uncommon vision
uncommon care
uncommon results
Without question, 2018—our 15th year of incorporation—was a watershed year for Commonwealth Care Alliance® (CCA). Energized by our vision of transforming the nation’s healthcare for individuals with the most significant needs, we achieved numerous milestones that positioned the organization for ongoing strategic growth. With healthcare at the forefront of national consciousness, and the continuing debate over costs and access, social determinants of health took center stage in discussions on how to best care for low-income populations with complex needs. CCA’s long-standing commitment to addressing medical, behavioral health, and social needs uniquely positioned us as an industry thought leader.

The policy publication Politico recognized CCA as “the template for the Medicare program of the future.” Health Affairs’ most-read articles of 2018 featured a study on CCA members that demonstrated that meal delivery programs reduced healthcare costs and improved outcomes. And, because consumer-centricity is so central to our care model, we are especially proud that, for the third consecutive year, our One Care plan was a top-rated Medicare-Medicaid Plan in the country based on the annual Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys administered by the Centers for Medicare & Medicaid Services.

We hope this Annual Report will help you discover more about how CCA’s uncommon care is improving the lives of people with complex health needs. Among this year’s highlights:

• CCA health plans were the fastest-growing plans of their kind in Massachusetts based on net enrollment volume, ending 2018 with nearly 30,000 members—a 21% increase over 2017 and 72% increase in the last three years.

• Revenues grew to $1.259 billion—a 22% increase over 2017. We achieved a $14.1 million operating margin and $96.6 million in net assets, reinvesting $13.3 million into infrastructure and innovations.

• For hospitalized CCA members receiving consultative care through our Hospitalist Program, readmission rates dropped by 81.5% and length of stay by 40%—with estimated cost savings of $1.7 million.

• Based on our pioneering mobile integrated health (MIH) program, CCA launched instED, an on-demand MIH solution that helped members avoid emergency department visits or hospitalizations in 82% of cases, with estimated savings of over $1 million.

• We expanded our collaboration with Partners HealthCare on their iCMP PLUS program, reducing the cost of care by $745 per patient per month for Partners’ highest-risk patients.

These achievements are validation of CCA’s care model, which improves health and quality outcomes while reducing the overall cost of care, and they stand as a tribute to our exceptional staff who provide the steadfast foundation for our unparalleled culture and values. Now numbering over 1,200, our workforce grew by 12% in 2018, a remarkable achievement considering the nation’s tight labor market.

On a profoundly sorrowful note, we must express our deep sadness on the passing of Robert Restuccia, our cherished colleague, friend, and healthcare advocacy trailblazer. Without Rob, CCA would not be the nationally recognized organization it is today. As a long-standing board member, he demonstrated uncompromising commitment to providing access to care for those who need it most.

Reflecting upon Rob’s extraordinary life and legacy, we renew our dedication to our mission of improving the health and well-being of those we so proudly serve by innovating, providing, and coordinating the highest-quality, individualized care. The enormous strides CCA made in 2018 have readied us for a new chapter in our history, as we explore opportunities to extend our mission and proven care model both within and beyond Massachusetts.
CCA Fast Facts

Financial strength

- 2018 total revenue: $1.031 billion
- 2018 operating margin: $14.1M
- 2018 investments: $13.3M
- 2018 net assets: $96.6M

- 22% increase in total revenue from 2017 to 2018

Membership growth

- 2018 total membership: 29,937
- 2017 total membership: 24,703

- 72% increase in total membership from 2017 to 2018
- 21% increase in One Care membership from 2017 to 2018
- 25% increase in SCO membership from 2017 to 2018

Organizational expansion

- 60% increase in clinical workforce from 2017 to 2018
- 64% increase in clinical visits from 2017 to 2018

Health Plans

CCA ONE CARE (Medicare-Medicaid Plan)

A Massachusetts demonstration health plan for individuals ages 21 to 64 who are dually eligible for Medicare and MassHealth or CommonHealth

- 2018 membership: 19,550*

CCA SENIOR CARE OPTIONS (HMO Special Needs Plan)

A health plan for individuals ages 65 and older who have MassHealth Standard

- 2018 membership: 10,387*
- 4.0-star rating from the U.S. Centers for Medicare & Medicaid Services

Care Delivery Solutions

COMMONWEALTH COMMUNITY CARE

- CCA’s clinical affiliate—a specialized primary care practice offering intensive, comprehensive, disability-competent care
- 1,303 members and patients served in 2018 at four locations: Boston, Lawrence, Springfield, and Metro/West Worcester

