

**ATTACHMENT N**  
**Methodology For Determining Distribution Of Savings Based On Quality**  
**Performance- Commercial**

**For Performance in Year 1 (2014)**  
**As of December 26, 2013**

**Methodology for distribution of shared savings:** In order to retain savings for which the ACO is eligible, the ACO must meet a minimum threshold for performance on a defined set of common measures to be used by all pilot-participating Commercial ACOs. For year one of the Commercial pilot, compare the ACO's performance on the payment measures (see Table 1 below) to the Commercial targets. The targets are based on national HEDIS benchmarks for Commercial PPOs. 1, 2 or 3 points will be assigned to the ACO based on whether the ACO is at the national 25<sup>th</sup>, 50<sup>th</sup> or 75<sup>th</sup> percentile for the measure (using the rate from the ACO's total attributed population regardless of commercial payer).

**The "Gate":** In 2014 for the Commercial pilot, there are 21 total possible points. The ACO must earn 55% of the eligible points in order to receive a share of any generated savings. If the ACO is not able to meet the overall quality gate, then it will not be eligible for any shared savings. If the ACO meets the overall quality gate, it may retain at least 75% and up to 100% of the savings for which it is eligible (see Table 2).

**The "Ladder":** In order to retain a greater portion of the savings for which the ACO is eligible, the ACO must achieve higher performance levels for the measures. There are six steps on the ladder, which reflect increased levels of performance (see Table 2).

**Table 1. Payment Measures and Associated Targets for All Commercial ACOs in Performance Year 2014**

#	Measure	Brief Description	Data Source	2012 HEDIS Benchmark (PPO)	2012 BCBSVT (VHP) Performance
Core-1	Plan All-Cause Readmissions NQF #1768, HEDIS	For members 18–64 years of age, the number of acute inpatient stays during the measurement year that were followed by an acute readmission for any diagnosis within 30 days and the predicted probability of an acute readmission. Data are reported in the following categories: 1. Count of Index Hospital Stays (IHS) (denominator) 2. Count of 30-Day Readmissions (numerator) 3. Average Adjusted Probability of Readmission 4. Observed Readmission (Numerator/Denominator) 5. Total Variance	Claims	3 pt: Nat. 75 <sup>th</sup> : 0.73 2 pt: Nat. 50 <sup>th</sup> : 0.78 1 pt: Nat. 25 <sup>th</sup> : 0.83  *Please note, when interpreting this measure, a lower rate is better.	0.7309  Nat: 50 <sup>th</sup>
Core-2	Adolescent Well-Care Visits HEDIS AWC	The percentage of enrolled members 12-21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year.	Claims	3 pt: Nat. 75 <sup>th</sup> : 46.32 2 pt: Nat. 50 <sup>th</sup> : 38.66 1 pt: Nat. 25 <sup>th</sup> : 32.14	49.57  Nat.: 75 <sup>th</sup>

Core-3	Cholesterol Management for Patients with Cardiovascular Conditions (LDL-C Screening Only for Year 1) <sup>1</sup> HEDIS	The percentage of members 18-75 years of age who were discharged alive for AMI, coronary artery bypass graft (CABG) or percutaneous coronary interventions (PCI) from January 1 - November 1 of the year prior to the measurement year, or who had diagnosis of ischemic vascular disease (IVD) during the measurement year: LDL-C Screening.	Claims	3 pt: Nat. 75 <sup>th</sup> : 87.94 2 pt: Nat. 50 <sup>th</sup> : 84.67 1 pt: Nat. 25 <sup>th</sup> : 81.27	88.95 Nat.: 75 <sup>th</sup>
Core-4	Follow-Up After Hospitalization for Mental Illness: 7-day NQF #0576, HEDIS FUH	This measure assesses the percentage of discharges for members 6 years of age and older who were hospitalized for treatment of selected mental health disorders and who had an outpatient visit, an intensive outpatient encounter or partial hospitalization with a mental health practitioner. Two rates are reported. Rate 2: The percentage of members who received follow-up within 7 days of discharge.	Claims	3 pt: Nat. 75 <sup>th</sup> : 60.00 2 pt: Nat. 50 <sup>th</sup> : 53.09 1 pt: Nat. 25 <sup>th</sup> : 45.70	72.31 Nat.: 90 <sup>th</sup>

