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2018 Medical Pay-for-Quality

Proposed Methodology and Measures
February 17, 2017

Medicaid and CHIP Services Department, Quality and Program Improvement, Quality Assurance

Redesign Goals

HHSC's goal is to design a medical P4Q program that:

- Is simple and easy to understand
- Allows plans to track their performance and predict losses
- Rewards both high performance and improvement
- Promotes transformation and innovation leading to improved health outcomes

HHSC's 2018 Primary Areas of Focus

In a continued effort to enhance the quality of care while driving down costs, HHSC is focused on:

- Prevention
- Chronic disease management, including behavioral health
- Maternal and infant health

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Feedback

MCO Comments:

1. Concerns with use of the PPEs
2. Need to track P4Q performance throughout the year
3. Same benchmarks for all plans
4. High performance should be rewarded
5. Need to predict losses
6. Need targets prior to measurement year
7. No penalties for small changes outside MCO's control
8. Clarity on how performance ties to dollars
9. Measure alignment with other quality initiatives

HHSC Response:

1. Selected 1 PPE measure for inclusion in the measure set tied to capitation at-risk; PPRs, PPCs and PPAs included in the bonus pool
2. MCOs receive monthly PPE files from HHSC/ICHP, and can monitor the HEDIS measures by comparing to benchmarks
3. Benchmarks are the same for all plans
4. High performance is rewarded by the performance against established benchmarks component
5. Performance is directly mapped to percent capitation
6. Targets will be provided prior to the start of the measurement year
7. A "safety band" is built in to the performance against self component
8. Performance is directly mapped to capitation earned/lost for each measure
9. Measures are aligned, to the degree possible, with other quality initiatives

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Measure Selection Considerations

- State and federal regulations and healthcare priorities
- Standardized and nationally recognized
- Alignment with other state initiatives (e.g., DSHS, DSRIP, hospital incentive/disincentive program)
- Number of members affected
- Areas where improvement is needed
- Severity of the problem
- Practicality of what we can measure

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At-Risk Measures: STAR

STAR At-Risk Measures

- Potentially Preventable Emergency Room Visits (PPVs)
- Appropriate Treatment for Children with Upper Respiratory Infection (URI)
- Prenatal and Postpartum Care (PPC):
  - Timeliness of prenatal care
  - Postpartum care
- Six or more Well Child Visits in the First 15 months of Life (W15)

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At-Risk Measures: STAR+PLUS

STAR+PLUS At-Risk Measures

- Potentially Preventable Emergency Room Visits (PPVs)
- Diabetes Control - HbA1c < 8% (CDC)
- High blood pressure controlled (CBP)
- Diabetes Screening for People with Schizophrenia or Bipolar Disorder who are using antipsychotics (SSD)
- Cervical cancer screening (CCS)

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At-Risk Measures: CHIP

CHIP At-Risk Measures

- Potentially Preventable Emergency Room Visits (PPVs)
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents (WCC):
  - Counseling for Nutrition
  - Counseling for Physical Activity
- Appropriate Treatment for Children with Upper Respiratory Infection (URI)
- Adolescent Well Care (AWC)

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At-Risk Methodology

- Capitation at-risk is three percent
- Three ways in which MCOs can earn or lose money
  - Performance Against Established Benchmarks*
  - Performance Against Self**
  - Bonus pool (no risk)
- The MCO's capitation at-risk is distributed equally across the at-risk measures
  - Of that, half is assigned to performance against established benchmarks and the other half to performance against self
- The percent capitation for the measure is distributed evenly by the number of submeasures
- Measures and benchmarks will be reviewed every two years
- New at-risk measures will primarily come from the bonus pool measures

*In the conceptual framework this was referred to as within year performance

**In the conceptual framework this was referred to as year-to-year improvement

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At-Risk Methodology: Capitation

Example: MCO A's Total Capitation Amount: $193,321,388

STAR				
At-Risk Measure	Total % capitation at-risk		Performance: Against Benchmark / Against Self	Performance: Amounts
	Measure	Amount		
Potentially Preventable ED Visits (PPVs)	0.75	$1,449,910	0.375	$724,955
			0.375	$724,955
Well Child Visits in the first 15 months of life (W15)	0.75	$1,449,910	0.375	$724,955
			0.375	$724,955
Appropriate Treatment for Children with Upper Respiratory Infection (URI)	0.75	$1,449,910	0.375	$724,955
			0.375	$724,955
Prenatal and Postpartum Care (PPC)	0.75			
- Prenatal	0.375	$724,955	0.1875	$362,477
			0.1875	$362,477
- Postpartum	0.375	$724,955	0.1875	$362,477
			0.1875	$362,477

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At-Risk Methodology: Capitation