CRISIS STABILIZATION UNITS

- CCA’s alternative to psychiatric hospitalization for members with acute behavioral health or substance use disorder needs
- 452 members served in 2018 at two locations: Carney Hospital in Dorchester and Marie’s Place in Brighton

HOSPITALIST PROGRAM

- One-of-a-kind hospital-based program in which a CCA hospitalist rounds on members admitted to the hospital for medical and surgical services
- 600 members served in 2018

LIFE CHOICES PALLIATIVE CARE

- CCA’s integrated approach to palliative care that decreases acute utilization at end of life
- 337 members served in 2018

Clinical Innovations

instED

- CCA’s innovative and comprehensive mobile integrated health solution that responds to urgent care needs, providing high-intensity care in members’ setting of choice
- 403 members served in 2018

WINTER STREET VENTURES

- CCA’s subsidiary healthcare start-up accelerator that partners with early-stage entrepreneurs to take healthcare technology, devices, and services from concept to marketplace

- As of 12/1/2018
CCA One Care

An integrated approach for those who need it most

A Massachusetts demonstration Medicare-Medicaid Plan (MMP) for individuals between 21 and 64 who are eligible for Medicare and MassHealth Standard or CommonHealth

2018 membership: 19,550*

For the third consecutive year, CCA’s One Care program was recognized as a top-rated Medicare-Medicaid Plan in the country.**

In 2018, Commonwealth Care Alliance’s One Care plan in Massachusetts based on net enrollment volume. Before joining CCA, many of our One Care members have disconnected from the healthcare system. One Care works by locating these hard-to-reach members and assessing their specific healthcare needs. CCA clinicians then work closely with primary care providers to develop customized, coordinated care plans for a range of chronic medical, behavioral health, and social needs, including physical, intellectual, and developmental disabilities.

Results

CCA’s focus on reaching and engaging hard-to-reach members is improving care for those with complex healthcare needs while lowering long-term costs associated with hospital readmission rates and institutional care settings.

- 79% One Care members engaged through a face-to-face meeting with an enduring care partner within 120 days of enrollment
- 7x cost of caring for One Care–eligible population averages $3,195 per member per month, 7 times the average for MassHealth MCO patients
- >75% One Care members in community
- All-cause 30-day readmission rate for CCA One Care members between 2015 and 2018
- 75%

Who are our members?

74.2% have a physical or behavioral health disability

67.5% have severe mental illness, such as schizophrenia, bipolar disorder, or severe depression (excluding substance-use disorder)

31.2% have a substance-use disorder (excluding tobacco and nicotine)

8.4% have a major physical disability (such as paralysis, spinal cord injury, multiple sclerosis, muscular dystrophy, cerebral palsy, or ventilator dependency)

7.6% are homeless

7x cost of caring for One Care–eligible population averages $3,195 per member per month, 7 times the average for MassHealth MCO patients

One Care member Keisha has been receiving care from CCA since 2013

As of 12/1/2018
**Based on the 2016, 2017, and 2018 Medicare Advantage and Prescription Drug Plan CAHPS surveys conducted by the U.S. Centers for Medicare & Medicaid Services
CCA Senior Care Options
Helping seniors live independently at home, despite chronic needs

A HMO Special Needs Plan for individuals 65+ who are eligible for MassHealth Standard

2018 membership: 10,387*

In 2018, Commonwealth Care Alliance’s Senior Care Options (SCO) plan was the fastest-growing SCO plan in Massachusetts based on net enrollment volume. Before joining CCA, many of our SCO members with serious health conditions face the prospect of entering a nursing home, but with our integrated, team-based approach, they are able to live safely and independently at home. Each member’s medical, behavioral health, and social needs are addressed through a customized care plan created by CCA’s interprofessional team of care partners and specialists in conjunction with the member’s primary care provider.

Results
By engaging SCO members in CCA’s integrated approach, CCA’s SCO program has improved their quality of life while reducing long-term costs associated with hospital admissions and ambulatory care for our members.

91.5% of SCO members who received CCA care and support for at least 9 years are still living in their home or community.