<sup>1</sup> Core-3 is counted in both the “payment” and “pending” categories since the claims-based HEDIS measures “Cholesterol Management for Patients with Cardiovascular Conditions” (LDL-screening only) will be used for payment until the clinical data-based Complete Lipid Panel and LDL Control are ready to be used for payment, at which point, it will replace LDL screening.

Core-5	Initiation and Engagement for Substance Abuse Treatment: Initiation and Engagement of AOD Treatment (composite) NQF #0004, HEDIS IET	The percentage of adolescent and adult members with a new episode of alcohol or other drug (AOD) dependence who received the following: a. Initiation of AOD Treatment. The percentage of members who initiate treatment through an inpatient AOD admission, outpatient visit, intensive outpatient encounter or partial hospitalization within 14 days of the diagnosis, and b. Engagement of AOD Treatment. The percentage of members who initiated treatment and who had two or more additional services with a diagnosis of AOD within 30 days of the initiation visit.	Claims	3 pt: Nat. 75 <sup>th</sup> : 31.94 2 pt: Nat. 50 <sup>th</sup> : 27.23 1 pt: Nat. 25 <sup>th</sup> : 24.09	26.54 Nat.: 25 <sup>th</sup>
Core-6	Avoidance of Antibiotic Treatment for Adults With Acute Bronchitis NQF #0058, HEDIS AAB	The percentage of adults 18-64 years of age with a diagnosis of acute bronchitis who were not dispensed an antibiotic prescription.	Claims	3 pt: Nat. 75 <sup>th</sup> : 24.30 2 pt: Nat. 50 <sup>th</sup> : 20.72 1 pt: Nat. 25 <sup>th</sup> : 17.98	19.69 Nat.: 25 <sup>th</sup>
Core-7	Chlamydia Screening in Women NQF #0033, HEDIS CHL	Assesses the percentage of women 16-24 years of age who were identified as sexually active and who had at least one test for chlamydia during the measurement year.	Claims	3 pt: Nat. 75 <sup>th</sup> : 47.30 2 pt: Nat. 50 <sup>th</sup> : 40.87 1 pt: Nat. 25 <sup>th</sup> : 36.79	45.57 Nat.: 50 <sup>th</sup>
	TOTAL (21 possible points for Commercial)				

Table 2. Commercial ACO Pilot Allocation Model:

<b>% of eligible points</b>	<b>% of earned savings</b>
55%	75%
60%	80%
65%	85%
70%	90%
75%	95%
80%	100%

Core Measure 5, the Initiation and Engagement for Substance Abuse Treatment composite measure, is comprised of two components below. The national benchmarks above were created by taking the average of the two components for the percentiles at each level. Likewise, the Commercial composite performance was determined by taking the average performance of the two components below.

#	Measure	Brief Description	Data Source	2012 HEDIS Benchmark (PPO)	2012 BCBSVT (VHP) Performance
Core - 5a	Initiation and Engagement for Substance Abuse Treatment: Initiation of AOD Treatment NQF #0004, HEDIS IET	The percentage of adolescent and adult members with a new episode of alcohol or other drug (AOD) dependence who received the following: a. Initiation of AOD Treatment. The percentage of members who initiate treatment through an inpatient AOD admission, outpatient visit, intensive outpatient encounter or partial hospitalization within 14 days of the diagnosis.	Claims	Nat. 75 <sup>th</sup> : 45.93 Nat. 50 <sup>th</sup> : 40.08 Nat. 25 <sup>th</sup> : 36.45	34.17
Core - 5b	Initiation and Engagement for Substance Abuse Treatment: Engagement of AOD Treatment. NQF #0004, HEDIS IET	The percentage of adolescent and adult members with a new episode of alcohol or other drug (AOD) dependence who received the following: b. Engagement of AOD Treatment. The percentage of members who initiated treatment and who had two or more additional services with a diagnosis of AOD within 30 days of the initiation visit.	Claims	Nat. 75 <sup>th</sup> : 17.95 Nat. 50 <sup>th</sup> : 14.38 Nat. 25 <sup>th</sup> : 11.72	18.91

