in a manner that identifies all relevant organizations? What is the advantage or disadvantage to your organization of the current confidential system?**

Harvard Pilgrim believes that a robust, competitive marketplace is the best way to ensure quality and value for consumers. That said, and consistent with the findings of the AGO's Report on Health Care Cost Trends and Cost Drivers, there are currently distortions in the Massachusetts health care market that enable certain health care providers to be paid at significantly higher rates than other providers for some of similar services and this has been a key driver of increased premiums in recent years. We also worry about high quality, lower cost providers that are consistently weakened. We believe that government intervention could help to correct some of these distortions. We have provided examples of potential government interventions in our responses to Questions 3, 10 and 17

With respect to the Division's question about making provider reimbursement information publicly available, Harvard Pilgrim notes that it has long supported and championed for greater transparency in health care. We believe that more information about the cost and quality of provider services should be made available on the Health Care Quality and Cost Council website. However, if the state were to take transparency to its maximum potential and make publicly available the specific payment rates between each carrier and each provider, we would expect that lower paid providers would use this information to demand higher reimbursement. The market power of the particular provider would impact how successful they would be in

obtaining higher rates. To mitigate the impact that greater transparency might have on premiums, the state could adopt regulatory policies aimed at reducing the variation in provider rates.

Other Questions

- 19) Please identify any additional cost drivers that you believe should be examined in subsequent years and explain your reasoning.**

Harvard Pilgrim has none at this time.

- 20) Please provide any additional comments or observations you believe will help to inform our hearing and our final recommendations.**

Harvard Pilgrim has none at this time.

Exhibit C: AGO Questions for Written Testimony

Harvard Pilgrim Health Care

- 1) Please explain and submit a summary table showing the range of your relative commercial prices or payments from 2004-2008 for each acute care hospital and large physician group in Massachusetts (i.e., physicians who contract through a PHO, IPA, multi-specialty group, or other group arrangement).**

Harvard Pilgrim produced summary tables showing the range of its relative commercial payments from 2004 through 2008 for each Massachusetts acute care hospital and large physician organization in its provider network under the Civil Investigative Demand issued by the Office of the Attorney General for the Commonwealth of Massachusetts (AGO) to Harvard Pilgrim and other Massachusetts health plans and health care providers on April 17, 2009 (AGO CID 2009-HCD-019). Please find attached hereto in Appendix C-1 provider payment relativity summary tables that Harvard Pilgrim produced under the CID. The summary tables set forth reimbursement (or payment) relativity factors based on each provider's contract allowed reimbursement for actual 2004 through 2008 claims for all Harvard Pilgrim commercial products processed on its core administrative platform and any other additional provider payments (e.g., risk-sharing surplus, pay-for-performance or infrastructure payments). A more detailed explanation of the summary tables is set forth in Appendix C-1.

- 2) Please explain and submit supporting documents that show the results of any analysis you have done on the extent to which the range in your relative commercial prices for Massachusetts providers is correlated to: (1) the quality of care you have measured or tracked for the providers, (2) the sickness or complexity of the population being served, (3) the relative market position of the provider in your network, or (4) other factors that you have considered in negotiating and setting price or payment rates for providers.**

Harvard Pilgrim does not have any documents responsive to this request. On January 29, 2010, the AGO released its Preliminary Report on the *Investigation of Health Care Cost Trends and Cost Drivers*, based on its review of documentation and information submitted under the above-referenced CID. The AGO reported that it found no correlation between the significant range of reimbursement rates paid by the health plans and provider quality or patient mix. The AGO found instead that price variations were correlated to provider market leverage based on brand recognition or geography. Harvard Pilgrim is in general agreement with the findings and conclusions set forth in the AGO's Preliminary Report.

- 3) Please explain and submit a summary table showing the range of health status-adjusted fully-loaded total medical expenses you paid on a per member per month basis from 2004 to 2008 for each Massachusetts provider in your network who contracts through a PHO, IPA, multi-specialty group, or other group arrangement, with each provider**

identified by whether it was paid on a global payment basis (i.e., any form of risk payment with a potential for a deficit beyond retention) or on a fee-for-service basis. "Fully-loaded" means inclusive of all administrative, medical management, and other supplemental payments, including but not limited to bonuses, grants, infrastructure funding, and reinsurance recoveries.

Under the above-referenced CID, Harvard Pilgrim produced a summary table showing the range of health status-adjusted fully-loaded total medical expenses (TMEs) that Harvard Pilgrim paid on a per member per month basis from 2005 through 2008 for each Massachusetts physician organization in its provider network. Harvard Pilgrim is not able to provide fully-loaded TMEs for 2004 because it does not have sufficient data captured on other 2004 (non-claims based) provider payments to prepare an accurate listing. Please find attached hereto in Appendix C-2 the TME summary table that Harvard Pilgrim produced under the CID.

- 4) Please explain and submit a summary table showing your premium trends from 2004 to 2008 with details on how much of your premium trend resulted from increases in administrative costs, reserve practices, and medical trend, including the proportion of medical trend that resulted from (1) health care provider unit price increases, (2) changes in utilization, and (3) all other factors, such as changes in mix of services, mix of location of services, member demographics, and plan design.**

Please find attached hereto as Appendix C-3 a summary table of Harvard Pilgrim's premiums, claims, administrative expenses, and contribution to surplus for its core commercial business over the years 2004 through 2008. The table shows several very clear observations over the last three years:

- i. Premium PMPM trends have fallen from 9.1% (2006 over 2005) to 7.9% (2007 over 2006) to 5.4% (2008 over 2007)
- ii. The medical claims trend is higher than the premium trend for each of these three years.
- iii. This can also be seen in the increase in the medical loss ratio (MLR) from 82.9% for 2005 to 87.7% for 2008
- iv. As a result, the retention percentage has decreased from 17.1% for 2005 to 12.3% for 2008
- v. Expenses as a percentage of premiums have decreased from 13% for 2005 to 10.4% for 2008
- vi. Contribution to Surplus has decreased from 4.1% for 2005 to 1.9% for 2008.

Because premium trend has been less than the medical claims trend for the last several years, and despite the success of Harvard Pilgrim in reducing its expense percentages, the resulting shortfall has been made up by Harvard Pilgrim reducing its contribution to surplus.

Over the period 2004 through 2008, over 80% of the medical claims trend was attributable to increases in unit costs (i.e., provider rates).

- 5) Please explain and submit supporting documents that show how your organization has considered steps to reduce the premium trend for small groups and large groups, including any analysis of alternative payment mechanisms for providers, and any limited-network or tiered products for consumers.**

Please see Harvard Pilgrim's responses to questions 10 through 17 of the DHCFP Questions for Written Testimony (Exhibit B).

- 6) Please explain and submit supporting documents that show how your organization has considered steps to reduce the range of relative prices and total medical expenses you pay to providers in Massachusetts, including any analysis of alternative payment mechanisms for providers, and any limited-network or tiered products for consumers.**

Please see Harvard Pilgrim's responses to questions 10 through 17 of the DHCFP Questions for Written Testimony (Exhibit B).

Appendix C-1 Hospital and Physician Payment Relativity Factors for 2004-2008

As noted above in our response to AGO Question #1, the summary tables included in this Appendix set forth reimbursement (or payment) relativity factors based on each provider's contract allowed reimbursement for actual 2004 through 2008 claims for all Harvard Pilgrim commercial products processed on its core administrative platform. Claims for services provided to members enrolled in Harvard Pilgrim commercial products administered on other platforms (namely, the United HealthCare (UHC) platform for commercial PPO products marketed and sold under a joint venture between Harvard Pilgrim and UHC, and the separate platform of Health Plans, Inc., a wholly-owned subsidiary of Harvard Pilgrim that provides third party administrative services) were not included in the development of the summary tables.

In addition, Harvard Pilgrim is not able to provide a physician payment relativity summary table for 2004 because it does not have sufficient data captured on other 2004 (non-claims based) provider payments to prepare an accurate table. For the summary tables provided for large physician organizations (also referred to as Local Care Units or LCUs), the total annual allowed reimbursement each LCU was determined by adding the LCU's total annual claims revenue and any other additional provider payments (e.g., risk-sharing surplus, pay-for-performance or infrastructure payments). The relativity factor for each LCU was then calculated by taking the total allowed reimbursement for each year (2005 through 2008) and dividing it by a base neutral cost set at 100% of the standard base professional fee schedule.

For the relativity factors for hospital outpatient reimbursement, the factors were calculated by taking each hospital's total annual allowed reimbursement and dividing it by a base neutral cost set at 100% of the standard base hospital outpatient fee schedule. For accuracy, the reimbursement for outpatient services not listed on the applicable fee schedule was excluded in the calculation of the total annual allowed reimbursement.

For the relativity factors for hospital inpatient reimbursement, the factors were calculated by taking each hospital's total annual allowed reimbursement and dividing it by a base neutral cost which we set at the average DRG inpatient reimbursement rate across Harvard Pilgrim's Massachusetts acute care hospital network. For accuracy, reimbursement for sub-acute inpatient services or for claims that could not be priced under the All-Payer DRG grouper (version 21) were excluded in the calculation of the total annual allowed reimbursement.

The following documents are submitted as part of this Appendix C-1:

Massachusetts Hospital Payment Rate Relativity Tables

1. Hospital 2004
2. Hospital 2005
3. Hospital 2006
4. Hospital 2007
5. Hospital 2008

Massachusetts Physician Organization Payment Relativity Tables

1. 2005 Relativity Factors for LCUs
2. 2006 Relativity Factors for LCUs
3. 2007 Relativity Factors for LCUs
4. 2008 Relativity Factors for LCUs

APPENDIX C-1 HOSPITAL 2004
Relativity Factors for Hospitals
 Jan 2004- December 2006, paid through July 2009.

YEAR	2004
AG SVCF	(All)
PROD	(All)
CAR	(All)

SPROVID	HOSP	IP		OP		Total Sum of allowed	Total Sum of Eff Infflator
		Sum of allowed	Sum of Eff Infflator	Sum of allowed	Sum of Eff Infflator		
900068	DANA FARBER CANCER INST	\$1,087,547	79%	\$11,024,019	236%	\$12,111,566	200%
900087	MARTHAS VINEYARD HOSP	\$589,034	110%	\$2,662,002	242%	\$3,251,036	199%
900171	NANTUCKET COTTAGE HOSP	\$4,445	82%	\$119,146	202%	\$123,591	192%
900357	BERKSHIRE MEDICAL CENTER INC	\$248,089	96%	\$462,751	245%	\$710,840	159%
900038	FAIRVIEW HOSPITAL	\$63,993	115%	\$101,428	196%	\$165,421	154%
900018	CHILDRENS HOSPITAL	\$23,633,691	122%	\$14,113,944	184%	\$37,747,635	139%
900170	COOLEY DICKINSON HOSP	\$469,863	92%	\$893,098	160%	\$1,362,960	127%
900050	STURDY MEMORIAL HOSP	\$2,222,381	65%	\$4,844,365	218%	\$7,066,746	125%
900013	ST ANNES HOSPITAL	\$607,348	70%	\$1,625,154	163%	\$2,232,502	120%
903062	MARY LANE HOSPITAL	\$33,021	75%	\$164,833	131%	\$197,854	116%
901473	HUBBARD REGIONAL HOSP	\$6,999	35%	\$132,128	127%	\$139,128	112%
900146	HARRINGTON MEMORIAL HOSP	\$348,609	62%	\$1,140,537	147%	\$1,489,146	111%
900015	SOUTH SHORE HOSPITAL	\$12,722,762	75%	\$13,891,410	182%	\$26,614,173	109%
900043	MASS GENERAL HOSPITAL	\$26,947,191	88%	\$16,340,624	151%	\$43,287,815	105%
900524	WINCHESTER HOSPITAL	\$3,535,753	62%	\$6,548,970	147%	\$10,084,723	99%
900690	CLINTON HOSPITAL	\$41,587	65%	\$247,116	108%	\$288,703	98%
903063	FRANKLIN MEDICAL CNTR	\$103,988	67%	\$166,485	140%	\$270,473	98%
900007	FALMOUTH HOSPITAL	\$2,219,217	66%	\$3,827,841	137%	\$6,047,057	98%
900081	BETH ISRAEL DEACONESS-Needham	\$330,825	58%	\$1,259,058	117%	\$1,589,883	97%
900004	CAPE COD HOSPITAL	\$4,039,917	51%	\$9,527,703	157%	\$13,567,621	96%
900065	LAHEY CLINIC HOSPITAL	\$7,823,834	64%	\$11,899,388	142%	\$19,723,222	96%
900041	MILFORD WHITINSVILLE	\$2,017,746	53%	\$6,204,959	126%	\$8,222,705	94%
900002	JORDAN HOSPITAL INC	\$2,664,391	62%	\$5,241,360	124%	\$7,905,751	93%
900014	ST LUKES HOSPITAL	\$4,239,085	69%	\$4,212,523	141%	\$8,451,608	93%
900067	BETH ISRAEL DEACONESS	\$22,554,765	73%	\$17,766,905	140%	\$40,321,669	92%
900006	CHARLTON MEMORIAL HOSP	\$2,769,569	67%	\$2,783,461	144%	\$5,553,030	91%
900058	BRIGHAM AND WOMENS HOSP	\$53,201,465	83%	\$14,571,633	138%	\$67,773,098	91%
900096	UMASS MEMORIAL HEALTH CARE	\$12,093,717	80%	\$11,847,857	103%	\$23,941,574	90%
900016	TOBEY HOSPITAL	\$998,591	62%	\$1,404,153	130%	\$2,402,744	90%
900011	NORWOOD HOSPITAL	\$2,811,644	56%	\$5,067,214	133%	\$7,878,858	89%
903837	Nashoba Valley Medical Center	\$364,024	63%	\$755,631	106%	\$1,119,656	87%

IP Relativity Factor Calculation	OP Relativity Factor Calculation	Blended Relativity Factor Calculation
Base: 76%	Base: 137%	Base: 97%

Relativity Factors and Ranking

SPROVID	HOSP	Inpatient			Outpatient			Total			IP	OP
		Factor	Ranking	Factor	Ranking	Factor	Ranking	Factor	Ranking			
900068	DANA FARBER CANCER INST	1.03	10	1.72	3	2.07	1	39%	118%			
900087	MARTHAS VINEYARD HOSP	1.44	3	1.77	2	2.06	2	55%	122%			
900171	NANTUCKET COTTAGE HOSP	1.07	8	1.47	5	1.98	3	43%	105%			
900357	BERKSHIRE MEDICAL CENTER INC	1.26	4	1.78	1	1.64	4	61%	154%			
900038	FAIRVIEW HOSPITAL	1.51	2	1.43	6	1.59	5	75%	127%			
900018	CHILDRENS HOSPITAL	1.59	1	1.34	7	1.44	6	87%	132%			
900170	COOLEY DICKINSON HOSP	1.20	5	1.17	10	1.31	7	72%	126%			
900050	STURDY MEMORIAL HOSP	0.85	23	1.59	4	1.29	8	52%	174%			
900013	ST ANNES HOSPITAL	0.92	16	1.19	9	1.24	9	58%	136%			
903062	MARY LANE HOSPITAL	0.98	12	0.96	24	1.20	10	64%	113%			
901473	HUBBARD REGIONAL HOSP	0.46	66	0.93	26	1.16	11	31%	113%			
900146	HARRINGTON MEMORIAL HOSP	0.81	32	1.07	13	1.15	12	55%	133%			
900015	SOUTH SHORE HOSPITAL	0.99	11	1.33	8	1.12	13	69%	168%			
900043	MASS GENERAL HOSPITAL	1.15	6	1.10	12	1.08	14	84%	145%			
900524	WINCHESTER HOSPITAL	0.80	33	1.07	14	1.02	15	62%	149%			
900690	CLINTON HOSPITAL	0.84	25	0.79	40	1.02	16	66%	110%			
903063	FRANKLIN MEDICAL CNTR	0.87	21	1.02	19	1.01	17	68%	142%			
900007	FALMOUTH HOSPITAL	0.86	22	1.00	21	1.01	18	67%	140%			
900081	BETH ISRAEL DEACONESS-Needham	0.76	40	0.85	32	1.00	19	60%	121%			
900004	CAPE COD HOSPITAL	0.66	53	1.14	11	0.99	20	52%	163%			
900065	LAHEY CLINIC HOSPITAL	0.83	26	1.04	16	0.99	21	67%	149%			
900041	MILFORD WHITINSVILLE	0.70	51	0.91	27	0.97	22	57%	133%			
900002	JORDAN HOSPITAL INC	0.81	31	0.91	29	0.96	23	67%	134%			
900014	ST LUKES HOSPITAL	0.91	18	1.02	17	0.96	24	75%	152%			
900067	BETH ISRAEL DEACONESS	0.95	15	1.02	18	0.95	25	79%	152%			
900006	CHARLTON MEMORIAL HOSP	0.88	20	1.05	15	0.94	26	73%	156%			
900058	BRIGHAM AND WOMENS HOSP	1.09	7	1.00	20	0.94	27	91%	151%			
900096	UMASS MEMORIAL HEALTH CARE	1.05	9	0.75	48	0.93	28	89%	114%			
900016	TOBEY HOSPITAL	0.82	29	0.95	25	0.93	29	70%	145%			
900011	NORWOOD HOSPITAL	0.73	47	0.97	23	0.92	30	63%	146%			
903837	Nashoba Valley Medical Center	0.83	27	0.77	43	0.90	31	73%	122%			

