

HealthChoice and Acute Care Administration  
Division of HealthChoice Quality Assurance



**Medicaid Managed Care  
Organization**

**Value-Based Purchasing**

**Final Report**

**Calendar Year 2015**



**Delmarva Foundation**

*A Quality Health Strategies Company*

**Submitted by:**

**Delmarva Foundation**

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# Calendar Year 2015 Value-Based Purchasing Report

## Introduction

The Maryland Department of Health and Mental Hygiene (DHMH) began working with the Center for Health Care Strategies in 1999 to develop a Value Based Purchasing Initiative (VBPI) for HealthChoice, Maryland's Medicaid managed care program. VBP improves quality by awarding business and incentives to contractors based on their performance along a range of dimensions. The goal of Maryland's purchasing strategy is to achieve better enrollee health through improved managed care organization (MCO) performance. Appropriate service delivery is promoted by aligning MCO incentives with the provision of high-quality care, increased access, and administrative efficiency. Maryland's VBP strategy aims to better coordinate a variety of quality improvement efforts toward a shared set of priorities that focus on the core populations served by HealthChoice. In addition, the state's strategy meets the requirements of the Balanced Budget Act of 1997 (BBA).

DHMH contracted with Delmarva Foundation and HealthcareData Company, LLC (HDC), a NCQA–Licensed Organization, to perform a validation of the CY 2015 VBP measurement data. Validation is the process by which an independent entity evaluates the accuracy of reported performance measure data and determines the extent to which specific performance measure calculations followed established specifications. A validation (or audit) determination is assigned to each measure, indicating whether the result is fully compliant, substantially compliant, or not valid. HDC performed the validation of the HEDIS®–based VBP measurement data for all ten of the HealthChoice MCOs using the NCQA's HEDIS® Volume 5: HEDIS® Compliance Audit: Standards, Policies, and Procedures. Delmarva Foundation validated the measures developed by the Department and calculated by The Hilltop Institute of University of Maryland Baltimore County (Hilltop).

## Performance Measure Selection Process

DHMH identifies legislative priorities in selecting the performance measures. Measures may be added or removed, based upon evolving DHMH priorities and participant health care needs.

DHMH selects measures that are:

1. Relevant to the core populations served by HealthChoice, including children, pregnant women, special needs children, adults with disabilities, and adults with chronic conditions;
2. Prevention–oriented and associated with improved outcomes;

3. Measurable with available data;
4. Comparable to national performance measures for benchmarking;
5. Consistent with how CMS is developing a national set of performance measures for Medicaid MCOs; and
6. Possible for MCOs to affect change.

## Value-Based Purchasing Validation

Several sources of measures (Table 1) are included in the CY 2015 VBP program. They are chosen from NCQA’s HEDIS® data set, encounter data, and data supplied by the HealthChoice MCOs, and subsequently validated by Delmarva Foundation. The measure type and the presence of an existing audit or validation process determined the validation activities undertaken.

Table 1. CY 2015 VBP Measures

Performance Measure	Domain	Measure	Reporting Entity
Adolescent Well Care	Use of Services	HEDIS®	MCO
Adult BMI Assessment	Effectiveness of Care	HEDIS®	MCO
Ambulatory Care Services for SSI Adults	Access to Care	Encounter Data	DHMH
Ambulatory Care Services for SSI Children	Access to Care	Encounter Data	DHMH
Breast Cancer Screening	Effectiveness of Care	HEDIS®	MCO
Childhood Immunization Status (Combo 3)	Effectiveness of Care	HEDIS®	MCO
Comprehensive Diabetes Care – HbA1 Testing	Effectiveness of Care	HEDIS®	MCO
Controlling High Blood Pressure	Effectiveness of Care	HEDIS®	MCO
Immunizations for Adolescents (Combo 1)	Effectiveness of Care	HEDIS®	MCO
Lead Screenings for Children Ages 12–23 Months	Effectiveness of Care	Encounter, Lead Registry, & Fee For Service Data	DHMH
Medication Management for People with Asthma – Medication Compliance 75%	Effectiveness of Care	HEDIS®	MCO
Postpartum Care	Access to Care	HEDIS®	MCO
Well Child Visits for Children Ages 3–6	Use of Services	HEDIS®	MCO

## HEDIS® Measure Validation

HealthChoice MCOs are required to produce and report audited HEDIS® data under COMAR 10.09.65.03B(2). Ten of the CY 2015 VBP measures are HEDIS® measures and are validated under the HEDIS® Compliance Audit. The goal of the HEDIS® audit is to ensure accurate, reliable, and publicly reportable data.