**ATTACHMENT O**  
**METHODOLOGY FOR DETERMINING DISTRIBUTION OF SAVINGS BASED ON**  
**QUALITY PERFORMANCE - MEDICAID**

**For Performance in Year 1 (2014)**  
**As of December 26, 2013**

**Methodology for distribution of shared savings:** In order to retain savings for which the ACO is eligible, the ACO must meet a minimum threshold for performance on a defined set of common measures to be used by all pilot-participating Medicaid ACOs. For year one of the Medicaid pilot, compare the ACO's performance on the payment measures (see Table 1 below) to the Medicaid targets. The targets are either based on national HEDIS benchmarks for Medicaid or state-developed Medicaid benchmarks.<sup>2</sup> When the targets are based on national HEDIS benchmarks for Medicaid, 1, 2 or 3 points will be assigned based on whether the ACO is at the national 25<sup>th</sup>, 50<sup>th</sup> or 75<sup>th</sup> percentile for the measure. When no national benchmarks are available, the ACO will receive 0 points for a statistically significant decline over baseline, 2 points for no statistically significant change over baseline, and 3 points for a statistically significant improvement over baseline performance. The ACO-specific baselines will be calculated (and therefore specific performance targets finalized) in early 2014 based on initial ACO attribution determinations.

**The "Gate":** In 2014 for the Medicaid pilot, there are 24 total possible points. The ACO must earn 35% of the eligible points in order to receive a share of any generated savings. If the ACO is not able to meet the overall quality gate, then it will not be eligible for any shared savings. If the ACO meets the overall quality gate, it may retain at least 75% and up to 100% of the savings for which it is eligible (see Table 2).

**The "Ladder":** In order to retain a greater portion of the savings for which the ACO is eligible, the ACO must achieve higher performance levels for the measures. There are six steps on the ladder, which reflect increased levels of performance (see Table 2).

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**Table 1. Payment Measures and Associated Targets for All Medicaid ACOs in Performance Year 2014**

#	Measure	Brief Description	Data Source	Medicaid ACO Targets	2012 VT Medicaid Performance
Core-1	All-Cause Readmissions NQF #1768	Average Adjusted Probability of Readmission (Expected Rate). For members 18–64 years of age, the number of acute inpatient stays during the measurement year that were followed by an acute readmission for any diagnosis within 30 days and the predicted probability of an acute readmission.	Claims	National benchmark not available. 3 pt: statistically significant improvement over baseline <sup>3</sup> 2 pt: no statistically significant change over baseline 0 pt: statistically significant decline over baseline	16.60
Core-2	Adolescent Well-Care Visits HEDIS AWC	The percentage of enrolled members 12-21 years of age who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year.	Claims	3 pt: Nat. 75 <sup>th</sup> : 57.07 2 pt: Nat. 50 <sup>th</sup> : 47.24 1 pt: Nat. 25 <sup>th</sup> : 41.72	46.27
Core-3	Cholesterol Management for Patients with Cardiovascular Conditions (LDL-C Screening Only for Year 1) <sup>4</sup> HEDIS	The percentage of members 18-75 years of age who were discharged alive for AMI, coronary artery bypass graft (CABG) or percutaneous coronary interventions (PCI) from January 1 - November 1 of the year prior to the measurement year, or who had diagnosis of ischemic vascular disease (IVD) during the measurement year: LDL-C Screening.	Claims	3 pt: Nat. 75 <sup>th</sup> : 85.20 2 pt: Nat. 50 <sup>th</sup> : 82.36 1 pt: Nat. 25 <sup>th</sup> : 78.44	45.67

<sup>3</sup> Please note that for this measure, a lower score indicates better performance.