sprovld	HOSP	IPOPFlag		Data		OP		Total Sum of allowed	Total Sum of Eff Inflator
		Sum of allowed	Inflator	Sum of Eff Inflator	Sum of Eff	Sum of allowed	Inflator		
9000009	GOOD SAMARITAN HOSPITAL	\$2,750,345	61%	\$3,867,192	124%	\$6,617,537	87%		
9000023	MT AUBURN HOSPITAL	\$4,716,871	62%	\$5,950,174	119%	\$10,667,045	85%		
900116	MARLBOROUGH HOSPITAL	\$306,218	40%	\$1,137,448	121%	\$1,443,666	84%		
909897	Northest Hospital Corporation	\$2,929,650	57%	\$4,855,097	114%	\$7,784,747	83%		
900019	BOSTON MEDICAL CENTER	\$7,872,240	75%	\$4,037,080	105%	\$11,909,320	83%		
903064	BAYSTATE MEDICAL CNTR	\$1,183,394	65%	\$815,431	134%	\$1,998,825	82%		
900444	NORTH SHORE MEDICAL CENTER	\$2,672,020	57%	\$5,225,573	106%	\$7,897,594	82%		
900127	ANNA JACQUES HOSPITAL	\$1,049,117	69%	\$1,227,294	96%	\$2,276,400	81%		
900020	NEW ENGLAND MEDICAL CENTER	\$8,400,301	70%	\$4,783,237	112%	\$13,183,538	81%		
900199	METROWEST MEDICAL CENTER	\$4,786,861	58%	\$7,202,701	109%	\$11,989,562	81%		
906576	Mercy Medical Center	\$73,385	74%	\$24,876	102%	\$98,261	80%		
901810	BROCKTON HOSPITAL INC	\$2,649,437	60%	\$3,480,734	104%	\$6,130,171	79%		
900066	SALEM HOSPITAL	\$368,056	46%	\$849,051	114%	\$1,217,107	79%		
900261	HEYWOOD HOSPITAL	\$318,680	33%	\$1,375,424	113%	\$1,694,104	78%		
900060	FAULKNER HOSPITAL	\$3,966,319	61%	\$4,932,510	99%	\$8,898,829	78%		
900098	MILTON HOSPITAL	\$678,845	43%	\$1,723,221	112%	\$2,402,066	78%		
900010	MORTON HOSP & MEDICAL CENTER	\$1,475,782	63%	\$3,135,260	88%	\$4,611,032	77%		
901060	HOLY FAMILY HOSPITAL	\$1,550,852	53%	\$2,292,393	111%	\$3,843,245	77%		
903024	Merrimack Valley Hospital	\$342,391	49%	\$813,990	102%	\$1,156,381	77%		
900022	CARTAS CARNEY HOSPITAL INC	\$1,336,355	57%	\$1,697,185	104%	\$3,033,540	77%		
900104	QUINCY MEDICAL CENTER INC	\$1,675,335	56%	\$2,375,167	102%	\$4,050,501	76%		
900047	MASS EYE AND EAR INFIRMARY	\$509,939	50%	\$3,111,281	80%	\$3,621,219	74%		
903005	SAINTS MEMORIAL	\$573,095	39%	\$1,554,849	107%	\$2,127,944	73%		
900042	NEWTON WELLESLEY HOSP	\$5,045,634	57%	\$6,541,347	92%	\$11,586,981	73%		
900156	ST ELIZABETHS HOSPITAL	\$4,189,117	61%	\$2,428,954	105%	\$6,618,071	72%		
909827	Halmark	\$1,935,813	47%	\$4,054,621	96%	\$5,990,434	72%		
900144	HEALTHALLANCE HOSPITAL	\$637,455	46%	\$1,142,848	101%	\$1,780,303	71%		
900140	LOWELL GENERAL HOSPITAL	\$2,271,642	56%	\$2,840,518	89%	\$5,112,159	70%		
900073	NEW ENGLAND BAPTIST HOSP	\$4,900,891	59%	\$2,703,546	102%	\$7,604,438	69%		
900187	EMERSON HOSPITAL	\$2,102,554	52%	\$4,162,377	82%	\$6,264,931	69%		
900366	HOLYOKE HOSPITAL INC	\$41,632	38%	\$86,066	100%	\$127,698	65%		
902271	NOBLE HOSPITAL	\$9,410	34%	\$57,528	75%	\$66,938	64%		
900334	THE CAMBRIDGE HEALTH	\$612,965	54%	\$1,042,274	69%	\$1,655,239	62%		
900072	ST VINCENT HOSPITAL	\$655,383	57%	\$189,948	90%	\$825,331	61%		
903078	WING MEMORIAL HOSP & MED CTR	\$49,359	38%	\$99,887	87%	\$149,247	61%		
900029	NORTH ADAMS REGIONAL HOSP	\$7,622	46%	\$23,985	67%	\$31,607	60%		
900788	LAWRENCE GENERAL HOSP	\$637,882	42%	\$776,345	69%	\$1,414,227	53%		
900896	ATHOL MEMORIAL HOSP	\$23,638	23%	\$126,036	70%	\$149,674	53%		

Factor	Ranking	Factor	Ranking	Factor	Ranking	IP	OP
0.80	36	0.91	28	0.90	32	70%	143%
0.81	30	0.87	31	0.88	33	73%	140%
0.52	62	0.88	30	0.87	34	47%	143%
0.75	43	0.83	33	0.86	35	69%	137%
0.98	13	0.77	44	0.85	36	90%	127%
0.85	24	0.97	22	0.85	37	79%	163%
0.74	44	0.78	42	0.85	38	69%	130%
0.90	19	0.70	57	0.84	39	85%	118%
0.92	17	0.81	37	0.84	40	86%	138%
0.76	39	0.79	39	0.83	41	72%	135%
0.97	14	0.74	50	0.82	42	93%	128%
0.79	37	0.76	47	0.82	43	76%	132%
0.60	58	0.83	34	0.81	44	58%	145%
0.44	68	0.82	35	0.80	45	43%	145%
0.80	35	0.72	55	0.80	46	79%	128%
0.57	60	0.82	36	0.80	47	56%	145%
0.83	28	0.63	62	0.80	48	82%	112%
0.70	50	0.81	38	0.80	49	69%	143%
0.64	55	0.74	52	0.80	50	64%	132%
0.75	41	0.76	46	0.79	51	75%	136%
0.73	46	0.74	51	0.79	52	74%	134%
0.65	54	0.58	64	0.76	53	88%	108%
0.52	63	0.78	41	0.76	54	54%	146%
0.75	42	0.67	58	0.75	55	79%	126%
0.80	34	0.76	45	0.74	56	85%	145%
0.61	56	0.70	56	0.74	57	65%	134%
0.60	57	0.74	53	0.73	58	65%	143%
0.73	48	0.65	60	0.73	59	79%	122%
0.77	38	0.74	49	0.71	60	85%	147%
0.69	52	0.60	63	0.71	61	76%	119%
0.50	64	0.73	54	0.67	62	58%	154%
0.45	67	0.55	65	0.66	63	53%	117%
0.70	49	0.50	68	0.64	64	86%	110%
0.74	45	0.66	59	0.63	65	92%	147%
0.49	65	0.63	61	0.62	66	62%	143%
0.60	59	0.49	69	0.62	67	76%	111%
0.54	61	0.50	67	0.55	68	78%	130%
0.30	69	0.51	66	0.54	69	43%	133%

APPENDIX C-1 HOSPITAL 2005
Relativity Factors for Hospitals
 Jan 2004 - December 2006, paid through July 2009.

YEAR	2005
AG SVCH (All)	
PROD (All)	
CAR (All)	

sprovld	HOSP	IP		OP		Total Sum of allowed	Total Sum of Eff Inflator
		Sum of allowed	Sum of Eff Inflator	Sum of allowed	Sum of Eff Inflator		
		Data		Data			
900171	NANTUCKET COTTAGE HOSP		0%	\$185,122	231%	\$185,122	231%
900087	MARTHAS VINEYARD HOSP	\$444,854	120%	\$3,080,227	233%	\$3,525,082	209%
900068	DANA FARBER CANCER INST	\$3,460,218	111%	\$19,580,775	211%	\$23,040,993	186%
900387	BERKSHIRE MEDICAL CENTER INC	\$385,305	120%	\$868,350	237%	\$1,253,655	183%
900038	FAIRVIEW HOSPITAL	\$143,623	122%	\$282,829	203%	\$426,452	166%
900018	CHILDRENS HOSPITAL	\$29,943,872	134%	\$22,822,582	176%	\$52,766,453	150%
900013	ST ANNES HOSPITAL	\$661,655	83%	\$2,032,529	178%	\$2,694,184	139%
900060	STURDY MEMORIAL HOSP	\$3,625,359	87%	\$6,755,080	201%	\$10,380,439	138%
900170	COOLEY DICKINSON HOSP	\$635,204	90%	\$1,379,325	197%	\$2,214,529	136%
903062	MARY LANE HOSPITAL	\$51,020	71%	\$273,484	139%	\$324,504	120%
900015	SOUTH SHORE HOSPITAL	\$16,542,181	89%	\$15,580,100	183%	\$32,132,280	119%
903063	FRANKLIN MEDICAL CNTR	\$79,567	73%	\$239,188	149%	\$318,755	118%
900043	MASS GENERAL HOSPITAL	\$38,765,763	99%	\$28,534,694	155%	\$67,300,457	117%
900096	UMASS MEMORIAL HEALTH CARE	\$18,026,354	92%	\$16,180,974	161%	\$34,207,328	115%
900065	LAHEY CLINIC HOSPITAL	\$10,928,987	76%	\$15,879,616	165%	\$26,808,602	112%
900058	BRIGHTMAN AND WOMENS HOSP	\$72,065,844	99%	\$25,829,860	168%	\$97,895,704	111%
900146	HARRINGTON MEMORIAL HOSP	\$619,966	71%	\$1,500,620	145%	\$2,120,586	111%
900654	WINCHESTER HOSPITAL	\$4,072,557	68%	\$8,129,006	154%	\$12,201,563	109%
900067	BETH ISRAEL DEACONESS	\$33,491,651	86%	\$27,877,892	139%	\$61,369,544	104%
900016	TOBEY HOSPITAL	\$1,137,702	71%	\$2,003,300	141%	\$3,141,002	104%
900014	ST LUKES HOSPITAL	\$4,336,133	72%	\$6,667,062	146%	\$11,023,195	104%
900041	MILFORD WHITINSVILLE	\$2,662,868	59%	\$7,588,869	138%	\$10,251,737	102%
900006	BETH ISRAEL DEACONESS-Needham	\$2,409,902	56%	\$1,986,714	130%	\$4,396,617	101%
900001	CHARLTON MEMORIAL HOSP	\$2,888,103	70%	\$3,713,681	151%	\$6,601,784	101%
900002	JORDAN HOSPITAL INC	\$3,020,515	65%	\$6,333,249	135%	\$9,353,764	101%
900444	NORTH SHORE MEDICAL CENTER	\$3,892,207	61%	\$9,496,393	139%	\$13,388,600	100%
900004	CAPE COD HOSPITAL	\$4,294,312	48%	\$12,566,771	159%	\$16,861,083	100%
900166	ST ELIZABETHS HOSPITAL	\$6,991,583	80%	\$4,764,476	146%	\$11,756,059	100%
900007	FALMOUTH HOSPITAL	\$1,713,528	63%	\$4,239,481	126%	\$5,973,010	98%
907419	VA Boston Healthcare System - Brockton		0%	\$15,568	98%	\$15,568	98%
900010	MORTON HOSP & MEDICAL CENTER	\$1,976,653	75%	\$4,160,236	114%	\$6,136,889	97%

IP Relativity Factor Calculation	OP Relativity Factor Calculation	Blended Relativity Factor Calculation
Base 88%	Base 148%	Base 109%

Relativity Factors and Ranking

Factor	Ranking	Factor	Rankin	Factor	Ranking	Factor	Ranking	IP	OP
0.00	70	1.56	3	2.14	1	0%	100%		
1.37	3	1.58	2	1.91	2	58%	112%		
1.27	5	1.43	4	1.70	3	60%	113%		
1.37	4	1.61	1	1.67	4	66%	130%		
1.39	2	1.37	5	1.52	5	73%	123%		
1.54	1	1.19	10	1.37	6	90%	118%		
0.95	13	1.21	9	1.27	7	60%	128%		
1.00	11	1.36	6	1.26	8	63%	145%		
1.03	9	1.33	7	1.25	9	66%	145%		
0.81	28	0.94	24	1.10	10	59%	115%		
1.02	10	1.24	8	1.09	11	75%	154%		
0.84	24	1.01	18	1.08	12	62%	126%		
1.14	6	1.05	15	1.07	13	85%	132%		
1.05	8	1.09	13	1.05	14	80%	140%		
0.86	20	1.12	12	1.02	15	68%	148%		
1.13	7	1.13	11	1.02	16	89%	151%		
0.81	29	0.98	21	1.02	17	64%	131%		
0.78	32	1.04	16	0.99	18	63%	142%		
0.99	12	0.93	26	0.95	19	83%	132%		
0.81	27	0.95	23	0.95	20	68%	136%		
0.82	26	0.99	19	0.95	21	69%	141%		
0.67	46	0.93	27	0.93	22	58%	135%		
0.64	52	0.88	32	0.93	23	55%	128%		
0.80	30	1.02	17	0.92	24	70%	150%		
0.75	34	0.91	30	0.92	25	65%	134%		
0.69	41	0.93	28	0.92	26	60%	137%		
0.55	57	1.07	14	0.92	27	48%	158%		
0.91	16	0.98	20	0.92	28	80%	146%		
0.72	37	0.85	38	0.90	29	64%	129%		
0.00	70	0.66	62	0.90	30	0%	100%		
0.85	21	0.77	45	0.89	31	76%	117%		

IP/OP Distribution

spravid	HOSP	IPOPFlag		Data		OP		Total Sum of allowed	Total Sum of Eff Inflator
		Sum of allowed	Inflator	Sum of Eff	Sum of allowed	Sum of Eff			
900011	NORWOOD HOSPITAL	\$3,321,763	61%	\$6,050,002	145%	\$9,371,765	97%		
900690	CLINTON HOSPITAL	\$66,792	50%	\$395,379	145%	\$461,170	97%		
901473	HUBBARD REGIONAL HOSP	\$56,467	35%	\$334,737	137%	\$391,204	97%		
907422	VA Boston Healthcare System - Jamaica Plain	\$3,792	74%	\$75,591	97%	\$79,383	96%		
903064	BAYSTATE MEDICAL CNTR	\$1,690,625	82%	\$799,676	136%	\$2,490,301	95%		
900116	MARLBOROUGH HOSPITAL	\$313,537	41%	\$1,410,254	130%	\$1,723,791	93%		
909897	Northeast Hospital Corporation	\$4,159,100	65%	\$6,339,786	128%	\$10,498,886	92%		
903837	Nashoba Valley Medical Center	\$323,421	61%	\$992,271	110%	\$1,315,693	92%		
900042	NEWTON WELLESLEY HOSP	\$7,981,433	74%	\$9,986,517	114%	\$17,967,949	92%		
900023	MT AUBURN HOSPITAL	\$5,971,583	69%	\$7,289,616	126%	\$13,261,198	92%		
900261	HEYWOOD HOSPITAL	\$360,445	36%	\$1,804,282	129%	\$2,164,727	91%		
900060	FALLKNER HOSPITAL	\$5,522,324	66%	\$7,843,905	124%	\$13,366,229	91%		
900020	NEW ENGLAND MEDICAL CENTER	\$12,725,957	80%	\$7,382,179	108%	\$20,108,136	89%		
906576	Mercy Medical Center	\$283,298	78%	\$1,344,639	120%	\$2,117,937	89%		
900127	ANNA JACQUES HOSPITAL	\$1,176,630	73%	\$1,655,391	104%	\$2,831,712	88%		
900009	GOOD SAMARITAN HOSPITAL	\$2,969,043	60%	\$4,188,957	133%	\$7,158,001	88%		
907421	VA Boston Healthcare System - W.Roxbury	\$58,251	77%	\$67,699	103%	\$115,950	88%		
900019	BOSTON MEDICAL CENTER	\$10,387,220	77%	\$6,055,354	110%	\$16,442,574	87%		
901060	HOLY FAMILY HOSPITAL	\$1,808,945	59%	\$2,685,189	127%	\$4,494,134	86%		
900199	METROWEST MEDICAL CENTER	\$5,465,666	60%	\$8,884,257	117%	\$14,319,923	86%		
903005	SAINTS MEMORIAL	\$654,988	40%	\$2,257,071	120%	\$2,912,060	83%		
900187	EMERSON HOSPITAL	\$2,696,263	57%	\$5,812,360	106%	\$8,508,622	83%		
900098	MILTON HOSPITAL	\$911,986	43%	\$2,324,110	126%	\$3,236,096	82%		
900047	MASS EYE AND EAR INFIRMARY	\$730,411	59%	\$3,806,061	88%	\$4,536,472	81%		
909827	Hallmark	\$2,121,425	50%	\$5,233,818	109%	\$7,355,244	81%		
903078	WING MEMORIAL HOSP & MED CTR	\$35,114	44%	\$140,200	103%	\$175,314	81%		
900022	CARTAS CARNEY HOSPITAL INC	\$1,606,282	61%	\$2,201,437	106%	\$3,807,719	81%		
901810	BROCKTON HOSPITAL INC	\$2,728,753	57%	\$3,662,406	114%	\$6,391,159	80%		
902271	NOBLE HOSPITAL	\$12,467	44%	\$77,468	92%	\$89,935	80%		
903024	Merrimack Valley Hospital	\$346,687	48%	\$887,064	108%	\$1,233,751	80%		
900366	HOLYOKE HOSPITAL INC	\$100,076	58%	\$126,829	111%	\$226,905	79%		
900104	QUINCY MEDICAL CENTER INC	\$2,222,662	56%	\$2,864,009	106%	\$5,086,691	76%		
900029	NORTH ADAMS REGIONAL HOSP	\$4,980	45%	\$30,473	85%	\$35,453	76%		
900144	HEALTHALLANCE HOSPITAL	\$339,118	41%	\$1,402,543	110%	\$1,941,661	75%		
900073	NEW ENGLAND BAPTIST HOSP	\$6,657,210	64%	\$3,753,322	109%	\$10,410,532	75%		
900140	LOWELL GENERAL HOSPITAL	\$3,035,049	58%	\$4,084,494	91%	\$7,119,543	73%		
900334	THE CAMBRIDGE HEALTH	\$820,845	52%	\$1,549,682	78%	\$2,370,527	67%		
900072	ST VINCENT HOSPITAL	\$2,516,974	58%	\$1,376,836	87%	\$3,893,810	66%		
900896	ATHOL MEMORIAL HOSP	\$16,500	23%	\$177,932	71%	\$194,432	60%		
900788	LAWRENCE GENERAL HOSP	\$547,875	46%	\$1,110,378	84%	\$2,058,254	60%		

Factor	Ranking	Factor	Ranking	Factor	Ranking	Factor	Ranking	IP	OP
0.69	40	0.98	22	0.89	32	62%	149%		
0.58	55	0.78	44	0.89	33	52%	118%		
0.40	68	0.93	29	0.89	34	36%	142%		
0.84	23	0.65	63	0.87	35	78%	101%		
0.94	14	0.93	25	0.87	36	87%	146%		
0.46	65	0.88	33	0.85	37	44%	140%		
0.74	35	0.86	35	0.84	38	70%	139%		
0.70	39	0.75	49	0.84	39	66%	120%		
0.85	22	0.77	47	0.84	40	81%	124%		
0.79	31	0.86	37	0.84	41	75%	138%		
0.42	67	0.88	34	0.83	42	40%	143%		
0.75	33	0.84	40	0.83	43	73%	136%		
0.92	15	0.73	54	0.81	44	91%	122%		
0.90	17	0.81	41	0.81	45	89%	136%		
0.83	25	0.71	59	0.81	46	82%	118%		
0.68	43	0.90	31	0.80	47	68%	151%		
0.87	19	0.69	60	0.80	48	87%	117%		
0.88	18	0.75	50	0.79	49	89%	127%		
0.67	45	0.86	36	0.79	50	68%	145%		
0.68	42	0.79	43	0.78	51	70%	136%		
0.46	66	0.81	42	0.76	52	49%	144%		
0.65	51	0.72	56	0.76	53	68%	128%		
0.49	63	0.85	39	0.75	54	53%	154%		
0.68	44	0.59	66	0.74	55	73%	108%		
0.57	56	0.73	53	0.74	56	62%	134%		
0.51	61	0.69	61	0.74	57	55%	126%		
0.70	38	0.72	57	0.74	58	76%	131%		
0.66	50	0.77	46	0.73	59	72%	142%		
0.50	62	0.63	64	0.73	60	54%	116%		
0.55	58	0.73	55	0.73	61	60%	135%		
0.66	48	0.75	48	0.72	62	73%	141%		
0.64	53	0.72	58	0.70	63	73%	139%		
0.52	60	0.58	68	0.69	64	60%	112%		
0.47	64	0.74	51	0.69	65	55%	146%		
0.73	36	0.74	52	0.69	66	85%	145%		
0.66	49	0.62	85	0.67	67	79%	125%		
0.59	54	0.53	70	0.61	68	78%	118%		
0.67	47	0.59	67	0.60	69	88%	132%		
0.26	69	0.48	71	0.55	70	38%	118%		
0.52	59	0.57	69	0.55	71	75%	139%		

APPENDIX C-1 HOSPITAL 2006
Relativity Factors for Hospitals
 Jan 2004- December 2006, paid through July 2009.