The HEDIS® Compliance Audit is conducted in three phases: offsite, onsite, and post onsite (reporting). The offsite audit phase includes a review of each MCO's HEDIS® Record of Administration, Data Management and Processes (Roadmap). The Roadmap is used to supply information about an MCO's data systems and HEDIS® data reporting structure and processes. Other activities of the offsite audit process include the selection of HEDIS® measures to audit in detail (results are then extrapolated to the rest of the HEDIS® measures), investigation of measure rotation strategies, and validation of the medical record review process by the certified audit firm.

Prior to the onsite phase, HDC holds annual auditor conference calls with all MCOs to address any NCQA changes or updates to the audit guidelines and provide technical assistance.

During the onsite phase, auditors investigate issues identified in the Roadmap and observe the systems used to collect and produce HEDIS® data. The audit team interviews MCO staff; reviews MCO information system structure, protocols, and processes; and reviews MCO measure-specific data collection processes with the MCO staff.

The post onsite and reporting phase of the HEDIS® Compliance Audit includes the issuance of a follow-up letter to the MCO that lists any items the auditors still require to complete the audit; a list of corrective actions for problems found in the Roadmap or onsite, as well as the necessary completion dates; and preliminary audit findings specifically indicating the measures at risk for a *Not Reportable* designation. When the MCO has provided all requested documents and performed the recommended corrective actions, the auditor completes a final audit report and assigns audit designations indicating the suitability of measures for public reporting. The four possible audit designations are explained in Table 2. The final activity of the post onsite phase of the audit consists of the MCO submitting data to NCQA, using NCQA's Interactive Data Submission System (IDSS).

Table 2. HEDIS® Compliance Audit Designations

Audit Findings	Description	Rate/Result
Reportable rate or numeric result for HEDIS® measures.	Reportable Measure	0-XXX
The MCO followed the specifications but the denominator was too small to report a valid rate.	Denominator <30.	NA
The MCO did not offer the health benefits required by the measure (e.g., specialty mental health).	No Benefit	NB
The MCO calculated the measure but the rate was materially biased, or The MCO was not required to report the measure.	Not Reportable	NR

In order to avoid duplicating efforts and placing undue administrative burden on the HealthChoice MCOs, DHMH used ten of the HEDIS® audit measure determinations as VBP measure determinations. The HEDIS® measures in the VBP program are:

- Adolescent Well Care
- Adult BMI Assessment
- Breast Cancer Screening
- Childhood Immunization Status (Combo 3)
- Comprehensive Diabetes Care – HbA1c Testing
- Controlling High Blood Pressure
- Immunizations for Adolescents (Combo 1)
- Medication Management for People with Asthma – Medication Compliance 75%
- Postpartum Care
- Well Child Visits for Children Ages 3–6

## EQRO Measure Validation

Three CY 2015 VBP measures were calculated by The Hilltop Institute of University of Maryland Baltimore County (Hilltop), using encounter data submitted by the MCOs, Maryland Department of the Environment’s Lead Registry data, and Fee-for-Service data. The measures are:

- Ambulatory Care Services for SSI Adults
- Ambulatory Care Services for SSI Children
- Lead Screenings for Children Ages 12–23 Months

Delmarva Foundation validated the measurement data for each of the above VBP measures, including the specifications for each encounter data-based measure, source code to determine algorithmic compliance with the measure specifications, information regarding the encounter data processing system, and analysis of the

encounter data process. Clarifications and corrections to source code were conducted to ensure algorithmic compliance with VBP measure specifications.

Validation determinations were used to characterize the findings of the EQRO. Table 3 indicates the possible determinations of the EQRO-validated measures. To validate the rates calculated, two analysts and an analytic scientist with the Delmarva Foundation reviewed and approved the measure creation process and source code.