SCO members engaged through a face-to-face meeting with an enduring care partner within 90 days of enrollment: 97%

Acute admissions per 1,000 between 2011 and 2018: 24%

Total cost for ambulatory care per member per month between 2016 and 2018: 8.4%
CCA Care Delivery Solutions

The right care in the right setting

COMMONWEALTH COMMUNITY CARE

CCA’s clinical affiliate, Commonwealth Community Care (CCC), is a specialized primary care practice that provides intensive, comprehensive, and disability-competent care to patients with the highest degree of complex physical, behavioral, and social needs. The average CCC patient is significantly more complex and has an HCC risk score three and a half times higher than an individual who is relatively healthy. Given this complexity, over 90% of CCC patients are seen fully or partially at home. Each patient is also seen at least eight to twelve times a year by CCC physicians or advanced practice clinicians, who work out of four locations across Massachusetts. In 2018, CCC provided primary care to 1,303 members and patients.

CRISIS STABILIZATION UNITS

The only facilities of their kind in Massachusetts, CCA’s specialized Crisis Stabilization Units (CSUs) provide a therapeutic alternative to inpatient psychiatric admissions for members with behavioral health disorders. In 2018, CCA’s two CSUs—at Carney Hospital in Dorchester and Marie’s Place in Brighton—served 452 members. The CSUs also developed a model for obtaining key annual assessments and preventive care information that establishes continuity of care for CCA’s members with complex behavioral health needs.

Results

85% of admissions in 2018 came from the emergency department and avoided potential inpatient hospital, inpatient psychiatric, or external crisis unit admissions.

21% reduction in length of stay for extended stays, which allowed for a 35% increase in monthly capacity.

90% of members and patients at CCA CSUs rated their overall satisfaction as “good” or “excellent” in satisfaction surveys.

35.6% average costs for CSU admissions were $690 per member per day, versus average inpatient admissions costs of $1,071 per day—a savings of 35.6%.

CCA members who received care from a CCA consulting hospitalist had an 81.5% reduction in readmission rate compared to those who did not.

Length of stay was 40% shorter for CCA members served by the Hospitalist Program in 2018 than in 2017.

2-3 admissions per week were avoided through ad hoc ED diversion and care partner consultation, for an estimated savings of $1.7 million.

HOSPITALIST PROGRAM

In 2018, CCA’s Hospitalist Program evolved to offer a one-of-a-kind, collaborative consult service to hospitals that care for CCA’s high-need members. Through this program, CCA hospitalists rounded on over 600 members who were admitted to the hospital for medical and surgical services, resulting in improved outcomes such as decreased length of stay and readmission prevention.

Results

81.5% reduction in readmission rate for CCA members served by the Hospitalist Program in 2018 compared to those who did not.

40% reduction in length of stay for extended stays, which allowed for a 35% increase in monthly capacity.

$1.7M 2-3 admissions per week were avoided through ad hoc ED diversion and care partner consultation, for an estimated savings of $1.7 million.

LIFE CHOICES PALLIATIVE CARE

Designed for the unique end-of-life needs of our members, their caregivers, and healthcare providers, CCA’s Life Choices Palliative Care program is focused on partnering with members who have advanced or life-limiting illnesses to offer high-quality palliative care services. In 2018, CCA’s Life Choices Palliative Care program provided over 1,300 palliative care visits to 337 members. The Life Choices Palliative Care program also initiated an expansion to provide longitudinal care that serves members as they progress from serious illness to palliative and end-of-life care.

Results

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CCA Clinical Innovations

Empowering innovators. Improving healthcare.

Winter Street Ventures (WSV) is CCA’s affiliate that accelerates and brings to scale innovations that advance CCA’s core mission of improving the health and well-being of people with significant needs. Through WSV, healthcare innovators engage CCA primary care givers and members in user acceptance testing (UAT), beta testing, and pilots. In 2018, WSV reviewed over 110 innovations and conducted due diligence on multiple promising opportunities. User acceptance of WSV-piloted technology was above 90% for both CCA primary care givers and members.

CCA partnered with Babel Health, LLC, to validate the potential that Babel’s innovative data management and encounter submission solutions offer other payer and provider entities.

- CCA increased its claim acceptance rate from 62% to more than 98%
- CCA recaptured close to $6 million in revenue

WSV identified voice-first technology as a key innovation to address care gaps for CCA’s member population. In 2018, CCA engaged LifePod to test its intuitive voice-first interface.

- UAT results showed that LifePod engaged patients an average of 8 to 12 times per day
- Beta testing demonstrated a Net Promoter Score above 90 for members and CCA primary care givers

“CCA is a visionary leader in putting technology innovations to work for patients with complex medical and behavioral health needs who all too often have no access to the connected world of intelligent, online services.”