YEAR	2006
AG_SVC	(All)
PROD	(All)
CAR	(All)

SPROVID	HOSP	IP		OP		Total Sum of allowed	Total Sum of Eff Inflat
		Sum of allowed	Sum of Eff Inflat	Sum of allowed	Sum of Eff Inflat		
900087	MARTHAS VINEYARD HOSP	\$351,001	105%	\$2,872,910	259%	\$3,223,911	223%
900171	NANTUCKET COTTAGE HOSP	\$9,446	66%	\$213,901	246%	\$223,347	220%
900357	BERKSHIRE MEDICAL CENTER INC	\$214,422	106%	\$1,024,332	264%	\$1,238,755	210%
900068	DANA FARBER CANCER INST	\$3,300,162	130%	\$32,094,202	221%	\$35,394,364	207%
900038	FAIRVIEW HOSPITAL	\$67,295	98%	\$332,512	216%	\$399,807	180%
900170	COOLEY DICKINSON HOSP	\$1,639,610	118%	\$2,644,848	230%	\$4,284,458	168%
900018	CHILDRENS HOSPITAL	\$31,256,759	142%	\$24,922,102	187%	\$56,178,861	159%
900013	ST ANNES HOSPITAL	\$631,391	91%	\$2,821,767	190%	\$3,453,158	159%
900050	STURDY MEMORIAL HOSP	\$3,044,486	97%	\$7,125,497	212%	\$10,169,984	156%
907421	VA Boston Healthcare System - W.Roxbury	\$546,650	149%	\$132,565	118%	\$679,415	142%
903063	FRANKLIN MEDICAL CNTR	\$137,083	92%	\$312,356	177%	\$449,438	138%
900043	MASS GENERAL HOSPITAL	\$45,957,449	110%	\$40,354,967	184%	\$86,312,416	135%
900444	NORTH SHORE MEDICAL CENTER	\$6,704,222	88%	\$12,856,161	185%	\$19,560,383	134%
900096	UMASS MEMORIAL HEALTH CARE	\$21,292,545	104%	\$20,755,274	174%	\$42,047,819	130%
900058	BRIGHAM AND WOMENS HOSP	\$81,452,089	111%	\$33,803,182	210%	\$115,255,271	128%
900060	FAULKNER HOSPITAL	\$6,844,846	83%	\$11,999,535	184%	\$18,844,381	128%
900015	SOUTH SHORE HOSPITAL	\$17,248,012	95%	\$17,309,458	191%	\$34,557,470	127%
900042	NEWTON WELLESLEY HOSP	\$9,424,603	93%	\$14,358,337	154%	\$23,782,940	122%
903062	MARY LANE HOSPITAL	\$46,161	51%	\$362,699	146%	\$408,859	121%
909897	Northeast Hospital Corporation	\$5,304,259	80%	\$9,412,991	169%	\$14,717,249	121%
900065	LAHEY CLINIC HOSPITAL	\$15,551,636	87%	\$17,456,616	178%	\$33,008,252	119%
909827	Hallmark	\$3,459,244	73%	\$8,139,641	155%	\$11,598,885	116%
900156	ST ELIZABETHS HOSPITAL	\$6,803,915	95%	\$5,095,225	160%	\$11,899,140	115%
900146	HARRINGTON MEMORIAL HOSP	\$408,474	65%	\$1,089,758	160%	\$1,508,232	115%
900524	WINCHESTER HOSPITAL	\$4,502,369	79%	\$8,632,181	147%	\$13,134,550	114%
900067	BETH ISRAEL DEACONESS	\$37,479,328	94%	\$34,045,841	145%	\$71,525,170	113%
901473	HUBBARD REGIONAL HOSP	\$76,880	49%	\$350,804	155%	\$427,684	112%
906576	Mercy Medical Center	\$300,204	103%	\$242,333	124%	\$542,536	111%
900007	FALMOUTH HOSPITAL	\$1,507,241	56%	\$5,315,859	154%	\$6,823,100	111%
900014	ST LUKES HOSPITAL	\$3,524,313	80%	\$5,657,558	144%	\$9,181,871	110%
900041	MILFORD WHITINSVILLE	\$3,126,120	65%	\$8,452,989	147%	\$11,579,108	110%

IP Relativity Factor Calculation	OP Relativity Factor Calculation	Blended Relativity Factor Calculation
Base: 97%	Base: 167%	Base: 124%

Relativity Factors and Ranking

SPROVID	HOSP	Inpatient			Outpatient			Total			IP/OP Distribution	
		Factor	Ranking	Factor	Ranking	Factor	Ranking	Factor	Ranking	IP	OP	
900087	MARTHAS VINEYARD HOSP	1.08	8	1.55	2	1.81	1	47%	116%			
900171	NANTUCKET COTTAGE HOSP	0.68	40	1.47	3	1.78	2	30%	112%			
900357	BERKSHIRE MEDICAL CENTER INC	1.10	7	1.58	1	1.70	3	51%	126%			
900068	DANA FARBER CANCER INST	1.34	3	1.32	5	1.68	4	63%	107%			
900038	FAIRVIEW HOSPITAL	1.01	11	1.29	6	1.45	5	55%	120%			
900170	COOLEY DICKINSON HOSP	1.22	4	1.37	4	1.36	6	70%	136%			
900018	CHILDRENS HOSPITAL	1.47	2	1.12	11	1.29	7	89%	117%			
900013	ST ANNES HOSPITAL	0.94	18	1.14	10	1.28	8	58%	120%			
900050	STURDY MEMORIAL HOSP	1.00	12	1.27	7	1.26	9	62%	135%			
907421	VA Boston Healthcare System - W.Roxbury	1.54	1	0.71	55	1.15	10	105%	83%			
903063	FRANKLIN MEDICAL CNTR	0.94	17	1.06	16	1.11	11	67%	128%			
900043	MASS GENERAL HOSPITAL	1.13	6	1.10	13	1.09	12	81%	136%			
900444	NORTH SHORE MEDICAL CENTER	0.90	19	1.11	12	1.08	13	65%	138%			
900096	UMASS MEMORIAL HEALTH CARE	1.08	9	1.04	17	1.05	14	80%	134%			
900058	BRIGHAM AND WOMENS HOSP	1.14	5	1.26	8	1.04	15	86%	163%			
900060	FAULKNER HOSPITAL	0.86	24	1.10	14	1.03	16	65%	144%			
900015	SOUTH SHORE HOSPITAL	0.98	14	1.15	9	1.02	17	75%	151%			
900042	NEWTON WELLESLEY HOSP	0.96	16	0.92	25	0.99	18	76%	126%			
903062	MARY LANE HOSPITAL	0.53	60	0.87	32	0.98	19	43%	121%			
909897	Northeast Hospital Corporation	0.83	26	1.01	18	0.97	20	66%	140%			
900065	LAHEY CLINIC HOSPITAL	0.89	20	1.06	15	0.96	21	73%	149%			
909827	Hallmark	0.76	34	0.93	22	0.94	22	63%	133%			
900156	ST ELIZABETHS HOSPITAL	0.98	13	0.96	20	0.93	23	83%	139%			
900146	HARRINGTON MEMORIAL HOSP	0.68	41	0.96	21	0.93	24	57%	139%			
900524	WINCHESTER HOSPITAL	0.81	29	0.88	27	0.92	25	69%	130%			
900067	BETH ISRAEL DEACONESS	0.97	15	0.87	35	0.91	26	83%	128%			
901473	HUBBARD REGIONAL HOSP	0.51	63	0.93	23	0.90	27	44%	138%			
906576	Mercy Medical Center	1.06	10	0.74	44	0.90	28	92%	112%			
900007	FALMOUTH HOSPITAL	0.58	55	0.92	24	0.90	29	50%	139%			
900014	ST LUKES HOSPITAL	0.82	27	0.86	36	0.89	30	73%	131%			
900041	MILFORD WHITINSVILLE	0.67	42	0.88	28	0.89	31	59%	134%			

sprovld	HOSP	IPOPFlag		Data		OP		Total Sum of allowed	Total Sum of Eff Inflator	Factor	Ranking	Factor	Ranking	Factor	Ranking	IP	OP
		Sum of allowed	Inflator	Sum of Eff Inflator	Sum of allowed	Sum of Eff Inflator											
900016	TOBEY HOSPITAL			\$1,442,103	81%	\$2,091,855	142%	\$3,533,958	109%	0.84	25	0.85	37	0.88	32	75%	131%
900081	BETH ISRAEL DEACONESS-Needham			\$682,393	55%	\$2,575,591	146%	\$3,257,983	109%	0.57	56	0.88	30	0.88	30	51%	134%
900261	HEYWOOD HOSPITAL			\$341,072	39%	\$2,278,714	146%	\$2,619,786	107%	0.40	67	0.87	33	0.87	34	36%	136%
900002	JORDAN HOSPITAL INC			\$3,750,222	69%	\$7,640,193	146%	\$11,390,415	107%	0.72	36	0.88	29	0.87	35	65%	137%
900004	CARE COD HOSPITAL			\$3,827,273	47%	\$13,158,307	167%	\$16,985,580	106%	0.49	69	1.00	19	0.86	36	44%	157%
900006	CHARLTON MEMORIAL HOSP			\$3,363,777	79%	\$3,832,793	146%	\$7,196,570	105%	0.82	28	0.87	31	0.85	37	76%	139%
900690	CLINTON HOSPITAL			\$72,776	54%	\$462,101	123%	\$534,877	105%	0.56	57	0.73	47	0.85	38	52%	117%
900020	NEW ENGLAND MEDICAL CENTER			\$11,020,607	85%	\$9,866,193	134%	\$20,888,800	102%	0.87	23	0.80	40	0.83	39	83%	131%
900047	MASS EYE AND EAR INFIRMARY			\$622,183	60%	\$4,896,333	111%	\$5,518,517	101%	0.62	53	0.66	60	0.82	40	59%	110%
900011	NORWOOD HOSPITAL			\$3,334,846	60%	\$6,657,435	152%	\$9,992,280	101%	0.62	51	0.91	26	0.81	41	60%	151%
907422	VA Boston Healthcare System - Jamaica Plain				0%	\$209,450	99%	\$209,450	99%	0.00	71	0.59	64	0.80	42	0%	100%
900023	MT AUBURN HOSPITAL			\$6,608,398	72%	\$8,784,970	136%	\$15,393,368	98%	0.74	35	0.81	39	0.79	43	73%	138%
903064	BAYSTATE MEDICAL CNTR			\$1,968,408	85%	\$1,331,784	122%	\$3,300,192	97%	0.88	22	0.73	49	0.78	44	88%	126%
900009	GOOD SAMARITAN HOSPITAL			\$3,118,300	65%	\$4,470,913	145%	\$7,589,214	96%	0.67	43	0.87	34	0.78	45	67%	151%
900187	EMERSON HOSPITAL			\$3,037,794	60%	\$6,463,367	129%	\$9,501,361	94%	0.62	52	0.77	42	0.76	46	63%	137%
903837	Nashoba Valley Medical Center			\$605,885	69%	\$1,315,086	111%	\$1,820,971	94%	0.70	36	0.66	59	0.76	47	72%	118%
900127	ANNA JACQUES HOSPITAL			\$1,324,882	75%	\$2,078,684	113%	\$3,403,566	94%	0.77	32	0.68	58	0.76	48	80%	120%
900116	MARLBOROUGH HOSPITAL			\$390,221	44%	\$1,572,228	133%	\$1,962,449	94%	0.45	66	0.79	41	0.76	49	46%	141%
900019	BOSTON MEDICAL CENTER			\$12,414,098	85%	\$7,027,885	117%	\$19,441,983	94%	0.88	21	0.70	56	0.76	50	90%	124%
901060	HOLY FAMILY HOSPITAL			\$1,742,993	64%	\$3,179,624	126%	\$4,922,617	94%	0.66	45	0.76	43	0.76	51	66%	134%
900010	MORTON HOSP & MEDICAL CENTER			\$2,096,733	76%	\$3,914,363	107%	\$6,011,096	93%	0.78	31	0.64	62	0.75	52	81%	114%
903078	WING MEMORIAL HOSP & MED CTR			\$89,587	63%	\$172,550	122%	\$262,137	93%	0.65	46	0.73	48	0.75	53	68%	132%
900199	METROWEST MEDICAL CENTER			\$5,689,094	66%	\$9,091,514	123%	\$14,680,608	92%	0.68	39	0.74	46	0.74	54	71%	133%
900098	MILTON HOSPITAL			\$1,159,171	50%	\$2,679,160	141%	\$3,838,331	91%	0.52	62	0.84	38	0.74	55	55%	154%
903024	Merrimack Valley Hospital			\$510,455	64%	\$889,371	120%	\$1,399,826	91%	0.66	44	0.72	52	0.74	56	70%	132%
907419	VA Boston Healthcare System - Brockton			\$7,816	74%	\$26,035	97%	\$33,852	90%	0.76	33	0.58	65	0.73	57	82%	107%
900022	CARITAS CARNEY HOSPITAL INC			\$1,288,037	63%	\$2,174,897	114%	\$3,462,934	88%	0.65	47	0.68	57	0.71	58	72%	130%
900144	HEALTHALLIANCE HOSPITAL			\$642,174	48%	\$1,847,070	121%	\$2,489,244	87%	0.50	64	0.72	50	0.71	59	56%	138%
907420	Northampton VA Medical Center				0%	\$200	87%	\$200	87%	0.00	71	0.52	70	0.70	60	0%	100%
900072	ST VINCENT HOSPITAL			\$3,424,669	78%	\$1,978,885	99%	\$5,403,554	85%	0.81	30	0.59	63	0.68	61	92%	117%
900366	HOLYOKE HOSPITAL INC			\$97,112	54%	\$1,807,751	121%	\$2,777,863	84%	0.56	58	0.72	51	0.68	62	64%	143%
900104	QUINCY MEDICAL CENTER INC			\$2,220,842	63%	\$3,135,451	110%	\$5,356,293	84%	0.65	48	0.66	61	0.68	63	75%	131%
901810	BROCKTON HOSPITAL INC			\$2,733,330	59%	\$3,659,990	119%	\$6,443,321	83%	0.61	54	0.71	53	0.67	64	72%	143%
902271	NOBLE HOSPITAL			\$20,160	54%	\$87,482	94%	\$107,622	82%	0.56	59	0.56	68	0.67	65	65%	114%
900073	NEW ENGLAND BAPTIST HOSP			\$7,921,432	68%	\$4,115,045	124%	\$12,036,477	80%	0.70	37	0.74	45	0.65	66	85%	154%
900140	LOWELL GENERAL HOSPITAL			\$3,060,854	63%	\$4,454,963	95%	\$7,505,817	79%	0.65	49	0.57	66	0.64	67	80%	121%
903005	SAINTS MEMORIAL			\$698,199	35%	\$2,337,112	119%	\$3,035,311	77%	0.36	69	0.71	54	0.62	68	46%	155%
900334	THE CAMBRIDGE HEALTH			\$977,169	61%	\$1,906,909	84%	\$2,884,078	74%	0.63	50	0.50	71	0.60	69	82%	113%
900788	LAWRENCE GENERAL HOSP			\$1,460,925	51%	\$1,353,951	94%	\$2,814,876	65%	0.52	61	0.56	67	0.53	70	78%	144%
900029	NORTH ADAMS REGIONAL HOSP			\$13,326	37%	\$32,077	90%	\$45,404	64%	0.38	68	0.54	69	0.51	71	59%	142%
900896	ATHOL MEMORIAL HOSP			\$22,042	25%	\$149,443	67%	\$171,485	55%	0.26	70	0.40	72	0.45	72	45%	122%

APPENDIX C-1 HOSPITAL 2007
Relativity Factors for Hospitals
 Jan 2007 - December 2008, paid through July 2009.

