

# Oregon Health Authority

## 2020 Quality Pool Methodology (Reference Instructions)

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As part of the agreement with the Centers for Medicare & Medicaid Services (CMS) as required by the Special Terms and Conditions (STCs) of Oregon’s Section 1115 demonstration, the Oregon Health Authority (OHA) has established a Quality Incentive Program to provide financial incentives to reward CCO performance on a set of access, quality and outcome metrics (“incentive metrics”) selected annually by the Metrics & Scoring Committee. Through this program, CCOs achieve financial rewards if they meet specific performance benchmarks or improvement targets. The funding for the program is from the quality pool.

This model rewards CCOs for outcomes, rather than utilization of services. This stimulus is one of several health system transformation mechanisms for achieving Oregon’s vision for better health, better care, and lower costs, and eliminating health inequities.

Per CCO contracts, this document provides further instructions about the methodology for distributing the quality pool.

### Quality Pool Funding

Under the 2020 CCO contract, OHA withholds approximately 4.25 percent of a CCO’s monthly 2020 capitation revenue to fund the quality pool. These funds were scheduled to be paid out in June 2021. However, due to the health care disruption occurring during the COVID-19 pandemic, OHA suspended the withhold starting April 2020 during the emergency; the withhold suspension will continue through the remainder of 2020.

This resulted in an increased cash flow to CCOs of approximately \$17 million or more per month that CCOs can use during the emergency. OHA recognizes that these funds are typically directed towards providers; however, using quality funds now will also help CCOs address critical areas of need that cannot wait for later funding. Areas of need include, but are not limited to, hospital access (urban and rural), operation of residential facilities, expanded telehealth services, and laboratory and diagnostic testing, as well as support for local public health agencies, primary care providers, behavioral health providers, transportation services and social service agencies. As outlined [here](#),<sup>1</sup> CCOs must provide information to OHA on plans for expending these funds.

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<sup>1</sup> <https://www.oregon.gov/oha/FOD/Pages/Provider-Financial-Supports.aspx>

The funds withheld from January to March 2020 were maintained for the quality pool. The entire 2020 quality pool (i.e., withheld funds from January to March 2020) will be disbursed to CCOs by June 30, 2021 according to the methodology outlined below.

## CCO Eligibility for 2020 Quality Pool Funds

Each CCO will be eligible for a maximum amount of quality pool funds equal to the 4.25% withheld from the CCO's monthly 2020 capitation revenue from January to March 2020. In addition to the quality pool funds, CCOs can share in any remaining "challenge pool" funds as described below.

OHA will publish initial **estimates** of the 2020 quality pool funds each CCO would receive if they earn the full 4.25% withheld from January – March 2020 by November 30, 2020 (**note these are estimates and subject to change**). Final estimates of 2020 quality pool amounts will be posted online no later than April 30, 2021.

The estimates will be available online at:

<http://www.oregon.gov/oha/hpa/analytics/Pages/CCO-Baseline-Data.aspx>.

Actual 2020 quality pool payments disbursed will vary, as they will be based on CCO achievement on the incentive measures and final amount available in the quality pool.

## Quality Pool Timing

Funds from the quality pool will be distributed on an annual basis with the calendar year 2020 payment made by June 30, 2021.

## Quality Pool Distribution

Quality pool award amounts will be determined through a two-stage process. In stage one, the maximum amount of dollars for which a CCO is eligible will be allocated based upon the CCO achieving the thirteen 2020 incentive measures as described below. All 2020 incentive measures can be found on the program's webpage, [here](#).<sup>2</sup> For 2020, CCOs are not required to meet a benchmark or target to achieve a measure; instead, "achieving a measure" means the CCO reported the data required to accurately calculate the metric as stipulated by OHA, and within the timeframes outlined in OHA program guidance. This single year of 'pay-for-reporting' is based upon the [July 2020 decision of the Metrics & Scoring Committee](#)<sup>3</sup> to make all 2020 measures reporting only due to the COVID-19 pandemic disruption to the system. This means a CCO must report data for all measures (including timely submission of claims for claims-based

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<sup>2</sup> <http://www.oregon.gov/oha/hpa/analytics/Pages/CCO-Baseline-Data.aspx>

<sup>3</sup> <https://www.oregon.gov/oha/HPA/ANALYTICS/MetricsScoringMeetingDocuments/Final-July-Minutes.pdf>

measures) to OHA as in the 2020 program guidance and to timelines stipulated on the [program webpage](#).<sup>4</sup>

In stage two, any remaining quality pool funds that were not disbursed in stage one based on performance/data submission to OHA stipulations and timelines on the full incentive measure set will be distributed to CCOs that meet criteria on a subset of three “challenge” measures:

1. Disparity measure: Emergency department utilization among members with mental illness
2. Oral evaluation for adults with diabetes
3. Well-child visits in the 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> years of life

The Metrics & Scoring Committee will examine the quality pool operation over time and will annually reevaluate the incentive measures and benchmarks and challenge pool measures.

### *Stage One: Distribution Based on Reporting of all 13 Incentive Measures*

#### *“Must pass” Measures*

Reporting on the two “must pass” measures for 2020, Depression screening and follow-up plan, and Screening, Brief Intervention, and Referral to Treatment (SBIRT), is assessed as below. To earn 100% of its quality pool dollars for 2020, a CCO must meet these two measures, in addition to 75% of the remaining 11 measures.

As these measures are EHR-based measures, CCOs must accurately report data for the minimum population thresholds established by OHA in order to meet the measure (see <https://www.oregon.gov/oha/HPA/ANALYTICS/Pages/CCO-Metrics.aspx> for reporting guidance documents).

