

## Pay-for-Performance (P4P) Provider Incentive

As part of Chorus Community Health Plans contract with the Wisconsin Department of Health Services, 2.5% of our capitation is withheld as part of the state's Pay-for-Performance (P4P) initiative. In order to reward high performance among providers, CCHP has developed a program to share P4P payouts with providers that meet defined criteria.

Listed below are the measures and methodology for distribution of this P4P incentive: In accordance with our contract with the state, CCHP will use the industry-standard, HEDIS (Healthcare Effectiveness and Data Information Set) (HEDIS), measures in determining provider performance levels.

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Measures to be included for this incentive are listed below along with their HEDIS acronyms:

- Comprehensive Diabetes Care (CDC) - HbA1c- test and results, eye exam, neurological exam and LDL
- Prenatal Care (PPC)

For each measure, CCHP's audited results will be submitted to the state. These results will be used by the state to determine CCHP's performance based on a combination of the rate compared to national Medicaid HEDIS data, and the degree of improvement from the baseline (calculated as a percentage reduction in error). Based on these calculations, CCHP will earn back a percentage of the amount withheld for each measure, either by 100%, 75%, 50% or 0%.

Methodology of Provider Incentive Payout: This applies to all of the above measures except for the FUH measure, which will be distributed using a different methodology (see below).

- CCHP's overall results for each measure will be used to calculate a compliance rate for all applicable clinics.
- The incentive payout will be as follows:
  - If CCHP earns back 100% of the amount withheld, 33% of this will be distributed to providers
  - If CCHP earns back 75% of the amount withheld, 25% of this will be distributed to providers
  - If CCHP earns back 50% or 0% of the amount withheld, there will be no distribution to providers
- Clinics will be eligible for an incentive payout if their result for a given measure exceeds the 75<sup>th</sup> percentile of the national Medicaid HEDIS results (for PPC, the target is the 50<sup>th</sup> percentile) or if their result reflects a 10% improvement over the baseline. Note that this is measured as a 10% reduction in error where "error" is defined as the difference between 100% and the actual level of performance.
- Clinics with less than 5 members in the denominator for a measure will not be included.
- The attribution of members to clinics will be based on the most visits by the member in the 12 months prior to the measurement year. For PPC, the attribution will be based on the clinic that provided the prenatal or postpartum care.
- Funds will be distributed to each eligible clinic based on their share of total compliant members for all eligible clinics.

- Distribution of funds to clinics will occur after the Department of Health Services has finalized the P4P results for all HMOs and has paid the funds to the HMOs.

Example:

Measure – Childhood Immunizations (CIS)

Amount Withheld by DHS	\$500,000
National Medicaid HEDIS 75 <sup>th</sup> Percentile	81.74%
CCHP Baseline (2012 Result)	79.80%
CCHP 2014 Result	82.00%
CCHP Level of Performance Result	100% - \$500,000 paid to CCHP
- Result exceeds 75 <sup>th</sup> percentile	
Provider Incentive Amount for Distribution	33% - \$165,000

Provider Criteria for Distribution

- Primary Care Clinics that exceed 81.74%, and
- Primary Care Clinics that improved by 10% or more from 2012
- At least 5 members in 2014 denominator

Total Compliant Members for Eligible Clinics	1,000
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Clinic A

2012 Compliance Rate	81%
2014 Compliance Rate	82% (exceeds 75 <sup>th</sup> percentile)
Note – 2014 improvement is 5.26% (1% increase / (100% - 81%))	
Total Compliant Members	100
Distribution	\$16,500 (\$165,000 x 100 / 1,000)

Methodology of Payout: Follow-Up After Mental Health Hospitalization – 30 Days (FUH). CCHP will distribute funds for all compliant members in the following manner.

- If CCHP receives 100% of the amount withheld by the state, a \$75 payment will be made to the mental health provider that provided the visit within the 30 days following the discharge, and a \$50 payment will be made to the hospital that discharged the complaint member.
- If CCHP receives 75% of the amount withheld by the state, a \$50 payment will be made to the mental health provider that provided the visit within the 30 days following the discharge, and a \$25 payment will be made to the hospital that discharged the complaint member.
- If CCHP receives 50% or 0% of the amount withheld by the state, there will be no additional payments made.
- Payments to providers will occur after the Department of Health Services has finalized the P4P results for all HMOs and has paid the funds to the HMOs.