YEAR	2007	IP		OP		Total	Total Sum of Eff Inflator
AG_SVC	(All)	Inpatient	Data	Outpatient		Total	
PROD	(All)	IPOPFlag					
CAR	(All)						
		Sum of allowed	Inflator	Sum of allowed	Inflator	Total Sum of allowed	Total Sum of Eff Inflator
907421	VA Boston Healthcare System - W.Roxbury	\$846,293	286%	\$138,845	129%	\$985,138	244%
900087	MARTHAS VINEYARD HOSP	\$510,866	140%	\$2,994,544	262%	\$3,505,410	232%
900171	NANTUCKET COTTAGE HOSP	\$11,002	147%	\$199,915	235%	\$210,917	227%
900068	DANA FARBER CANCER INST	\$3,411,321	134%	\$31,586,734	221%	\$34,998,055	208%
900038	FAIRVIEW HOSPITAL	\$35,336	152%	\$151,562	224%	\$186,898	206%
900018	CHILDRENS HOSPITAL	\$40,221,288	171%	\$23,337,315	230%	\$63,558,604	189%
900170	COOLEY DICKINSON HOSP	\$1,579,710	121%	\$2,963,188	250%	\$4,532,897	182%
900013	ST ANNES HOSPITAL	\$517,553	99%	\$3,301,743	210%	\$3,819,296	182%
900357	BERKSHIRE MEDICAL CENTER INC	\$569,998	133%	\$699,054	251%	\$1,269,052	180%
900050	STURDY MEMORIAL HOSP	\$3,142,601	97%	\$8,020,324	232%	\$11,162,926	166%
900063	FRANKLIN MEDICAL CNTR	\$175,865	87%	\$505,588	227%	\$681,454	160%
900043	MASS GENERAL HOSPITAL	\$49,894,741	121%	\$46,544,909	206%	\$96,439,649	151%
900146	HARRINGTON MEMORIAL HOSP	\$354,852	81%	\$1,520,535	186%	\$1,875,387	150%
900444	NORTH SHORE MEDICAL CENTER	\$7,452,724	94%	\$13,649,063	205%	\$21,101,787	145%
900058	BRIGHTON AND WOMENS HOSP	\$91,327,418	122%	\$39,298,511	234%	\$130,625,929	143%
900015	SOUTH SHORE HOSPITAL	\$20,969,932	112%	\$18,508,881	200%	\$39,478,813	141%
900042	NEWTON WELLESLEY HOSP	\$11,898,506	94%	\$20,391,300	199%	\$32,289,806	139%
900096	UMASS MEMORIAL HEALTH CARE	\$20,122,140	105%	\$23,616,618	193%	\$43,738,758	137%
900065	LAHEY CLINIC HOSPITAL	\$17,257,501	99%	\$20,485,216	202%	\$37,742,717	135%
900060	FAULKNER HOSPITAL	\$6,832,359	93%	\$12,498,156	179%	\$19,330,516	133%
900987	Halmark	\$3,768,083	77%	\$10,099,322	182%	\$13,867,385	133%
903078	WING MEMORIAL HOSP & MED CTR	\$31,116	57%	\$10,358,082	160%	\$245,198	131%
900987	Northeast Hospital Corporation	\$5,262,759	86%	\$9,834,401	168%	\$15,097,160	126%
900281	HEYWOOD HOSPITAL	\$407,156	43%	\$2,811,702	172%	\$3,218,857	124%
900156	ST ELIZABETHS HOSPITAL	\$5,766,824	102%	\$4,884,688	161%	\$10,651,512	122%
900524	WINCHESTER HOSPITAL	\$5,136,424	86%	\$9,849,026	154%	\$14,985,450	121%
900016	TOBEV HOSPITAL	\$1,736,589	98%	\$2,344,077	146%	\$4,080,667	121%
900014	ST LUKES HOSPITAL	\$4,476,583	99%	\$6,199,863	144%	\$10,676,446	121%
900067	BETH ISRAEL DEACONESS	\$42,780,982	101%	\$38,145,682	155%	\$80,926,664	121%
900081	BETH ISRAEL DEACONESS-Needham	\$669,920	57%	\$3,076,229	157%	\$3,746,149	120%

IP Relativity Factor Calculation	OP Relativity Factor Calculation	Blended Relativity Factor Calculation
Base 108%	Base 182%	Base 136%

Relativity Factors and Ranking

Inpatient	Outpatient	Total	IP/OP Distribution
Factor	Factor	Factor	IP
Ranking	Ranking	Ranking	OP

2.63	1	0.71	50	1.80	1	117%
1.29	5	1.44	1	1.71	2	60%
1.35	4	1.29	4	1.67	3	64%
1.24	6	1.21	10	1.53	4	65%
1.40	3	1.23	9	1.51	5	74%
1.57	2	1.26	7	1.39	6	91%
1.12	9	1.37	3	1.34	7	66%
0.91	18	1.15	11	1.34	8	54%
1.23	7	1.38	2	1.32	9	74%
0.89	22	1.28	6	1.22	10	58%
0.80	28	1.24	8	1.18	11	54%
1.11	10	1.13	12	1.11	12	80%
0.75	33	1.02	18	1.10	13	54%
0.87	23	1.13	13	1.07	14	65%
1.13	8	1.29	5	1.05	15	86%
1.03	11	1.10	15	1.04	16	79%
0.87	24	1.09	16	1.04	17	67%
0.96	12	1.06	17	1.02	18	75%
0.92	16	1.11	14	1.01	19	72%
0.85	26	0.98	20	0.99	20	69%
0.71	37	1.00	19	0.98	21	58%
0.53	60	0.88	28	0.96	22	44%
0.79	30	0.92	24	0.93	23	68%
0.39	68	0.94	22	0.91	24	34%
0.94	13	0.88	27	0.90	25	83%
0.79	29	0.84	35	0.89	26	71%
0.90	20	0.80	42	0.89	27	81%
0.91	17	0.79	45	0.89	28	82%
0.93	15	0.85	34	0.89	29	84%
0.53	59	0.86	31	0.88	30	48%

sprovld	HOSP	IPOPFlag		Data		IP		Op		Total Sum of allowed	Total Sum of Eff Inflator	Factor	Ranking	Factor	Ranking	Factor	Ranking	Factor	Ranking	IP	Op
		Sum of allowed	Inflator	Sum of Eff Inflator	Sum of allowed	Sum of Eff Inflator															
907420	Northampton VA Medical Center									\$595	119%	0.00	72	0.65	59	0.87	31	0.87	31	0%	100%
900006	CHARLTON MEMORIAL HOSP	\$4,068,803		0%	\$3,810,225	147%	\$7,879,027	117%		\$7,879,027	117%	0.91	19	0.81	40	0.86	32	0.86	32	84%	126%
900002	JORDAN HOSPITAL INC	\$3,697,951		75%	\$7,995,150	157%	\$11,693,101	116%		\$11,693,101	116%	0.69	39	0.86	30	0.86	33	0.86	33	64%	136%
900004	NEW ENGLAND MEDICAL CENTER	\$13,711,897		93%	\$10,912,626	169%	\$24,624,523	116%		\$24,624,523	116%	0.86	25	0.93	23	0.85	34	0.85	34	80%	146%
900041	MILFORD WHITINSVILLE	\$3,380,868		69%	\$9,156,253	155%	\$12,537,122	116%		\$12,537,122	116%	0.64	46	0.85	33	0.85	35	0.85	35	60%	134%
900690	CLINTON HOSPITAL	\$169,219		66%	\$583,353	147%	\$752,572	115%		\$752,572	115%	0.61	53	0.81	39	0.85	36	0.85	36	57%	128%
907419	VA Boston Healthcare System - Brockton	\$6,308		80%	\$21,929	132%	\$28,238	115%		\$28,238	115%	0.74	35	0.72	49	0.85	37	0.85	37	69%	115%
903062	MARY LANE HOSPITAL	\$91,175		56%	\$357,663	156%	\$448,838	115%		\$448,838	115%	0.52	62	0.85	32	0.84	38	0.84	38	49%	136%
900047	MASS EYE AND EAR INFIRMARY	\$669,329		65%	\$5,708,191	123%	\$6,397,520	112%		\$6,397,520	112%	0.60	54	0.68	55	0.83	39	0.83	39	58%	110%
900004	CAPE COD HOSPITAL	\$3,848,939		50%	\$13,003,447	177%	\$16,852,386	112%		\$16,852,386	112%	0.46	64	0.97	21	0.82	40	0.82	40	45%	158%
900187	EMERSON HOSPITAL	\$2,954,498		69%	\$7,549,369	147%	\$10,503,867	111%		\$10,503,867	111%	0.64	45	0.80	41	0.82	41	0.82	41	62%	132%
900007	FALMOUTH HOSPITAL	\$1,522,101		59%	\$4,660,716	158%	\$6,182,816	111%		\$6,182,816	111%	0.54	58	0.86	29	0.82	42	0.82	42	53%	141%
901473	HUBBARD REGIONAL HOSP	\$76,922		47%	\$390,564	152%	\$467,486	111%		\$467,486	111%	0.43	66	0.83	36	0.82	43	0.82	43	42%	137%
900009	GOOD SAMARITAN HOSPITAL	\$3,010,081		69%	\$5,643,322	161%	\$8,653,404	110%		\$8,653,404	110%	0.64	48	0.89	26	0.81	44	0.81	44	63%	147%
900011	NORWOOD HOSPITAL	\$3,280,273		66%	\$6,239,989	165%	\$9,520,262	109%		\$9,520,262	109%	0.61	52	0.90	25	0.80	45	0.80	45	61%	151%
906576	Mercy Medical Center	\$299,311		101%	\$262,541	118%	\$561,852	108%		\$561,852	108%	0.93	14	0.65	60	0.80	46	0.80	46	93%	109%
903837	Nashoba Valley Medical Center	\$313,880		73%	\$1,805,050	118%	\$2,118,930	108%		\$2,118,930	108%	0.67	41	0.65	61	0.80	47	0.80	47	68%	109%
903064	BAYSTATE MEDICAL CNTR	\$2,566,523		97%	\$1,193,110	129%	\$3,779,634	105%		\$3,779,634	105%	0.89	21	0.71	51	0.77	48	0.77	48	92%	122%
900199	METROWEST MEDICAL CENTER	\$5,886,453		74%	\$10,368,809	137%	\$16,255,262	105%		\$16,255,262	105%	0.69	40	0.75	47	0.77	49	0.77	49	71%	131%
900116	MARLBOROUGH HOSPITAL	\$478,633		51%	\$1,790,720	146%	\$2,269,353	104%		\$2,269,353	104%	0.47	63	0.80	43	0.77	50	0.77	50	49%	140%
900010	MORTON HOSP & MEDICAL CENTER	\$2,003,250		82%	\$4,171,297	117%	\$6,174,547	103%		\$6,174,547	103%	0.75	32	0.64	64	0.75	51	0.75	51	80%	114%
900023	MT AUBURN HOSPITAL	\$8,480,381		77%	\$9,129,755	147%	\$17,620,136	103%		\$17,620,136	103%	0.71	36	0.81	38	0.75	52	0.75	52	75%	143%
907422	VA Boston Healthcare System - Jamaica Plain	\$50,660		75%	\$335,509	108%	\$386,169	102%		\$386,169	102%	0.69	38	0.59	66	0.75	53	0.75	53	73%	106%
901060	HOLY FAMILY HOSPITAL	\$1,781,556		69%	\$3,231,703	139%	\$5,013,258	102%		\$5,013,258	102%	0.63	49	0.77	46	0.75	54	0.75	54	67%	137%
900019	BOSTON MEDICAL CENTER	\$12,218,927		93%	\$8,038,598	120%	\$20,257,525	102%		\$20,257,525	102%	0.85	27	0.66	58	0.75	55	0.75	55	91%	118%
900366	HOLYOKE HOSPITAL INC	\$85,489		70%	\$192,598	126%	\$278,087	101%		\$278,087	101%	0.65	44	0.69	54	0.75	56	0.75	56	70%	124%
900127	ANNA JACQUES HOSPITAL	\$1,334,167		81%	\$2,300,904	118%	\$3,635,072	101%		\$3,635,072	101%	0.74	34	0.65	62	0.74	57	0.74	57	80%	117%
900144	HEALTH ALLIANCE HOSPITAL	\$791,250		49%	\$2,552,692	144%	\$3,343,942	99%		\$3,343,942	99%	0.45	65	0.79	44	0.73	58	0.73	58	50%	146%
903024	Merrimack Valley Hospital	\$490,708		65%	\$1,083,058	128%	\$1,573,767	98%		\$1,573,767	98%	0.60	55	0.70	52	0.72	59	0.72	59	66%	130%
900098	MILTON HOSPITAL	\$1,343,211		57%	\$2,818,570	148%	\$4,161,781	97%		\$4,161,781	97%	0.52	61	0.81	37	0.72	60	0.72	60	58%	152%
900029	NORTH ADAMS REGIONAL HOSP	\$1,122		43%	\$36,659	100%	\$37,781	96%		\$37,781	96%	0.40	67	0.55	70	0.71	61	0.71	61	45%	104%
901810	BROCKTON HOSPITAL INC	\$2,934,755		67%	\$4,279,266	136%	\$7,214,021	96%		\$7,214,021	96%	0.62	50	0.75	48	0.71	62	0.71	62	70%	141%
900022	CARITAS CARNEY HOSPITAL INC	\$1,333,134		67%	\$2,443,633	121%	\$3,776,767	94%		\$3,776,767	94%	0.61	51	0.67	56	0.69	63	0.69	63	71%	129%
900104	QUINCY MEDICAL CENTER INC	\$2,483,019		72%	\$3,510,605	117%	\$5,993,624	93%		\$5,993,624	93%	0.67	42	0.64	63	0.69	64	0.69	64	78%	126%
900140	LOWELL GENERAL HOSPITAL	\$3,773,045		69%	\$5,666,630	121%	\$9,439,675	93%		\$9,439,675	93%	0.64	47	0.66	57	0.68	65	0.68	65	74%	130%
900072	ST VINCENT HOSPITAL	\$3,236,795		85%	\$2,632,429	103%	\$5,869,224	92%		\$5,869,224	92%	0.78	31	0.57	68	0.68	66	0.68	66	92%	112%
902271	NOBLE HOSPITAL	\$11,340		36%	\$113,605	102%	\$124,945	87%		\$124,945	87%	0.33	69	0.56	69	0.64	67	0.64	67	41%	117%
900073	NEW ENGLAND BAPTIST HOSP	\$8,130,303		72%	\$4,469,999	126%	\$12,600,303	85%		\$12,600,303	85%	0.67	43	0.69	53	0.63	68	0.63	68	85%	148%
900788	LAWRENCE GENERAL HOSP	\$1,282,941		60%	\$1,676,987	113%	\$2,929,929	82%		\$2,929,929	82%	0.55	57	0.62	65	0.60	69	0.60	69	73%	133%
900334	THE CAMBRIDGE HEALTH	\$1,032,915		60%	\$2,226,029	85%	\$3,258,944	75%		\$3,258,944	75%	0.55	56	0.47	71	0.55	70	0.55	70	80%	113%
903005	SAINTS MEMORIAL	\$472,883		31%	\$1,982,771	108%	\$2,455,654	72%		\$2,455,654	72%	0.28	70	0.59	67	0.53	71	0.53	71	42%	148%
900896	ATHOL MEMORIAL HOSP	\$23,479		22%	\$164,930	71%	\$188,409	55%		\$188,409	55%	0.20	71	0.39	72	0.41	72	0.41	72	39%	129%

APPENDIX C-1 HOSPITAL 2008
Relativity Factors for Hospitals
 Jan 2007 - December 2008, paid through July 2009.

YEAR	2008
AG_SVC	(All)
PROD	(All)
CAR	(All)

sprovld	HOSP	IP		OP		Total Sum of allowed	Total Sum of Eff Inflator
		Sum of allowed	Sum of Eff Inflator	Sum of allowed	Sum of Eff Inflator		
900038	FAIRVIEW HOSPITAL	\$10,683	131%	\$142,738	249%	\$153,421	234%
900068	DANA FARBER CANCER INST	\$2,053,041	137%	\$39,056,506	240%	\$41,111,547	231%
900171	NANTUCKET COTTAGE HOSP	\$33,889	136%	\$294,953	250%	\$328,842	230%
900018	CHILDRENS HOSPITAL	\$39,903,996	180%	\$29,866,330	272%	\$69,770,327	211%
900087	MARTHAS VINEYARD HOSP	\$463,679	112%	\$2,744,240	247%	\$3,207,919	210%
900367	BERKSHIRE MEDICAL CENTER INC	\$146,885	119%	\$626,623	251%	\$773,508	207%
900013	ST ANNES HOSPITAL	\$731,650	106%	\$4,239,805	243%	\$4,971,456	204%
900170	COOLEY DICKINSON HOSP	\$1,376,802	123%	\$3,319,547	257%	\$4,696,348	195%
900050	STURDY MEMORIAL HOSP	\$3,422,893	108%	\$8,171,083	247%	\$11,593,976	179%
900146	HARRINGTON MEMORIAL HOSP	\$254,746	80%	\$1,574,705	204%	\$1,829,451	168%
900363	FRANKLIN MEDICAL CNTR	\$156,222	95%	\$684,065	199%	\$840,287	165%
900043	MASS GENERAL HOSPITAL	\$56,916,080	131%	\$53,011,443	215%	\$109,927,522	161%
900444	NORTH SHORE MEDICAL CENTER	\$6,779,798	102%	\$14,286,366	221%	\$21,066,164	161%
900065	LAHEY CLINIC HOSPITAL	\$18,706,174	113%	\$23,962,410	222%	\$42,668,584	156%
900015	SOUTH SHORE HOSPITAL	\$24,015,442	126%	\$20,118,587	217%	\$44,134,028	156%
907419	VA Boston Healthcare System - Brockton		0%	\$36,099	151%	\$36,099	151%
900096	UMASS MEMORIAL HEALTH CARE	\$21,747,378	111%	\$27,452,111	206%	\$49,199,489	149%
900042	NEWTON WELLESLEY HOSP	\$12,924,213	98%	\$23,087,023	210%	\$36,011,236	149%
900058	BIRGHAM AND WOMENS HOSP	\$86,360,755	125%	\$42,527,666	245%	\$128,888,422	149%
903078	WING MEMORIAL HOSP & MED CTR	\$31,229	59%	\$296,094	176%	\$327,323	148%
909827	Hallmark	\$3,282,001	84%	\$10,090,600	195%	\$13,372,600	147%
901473	HUBBARD REGIONAL HOSP	\$30,130	52%	\$358,314	164%	\$388,444	140%
907421	VA Boston Healthcare System - W Roxbury	\$215,806	124%	\$183,659	163%	\$399,465	139%
900156	ST ELIZABETHS HOSPITAL	\$7,097,205	114%	\$6,129,723	178%	\$13,226,928	137%
900690	CLINTON HOSPITAL	\$155,088	84%	\$611,165	160%	\$766,253	135%
900081	BETH ISRAEL DEACONESS-Needham	\$651,417	63%	\$3,815,316	163%	\$4,466,733	132%
909897	Northeast Hospital Corporation	\$4,368,665	86%	\$9,351,360	174%	\$13,720,025	131%
900067	BETH ISRAEL DEACONESS	\$47,329,213	109%	\$42,567,600	165%	\$89,896,813	130%
900007	FALMOUTH HOSPITAL	\$1,737,468	68%	\$4,946,066	192%	\$6,683,523	130%
900014	ST LUKES HOSPITAL	\$6,482,860	108%	\$7,990,931	152%	\$14,473,791	128%
900524	WINCHESTER HOSPITAL	\$5,485,879	91%	\$10,492,550	158%	\$15,978,429	127%