Stuart R. Patterson | CEO of LifePod

Bringing urgent care home

In 2018, CCA launched instED, LLC, an innovative and on-demand mobile integrated health (MIH) solution based on CCA’s pioneering program—the only MIH program in Massachusetts that has continuously operated for over four years. By partnering specially trained community paramedics with physicians who provide medical control to provide high-intensity care in patients’ homes, instED handles a wide variety of urgent, yet non-emergent clinical problems for healthcare organizations and provider systems. In 2018, instED paramedics completed 782 in-home visits in response to the urgent care needs of over 400 members.

Results

- 82% of visits avoided an emergency department or inpatient admission within 3 days
- $1M estimated cost savings to CCA in 2018
- 9.59 out of 10 would recommend instED to family or friends
CCA Spotlight Initiatives

A powerful collaboration for high-risk patient populations

In 2018, CCA and Partners HealthCare expanded their collaboration on Partners’ advanced Integrated Care Management Program, or iCMP PLUS. Through this program, CCA provided direct care and care coordination for 250 of Partners’ highest-risk patients in 2018 and helped demonstrate a significant reduction in cost of care.

Results

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of care reduction per patient per month</td>
<td>$745</td>
</tr>
<tr>
<td>Decrease in emergency department visits per 1,000</td>
<td>22%</td>
</tr>
<tr>
<td>Decrease in inpatient admissions per 1,000</td>
<td>48%</td>
</tr>
</tbody>
</table>

"...These patients, our most vulnerable and frail in society, require a more intensive model... Partnering with Commonwealth Care Alliance allows us to provide these additional services."  
Sree Chaguturu, MD | Chief Population Health Officer of Partners HealthCare

CCA is also leveraging the value of our complex care expertise by offering scalable solutions to other risk-bearing health organizations that need help improving their performance with high-needs populations. By applying our outstanding track record of patient engagement and our nationally recognized care model, other payers and providers can improve outcomes, reduce utilization, and control costs for individuals with complex health needs.

Transforming the quality of care for people with complex needs

In 2018, CCA founded the Center to Advance Consumer Partnership (CACP), a not-for-profit organization dedicated to improving care for individuals with complex medical, social, and behavioral health needs by fostering authentic consumer partnership throughout the healthcare system. CACP leverages the consumer-centric model pioneered by CCA to help healthcare and community-based organizations embed consumer voices in their care design and delivery. CACP aims to be:

- a resource for proven methods, tools, and services that facilitate and demonstrate the benefits of a partnership-centered organization
- a convener that brings organizations together to develop, share, and advance best practices for engaging consumers’ voices routinely in organizational design and practice
- an evidence developer that demonstrates authentic consumer partnership to advance system development, improve outcomes, and reduce medical expenses for individuals with complex needs
- a national thought leader at the forefront of the consumer-centric movement to spread consumer partnership across healthcare organizations whose systems and operations impact consumers with complex needs
CCA Consumer Centricity

Social determinants of health at the core of CCA’s care model

Social determinants of health (SDOH) emerged in 2018 at the forefront of national healthcare discussions, with the industry recognizing that health-related behaviors and socioeconomic and environmental factors impact 50–90 percent of health outcomes. Since CCA’s founding, addressing members’ unmet medical, behavioral, and social needs has been a fundamental component of our nationally recognized care model. Depending on each member’s unique needs, care plans are individually tailored to include behavioral care, assistance in finding and using community resources, transportation to appointments, crisis support, care transition follow-up, and more.

Meal delivery study highlighted in Health Affairs, the leading health policy and research journal

In April 2018, Health Affairs published a study on CCA members that evaluated the potential impact of medically tailored meals (MTM) on health outcomes.

A two-year study of two groups totaling over 750 participants demonstrated that the average monthly medical costs for MTM participants was $843 vs. $1,413 for the comparison group, reflecting a gross difference of $570 per month, and a net difference of $220 (factoring in the cost of the meals).

