

Wave 1 performance period launch: Proposed Medicaid quality metric thresholds

- The State’s goal is to set quality metric thresholds at the **top quartile of current performance** to encourage delivery of high quality care
- However, to ensure a majority of providers eligible for incentives can participate, in **Year 1**, the quality metric thresholds will be at a level where **75% of providers pass all metrics tied to incentive payments**
- Quality metric thresholds will **ramp up to top quartile** performance level over the **next 5 years**

	<u>Quality metric</u>	<u>Threshold</u>
Asthma	QM1: Follow-up visit rate	28%
	QM2: Controller medication prescription fill-rate	26%
COPD	QM1: Follow-up visit rate	50%
Perinatal	QM1: HIV screening rate	50%
	QM2: GBS screening rate	50%
	QM3: C-section rate	45%
	QM4: Post-partum visit rate	50%

Wave 1 performance period launch: Medicaid spend threshold methodology

Determining...

Threshold
levels

- Ohio Medicaid will set cost & quality thresholds for all MCPs
- Ohio Medicaid will set one acceptable threshold for all of Medicaid so that ~10% of providers are above the acceptable threshold, assuming no behavior change¹
- Ohio Medicaid will set one commendable threshold for all of Medicaid such that it would be budget neutral after positive and negative incentive payments, assuming no change in the PAP curve²
- Ohio Medicaid is using the same methodology to set thresholds across all Wave I episodes

Payments

- For Ohio Medicaid, including the managed care plans, the incentive payment allocation for PAPs will be 50%
- Payments will be proportional to the non-risk adjusted payment for each PAP

1 The threshold will be set midway between the avg. cost for the last provider above acceptable and the first one not. Including 10% of providers means including the minimum number of providers such that at least 10% of providers are included

2 Assumes all providers pass the quality measures

Wave 1 performance period launch: Proposed Medicaid spend thresholds¹

		<u>Acceptable</u>	<u>Commendable</u>	<u>Positive incentive limit</u>
Asthma	Value, \$	\$372	\$292	\$24
	'All Medicaid' percentile	90 th percentile	55 th percentile	N/A
COPD	Value, \$	\$1,087	\$683	\$58
	'All Medicaid' percentile	91 th percentile	21 th percentile	N/A
Perina- tal	Value, \$	\$4,405	\$3,169	\$1,235
	'All Medicaid' percentile	90 th percentile	12 th percentile	N/A

¹ Subject to inflationary adjustment based on actuarial review; final adjusted thresholds will be posted in 2016 and included on all reports in 2016

NOTE: Thresholds are based on risk-adjusted episode reimbursement and should be used in tandem with average risk-adjusted episode reimbursement delivered on quarterly provider reports.

SOURCE: Ohio Medicaid claims data, CY2014

Confidential and Proprietary | 3



Wave 1 performance period launch: Medicaid spend threshold inflationary adjustment methodology

- Ohio Medicaid methodology for inflationary adjustment is consistent with the rate setting process; adjustment accounts for -
 - Changes in reimbursement (e.g., fee schedule, trend)
 - Policy changes (e.g., shift to APR-DRGs)
- Adjustment¹ is performed at the detail line level of each claim based on classification of that detail line into a specific category of service
- Claims with inflationary adjustment are used to calculate average episode spend
- Thresholding methodology is applied –
 - Acceptable threshold is such that 10% of PAPs incur a negative incentive payment
 - Commendable threshold is set such that impact to the program is budget neutral²

¹ Includes cost and utilization multiplier for each of 40+ category of service

² Assumes all providers pass the quality measures

Wave 1 performance period launch: Proposed Medicaid spend thresholds w/ inflationary adjustment

		<u>Acceptable</u>	<u>Commendable</u>	<u>Positive incentive limit</u>
Asthma	Value, \$	\$383	\$294	\$25
	'All Medicaid' percentile	90 th percentile	55 th percentile	N/A
COPD	Value, \$	\$1,115	\$690	\$49
	'All Medicaid' percentile	90 th percentile	16 th percentile	N/A
Perina- tal	Value, \$	\$4,473	\$3,210	\$1,284
	'All Medicaid' percentile	90 th percentile	11 th percentile	N/A

NOTE: Thresholds are based on risk-adjusted episode reimbursement and should be used in tandem with average risk-adjusted episode reimbursement delivered on quarterly provider reports.

SOURCE: Ohio Medicaid claims data, CY2014

Confidential and Proprietary | 5