IP Relativity Factor Calculation	OP Relativity Factor Calculation	Blended Relativity Factor Calculation
Base 115%	Base 194%	Base 146%

Relativity Factors and Ranking

Factor	Ranking	Inpatient		Outpatient		Total	
		Factor	Ranking	Factor	Ranking	Factor	Ranking
1.14	5	1.28	5	1.60	1		
1.19	2	1.24	10	1.58	2		
1.18	3	1.29	4	1.57	3		
1.57	1	1.40	1	1.44	4		
0.97	14	1.27	6	1.44	5		
1.04	10	1.29	3	1.42	6		
0.92	19	1.25	9	1.40	7		
1.07	9	1.33	2	1.33	8		
0.94	18	1.27	7	1.22	9		
0.69	41	1.05	17	1.15	10		
0.82	28	1.03	18	1.13	11		
1.14	4	1.11	14	1.10	12		
0.89	24	1.14	12	1.10	13		
0.98	13	1.15	11	1.07	14		
1.09	6	1.12	13	1.06	15		
0.00	71	0.78	46	1.03	16		
0.96	15	1.06	16	1.02	17		
0.86	26	1.08	15	1.02	18		
1.08	7	1.26	8	1.02	19		
0.51	61	0.91	23	1.01	20		
0.73	33	1.00	19	1.01	21		
0.45	65	0.84	30	0.96	22		
1.08	8	0.84	32	0.95	23		
1.00	11	0.91	22	0.94	24		
0.73	34	0.82	36	0.92	25		
0.55	59	0.84	33	0.90	26		
0.75	31	0.90	26	0.90	27		
0.95	16	0.85	29	0.89	28		
0.59	57	0.99	20	0.89	29		
0.94	17	0.78	45	0.88	30		
0.79	30	0.82	38	0.86	31		

sprovld	HOSP	IPOPFlag		Data		OP		Total Sum of allowed	Total Sum of Eff Inflator
		Sum of allowed	Inflator	Sum of Eff Inflator	Sum of allowed	Sum of Eff Inflator			
9030062	MARY LANE HOSPITAL	\$51,987	59%	\$307,051	156%	\$359,008	126%		
9000020	NEW ENGLAND MEDICAL CENTER	\$14,122,619	101%	\$10,965,953	179%	\$5,088,572	125%		
9000006	CHARLTON MEMORIAL HOSP	\$4,308,843	105%	\$4,505,972	149%	\$8,814,815	124%		
9000041	MILFORD WHITINSVILLE	\$4,337,904	78%	\$10,527,338	163%	\$14,865,242	124%		
9000016	TOBEY HOSPITAL	\$2,583,340	106%	\$2,686,403	147%	\$5,269,742	124%		
9000002	JORDAN HOSPITAL, INC	\$3,973,450	83%	\$8,068,353	162%	\$12,041,803	124%		
907420	Northampton VA Medical Center		0%	\$2,762	123%	\$2,762	123%		
9030064	BAVSTATE MEDICAL CNTR	\$2,630,355	113%	\$1,288,072	147%	\$3,928,428	122%		
900261	HEYWOOD HOSPITAL	\$548,917	45%	\$3,003,983	175%	\$3,552,900	121%		
900199	METROWEST MEDICAL CENTER	\$659,777	82%	\$11,003,569	161%	\$16,663,346	121%		
900187	EMERSON HOSPITAL	\$2,989,245	75%	\$7,834,443	157%	\$10,823,688	120%		
903837	Nashoba Valley Medical Center	\$226,288	78%	\$1,875,727	126%	\$2,102,015	118%		
900011	NORWOOD HOSPITAL	\$3,609,749	71%	\$6,934,026	176%	\$10,543,775	117%		
900004	CAPE COD HOSPITAL	\$4,915,907	65%	\$11,883,346	169%	\$16,799,252	115%		
900366	HOLYOKE HOSPITAL INC	\$54,199	73%	\$193,624	137%	\$247,823	115%		
900006	GOOD SAMARITAN HOSPITAL	\$3,535,744	76%	\$5,620,391	167%	\$9,156,135	114%		
906576	Mass Medical Center	\$443,059	97%	\$298,455	153%	\$741,514	114%		
900047	MASS EYE AND EAR INFIRMARY	\$1,040,771	68%	\$6,361,646	127%	\$7,402,418	113%		
900023	MT AUBURN HOSPITAL	\$7,610,561	81%	\$10,591,908	155%	\$18,202,470	113%		
900019	BOSTON MEDICAL CENTER	\$13,415,031	104%	\$9,324,527	127%	\$22,739,558	112%		
900060	FAULKNER HOSPITAL	\$7,515,368	103%	\$14,588,738	111%	\$22,104,106	109%		
907422	VA Boston Healthcare System - Jamaica Plain	\$3,154	80%	\$412,513	109%	\$415,667	108%		
900140	LOWELL GENERAL HOSPITAL	\$4,426,821	78%	\$6,837,627	144%	\$11,264,448	108%		
901060	HOLY FAMILY HOSPITAL	\$1,619,414	75%	\$2,897,596	144%	\$4,517,010	108%		
900116	MARLBOROUGH HOSPITAL	\$753,433	59%	\$2,082,616	155%	\$2,836,050	108%		
900127	ANNA JACQUES HOSPITAL	\$1,234,705	85%	\$2,401,714	125%	\$3,636,419	108%		
900022	CARITAS CARNEY HOSPITAL INC	\$1,577,754	80%	\$2,678,564	134%	\$4,256,318	107%		
901810	BROCKTON HOSPITAL INC	\$2,829,166	70%	\$4,499,761	159%	\$7,327,928	107%		
900098	MILL TON HOSPITAL	\$1,297,069	62%	\$3,019,162	152%	\$4,316,231	106%		
902271	NOBLE HOSPITAL	\$3,062	31%	\$98,016	113%	\$101,078	105%		
900144	HEALTHALLANCE HOSPITAL	\$786,750	58%	\$2,453,524	139%	\$3,240,274	104%		
900010	MORTON HOSP & MEDICAL CENTER	\$2,124,830	80%	\$3,998,669	118%	\$6,123,499	102%		
900072	ST VINCENT HOSPITAL	\$3,597,349	94%	\$2,288,323	109%	\$5,885,672	99%		
900029	NORTH ADAMS REGIONAL HOSP	\$1,122	23%	\$50,919	106%	\$52,041	98%		
900104	QUINCY MEDICAL CENTER INC	\$2,505,819	74%	\$3,665,390	124%	\$6,169,210	97%		
903024	Merrimack Valley Hospital	\$461,484	68%	\$938,129	123%	\$1,399,612	97%		
900788	LAWRENCE GENERAL HOSP	\$1,227,978	72%	\$1,680,880	125%	\$2,908,858	96%		
900073	NEW ENGLAND BAPTIST HOSP	\$9,179,487	78%	\$5,172,388	144%	\$14,351,875	94%		
900334	THE CAMBRIDGE HEALTH	\$1,511,824	74%	\$2,566,317	87%	\$4,080,141	82%		
903005	SAINTS MEMORIAL	\$394,456	31%	\$1,891,212	118%	\$2,285,667	79%		
900896	ATHOL MEMORIAL HOSP	\$18,670	21%	\$152,051	73%	\$170,721	59%		

Factor	Ranking	Factor	Ranking	Factor	Ranking
0.51	63	0.80	40	0.86	32
0.88	25	0.92	21	0.85	33
0.92	21	0.77	47	0.85	34
0.88	44	0.84	31	0.84	35
0.92	20	0.76	48	0.84	36
0.73	36	0.83	34	0.84	37
0.00	71	0.63	63	0.84	38
0.98	12	0.76	49	0.83	39
0.39	66	0.90	25	0.83	40
0.71	36	0.83	35	0.83	41
0.65	47	0.81	39	0.82	42
0.68	45	0.65	58	0.81	43
0.62	53	0.91	24	0.80	44
0.56	58	0.87	27	0.79	45
0.63	51	0.71	54	0.79	46
0.66	46	0.86	28	0.78	47
0.84	27	0.79	43	0.78	48
0.59	56	0.66	56	0.77	49
0.71	37	0.80	41	0.77	50
0.90	22	0.66	57	0.77	51
0.90	23	0.57	67	0.74	52
0.69	40	0.56	69	0.74	53
0.68	43	0.74	50	0.74	54
0.65	48	0.74	51	0.74	55
0.51	62	0.80	42	0.74	56
0.74	32	0.64	59	0.74	57
0.70	38	0.69	55	0.73	58
0.61	54	0.82	37	0.73	59
0.54	60	0.78	44	0.72	60
0.27	68	0.56	66	0.72	61
0.51	64	0.72	53	0.71	62
0.70	39	0.61	64	0.69	63
0.82	29	0.56	68	0.68	64
0.20	69	0.54	70	0.67	65
0.64	49	0.64	61	0.67	66
0.59	55	0.64	62	0.66	67
0.62	52	0.64	60	0.65	68
0.68	42	0.74	52	0.64	69
0.64	50	0.45	71	0.56	70
0.27	67	0.61	65	0.54	71
0.19	70	0.38	72	0.39	72

APPENDIX C-1 2005 Relativity Factors for LCU
 Jan 2004- December 2006, paid through August 2009

2004 - 2006 Utilization

Contalw2 includes Eligible Surplus Dollars for FI HMO/POS Capitated Providers (like HO, Action, Southshore, Cape Code, MACIPA) based on 2007 Contractual Terms and OPP (Infrastructure, QAP) based on 2008 Contractual Terms

Relativity Factor Calculation	
RF Base	106%

YR	2005
PROD	(All)
CAR	(All)

sprovjv	SERVLCU	Data			Factor	Ranking
		Sum of contalw_withOPP	Sum of HPPO_09	Sum of Effective_Inflato r		
9Z	LINCOLN MEDICAL, P.C.	\$118,498	\$67,809	175%	1.66	1
9W	PEDIATRIC PHYSICIANS' ORGANIZATION AT CHILDREN'S	\$37,881,043	\$23,320,514	162%	1.54	2
GA	ACTON MEDICAL ASSOCIATES	\$3,474,415	\$2,173,384	160%	1.52	3
9Y	BURLINGTON MEDICAL ASSOCIATES	\$329,693	\$215,432	153%	1.45	4
8J	CAPE ANN MEDICAL CENTER	\$484,757	\$329,766	147%	1.39	5
7X	CHARLES RIVER MEDICAL ASSOCIATES, P.C	\$2,342,231	\$1,721,152	136%	1.29	6
2C	MOUNT AUBURN CAMBRIDGE IPA (MACIPA)	\$16,688,802	\$12,285,750	136%	1.29	7
GL	PENTUCKET MEDICAL ASSOCIATES (PMA)	\$2,932,914	\$2,181,545	134%	1.27	8
9X	NORTH SHORE PHYSICIANS GROUP, INC.	\$3,503,152	\$2,828,110	124%	1.17	9
D1	CAMBRIDGE HEALTH ALLIANCE	\$2,185,470	\$1,812,853	121%	1.14	10
T3	GRANITE MEDICAL	\$1,771,309	\$1,473,201	120%	1.14	11
20	FALMOUTH POD	\$6,726,136	\$5,643,264	119%	1.13	12
50	BRIGHAM AND WOMEN'S PHO (BWHPHO)	\$39,154,488	\$32,976,901	119%	1.13	13
31	COMPASS MEDICAL GROUP P.C. (CMG)	\$3,587,336	\$3,022,991	119%	1.12	14
43	MASSACHUSETTS GENERAL HOSPITAL PHYSICIANS ORGANIZATION (MGHPO)	\$32,732,455	\$27,628,053	118%	1.12	15
5X	HAWTHORN MEDICAL ASSOCIATES	\$4,811,968	\$4,083,258	118%	1.12	16
B2	HARVARD VANGUARD MEDICAL ASSOCIATES, SOMERVILLE	\$3,220,365	\$2,782,912	116%	1.10	17
C3	HARVARD VANGUARD MEDICAL ASSOCIATES, CAMBRIDGE	\$4,013,515	\$3,489,910	115%	1.09	18
A3	HARVARD VANGUARD MEDICAL ASSOCIATES, KENMORE	\$10,747,085	\$9,483,824	113%	1.07	19
4V	NORTHEAST PHO	\$9,288,981	\$8,200,048	113%	1.07	20
4B	AFFILIATED PEDIATRIC PRACTICES (APP)	\$7,116,664	\$6,313,276	113%	1.07	21
A4	HARVARD VANGUARD MEDICAL ASSOCIATES, MEDFORD	\$3,235,667	\$2,891,363	112%	1.06	22
J6	HARVARD VANGUARD MEDICAL ASSOCIATES MALDEN INTERNISTS	\$55,569	\$49,709	112%	1.06	23
O7	SOUTH SHORE MEDICAL CENTER	\$4,992,955	\$4,478,623	111%	1.06	24
7T	HALLMARK HEALTH SYSTEM (HHS)	\$10,802,531	\$9,737,365	111%	1.05	25
B9	HARVARD VANGUARD MEDICAL ASSOCIATES, PEABODY	\$1,796,974	\$1,631,004	110%	1.04	26
C2	HARVARD VANGUARD MEDICAL ASSOCIATES, WELLESLEY	\$5,784,203	\$5,275,410	110%	1.04	27
O8	DEDHAM MEDICAL ASSOCIATES	\$7,810,355	\$7,140,105	109%	1.04	28
B4	HARVARD VANGUARD MEDICAL ASSOCIATES, WATERTOWN	\$2,363,216	\$2,163,309	109%	1.04	29
C1	HARVARD VANGUARD MEDICAL ASSOCIATES, BRAINTREE	\$4,285,355	\$3,958,971	108%	1.03	30
2P	HARVARD VANGUARD MEDICAL ASSOCIATES, CENTRAL SPECIALISTS	\$49,127,504	\$45,397,722	108%	1.03	31
B7	HARVARD VANGUARD MEDICAL ASSOCIATES, QUINCY	\$1,815,098	\$1,686,887	108%	1.02	32
B3	HARVARD VANGUARD MEDICAL ASSOCIATES, CHELMSFORD	\$3,375,555	\$3,147,838	107%	1.02	33
9P	HARVARD VANGUARD MEDICAL ASSOCIATES, CONCORD HILLSIDE	\$1,717,010	\$1,608,326	107%	1.01	34
B6	HARVARD VANGUARD MEDICAL ASSOCIATES, POST OFFICE SQUARE	\$2,220,253	\$2,087,646	106%	1.01	35
N1	HARVARD VANGUARD MEDICAL ASSOCIATES, LYNNFIELD	\$419,396	\$396,994	106%	1.00	36
B5	HARVARD VANGUARD MEDICAL ASSOCIATES, WEST ROXBURY	\$3,276,558	\$3,115,367	105%	1.00	37
J7	HARBOR MEDICAL ASSOCIATES, P.C.	\$4,313,885	\$4,125,502	105%	0.99	38
82	SOUTH SHORE PHO	\$23,128,772	\$22,142,185	104%	0.99	39
21	NEWTON WELLESLEY PHO	\$18,914,543	\$18,123,128	104%	0.99	40
P1	SOUTHBORO MEDICAL GROUP	\$4,943,684	\$4,757,777	104%	0.98	41
7Q	GREATER BOSTON PRIMARY CARE ASSOCIATES	\$1,267,439	\$1,222,365	104%	0.98	42
49	NORTH SHORE HEALTH SYSTEM (AKA ESSEX)	\$11,566,700	\$11,167,898	104%	0.98	43
B8	HARVARD VANGUARD MEDICAL ASSOCIATES, BURLINGTON	\$1,165,835	\$1,126,215	104%	0.98	44
B1	HARVARD VANGUARD MEDICAL ASSOCIATES, COPLEY	\$1,525,793	\$1,475,443	103%	0.98	45
42	UMASS MEMORIAL MEDICAL GROUP	\$17,399,285	\$17,196,787	101%	0.96	46
2B	BETH ISRAEL DEACONESS PHYSICIAN ORGANIZATION, LLC. (BIDPO)	\$39,207,407	\$38,880,865	101%	0.96	47
46	EMERSON PHO	\$10,006,684	\$9,986,931	100%	0.95	48
T1	HARVARD VANGUARD MEDICAL ASSOCIATES, FAULKNER	\$188,114	\$191,595	98%	0.93	49
36	HEALTHALLIANCE WITH PHYSICIANS	\$3,497,813	\$3,580,255	98%	0.93	50
W8	NEPONSET VALLEY HEALTH CARE ASSOCIATES	\$1,015,402	\$1,047,836	97%	0.92	51
5N	MERRIMACK VALLEY PHYSICIANS, INC	\$5,937,402	\$6,150,697	97%	0.91	52

APPENDIX C-1 2005 Relativity Factors for LCU

Jan 2004- December 2006 paid through August 2009

2004 - 2006 Utilization

Contalw2 includes Eligible Surplus Dollars for FI HMO/POS Capitated Providers (like HO, Action, Southshore, Cape Code, MACIPA) based on 2007 Contractual Terms and OPP (Infrastructure, QAP) based on 2008 Contractual Terms