#### *Remaining Measures*

For the 11 remaining incentive measures, the portion of available quality pool funds that a CCO receives is based on the number of measures on which it reports the data as stipulated by OHA and needed to accurately calculate the metric, including meeting population thresholds for any EHR-based measures. Each individual measure is treated independently, and on a pass/fail basis.

#### *Payment Calculation – Stage 1*

As a CCO reports the two “must pass” measures AND reports the remaining 11 measures, it receives a higher payment (up to 100% of its quality pool - see Quality Pool Distribution table below).

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<sup>4</sup> <https://www.oregon.gov/oha/HPA/ANALYTICS/Pages/CCO-Metrics.aspx>

To receive 100 percent of the quality pool funds for which it is eligible, a CCO must:

- Report data for minimum population thresholds as described in OHA reporting guidance for both the (1) Screening, Brief Intervention and Referral to Treatment (SBIRT) and (2) Depression screening and follow up measures (two “must pass” measures); AND,
- Report data as described in OHA reporting guidance for at least 75% of the remaining incentive measures (9 of 11 measures), including:
  - Meeting minimum population thresholds for EHR-based measures;
  - Timely submission of claims for all claims-based measures; and,
  - Comprehensive review and submission of data required to calculate the hybrid postpartum care measure.

CCOs earn a lesser amount if they do not report the two “must-pass” measures and at least 75% of the remaining 11 measures, as outlined in the table below:

<b>Quality Pool Distribution Table</b>		
Number of 11 <u>non-“must-pass”</u> measures achieved	Quality Pool Amount if BOTH “must-pass” measures are <u>achieved</u> (Depression screening & SBIRT)	Quality Pool Amount if ONE OR BOTH “must-pass” measures are <u>NOT achieved</u> (Depression screening & SBIRT)
At least 9	100%	90%
At least 8	80%	70%
At least 7	70%	60%
At least 6	60%	50%
At least 5	50%	40%
At least 4	40%	30%
At least 3	30%	20%
At least 2	20%	10%
At least 1	10%	5%
0	5%	No quality pool payment

### *Stage Two: Challenge Pool Distribution*

In the second stage, remaining quality pool funds that have not been allocated to CCOs in stage one will become the “challenge” pool – these funds will be distributed to CCOs that qualify based on a subset of three incentive measures (ED utilization among members with mental illness; oral evaluation for adults with diabetes; and, well-child visits in the 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> years of life).

Through this stage, all quality pool funds will be distributed; no quality pool funds will roll over into a subsequent year.

OHA will determine the number of instances in which CCOs have achieved each of the three challenge measures (meaning that the CCO reported the measure as described above and in OHA reporting guidance).

OHA will then calculate a “base payment” by dividing the challenge pool funds into equal portions equivalent to the total number of challenge measures reported. For example, if 13 CCOs report ED utilization among members with mental illness, 10 CCOs report oral evaluation for adults with diabetes, and seven CCOs report well-child visits, then the challenge pool will be divided into 30 (i.e. 13+10+7) equal portions (the “base payment”).

Assume \$1,000,000 is remaining after the first stage. Using the example above, the challenge pool is divided into 30 equal portions, resulting in a base payment of \$33,333.33. The base payments are then adjusted for average monthly enrollment.

OHA will then calculate the challenge pool payments for each CCO that reported the challenge measure by adjusting the base payment using the CCO’s average member months in 2020 (see example below). This calculation will be performed separately for each of the three measures.

*Example of Challenge Fund Distribution for Well-child visits Measure*

CCO Name	Base Payment	Member Months (MM)	CCO’s ratio of MMs to Mean MM	Adjusted challenge pool payment	
CCO A	\$ 33,333.33	29,588	1.459	$33,333.33 * 1.459 =$	\$ 48,633.33
CCO B	\$ 33,333.33	23,343	1.151	$33,333.33 * 1.151 =$	\$ 38,366.66
CCO C	\$ 33,333.33	22,788	1.124	$33,333.33 * 1.124 =$	\$ 37,466.66
CCO D	\$ 33,333.33	18,014	0.889	$33,333.33 * .889 =$	\$ 29,633.33
CCO E	\$ 33,333.33	16,394	0.808	$33,333.33 * .808 =$	\$ 26,933.33
CCO F	\$ 33,333.33	11,521	0.568	$33,333.33 * .568 =$	\$ 18,933.33
\$200,000 (total challenge pool for childhood immunizations measure)		121,648 (Total MM)			\$ 200,000 (total)
		20,274.67 (Mean MM)			

This calculation is repeated for the two remaining challenge pool measures.

## For More Information

2020 CCO Incentive Measures, Benchmarks, and Improvement Targets

<https://www.oregon.gov/oha/HPA/ANALYTICS/CCOMetrics/2020-CCO-Incentive-Measure-Benchmarks.pdf>

Improvement target methodology

<https://www.oregon.gov/oha/HPA/ANALYTICS/CCOMetrics/Improvement-Target-Methodology.pdf>

Metrics & Scoring Committee

<http://www.oregon.gov/oha/hpa/analytics/Pages/Metrics-Scoring-Committee.aspx>

Part III: Measurement Strategy, Appendix C, Quality Pool Structure (p. 238)

[https://www.oregon.gov/oha/HSD/Medicaid-Policy/Documents/Oregon%20Health%20Plan%20STCs\\_2017-2022.pdf#Page=238](https://www.oregon.gov/oha/HSD/Medicaid-Policy/Documents/Oregon%20Health%20Plan%20STCs_2017-2022.pdf#Page=238)

CCO Incentive Measure Specifications and Guidance Documents

<http://www.oregon.gov/oha/hpa/analytics/Pages/CCO-Baseline-Data.aspx>

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