

CCO Incentive Measure Program Structure

Potential Options for 2018-2022

This document outlines potential variations for quality pool distribution if the CCO incentive measure program moves to a core / menu set approach under the new Medicaid demonstration waiver. These options for quality pool distribution were developed following a conversation with Michael Bailit, and are provided for Committee discussion only.

Core / Menu Set Approach

Under this potential approach, the Metrics & Scoring Committee would identify a fixed number of measures (the “core” set) that all CCOs would be held accountable for. The Committee would also select an additional set of measures (the “menu” set) from which CCOs would select a fixed number.

For example, the Committee may select 10 “core” measures and 5 “menu” measures, but CCOs would only be required to select 2 menu measures, for a total of 12 measures tied to quality pool dollars.

This potential approach for 2018 – 2022 is under discussion with the Committee and subject to change and CMS approval.

Examples of this core / menu set approach include:

- Under CMS’ prior Meaningful Use requirements, participating providers had to meet all of the core requirements, as well as five of 10 menu requirements. Each of these requirements had a corresponding measure to assess compliance.
- Rhode Island recently adopted core and menu measure sets for commercial and Medicaid payer use with ACOs. Each ACO contract must include 10 core measures, and then the ACO and payer can agree to supplement the core set with any number of measures from a 49-measure menu set. The manner in which dollars are attached to measure performance is left to the payer-ACO to negotiate, but each core measure must be given a substantial weight.

Current Quality Pool Structure (2015)

Quality pool distribution is based on CCO performance on all incentive measures; as CCOs meet more benchmarks or improvement targets, they receive higher payments.

Number of measures met ¹	Percent of quality pool payment for which CCO is eligible
At least 12 * must include EHR adoption and * must include at least 60% PCPCH enrollment	100%
At least 12 * not including EHR adoption or * less than 60% PCPCH enrollment	90%
At least 11.6	80%
At least 10.6	70%
At least 8.6	60%
At least 6.6	50%
At least 4.6	40%
At least 3.6	30%
At least 2.6	20%
At least 1.6	10%
At least 0.6	5%
Fewer than 0.6	No quality pool payment

Any remaining funds not allocated to CCOs after initial distribution constitute the challenge pool, and these funds are distributed to CCOs that qualify based on a subset of incentive measures (remaining funds are divided by number of CCOs x number of the subset of measures met).

Variations for Quality Pool Distribution

Variations for the quality pool distribution can be summarized as three levers that can be used independently, or in combination.

- 1) Raise or lower the “gate” (i.e., the qualifying threshold, or the minimum score needed for any payment. See tiered distribution table above – e.g., should meeting 1.6 measures still be worth 10% of quality pool?)
- 2) Raise or lower the rungs of the “ladder” (i.e., the levels of performance needed to earn payment, how high is the top of the ladder. See tiered distribution table above – e.g., should meeting 75% of the measures still equal 100% of the pool).
- 3) Allow for variable point allocation for all measures, or just menu set measures.

These levers are explored in combination in the options presented below.

¹ Could include benchmarks, improvement targets, or reporting requirements (if applicable)

Tiered Approaches

Even if moving to a core / menu set approach, the quality pool distribution could continue to utilize a tiered approach + challenge pool. This approach continues to allow flexibility if the measure set grows or shrinks over time.

Option 1a: The Committee could recommend a certain number of the total measures (and any specific requirements, e.g., 60% PCPCH enrollment) that are needed to earn 100% of the pool and any other thresholds.

For example, if the core set includes 10 measures, and the menu set includes 5 measures (of which a CCO must choose 2, for a total of 12 measures), the quality pool distribution could continue to be based on meeting at least 75% of the measures (e.g., 9 measures = 100% of quality pool funds).

Option 1b: The Committee could recommend Option 1a, but also recommend “raising the bar” or “lowering the bar”, i.e., require a higher (or lower) level of performance to receive quality pool payments as a qualifying threshold and/or at one or more tiers above the minimum threshold.

For example, if the core set includes 10 measures, and the menu set includes 5 measures (of which a CCO must choose 2, for a total of 12 measures), the quality pool distribution could require meeting 75%, 92% or 100% of the measures to earn 100% of the quality pool fund (i.e., 9, 11, or 12 measures = 100% of quality pool funds).

Percent of quality pool payment for which CCO is eligible	Number of measures met (easy)	Number of measures met (medium)	Number of measures met (hard)
100%	9	11	12
90%	8	10	11
80%	7	8	10
60%	6	6	8
40%	4	4	6
20%	2	2	4
10%	1	1	2

Another way to think about option 1b (hard) is to divide the quality pool by the total number of measures; each measure is worth a fixed amount of money. A CCO would earn 100% of the funds by meeting all of the measures (see visual below).

12 measures at \$10 each = \$120 quality pool available per CCO



CCO A meets 11 measures, earns \$110 of \$120 available; \$10 remaining goes toward challenge pool.



CCO B meets 9 measures, earns \$90 of \$120 available; \$30 remaining goes toward challenge pool.



Variable Weights

In this variation, each measure (core and menu) would be assigned a point value (e.g., ½ or 1).

Option 2a: In this option, all measures are worth the same point value, and a certain total number of points earns 100% of the quality pool (see visual below).

This model is identical to the current tiered distribution structure, while accommodating the proposed core / menu set; however, it serves as the basis for additional variations (see below).

12 measures at 1 point each = 12 points possible per CCO



Easy: To earn 100% of quality pool, CCO must achieve at least 9 measures (meets 75% of measures = 100% of \$)



Hard: To earn 100% of quality pool, CCO must achieve all 12 measures



Option 2b: Core measures could be worth one point value and menu measures a lower point value. The Committee could then recommend a total point value that must be met to earn quality pool funds.



Total point value that must be met to earn 100% of quality pool = ?

Option 2c: The Committee could recommend higher or lower weights to certain measures to provide emphasis in particular areas (e.g., more transformational measures are worth more points).



In the examples above, the core set includes 8 possible points and the menu set includes 2 possible points, for a total 10 points possible. Quality pool distribution for either option could look like:

Percent of quality pool payment for which CCO is eligible	Number of points earned (easy ²)	Number of points earned (hard)
100%	8	10
90%	6	9
80%	5	8
60%	4	6
40%	3	4
20%	2	2
10%	1	1

Any remaining funds could be distributed through the current challenge pool methodology.

Option 2d: The Committee could also recommend assigning full point value for meeting the benchmark (1) and fewer points for not meeting the benchmark, but demonstrate improvement over prior year (1/2 point). Again, the Committee would establish a total score that would map to quality pool funds.

For example:

² The “easy” track continues to allow a CCO to only meet 75% of the measures (or points) to earn 100% of the quality pool.

- One CCO meets the benchmark on 3 of 12 measures (3 points) and improvement targets on 6 measures ($\frac{1}{2}$ points x 6 measures = 3 points) for a total score of 6 points (of 12 total).
- A second CCO meets the benchmark on 1 of 12 measures and improvement targets on 11 measures ($\frac{1}{2}$ points x 11 measures = 5.5 points), for a total score of 6.5 (of 12 total).

This approach would likely be demotivating for CCOs after 5 years of equally rewarding meeting improvement targets or benchmarks, and is not recommended at this time.

DRAFT