Relativity Factor Calculation	
RF Base	106%

YR	2005
PROD	(All)
CAR	(All)

sprovjv	SERVLCU	Data			Factor	Ranking	
		Sum of contalw	Sum of withOPP	Sum of HPPO_09			Sum of Effective_Inflator
47	HIGHLAND HEALTHCARE ASSOCIATES IPA	\$12,325,786	\$12,805,811		96%	0.91	53
O6	FALLON CLINIC	\$3,181,614	\$3,307,509		96%	0.91	54
5R	ST. ANNE'S IPA	\$1,510,237	\$1,572,776		96%	0.91	55
40	HYANNIS POD	\$9,592,924	\$10,042,157		96%	0.91	56
69	CARITAS GOOD SAMARITAN IPA	\$5,447,241	\$5,815,912		94%	0.89	57
26	ST. ELIZABETH'S HEALTH PROFESSIONALS	\$7,715,024	\$8,238,817		94%	0.89	58
1D	COOLEY DICKINSON PHO	\$1,823,584	\$1,948,765		94%	0.89	59
23	CARNEY IPA	\$3,933,644	\$4,230,461		93%	0.88	60
V3	LAHEY CLINIC	\$12,058,011	\$13,038,239		92%	0.88	61
2D	NEW ENGLAND BAPTIST HEALTH SERVICES, INC.	\$6,531,145	\$7,078,242		92%	0.87	62
22	PMG PHYSICIAN ASSOCIATES	\$1,874,023	\$2,046,292		92%	0.87	63
9M	TERMINATED PROVIDER / TRANSITIONAL CARE UNIT		\$662	\$723	92%	0.87	64
D5	CENTRAL MASS IPA	\$4,739,939	\$5,225,432		91%	0.86	65
65	PEDIATRIC ASSOCIATES OF BROCKTON	\$1,223,614	\$1,349,042		91%	0.86	66
8Y	TRANSITIONAL POOL NON-RISK	\$4,106,142	\$4,539,814		90%	0.86	67
W4	EAST BOSTON NEIGHBORHOOD HEALTH CENTER (EBNHC)	\$764,461	\$849,108		90%	0.85	68
72	NEW BEDFORD MEDICAL ASSOCIATES (NBMA)	\$3,391,438	\$3,776,713		90%	0.85	69
13	GREATER MILFORD HEALTH ALLIANCE	\$8,073,178	\$8,996,842		90%	0.85	70
4N	THE PHYSICIANS OF TUFTS-NEW ENGLAND MEDICAL CENTER INC (PT-NEMC)	\$5,599,104	\$6,241,057		90%	0.85	71
9Q	TRUESDALE MEDICAL AND SURGICAL ASSOCIATES	\$754,444	\$844,523		89%	0.85	72
2L	LMV PHO, INC	\$3,478,650	\$3,916,491		89%	0.84	73
5Q	SOUTHERN NEW ENGLAND HEALTH ALLIANCE	\$3,965,279	\$4,465,305		89%	0.84	74
3Y	NEW ENGLAND QUALITY CARE ALLIANCE	\$13,364,277	\$15,093,163		89%	0.84	75
54	SOUTHCOAST PHYSICIAN SERVICES	\$1,277,205	\$1,443,064		89%	0.84	76
7R	NORWOOD SOUTHWOOD IPA	\$3,274,693	\$3,702,566		88%	0.84	77
8G	METROWEST HEALTH CARE ALLIANCE, INC	\$9,174,077	\$10,415,353		88%	0.83	78
5M	HEYWOOD PHYSICIAN HOSPITAL ORGANIZATION	\$1,556,137	\$1,766,763		88%	0.83	79
8E	SHS VENTURES, INC.	\$356,423	\$405,378		88%	0.83	80
7B	LAWRENCE GENERAL IPA D/B/A CHOICE PLUS NETWORK	\$3,207,527	\$3,649,733		88%	0.83	81
59	BROCKTON PHO	\$6,548,254	\$7,503,966		87%	0.83	82
33	BOSTON MEDICAL CENTER MANAGEMENT SERVICES	\$8,364,415	\$9,598,032		87%	0.83	83
5P	LOWELL GENERAL PHO	\$6,672,451	\$7,668,090		87%	0.82	84
8U	SAINT VINCENT PHYSICIAN ALLIANCE	\$838,393	\$963,552		87%	0.82	85
32	SOUTHEASTERN MASSACHUSETTS PHYSICIAN GROUP INC.	\$1,752,399	\$2,019,626		87%	0.82	86
N2	NASHOBA I.P.A., INC.	\$1,158,401	\$1,337,620		87%	0.82	87
14	ASSABET VALLEY IPA	\$1,093,205	\$1,271,636		86%	0.81	88
34	HEALTH CARE GROUP OF SOUTH SHORE	\$713,207	\$832,026		86%	0.81	89
51	HARRINGTON PHYSICIAN ORGANIZATION	\$1,666,937	\$1,950,741		85%	0.81	90
5L	CHILD HEALTH ASSOCIATES	\$778,027	\$911,818		85%	0.81	91
9N	RHODE ISLAND CONTRACTED INDIVIDUAL	\$2,914,899	\$3,451,701		84%	0.80	92
D3	WOBURN PEDIATRIC ASSOCIATES, LLP	\$815,051	\$966,265		84%	0.80	93
5W	VALLEY HEALTH PARTNERS	\$175,946	\$210,889		83%	0.79	94
F8	RI CONTRACTED GROUPS	\$2,240,797	\$2,725,209		82%	0.78	95
8Z	RI CONTRACTED PCP	\$486,230	\$593,848		82%	0.78	96
8W	HARVARD PILGRIM NO RISK (HPNR)	\$38,032,518	\$47,436,956		80%	0.76	97
83	PRIMA CARE - IPA	\$1,286,385	\$1,618,059		80%	0.75	98
5T	MERRIMACK VALLEY IPA	\$1,584,949	\$2,096,922		76%	0.72	99
4E	STURDY MEMORIAL ASSOCIATES	\$5,445,242	\$7,507,509		73%	0.69	100
F1	INDIVIDUAL HARVARD PILGRIM NON-RISK	\$12,045,735	\$18,124,972		66%	0.63	101
2N	BERKSHIRE INDEPENDENT PRACTICE ASSOCIATION	\$3,626	\$5,462		66%	0.63	102
74	BAYCARE HEALTH PARTNERS	\$3,341,132	\$6,455,691		52%	0.49	103

Contalw2 includes Eligible Surplus Dollars for FI HMO/POS Capitated Providers (like HO, Action, Southshore, Cape Code, MACIPA) based on 2007 Contractual Terms and OPP (Infrastructure, QAP) based on 2008 Contractual Terms

Relativity Factor Calculation	
RF Base	146%

YR	2006
PROD	(All)
CAR	(All)

sprovjv	SERVLCU	Data			Factor	Ranking
		Sum of contalw_withOPP	Sum of HPPO_09	Sum of Effective_Inflator		
T3	GRANITE MEDICAL	\$3,901,911	\$1,526,185	256%	1.75	1
C3	HARVARD VANGUARD MEDICAL ASSOCIATES, CAMBRIDGE	\$8,154,056	\$3,335,594	244%	1.68	2
B2	HARVARD VANGUARD MEDICAL ASSOCIATES, SOMERVILLE	\$6,152,131	\$2,534,077	243%	1.67	3
A4	HARVARD VANGUARD MEDICAL ASSOCIATES, MEDFORD	\$6,578,141	\$2,795,872	235%	1.61	4
O7	SOUTH SHORE MEDICAL CENTER	\$9,798,455	\$4,173,439	235%	1.61	5
A3	HARVARD VANGUARD MEDICAL ASSOCIATES, KENMORE	\$21,435,996	\$9,164,891	234%	1.60	6
9P	HARVARD VANGUARD MEDICAL ASSOCIATES, CONCORD HILLSIDE	\$3,703,187	\$1,604,417	231%	1.58	7
2P	HARVARD VANGUARD MEDICAL ASSOCIATES, CENTRAL SPECIALISTS	\$106,820,173	\$46,344,623	230%	1.58	8
C2	HARVARD VANGUARD MEDICAL ASSOCIATES, WELLESLEY	\$11,657,274	\$5,063,808	230%	1.58	9
B9	HARVARD VANGUARD MEDICAL ASSOCIATES, PEABODY	\$3,225,381	\$1,408,811	229%	1.57	10
O8	DEDHAM MEDICAL ASSOCIATES	\$13,513,220	\$5,982,392	226%	1.55	11
B3	HARVARD VANGUARD MEDICAL ASSOCIATES, CHELMSFORD	\$6,049,323	\$2,679,196	226%	1.55	12
B4	HARVARD VANGUARD MEDICAL ASSOCIATES, WATERTOWN	\$4,369,565	\$1,935,594	226%	1.55	13
C1	HARVARD VANGUARD MEDICAL ASSOCIATES, BRAINTREE	\$8,622,346	\$3,819,536	226%	1.55	14
B7	HARVARD VANGUARD MEDICAL ASSOCIATES, QUINCY	\$4,035,125	\$1,796,068	225%	1.54	15
B6	HARVARD VANGUARD MEDICAL ASSOCIATES, POST OFFICE SQUARE	\$4,260,766	\$1,897,292	225%	1.54	16
N1	HARVARD VANGUARD MEDICAL ASSOCIATES, LYNNFIELD	\$1,127,954	\$505,884	223%	1.53	17
B8	HARVARD VANGUARD MEDICAL ASSOCIATES, BURLINGTON	\$2,458,052	\$1,107,874	222%	1.52	18
P1	SOUTHBORO MEDICAL GROUP	\$10,707,245	\$4,840,120	221%	1.52	19
B5	HARVARD VANGUARD MEDICAL ASSOCIATES, WEST ROXBURY	\$7,243,138	\$3,326,138	218%	1.49	20
B1	HARVARD VANGUARD MEDICAL ASSOCIATES, COPLEY	\$3,417,546	\$1,604,154	213%	1.46	21
T1	HARVARD VANGUARD MEDICAL ASSOCIATES, FAULKNER	\$433,135	\$210,917	205%	1.41	22
9W	PEDIATRIC PHYSICIANS' ORGANIZATION AT CHILDREN'S	\$43,037,811	\$25,925,131	166%	1.14	23
GA	ACTON MEDICAL ASSOCIATES	\$3,603,900	\$2,268,466	159%	1.09	24
9Z	LINCOLN MEDICAL, P.C.	\$100,491	\$67,617	149%	1.02	25
9Y	BURLINGTON MEDICAL ASSOCIATES	\$314,198	\$220,995	142%	0.98	26
GL	PENTUCKET MEDICAL ASSOCIATES (PMA)	\$3,187,868	\$2,279,951	140%	0.96	27
7X	CHARLES RIVER MEDICAL ASSOCIATES, P.C	\$2,701,199	\$1,975,867	137%	0.94	28
43	MASSACHUSETTS GENERAL HOSPITAL PHYSICIANS ORGANIZATION (MGHPO)	\$40,260,938	\$29,550,539	136%	0.93	29
50	BRIGHAM AND WOMEN'S PHO (BWHPHO)	\$45,562,640	\$33,492,286	136%	0.93	30
5X	HAWTHORN MEDICAL ASSOCIATES	\$4,619,494	\$3,423,386	135%	0.93	31
8J	CAPE ANN MEDICAL CENTER	\$507,442	\$377,696	134%	0.92	32
31	COMPASS MEDICAL GROUP P.C. (CMG)	\$3,916,966	\$2,940,259	133%	0.91	33
9X	NORTH SHORE PHYSICIANS GROUP, INC.	\$4,573,655	\$3,447,808	133%	0.91	34
A9	PLYMOUTH	\$2,173,132	\$1,702,912	128%	0.88	35
2C	MOUNT AUBURN CAMBRIDGE IPA (MACIPA)	\$15,952,161	\$12,751,964	125%	0.86	36
20	FALMOUTH POD	\$6,862,973	\$5,539,553	124%	0.85	37
4V	NORTHEAST PHO	\$10,569,976	\$8,733,743	121%	0.83	38
74	BAYCARE HEALTH PARTNERS	\$4,756,142	\$3,956,527	120%	0.82	39
4B	AFFILIATED PEDIATRIC PRACTICES (APP)	\$7,105,880	\$5,996,471	119%	0.81	40
7T	HALLMARK HEALTH SYSTEM (HHS)	\$11,833,688	\$10,016,199	118%	0.81	41
49	NORTH SHORE HEALTH SYSTEM (AKA ESSEX)	\$13,675,490	\$11,722,061	117%	0.80	42
D1	CAMBRIDGE HEALTH ALLIANCE	\$2,425,835	\$2,099,724	116%	0.79	43
82	SOUTH SHORE PHO	\$26,405,093	\$23,092,747	114%	0.78	44
21	NEWTON WELLESLEY PHO	\$22,518,699	\$20,145,824	112%	0.77	45
42	UMASS MEMORIAL MEDICAL GROUP	\$20,187,391	\$18,079,667	112%	0.77	46
40	HYANNIS POD	\$10,742,067	\$9,623,795	112%	0.77	47
7Q	GREATER BOSTON PRIMARY CARE ASSOCIATES	\$1,318,537	\$1,190,153	111%	0.76	48
2B	BETH ISRAEL DEACONESS PHYSICIAN ORGANIZATION, LLC. (BIDPO)	\$46,058,581	\$42,543,466	108%	0.74	49
46	EMERSON PHO	\$11,001,340	\$10,503,507	105%	0.72	50
J7	HARBOR MEDICAL ASSOCIATES, P.C.	\$5,197,719	\$4,965,423	105%	0.72	51
5R	ST ANNE'S IPA	\$1,657,075	\$1,587,331	104%	0.72	52

APPENDIX C-1 2006 Relativity Factors for LCU

Jan 2004- December 2006 paid through August 2009

Contalw2 includes Eligible Surplus Dollars for FI HMO/POS Capitated Providers (like HO, Action Southshore, Cape Code, MACIPA) based on 2007 Contractual Terms and OPP (Infrastructure, QAP) based on 2008 Contractual Terms

2004 - 2006 Utilization

Relativity Factor Calculation	
RF Base	146%

YR	2006
PROD	(All)
CAR	(All)

sprovjv	SERVLCU	Data			Factor	Ranking
		Sum of contalw_withOPP	Sum of HPPO_09	Sum of Effective Inflation		
5N	MERRIMACK VALLEY PHYSICIANS, INC	\$6,541,539	\$6,409,735	102%	0.70	53
36	HEALTHALLIANCE WITH PHYSICIANS	\$4,045,944	\$3,964,730	102%	0.70	54
23	CARNEY IPA	\$3,807,868	\$3,744,254	102%	0.70	55
8Y	TRANSITIONAL POOL NON-RISK	\$2,173,007	\$2,143,619	101%	0.70	56
W8	NEPONSET VALLEY HEALTH CARE ASSOCIATES	\$1,405,413	\$1,390,683	101%	0.69	57
69	CARITAS GOOD SAMARITAN IPA	\$5,624,617	\$5,577,367	101%	0.69	58
O6	FALLON CLINIC	\$4,052,980	\$4,061,118	100%	0.68	59
47	HIGHLAND HEALTHCARE ASSOCIATES IPA	\$13,320,537	\$13,448,994	99%	0.68	60
8E	SHS VENTURES, INC.	\$354,574	\$361,096	98%	0.67	61
1D	COOLEY DICKINSON PHO	\$3,652,869	\$3,752,102	97%	0.67	62
26	ST. ELIZABETH'S HEALTH PROFESSIONALS	\$7,566,880	\$7,908,793	96%	0.66	63
D3	WOBURN PEDIATRIC ASSOCIATES, LLP	\$905,569	\$952,214	95%	0.65	64
2L	LMV PHO, INC	\$3,693,765	\$3,892,483	95%	0.65	65
4N	THE PHYSICIANS OF TUFTS-NEW ENGLAND MEDICAL CENTER INC (PT-NEMC)	\$5,771,740	\$6,086,744	95%	0.65	66
13	GREATER MILFORD HEALTH ALLIANCE	\$9,174,159	\$9,682,544	95%	0.65	67
V3	LAHEY CLINIC	\$12,856,245	\$13,585,599	95%	0.65	68
N2	NASHOBA I.P.A., INC.	\$1,487,324	\$1,573,605	95%	0.65	69
D5	CENTRAL MASS IPA	\$7,124,598	\$7,549,538	94%	0.65	70
F8	RI CONTRACTED GROUPS	\$3,430,842	\$3,662,811	94%	0.64	71
5M	HEYWOOD PHYSICIAN HOSPITAL ORGANIZATION	\$1,654,579	\$1,774,214	93%	0.64	72
59	BROCKTON PHO	\$6,914,853	\$7,431,409	93%	0.64	73
7B	LAWRENCE GENERAL IPA D/B/A CHOICE PLUS NETWORK	\$3,937,968	\$4,239,278	93%	0.64	74
5P	LOWELL GENERAL PHO	\$7,289,898	\$7,848,505	93%	0.64	75
72	NEW BEDFORD MEDICAL ASSOCIATES (NBMA)	\$2,979,442	\$3,209,579	93%	0.64	76
22	PMG PHYSICIAN ASSOCIATES	\$487,444	\$526,501	93%	0.64	77
9Q	TRUESDALE MEDICAL AND SURGICAL ASSOCIATES	\$747,398	\$808,086	92%	0.63	78
5Q	SOUTHERN NEW ENGLAND HEALTH ALLIANCE	\$4,100,649	\$4,435,417	92%	0.63	79
3Y	NEW ENGLAND QUALITY CARE ALLIANCE	\$12,164,647	\$13,166,035	92%	0.63	80
54	SOUTHCOAST PHYSICIAN SERVICES	\$1,333,170	\$1,444,018	92%	0.63	81
7R	NORWOOD SOUTHWOOD IPA	\$2,834,247	\$3,089,303	92%	0.63	82
8G	METROWEST HEALTH CARE ALLIANCE, INC	\$9,315,061	\$10,187,597	91%	0.63	83
XQ	MEDICARE PIPA PLACEHOLDER - FSEN	\$307	\$338	91%	0.62	84
32	SOUTHEASTERN MASSACHUSETTS PHYSICIAN GROUP INC.	\$1,399,765	\$1,538,815	91%	0.62	85
W4	EAST BOSTON NEIGHBORHOOD HEALTH CENTER (EBNHC)	\$633,146	\$698,161	91%	0.62	86
33	BOSTON MEDICAL CENTER MANAGEMENT SERVICES	\$9,466,393	\$10,447,675	91%	0.62	87
5W	VALLEY HEALTH PARTNERS	\$248,916	\$276,210	90%	0.62	88
51	HARRINGTON PHYSICIAN ORGANIZATION	\$1,471,085	\$1,633,681	90%	0.62	89
9N	RHODE ISLAND CONTRACTED INDIVIDUAL	\$2,179,120	\$2,431,451	90%	0.61	90
5L	CHILD HEALTH ASSOCIATES	\$881,480	\$990,035	89%	0.61	91
14	ASSABET VALLEY IPA	\$910,810	\$1,023,907	89%	0.61	92
8Z	RI CONTRACTED PCP	\$475,945	\$557,180	85%	0.59	93
8W	HARVARD PILGRIM NO RISK (HPNR)	\$48,598,828	\$58,129,335	84%	0.57	94
83	PRIMA CARE - IPA	\$1,444,456	\$1,740,596	83%	0.57	95
5T	MERRIMACK VALLEY IPA	\$1,862,676	\$2,313,213	81%	0.55	96
4E	STURDY MEMORIAL ASSOCIATES	\$5,392,017	\$6,762,368	80%	0.55	97
2D	NEW ENGLAND BAPTIST HEALTH SERVICES, INC.	\$8,591,350	\$11,375,599	76%	0.52	98
F1	INDIVIDUAL HARVARD PILGRIM NON-RISK	\$13,185,719	\$18,768,324	70%	0.48	99