<sup>4</sup> Core-3 is counted in both the “payment” and “pending” categories since the claims-based HEDIS measures “Cholesterol Management for Patients with Cardiovascular Conditions” (LDL-screening only)



#	Measure	Brief Description	Data Source	Medicaid ACO Targets	2012 VT Medicaid Performance
Core-4	Follow-Up After Hospitalization for Mental Illness: 7-day NQF #0576, HEDIS FUH	This measure assesses the percentage of discharges for members 6 years of age and older who were hospitalized for treatment of selected mental health disorders and who had an outpatient visit, an intensive outpatient encounter or partial hospitalization with a mental health practitioner. Two rates are specified by NCQA. Of these, Rate 2 is used in the shared savings distribution methodology. Rate 2 is defined as the percentage of members who received follow-up within 7 days of discharge.	Claims	3 pt: Nat. 75 <sup>th</sup> : 54.64 2 pt: Nat. 50 <sup>th</sup> : 43.95 1 pt: Nat. 25 <sup>th</sup> : 30.91	42.01

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will be used for payment until the clinical data-based Complete Lipid Panel and LDL Control are ready to be used for payment, at which point, it will replace LDL screening.

#	Measure	Brief Description	Data Source	Medicaid ACO Targets	2012 VT Medicaid Performance
Core - 5	Initiation and Engagement for Substance Abuse Treatment: Initiation and Engagement of AOD Treatment (composite) <sup>5</sup> NQF #0004, HEDIS IET	The percentage of adolescent and adult members with a new episode of alcohol or other drug (AOD) dependence who received the following: a. Initiation of AOD Treatment. The percentage of members who initiate treatment through an inpatient AOD admission, outpatient visit, intensive outpatient encounter or partial hospitalization within 14 days of the diagnosis, and b. Engagement of AOD Treatment. The percentage of members who initiated treatment and who had two or more additional services with a diagnosis of AOD within 30 days of the initiation visit.	Claims	3 pt: Nat. 75 <sup>th</sup> : 29.64 2 pt: Nat. 50 <sup>th</sup> : 24.75 1 pt: Nat. 25 <sup>th</sup> : 20.59	33.22
Core- 6	Avoidance of Antibiotic Treatment for Adults With Acute Bronchitis NQF #0058, HEDIS AAB	The percentage of adults 18–64 years of age with a diagnosis of acute bronchitis who were not dispensed an antibiotic prescription.	Claims	3 pt: Nat. 75 <sup>th</sup> : 28.07 2 pt: Nat. 50 <sup>th</sup> : 22.14 1 pt: Nat. 25 <sup>th</sup> : 17.93	28.62
Core- 7	Chlamydia Screening in Women NQF #0033, HEDIS CHL	The percentage of women 16–24 years of age who were identified as sexually active and who had at least one test for chlamydia during the measurement year.	Claims	3 pt: Nat. 75 <sup>th</sup> : 63.72 2 pt: Nat. 50 <sup>th</sup> : 57.15 1 pt: Nat. 25 <sup>th</sup> : 50.97	51.18

<sup>5</sup> Please see the components that make up the composite on page 5.

#	Measure	Brief Description	Data Source	Medicaid ACO Targets	2012 VT Medicaid Performance
Core-8	Developmental Screening in the First Three Years of Life (Medicaid-only measure)	The percentage of children ages one, two and three years who had a developmental screening performed using a standardized tool by their first, second and third birthdays.	Claims	National benchmark not available. 3 pt: statistically significant improvement over baseline 2 pt: no statistically significant change over baseline 0 pt: statistically significant decline over baseline	30.17
<b>Total</b>				<b>24 possible points</b>	

Table 2. Medicaid's Allocation Model:

<b>% of eligible points</b>	<b>% of earned savings</b>
35%	75%
40%	80%
45%	85%
50%	90%
55%	95%
60%	100%