MTM participation was associated with fewer emergency room visits, inpatient admissions, and emergency transportation services compared to controls.**

\[
\begin{align*}
\text{MTM} & \quad \text{Control} \\
\text{Emergency room visits} & \quad 10 \quad 15 \\
\text{Inpatient admissions} & \quad 2 \quad 5 \\
\text{Emergency transportation} & \quad 2 \quad 4 \\
\end{align*}
\]


**Medically tailored meals program

<table>
<thead>
<tr>
<th>SDOH Supports</th>
<th>CCA Impact</th>
<th>2018 at a Glance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transportation</strong></td>
<td>&gt;80% of members that receive transportation assistance have a behavioral health diagnosis</td>
<td>1,064,890 one-way transportation trips</td>
</tr>
<tr>
<td><strong>Physical Environment</strong></td>
<td>$12 million spent annually on home modifications and environmental controls</td>
<td>61,811 home modifications or environmental controls, including air conditioners</td>
</tr>
<tr>
<td><strong>Food</strong></td>
<td>9% of members receive nutritional support through CCA’s meal delivery program</td>
<td>618,221 medically and non-medically tailored meals</td>
</tr>
<tr>
<td><strong>Health Outreach</strong></td>
<td>2,100 visits conducted annually to provide housing support</td>
<td>49,281 non-traditional care services (includes peer support groups, acupuncture, massage therapy, and in-home behavioral health therapy)</td>
</tr>
</tbody>
</table>

Social supports are the key ingredient that can’t be ignored. If you don’t have heat, you’re probably not going to think about managing your diabetes. Thirty

Christopher D. Palmer
CCA President and Chief Executive Officer, Politico, September 12, 2018

11,564 members received CCA assistance with at least one social support in 2018
### CCA Financial Highlights and Leadership

**Commonwealth Care Alliance, Inc.**  
**Consolidated Statements of Operations**  
**Years ended December 31, 2018 and 2017**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member months</strong></td>
<td>333,217</td>
<td>271,559</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>$1,259,522,793</td>
<td>$1,031,111,204</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical care expenses</td>
<td>908,553,082</td>
<td>688,591,943</td>
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<tr>
<td>Capitation expenses</td>
<td>141,871,648</td>
<td>137,158,805</td>
</tr>
<tr>
<td>Claims adjudication expenses</td>
<td>12,020,773</td>
<td>11,483,147</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>179,955,962</td>
<td>151,184,593</td>
</tr>
<tr>
<td>Depreciation and amortization expenses</td>
<td>3,147,752</td>
<td>2,629,122</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,245,549,218</td>
<td>991,047,610</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses</strong></td>
<td>$14,971,616</td>
<td>$40,063,594</td>
</tr>
</tbody>
</table>

**Leadership**

Christopher Palmieri, President and Chief Executive Officer  
Lisa Fleming, Chief Legal Officer, Senior Vice President for Regulatory Affairs  
Sarah Garrity, Chief Marketing Officer  
Robert MacArthur, MD, Chief Medical Officer  
Mihir Shah, Chief Financial Officer  
Courtney Sullivan Murphy, Chief Operating Officer

**Board of Directors**

Thomas Lynch, Chairman and Chief Executive Officer, Lynch Ryan Inc.  
Carol Raphael, Vice Chair and Senior Advisor, Manatt Health Solutions  
Charles Carr, Legislative Liaison of the Disability Policy Consortium and Principal, Charlie Carr Consulting  
Len Fishman, Director of the Gerontology Institute, UMass Boston’s John W. McCormack Graduate School  
Tejal Gandhi, MD, Chief Clinical and Safety Officer, Institute for Healthcare Improvement  
Robert Gittens, Executive Director, Cambridge Family & Children’s Services  
Ira Gottlieb, Principal, Health Care Practices, Mazars USA, LLP  
Leslie Kirwan, Dean for Administration and Finance, FAS, Harvard University  
David Klein, Special Advisor to CEO, University of Rochester Medical Center  
Christopher Koller, President, Milbank Memorial Fund  
Joseph Paduda, Principal, Health Strategy Associates  
Christopher Palmieri, President and Chief Executive Officer, Commonwealth Care Alliance  
J. Garrett Parker, Jr., Retired; Former Chief Financial Officer, Neighborhood Health Plan  
Mark Reynolds, President and Chief Executive Officer, CRICO  
Nancy Turnbull, Senior Associate Dean for Professional Education and Senior Lecturer on Health Policy, Harvard T. H. Chan School of Public Health
Giving strength to the frail and independence to the elderly.

Fostering ability in people with disabilities, and stability in those with mental illness.

Offering hope to the living and dignity to the dying.

And helping those with the most complex needs live safely in their own homes.

That takes extraordinary skill and passion and grit and teamwork.

That’s uncommon care. That’s Commonwealth Care Alliance.