APPENDIX C-1 2007 Relativity Factors for LCU

Jan 2007- December 2008, paid through March 2009

2007 and 2008 Utilization

Contalw2 includes Eligible Surplus Dollars for FI HMO/POS Capitated Providers (like HO Action, Southshore, Cape Code, MACIPA) based on 2007 Contractual Terms and OPP (Infrastructure, QAP) based on 2008 Contractual Terms

Relativity Factor Calculation	
RF Base	127%

YEAR	2007
PROD	(All)
CAR	(All)

SPROVJY	SERVLCU	Data			Factor	Ranking
		Sum of contalw	Sum of withOPP	Sum of HPPO 2009		
9W	PEDIATRIC PHYSICIANS' ORGANIZATION AT CHILDREN'S	\$59,078,275	\$31,192,805	189%	1.49	1
9Z	LINCOLN MEDICAL, P.C.	\$94,817	\$57,997	163%	1.29	2
GL	PENTUCKET MEDICAL ASSOCIATES (PMA)	\$4,177,112	\$2,603,096	160%	1.27	3
T3	GRANITE MEDICAL	\$2,925,516	\$1,834,898	159%	1.26	4
A3	HARVARD VANGUARD MEDICAL ASSOCIATES, KENMORE	\$14,320,933	\$8,994,570	159%	1.26	5
B2	HARVARD VANGUARD MEDICAL ASSOCIATES, SOMERVILLE	\$4,577,576	\$2,879,416	159%	1.25	6
T1	HARVARD VANGUARD MEDICAL ASSOCIATES, FAULKNER	\$385,403	\$242,818	159%	1.25	7
O7	SOUTH SHORE MEDICAL CENTER	\$6,552,295	\$4,144,003	158%	1.25	8
5X	HAWTHORN MEDICAL ASSOCIATES	\$7,733,325	\$4,901,278	158%	1.24	9
C3	HARVARD VANGUARD MEDICAL ASSOCIATES, CAMBRIDGE	\$4,953,228	\$3,147,486	157%	1.24	10
B6	HARVARD VANGUARD MEDICAL ASSOCIATES, POST OFFICE SQUARE	\$3,122,141	\$1,990,006	157%	1.24	11
C2	HARVARD VANGUARD MEDICAL ASSOCIATES, WELLESLEY	\$7,603,415	\$4,852,713	157%	1.24	12
B4	HARVARD VANGUARD MEDICAL ASSOCIATES, WATERTOWN	\$3,182,718	\$2,032,885	157%	1.24	13
N1	HARVARD VANGUARD MEDICAL ASSOCIATES, LYNNFIELD	\$913,094	\$583,495	156%	1.23	14
B5	HARVARD VANGUARD MEDICAL ASSOCIATES, WEST ROXBURY	\$5,129,003	\$3,278,573	156%	1.23	15
9P	HARVARD VANGUARD MEDICAL ASSOCIATES, CONCORD HILLSIDE	\$2,799,774	\$1,791,852	156%	1.23	16
50	BRIGHAM AND WOMEN'S PHO (BWHPHO)	\$51,947,495	\$33,318,299	156%	1.23	17
C1	HARVARD VANGUARD MEDICAL ASSOCIATES, BRAintree	\$5,873,637	\$3,770,210	156%	1.23	18
9Y	BURLINGTON MEDICAL ASSOCIATES	\$334,285	\$214,632	156%	1.23	19
B3	HARVARD VANGUARD MEDICAL ASSOCIATES, CHELMSFORD	\$4,061,572	\$2,608,818	156%	1.23	20
O8	DEDHAM MEDICAL ASSOCIATES	\$9,831,169	\$6,315,478	156%	1.23	21
7X	CHARLES RIVER MEDICAL ASSOCIATES, P.C	\$3,275,496	\$2,104,799	156%	1.23	22
B9	HARVARD VANGUARD MEDICAL ASSOCIATES, PEABODY	\$2,174,515	\$1,399,249	155%	1.23	23
31	COMPASS MEDICAL GROUP P.C. (CMG)	\$4,894,604	\$3,150,583	155%	1.23	24
B1	HARVARD VANGUARD MEDICAL ASSOCIATES, COPLEY	\$2,410,765	\$1,551,871	155%	1.23	25
A4	HARVARD VANGUARD MEDICAL ASSOCIATES, MEDFORD	\$4,338,000	\$2,795,942	155%	1.22	26
2P	HARVARD VANGUARD MEDICAL ASSOCIATES, CENTRAL SPECIALISTS	\$72,126,875	\$46,631,390	155%	1.22	27
B7	HARVARD VANGUARD MEDICAL ASSOCIATES, QUINCY	\$2,505,088	\$1,620,048	155%	1.22	28
B8	HARVARD VANGUARD MEDICAL ASSOCIATES, BURLINGTON	\$1,687,360	\$1,092,250	154%	1.22	29
P1	SOUTHBORO MEDICAL GROUP	\$6,711,577	\$4,376,802	153%	1.21	30
43	MASSACHUSETTS GENERAL HOSPITAL PHYSICIANS ORGANIZATION (MGHPO)	\$47,731,228	\$31,134,561	153%	1.21	31
9X	NORTH SHORE PHYSICIANS GROUP, INC.	\$4,979,341	\$3,256,891	153%	1.21	32
AU	NEWTON WELLESLEY HOSPITAL PHYSICIANS	\$1,291,716	\$850,182	152%	1.20	33
8J	CAPE ANN MEDICAL CENTER	\$564,414	\$375,712	150%	1.19	34
A9	PLYMOUTH	\$2,272,352	\$1,574,340	144%	1.14	35
GA	ACTON MEDICAL ASSOCIATES	\$3,375,521	\$2,347,547	144%	1.13	36
2C	MOUNT AUBURN CAMBRIDGE IPA (MACIPA)	\$17,225,968	\$12,609,219	137%	1.08	37
20	FALMOUTH POD	\$7,072,815	\$5,369,622	132%	1.04	38
4B	AFFILIATED PEDIATRIC PRACTICES (APP)	\$8,109,996	\$6,234,984	130%	1.03	39
AR	NORTHEAST PHO	\$11,538,470	\$8,936,964	129%	1.02	40
7T	HALLMARK HEALTH SYSTEM (HHS)	\$12,397,262	\$9,691,494	128%	1.01	41
49	NORTH SHORE HEALTH SYSTEM (AKA ESSEX)	\$14,580,887	\$11,471,526	127%	1.00	42
21	NEWTON WELLESLEY PHO	\$25,093,557	\$19,867,413	126%	1.00	43
74	BAYCARE HEALTH PARTNERS	\$4,749,423	\$3,803,548	125%	0.99	44
D1	CAMBRIDGE HEALTH ALLIANCE	\$2,826,876	\$2,314,578	122%	0.96	46
42	UMASS MEMORIAL MEDICAL GROUP	\$22,529,098	\$18,847,283	120%	0.94	47
W8	NEPONSET VALLEY HEALTH CARE ASSOCIATES	\$1,576,774	\$1,330,203	119%	0.94	48
82	SOUTH SHORE PHO	\$32,195,380	\$27,722,873	116%	0.92	49
40	HYANNIS POD	\$10,549,942	\$9,285,405	114%	0.90	50
46	EMERSON PHO	\$11,821,662	\$10,405,700	114%	0.90	51
7Q	GREATER BOSTON PRIMARY CARE ASSOCIATES	\$1,302,093	\$1,146,540	114%	0.90	52
O6	FALLON CLINIC	\$5,570,799	\$4,948,960	113%	0.89	53

APPENDIX C-1 2007 Relativity Factors for LCU
 Jan 2007 - December 2008, paid through March 2009

2007 and 2008 Utilization

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Relativity Factor Calculation	
RF Base	127%

YEAR	2007
PROD	(AII)
CAR	(AII)

sprovjv	SERVLCU	Data			Factor	Ranking
		Sum of contalw_withOPP	Sum of HPPO 2009	Sum of Effective Inflation		
36	HEALTHALLIANCE WITH PHYSICIANS	\$4,774,853	\$4,257,840	112%	0.88	54
2B	BETH ISRAEL DEACONESS PHYSICIAN ORGANIZATION, LLC. (BIDPO)	\$49,611,228	\$44,428,858	112%	0.88	55
8Y	TRANSITIONAL POOL NON-RISK	\$1,470,789	\$1,331,342	110%	0.87	56
5R	ST. ANNE'S IPA	\$1,867,399	\$1,698,061	110%	0.87	57
5N	MERRIMACK VALLEY PHYSICIANS, INC	\$6,771,688	\$6,313,502	107%	0.85	58
23	CARNEY IPA	\$3,924,196	\$3,661,273	107%	0.85	59
69	CARITAS GOOD SAMARITAN IPA	\$5,290,472	\$5,025,667	105%	0.83	60
26	ST. ELIZABETH'S HEALTH PROFESSIONALS	\$6,561,794	\$6,246,237	105%	0.83	61
47	HIGHLAND HEALTHCARE ASSOCIATES IPA	\$14,354,167	\$14,020,742	102%	0.81	62
3Y	NEW ENGLAND QUALITY CARE ALLIANCE	\$13,026,910	\$12,762,108	102%	0.81	63
4N	THE PHYSICIANS OF TUFTS-NEW ENGLAND MEDICAL CENTER INC (PT-NEMC)	\$7,434,844	\$7,309,840	102%	0.80	64
7R	NORWOOD SOUTHWOOD IPA	\$3,660,305	\$3,602,865	102%	0.80	65
2L	LMV PHO, INC	\$4,287,008	\$4,251,333	101%	0.80	66
AY	VALLEY MEDICAL GROUP	\$575,201	\$570,707	101%	0.80	67
1D	COOLEY DICKINSON PHO	\$3,437,181	\$3,418,154	101%	0.79	68
2D	NEW ENGLAND BAPTIST HEALTH SERVICES, INC.	\$9,086,507	\$9,051,312	100%	0.79	69
8E	SHS VENTURES, INC.	\$324,757	\$324,111	100%	0.79	70
V3	LAHEY CLINIC	\$13,519,805	\$13,492,947	100%	0.79	71
13	GREATER MILFORD HEALTH ALLIANCE	\$8,946,751	\$8,959,213	100%	0.79	72
W4	EAST BOSTON NEIGHBORHOOD HEALTH CENTER (EBNHC)	\$671,611	\$674,432	100%	0.79	73
32	SOUTHEASTERN MASSACHUSETTS PHYSICIAN GROUP INC.	\$1,450,201	\$1,459,798	99%	0.78	74
72	NEW BEDFORD MEDICAL ASSOCIATES (NBMA)	\$3,074,830	\$3,095,224	99%	0.78	75
N2	NASHOBA I.P.A., INC.	\$1,604,502	\$1,616,764	99%	0.78	76
5M	HEYWOOD PHYSICIAN HOSPITAL ORGANIZATION	\$1,896,165	\$1,915,485	99%	0.78	77
D5	CENTRAL MASS IPA	\$7,568,323	\$7,668,479	99%	0.78	78
5L	CHILD HEALTH ASSOCIATES	\$918,771	\$938,652	98%	0.77	79
5Q	SOUTHERN NEW ENGLAND HEALTH ALLIANCE	\$4,229,604	\$4,330,819	98%	0.77	80
22	PMG PHYSICIAN ASSOCIATES	\$389,758	\$399,479	98%	0.77	81
54	SOUTHCOAST PHYSICIAN SERVICES	\$1,607,071	\$1,648,175	98%	0.77	82
51	HARRINGTON PHYSICIAN ORGANIZATION	\$1,555,498	\$1,597,667	97%	0.77	83
9Q	TRUESDALE MEDICAL AND SURGICAL ASSOCIATES	\$758,370	\$779,856	97%	0.77	84
7B	LAWRENCE GENERAL IPA D/B/A CHOICE PLUS NETWORK	\$3,988,723	\$4,140,793	96%	0.76	85
5P	LOWELL GENERAL PHO	\$7,733,973	\$8,044,501	96%	0.76	86
59	BROCKTON PHO	\$6,535,134	\$6,844,482	95%	0.75	87
8G	METROWEST HEALTH CARE ALLIANCE, INC	\$9,399,737	\$9,855,152	95%	0.75	88
33	BOSTON MEDICAL CENTER MANAGEMENT SERVICES	\$10,185,072	\$10,848,659	94%	0.74	89
14	ASSABET VALLEY IPA	\$655,074	\$707,656	93%	0.73	90
5W	VALLEY HEALTH PARTNERS	\$236,828	\$258,092	92%	0.72	91
83	PRIMA CARE - IPA	\$1,677,166	\$1,901,322	88%	0.70	92
5T	MERRIMACK VALLEY IPA	\$1,892,342	\$2,153,800	88%	0.69	93
8W	HARVARD PILGRIM NO RISK (HPNR)	\$55,480,948	\$63,892,366	87%	0.69	94
8Z	RI CONTRACTED PCP	\$187,460	\$217,372	86%	0.68	95
4E	STURDY MEMORIAL ASSOCIATES	\$5,390,175	\$6,609,655	82%	0.64	96
F1	INDIVIDUAL HARVARD PILGRIM NON-RISK	\$13,723,077	\$18,827,988	73%	0.57	97
Grand Total		\$850,812,907	\$690,156,587	123%	0.97	45

APPENDIX C-1 2008 Relativity Factors for LCU
 Jan 2007- December 2008 paid through March 2009

2007 and 2008 Utilization

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Relativity Factor Calculation	
RF Base	132%

YEAR	2008
PROD	(All)
CAR	(All)

sprovjv	SERVLCU	Data			Factor	Ranking
		Sum of contalw	Sum of withOPP	Sum of HPPO_2009		
9W	PEDIATRIC PHYSICIANS' ORGANIZATION AT CHILDREN'S	\$65,577,041	\$33,136,329	198%	1.50	1
9Z	LINCOLN MEDICAL, P.C.	\$93,672	\$53,716	174%	1.32	2
GL	PENTUCKET MEDICAL ASSOCIATES (PMA)	\$4,167,326	\$2,441,970	171%	1.29	3
5L	CHILD HEALTH ASSOCIATES	\$157,927	\$93,982	168%	1.27	4
9Y	BURLINGTON MEDICAL ASSOCIATES	\$365,066	\$218,541	167%	1.26	5
31	COMPASS MEDICAL GROUP P.C. (CMG)	\$6,187,128	\$3,739,892	165%	1.25	6
5X	HAWTHORN MEDICAL ASSOCIATES	\$11,138,231	\$6,769,527	165%	1.24	7
8J	CAPE ANN MEDICAL CENTER	\$332,122	\$203,182	163%	1.23	8
50	BRIGHAM AND WOMEN'S PHO (BWHPHO)	\$55,947,520	\$34,461,988	162%	1.23	9
W8	NEPONSET VALLEY HEALTH CARE ASSOCIATES	\$798,676	\$496,138	161%	1.22	10
9X	NORTH SHORE PHYSICIANS GROUP, INC.	\$5,310,935	\$3,302,409	161%	1.21	11
43	MASSACHUSETTS GENERAL HOSPITAL PHYSICIANS ORGANIZATION (MGHPO)	\$53,337,005	\$33,388,929	160%	1.21	12
AU	NEWTON WELLESLEY HOSPITAL PHYSICIANS	\$1,851,578	\$1,161,342	159%	1.20	13
T3	GRANITE MEDICAL	\$2,982,008	\$1,878,698	159%	1.20	14
C3	HARVARD VANGUARD MEDICAL ASSOCIATES, CAMBRIDGE	\$4,606,974	\$2,904,589	159%	1.20	15
O7	SOUTH SHORE MEDICAL CENTER	\$6,493,669	\$4,107,841	158%	1.19	16
B2	HARVARD VANGUARD MEDICAL ASSOCIATES, SOMERVILLE	\$4,428,119	\$2,817,594	157%	1.19	17
A4	HARVARD VANGUARD MEDICAL ASSOCIATES, MEDFORD	\$3,845,778	\$2,452,332	157%	1.18	18
B8	HARVARD VANGUARD MEDICAL ASSOCIATES, BURLINGTON	\$1,829,466	\$1,167,001	157%	1.18	19
B6	HARVARD VANGUARD MEDICAL ASSOCIATES, POST OFFICE SQUARE	\$2,893,456	\$1,846,052	157%	1.18	20
9P	HARVARD VANGUARD MEDICAL ASSOCIATES, CONCORD HILLSIDE	\$2,880,678	\$1,838,480	157%	1.18	21
B9	HARVARD VANGUARD MEDICAL ASSOCIATES, PEABODY	\$1,978,842	\$1,263,082	157%	1.18	22
B4	HARVARD VANGUARD MEDICAL ASSOCIATES, WATERTOWN	\$2,910,199	\$1,857,745	157%	1.18	23
B3	HARVARD VANGUARD MEDICAL ASSOCIATES, CHELMSFORD	\$3,672,122	\$2,345,655	157%	1.18	24
C1	HARVARD VANGUARD MEDICAL ASSOCIATES, BRAINTREE	\$5,693,133	\$3,637,086	157%	1.18	25
C2	HARVARD VANGUARD MEDICAL ASSOCIATES, WELLESLEY	\$7,289,369	\$4,657,587	157%	1.18	26
T1	HARVARD VANGUARD MEDICAL ASSOCIATES, FAULKNER	\$409,203	\$261,512	156%	1.18	27
B5	HARVARD VANGUARD MEDICAL ASSOCIATES, WEST ROXBURY	\$5,253,279	\$3,357,440	156%	1.18	28
A3	HARVARD VANGUARD MEDICAL ASSOCIATES, KENMORE	\$13,693,629	\$8,759,518	156%	1.18	29
B7	HARVARD VANGUARD MEDICAL ASSOCIATES, QUINCY	\$2,791,187	\$1,790,633	156%	1.18	30
O8	DEDHAM MEDICAL ASSOCIATES	\$9,735,127	\$6,276,211	155%	1.17	31
P1	SOUTHBORO MEDICAL GROUP	\$6,715,328	\$4,336,887	155%	1.17	32
N1	HARVARD VANGUARD MEDICAL ASSOCIATES, LYNNFIELD	\$869,433	\$563,972	154%	1.16	33
7X	CHARLES RIVER MEDICAL ASSOCIATES, P.C	\$4,245,190	\$2,756,486	154%	1.16	34
2P	HARVARD VANGUARD MEDICAL ASSOCIATES, CENTRAL SPECIALISTS	\$71,703,482	\$46,660,954	154%	1.16	35
B1	HARVARD VANGUARD MEDICAL ASSOCIATES, COPLEY	\$2,187,906	\$1,425,738	153%	1.16	36
GA	ACTON MEDICAL ASSOCIATES	\$3,511,829	\$2,376,423	148%	1.12	37
A9	PLYMOUTH	\$2,457,487	\$1,665,072	148%	1.11	38
2C	MOUNT AUBURN CAMBRIDGE IPA (MACIPA)	\$17,319,905	\$11,995,104	144%	1.09	39
4B	AFFILIATED PEDIATRIC PRACTICES (APP)	\$9,261,201	\$6,478,153	143%	1.08	40
20	FALMOUTH POD	\$7,017,902	\$5,086,400	138%	1.04	41
21	NEWTON WELLESLEY PHO	\$27,944,820	\$20,642,322	135%	1.02	42
7T	HALLMARK HEALTH SYSTEM (HHS)	\$12,331,920	\$9,157,310	135%	1.02	43
AR	NORTHEAST PHO	\$10,709,221	\$8,042,723	133%	1.01	44
49	NORTH SHORE HEALTH SYSTEM (AKA ESSEX)	\$14,486,984	\$10,983,002	132%	1.00	45
74	BAYCARE HEALTH PARTNERS	\$4,701,511	\$3,581,943	131%	0.99	46
7Q	GREATER BOSTON PRIMARY CARE ASSOCIATES	\$1,443,802	\$1,135,441	127%	0.96	48
42	UMASS MEMORIAL MEDICAL GROUP	\$29,496,974	\$23,205,296	127%	0.96	49
D1	CAMBRIDGE HEALTH ALLIANCE	\$3,233,695	\$2,577,190	125%	0.95	50
O6	FALLON CLINIC	\$5,153,676	\$4,165,860	124%	0.93	51
2B	BETH ISRAEL DEACONESS PHYSICIAN ORGANIZATION, L.L.C. (BIDPO)	\$57,955,553	\$47,579,517	122%	0.92	52
82	SOUTH SHORE PHO	\$33,694,793	\$28,115,527	120%	0.91	53