Decline in Performance
Max loss is -3%

Improvement in Performance
Max earning is +3%

Measure 4 -0.75	Measure 3 -0.75 (-0.375 for each sub measure)	Measure 2 -0.75	Measure 1 -0.75	Safety Band 0.0	Measure 1 +0.75	Measure 2 +0.75	Measure 3 +0.75 (+0.375 for each sub measure)	Measure 4 +0.75

Performance at the state mean and little or no change in performance

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At-Risk Methodology: Performance Against Benchmarks

- MCOs will not earn or lose capitation if performance is at the state mean
- HEDIS measures:
  - If the state mean is below the HEDIS 50th percentile, MCOs will not earn or lose capitation for performance between the state mean and the HEDIS 50th percentile
  - The HEDIS 2016 national percentiles around the state mean (and HEDIS 50th percentile as applicable) serve as benchmarks for earning or losing money
- PPE measures:
  - Actual to expected ratios serve as benchmarks

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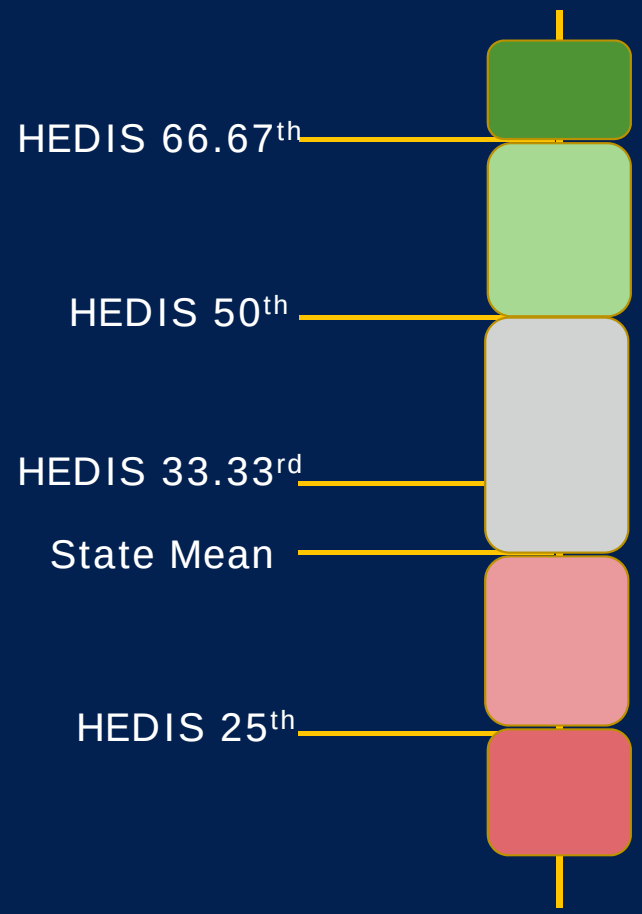
At-Risk Methodology: Example STAR W15



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At-Risk Methodology: Performance Against Self

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HEDIS Measures

- Percent difference in the rate from the prior year

  Formula: 2018 rate – 2017 rate

- Improvement targets are the average percent difference in the benchmarks for performance against benchmarks, rounded to the nearest half percent

  Formula: (percent at which a plan receives the maximum performance against benchmarks reward - percent at which a plan receives the maximum performance against benchmarks penalty) /4

PPE Measures

- Percent improvement or decline over the prior year's actual to expected ratio times program actual weight per 1,000 member months

  Formula: (2018 A/E * 2018 program mean) - (2017 A/E * 2017 program mean) / (2017 A/E * 2017 program mean)

- Improvement targets are set in increments of 5%

At-Risk Methodology: STAR MCO A W15 Example

Performance Against Benchmarks

HEDIS Well Child Visits in the First 15 Months of Life (W15)	
Performance Against Benchmarks	**Percent Capitation Earned / Lost**
Above HEDIS 66.67th percentile (>64.91)	0.375
HEDIS 50th percentile through HEDIS 66.67th percentile (59.58 through 64.91)	0.1875
State mean through HEDIS 50th percentile (54.67 through 59.57)	0
HEDIS 25th percentile through state mean (53.49 through 54.66)	-0.1875
Below HEDIS 25th percentile (<53.49)	-0.375

Performance Against Self

HEDIS Well Child Visits in the First 15 Months of Life (W15)	
Performance Against Self Improvement Target Formula (64.91 - 53.49) / 4 = 2.855	**Percent Capitation Earned / Lost**
>6%	0.375
3 through 6%	0.1875
2.99 through -2.99%	0
-3 through -6%	-0.1875
<-6%	-0.375

Measure	2014 Rate	2015 Rate	Improvement/ Decline	Performance Against Benchmarks Percent of Capitation lost/ gained	Performance Against Self Percent of Capitation lost/ gained	Total Percent Capitation earned/ lost
W15	31.03%	45.60%	14.57%	-.375	.375	0

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At-Risk Methodology: STAR MCO A W15 Example

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W15	31.03%	45.60%	14.57%	-.375	.375	0