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Relativity Factor Calculation	
RF Base	132%

YEAR	2008
PROD	(All)
CAR	(All)

sprovjv	SERVLCU	Data			Factor	Ranking
		Sum of contalw	Sum of withOPP	Sum of Effective HPPO_2009 Infflator		
40	HYANNIS POD	\$10,060,638	\$8,409,811	120%	0.90	54
46	EMERSON PHO	\$14,148,044	\$11,865,501	119%	0.90	55
36	HEALTHALLIANCE WITH PHYSICIANS	\$5,109,773	\$4,335,606	118%	0.89	56
5R	ST. ANNE'S IPA	\$2,256,929	\$1,921,277	117%	0.89	57
23	CARNEY IPA	\$4,250,368	\$3,633,715	117%	0.88	58
5N	MERRIMACK VALLEY PHYSICIANS,INC	\$6,918,827	\$5,938,803	117%	0.88	59
69	CARITAS GOOD SAMARITAN IPA	\$5,470,183	\$4,737,621	115%	0.87	60
26	ST. ELIZABETH'S HEALTH PROFESSIONALS	\$6,423,572	\$5,601,931	115%	0.87	61
7R	NORWOOD SOUTHWOOD IPA	\$5,110,497	\$4,590,519	111%	0.84	62
5P	LOWELL GENERAL PHO	\$8,475,732	\$7,639,272	111%	0.84	63
4N	THE PHYSICIANS OF TUFTS-NEW ENGLAND MEDICAL CENTER INC (PT-NEMC)	\$9,667,160	\$8,714,976	111%	0.84	64
47	HIGHLAND HEALTHCARE ASSOCIATES IPA	\$15,170,810	\$13,681,408	111%	0.84	65
8Y	TRANSITIONAL POOL NON-RISK	\$2,710,108	\$2,468,480	110%	0.83	66
8E	SHS VENTURES, INC.	\$261,476	\$239,988	109%	0.82	67
1D	COOLEY DICKINSON PHO	\$3,926,676	\$3,620,075	108%	0.82	68
3Y	NEW ENGLAND QUALITY CARE ALLIANCE	\$14,966,423	\$13,816,228	108%	0.82	69
72	NEW BEDFORD MEDICAL ASSOCIATES (NBMA)	\$2,449,724	\$2,262,188	108%	0.82	70
2D	NEW ENGLAND BAPTIST HEALTH SERVICES, INC.	\$10,009,446	\$9,261,685	108%	0.82	71
32	SOUTHEASTERN MASSACHUSETTS PHYSICIAN GROUP INC.	\$1,924,279	\$1,806,230	107%	0.80	72
54	SOUTHCOAST PHYSICIAN SERVICES	\$1,531,560	\$1,440,390	106%	0.80	73
D5	CENTRAL MASS IPA	\$9,421,171	\$8,876,559	106%	0.80	74
5M	HEYWOOD PHYSICIAN HOSPITAL ORGANIZATION	\$2,020,029	\$1,910,070	106%	0.80	75
V3	LAHEY CLINIC	\$13,760,109	\$13,110,043	105%	0.79	76
2L	LMV PHO, INC	\$4,360,696	\$4,160,347	105%	0.79	77
AY	VALLEY MEDICAL GROUP	\$581,474	\$555,227	105%	0.79	78
7B	LAWRENCE GENERAL IPA D/B/A CHOICE PLUS NETWORK	\$3,820,281	\$3,658,990	104%	0.79	79
N2	NASHOBA I.P.A., INC.	\$1,374,501	\$1,328,886	103%	0.78	80
W4	EAST BOSTON NEIGHBORHOOD HEALTH CENTER (EBNHC)	\$754,044	\$736,019	102%	0.77	81
8G	METROWEST HEALTH CARE ALLIANCE, INC	\$9,341,769	\$9,131,300	102%	0.77	82
51	HARRINGTON PHYSICIAN ORGANIZATION	\$1,490,845	\$1,468,546	102%	0.77	83
5Q	SOUTHERN NEW ENGLAND HEALTH ALLIANCE	\$4,239,085	\$4,241,108	100%	0.76	84
59	BROCKTON PHO	\$6,498,114	\$6,625,973	98%	0.74	85
33	BOSTON MEDICAL CENTER MANAGEMENT SERVICES	\$10,621,543	\$10,898,162	97%	0.74	86
14	ASSABET VALLEY IPA	\$460,393	\$474,062	97%	0.73	87
5W	VALLEY HEALTH PARTNERS	\$164,760	\$173,641	95%	0.72	88
83	PRIMA CARE - IPA	\$1,683,269	\$1,853,759	91%	0.69	89
8W	HARVARD PILGRIM NO RISK (HPNR)	\$68,473,559	\$75,520,856	91%	0.68	90
8Z	RI CONTRACTED PCP	\$4,232	\$4,782	88%	0.67	91
4E	STURDY MEMORIAL ASSOCIATES	\$4,864,885	\$5,836,873	83%	0.63	92
F1	INDIVIDUAL HARVARD PILGRIM NON-RISK	\$14,290,209	\$18,743,719	76%	0.58	93
Grand Total		\$904,160,266	\$700,512,947	129%	0.98	47

Appendix C-2
Summary Table of Total Medical Expenses for 2005-2008

As noted above in our response to AGO Question #3, the summary table included in this Appendix sets forth the range of health status-adjusted fully-loaded TMEs that Harvard Pilgrim paid on a per member per month basis from 2005 through 2008 for each Massachusetts physician organization in its provider network.

Physician-Hospital Organizations, Independent Practice Associations, and large medical group practices are organized and identified in Harvard Pilgrim's systems as Local Care Units or LCUs. The TMEs for each Harvard Pilgrim LCU are health status-adjusted and fully-loaded as defined in AGO Question #3 and include all of Harvard Pilgrim's medical and prescription drug claims expenditures, behavioral health expenses, risk-sharing returns for capitation groups, annual uncompensated care pool contribution, reinsurance expenses and all other supplemental provider payments, including but not limited to bonuses, grants, and medical director stipends and other infrastructure funding. The TMEs are expressed as per member per month dollar amounts based only on Harvard Pilgrim's costs and do not include any member liability (i.e., any member co-payments, coinsurance or deductibles). Harvard Pilgrim uses the aggregate TME amount as the numerator in its calculation of the medical loss ratio for its fully insured HMO/POS products.

The attached TME summary table, document named "APPENDIX C-2: HPHC Commercial FI HMO/POS Total Medical Expense (AGO document request)", is part of this Appendix C-2

APPENDIX C-2: HPHC Commercial FI HMO/POS Total Medical Expense (AGO document request)

LCU	ST	LCU Name	FY2006				FY2007				FY2008				FY2009								
			MM	Raw	Normalized	Risk	MM	Raw	Normalized	Risk	MM	Raw	Normalized	Risk	MM	Raw	Normalized	Risk					
			MM	DGCG	OSAd	TIME	Adj	OTIME	Risk	MM	DGCG	OSAd	TIME	Adj	OTIME	Risk	MM	DGCG	OSAd	TIME	Adj	OTIME	Risk
01	MA	Pipe 01 Risk Unit	421.0	1.5397	0.9291	1.68249	1.81030	439.0	2.9168	1.8217	157.81	85.63	729.0	0.6090	0.3926	181.24	461.64	1.4849	1.5923	1.0816	274.90	281.92	459.40
02	MA	DePaul Medical Associates	59,625.0	1.6232	0.9669	330.66	335.07	67,063.1	1.4351	1.3859	309.82	346.43	72,289.9	1.3301	0.8768	293.38	320.91	78,044.7	1.3306	1.0319	316.69	260.58	288.58
03	MA	DePaul Medical Associates	16,611.0	2.2232	1.3441	386.25	375.33	32,966.1	1.4679	1.3920	367.69	346.06	18,402.8	2.2157	1.4289	343.78	343.21	19,946.0	2.1803	1.4811	317.85	218.50	214.50
04	MA	DePaul Medical Associates	29,355.1	1.7286	0.9853	382.27	375.33	32,966.1	1.4679	1.3920	367.69	346.06	35,969.0	1.4203	0.9356	350.43	382.74	38,898.8	1.3373	0.9085	335.67	345.28	317.69
05	MA	DePaul Medical Associates	60,077.1	1.6297	0.9853	348.70	353.90	71,934.9	1.6026	1.0009	328.80	328.50	80,622.8	1.5240	0.8824	300.94	310.94	85,306.1	1.4269	0.9683	275.29	284.01	284.01
06	MA	DePaul Medical Associates	17,569.0	1.6162	0.9020	285.03	406.00	19,351.0	1.2006	0.7549	279.40	279.13	20,990.8	1.2304	0.7932	255.77	322.47	22,709.0	1.1322	0.7891	320.15	300.36	300.36
07	MA	DePaul Medical Associates	30,333.1	1.4940	0.9020	382.79	432.79	35,795.3	1.3410	0.8376	352.49	432.80	40,741.0	1.3284	0.8584	340.06	397.09	44,708.0	1.3668	0.8877	312.94	351.63	351.63
08	MA	DePaul Medical Associates	24,143.9	1.7072	1.0292	332.62	322.25	29,346.8	1.5148	0.9461	330.55	336.81	35,577.7	1.3879	0.8947	309.56	336.81	47,125.9	1.3068	0.8877	320.15	324.24	324.24
09	MA	DePaul Medical Associates	25,659.9	1.4429	0.8724	369.19	352.62	30,120.8	1.3901	0.8176	295.89	336.81	32,671.6	1.3203	0.9511	281.16	309.56	35,141.9	1.2808	0.8674	281.25	289.27	289.27
10	MA	DePaul Medical Associates	30,421.1	1.5310	0.8724	379.97	379.97	35,753.6	1.2109	0.7583	317.71	426.10	40,893.1	1.2489	0.8083	293.97	309.56	42,702.0	1.1331	0.7969	265.91	335.20	335.20
11	MA	DePaul Medical Associates	76,535.3	2.2093	1.6314	430.95	264.17	82,004.0	2.9165	1.6201	393.01	293.40	86,623.9	1.9756	1.2090	337.23	378.92	92,147.2	1.7347	1.1784	300.22	280.12	280.12
12	MA	DePaul Medical Associates	76,535.3	2.2093	1.6314	430.95	264.17	82,004.0	2.9165	1.6201	393.01	293.40	86,623.9	1.9756	1.2090	337.23	378.92	92,147.2	1.7347	1.1784	300.22	280.12	280.12
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36	MA	DePaul Medical Associates	76,535.3	2.2093	1.6314	430.95	264.17	82,004.0	2.9165	1.6201	393.01	293.40	86,623.9	1.9756	1.2090	337.23	378.92	92,147.2	1.7347	1.1784	300.22	280.12	280.12
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41	MA	DePaul Medical Associates	76,535.3	2.2093	1.6314	430.95	264.17	82,004.0	2.9165	1.6201	393.01	293.40	86,623.9	1.9756	1.2090	337.23	378.92						

Appendix C-3 HPHC Premium Trends 2004-2008

2004				
	Total \$	PMPM	% of Prem.	
Premium	\$1,728,919,137	\$279.74		
Claims	\$1,501,050,738	\$242.87		
MLR			86.8%	
Retention	\$227,868,399	\$36.87	13.2%	
Total Admin Expenses	\$208,403,803	\$33.72	12.1%	
Contribution to Surplus	\$19,464,596	\$3.15	1.1%	
Member Months	6,180,489			

2005				
	Total \$	PMPM	% of Prem.	vs Prior Yr
Premium	\$1,645,333,037	\$312.10		11.6%
Claims	\$1,363,479,833	\$258.63		6.5%
MLR			82.9%	
Retention	\$281,853,204	\$53.46	17.1%	
Total Admin Expenses	\$214,440,657	\$40.68	13.0%	
Contribution to Surplus	\$67,412,547	\$12.79	4.1%	
Member Months	5,271,843			

2006				
	Total \$	PMPM	% of Prem.	vs Prior Yr
Premium	\$1,775,124,512	\$340.50		9.1%
Claims	\$1,498,186,859	\$287.38		11.1%
MLR			84.4%	
Retention	\$276,937,653	\$53.12	15.6%	
Total Admin Expenses	\$222,536,987	\$42.69	12.5%	
Contribution to Surplus	\$54,400,666	\$10.44	3.1%	
Member Months	5,213,234			

2007				
	Total \$	PMPM	% of Prem.	vs Prior Yr
Premium	\$1,874,216,436	\$367.27		7.9%
Claims	\$1,622,252,882	\$317.89		10.6%
MLR			86.6%	
Retention	\$251,963,554	\$49.37	13.4%	
Total Admin Expenses	\$217,150,233	\$42.55	11.6%	
Contribution to Surplus	\$34,813,321	\$6.82	1.9%	
Member Months	5,103,171			

2008				
	Total \$	PMPM	% of Prem.	vs Prior Yr
Premium	\$1,797,673,198	\$387.25		5.4%
Claims	\$1,576,037,494	\$339.51		6.8%
MLR			87.7%	
Retention	\$221,635,704	\$47.74	12.3%	
Total Admin Expenses	\$187,843,519	\$40.46	10.4%	
Contribution to Surplus	\$33,792,185	\$7.28	1.9%	
Member Months	4,642,126			

It is expected that additional data from Tufts Health Plan and Blue Cross will be coming out soon.
John

John D. Freedman, MD, MBA
Freedman Healthcare, LLC
29 Crafts Street, Suite 550
Newton, MA 02458
john@freedmanhealthcare.com
617-243-9509 voice

Wednesday March 10, 2010

To Members of the Long Range Planning Committee

I want to thank the members of the Board members for taking the time to discuss this matter.

It is the hope of the Newton Firefighters to work in a cooperative manner with the Command staff of the Fire Department, the Executive Department and members of The Board of Alderman to investigate the feasibility and worthiness of developing a City run Emergency Medical Services. It is the belief of the Firefighters that with a well thought out and full funded ems program we can maintain and improve the high standards of medical care that the citizens of this community have come to expect and deserve. We also believe that a well run program can also provide the Fire Department a revenue stream to help deal with the ever growing capital needs. It is these two key factors that we believe warrants an in depth feasibility study.

History:

The Newton Fire Department was responsible for providing Emergency Medical Services for the city of Newton From 1976 – 1982. In fact, the Newton Fire Department was the first department in Massachusetts to administer drugs in the field, Epinephrine. Then Mayor Mann in response to passage of prop 2 ½ eliminated the EMS and engine 9 from service. Although the primary responsibility was taken from the Fire department the firefighters have always believed that providing ems was one of the primary roles of the department. In 1998, in a cooperative effort with Chief Murphy, the Fire Department began providing responses to all life threatening medical emergencies, and today all members are certified in the use of Automatic External Defibrillator while responding to over 3400 medical calls a year.

Currently:

In 2009 The Newton Fire Department responded to 3,654 calls for ems 156 more from the previous year and is responsible for the over site and dispatching of all ems calls. The members of the Department are all trained First responders and have 50 EMT's and 2 Paramedics on staff. The members of the department are all AED certified and the Fire Department is responsible for the implementation and over site of the Citywide AED program.

Statistics:

73% of municipalities in the Commonwealth have either the Fire Department and or another city owed agency provide Emergency Medical Service.

More than half of the 34 communities that make up Metro Fire District 13 which Newton is part of provide the Emergency Medical Service.

Of the 6 communities that Border Newton 3 provides the Emergency Medical Services including Boston.

Needham and Natick are some of the more recent communities that changed to an all Paramedic level of service.

Recently in Natick, due to the tough economic times, a review of the ems system was conducted by town administrators and it was determined that it was more effective to continue the Fire department run system rather than privatizing.

Over the last ten plus years there has been a trend to bring or expand Emergency Medical Services under the control of the municipalities including major cities such as Chicago, New York, and more recently Washington DC.

According to the May 2009 Journal of Emergency Medical Services Washington DC went from the worst Metropolitan EMS provider to the best once taken over by the Fire Department.

In 2008 AMR responded to 6,772 calls and billed out approximately 3 million dollars in gross revenues for services rendered to the citizens of Newton.

Newton has one of the highest reimbursement rates in the Commonwealth at 90%.

Thank You

Tom Lopez
President
Local 863