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At-Risk Example: STAR MCO A

Measure	2014 Rate	2015 Rate	HEDIS Change in Rate/ PPE % Change	Performance Against Benchmarks Percent of Capitation lost/ gained	Performance Against Self Percent of Capitation lost/ gained	Total Percent Capitation earned/ lost
PPV A/E	1.39	1.4752	N/A	-.375	N/A	-.375
PPV A/E * state mean	13.081985	13.60296672	3.98%	N/A	0	0
W15	31.03%	45.60%	14.57%	-.375	.375	0
URI	73.91%	74.35%	0.44%	-.375	0	-0.375
PPC - prenatal	57.30%	65.92%	8.62%	-.1875	.1875	0
PPC - postpartum	33.33%	38.95%	5.62%	-.1875	.1875	0
Total				**-1.5**	**.75**	**-.75**

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Bonus Pool Methodology

- The amount remaining after funds have been recouped and redistributed for the at-risk measures will be placed in the bonus pool
  - Should more money be earned than recouped for the at-risk measures, there will be no funds for the bonus pool
- A plan can earn one point for each bonus pool measure by meeting a predetermined benchmark
- Bonus pool points are adjusted to account for variation in MCO size by dividing the MCOs capitation by the total program capitation
- The amount available in the bonus pool is divided by the total program adjusted bonus points, creating a dollar value for each adjusted point
- Each plan receives a bonus of their total number of adjusted points multiplied by the dollar value for each adjusted point

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Bonus Pool Measures: STAR

STAR Bonus Pool	
Measure	**Reward Threshold**
Potentially Preventable Admissions (PPAs)	A/E of <.9
Low Birth Weight (LBW)	10% better than the state rate
CAHPS Children with good access to urgent care (child)	81%
CAHPS Adults rating their health plan a 9 or 10 (adult)	59%
Percent of network primary care providers who are a NCQA Certified PCMH	5% improvement over prior year

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Bonus Pool Measures: STAR+PLUS

STAR+PLUS Bonus Pool	
Measure	**Reward Threshold**
Potentially Preventable Readmissions (PPRs)	A/E of <.9
Potentially Preventable Complications (PPCs)	A/E of <.9
Prevention Quality Indicators (PQI) Composite	10% better than the state rate (<449.181)
CAHPS Adults with good access to urgent care	65%
CAHPS Adults rating their health plan a 9 or 10	61%
Percent of network primary care providers who are a NCQA Certified PCMH	5% improvement over prior year

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Bonus Pool Measures: CHIP

CHIP Bonus Pool	
Measure	**Reward Threshold**
CAHPS Children with good access to urgent care	80%
CAHPS Caregivers rating their child's health plan a 9 or 10	79%
Childhood Immunization Status (CIS) Combination 10	40.91%
Percent of network primary care providers who are a NCQA Certified PCMH	5% improvement over prior year

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Bonus Pool Example: STAR MCO A

Measure	2014 Rate	2015 Rate	Improvement/ Decline	Bonus Pool Points
Potentially Preventable Admissions (PPAs)	N/A	1.6843	N/A	0
Low Birth Weight (LBW)	N/A	4.67	N/A	1
CAHPS Children with good access to urgent care	N/A	68.0%	N/A	0
CAHPS Adults rating their health plan a 9 or 10	N/A	40.7%	N/A	0
Percent of network primary care providers who are a NCQA Certified PCMH	Data not available	1.56%	Data not available	0
Total				**1**

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Final Calculations

- Plans with a low denominator on a measure will not be eligible to earn/lose money for that measure
- If more money is earned than recouped, distributions will be reduced to match the total dollars available
  - Earned dollars will be reduced by the percent of earned dollars above the recouped dollars
- CFR 438.6(b)(2) limits incentive payments to 105 percent of capitation payments
  - HHSC will retain any award amount above five percent of a plan's capitation.

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Final Calculation Example: STAR MCO A

2015 capitation multiplied by percent at-risk earned/lost

MCO's 2015 capitation divided by total program capitation

(Total amount in the bonus pool divided by total program size adjusted bonus pool points) multiplied by MCO A's adjusted points

2015 Capitation	Percent At-Risk Capitation Earned / Lost	Dollars At-Risk Earned / Lost	Scaled Earnings	Bonus Pool Points	Bonus Pool Size Adjustment	Adjusted Points	Bonus Pool Award	Total Capitation Earned / Lost	Percent Capitation Earned / Lost
$193,321,388	-0.75	($1,449,910)	$0	1	0.0247	0.0247	$255,847	($1,194,064)	-0.62

In this example there was more money recouped than distributed so earnings do not need to be scaled.

Bonus pool points multiplied by the size adjustment

Dollars at-risk earned/lost plus bonus pool award

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Thank you

Please submit any additional written comments or questions by Wednesday, March 1, 2017 to:

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