**Table 3. Possible Validation Findings for EQRO-Validated Measures (encounter data)**

<b>Validation Determination</b>	<b>Definition</b>
<b>Fully Compliant (FC)</b>	<b>Measure was fully compliant with State specifications and reportable.</b>
<b>Substantially Compliant (SC)</b>	<b>Measure was substantially compliant with State specifications and had only minor deviations that did not significantly bias the reported rate.</b>
<b>Not Valid (NV)</b>	<b>Measure deviated from state specifications such that the reported rate was significantly biased. This designation is also assigned to measures where no rate was reported, although reporting of the rate was required.</b>
<b>Not Applicable (NA)</b>	<b>Measure was not reported because the entity did not have any Medicaid enrollees that qualified for the denominator.</b>

## **Validation Results**

Validation of the VBP measures results in a determination of the effect of bias on the resulting statistic. Validation determinations by HDC are reported using the audit designations and rationales outlined by NCQA as part of the HEDIS® Compliance Audit.

All of the VBP measures audited by HDC were determined to be reportable for all MCOs with the exception of the Medication Management for People with Asthma measure for KPMAS.

Table 4 shows the results of the EQRO-led validation activities related to the VBP measures. Hilltop was responsible for producing these VBP measures at the MCO level and working with the EQRO to validate the measurement data. During the validation process undertaken by Delmarva Foundation, no issues were identified that could have introduced bias to the resulting statistics.

Table 4. EQRO VBP Measure Validation Determinations

Measure	Validation Determinations
Ambulatory Care Services for SSI Adults	Fully Compliant
Ambulatory Care Services for SSI Children	Fully Compliant
Lead Screenings for Children Ages 12–23 Months	Fully Compliant

## CY 2015 Incentive/Disincentive Target Setting Methodology

The following target setting methodology has been developed for the CY 2015 VBP measures:

- Targets for incentive, disincentive, and neutral ranges are based on the enrollments-weighted performance average of all MCOs from two years prior (the base year). The enrollment weight assigned to each MCO is the 12-month average enrollment of the base year.
- The midpoint of the incentive and disincentive targets for each measure is the sum of the weighted average of MCO performance on each measure in the base year and 15% of the difference between that number and 100%.
- The incentive target is calculated by determining the sum of the midpoint and 10% of the difference between the midpoint and 100%.
- The disincentive target is equal to the midpoint minus 10% of the difference between the midpoint and 100%.
- If the difference between the incentive target and disincentive target is less than 4 percentage points, then the incentive and disincentive targets will be the midpoint +/-2 percentage points.

## CY 2015 Incentive/Disincentive Targets

Table 5 shows the CY 2015 VBP measures and their targets.

Table 5. CY 2015 VBP Measures and Targets

Performance Measure	Data Source	2015 Target
<b>Adolescent Well Care:</b> % of adolescents ages 12-21 (enrolled 320 or more days) receiving at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year	HEDIS®	Incentive: ≥ 73% Neutral: 68%-72% Disincentive: ≤ 67%
<b>Adult BMI Assessment:</b> % of enrollees ages 18 to 74 who had an outpatient visit and whose body mass index was documented during the measurement year or the year prior to the measurement year	HEDIS®	Incentive: ≥ 81% Neutral: 77%-80% Disincentive: ≤ 76%
<b>Ambulatory Care Services for SSI Adults Ages 21-64 Years:</b> % of SSI adults (enrolled 320 or more days) receiving at least one ambulatory care service during the measurement year	Encounter Data	Incentive: ≥ 87% Neutral: 84%-86% Disincentive: ≤ 83%
<b>Ambulatory Care Services for SSI Children Ages 0-20 Years:</b> % of SSI children (enrolled 320 or more days) receiving at least one ambulatory care service during the measurement year	Encounter Data	Incentive: ≥ 86% Neutral: 83%-85% Disincentive: ≤ 82%
<b>Breast Cancer Screening:</b> % of women 50-74 years of age who had a mammogram to screen for breast cancer	HEDIS®	Incentive: ≥ 66% Neutral: 59%-65% Disincentive: ≤ 58%
<b>Childhood Immunization Status (Combo 3):</b> % of children who turned 2 years of age during the measurement year who were continuously enrolled for 12 months immediately preceding their second birthday and who had 4 DTaP, 3 IPV, 1 MMR, 2 H influenza type B, 3 hepatitis B, 1 chicken pox vaccine (VZV), and pneumococcal conjugate by the time period specified and by the child's 2 <sup>nd</sup> birthday	HEDIS®	Incentive: ≥ 82% Neutral: 79%-81% Disincentive: ≤ 78%
<b>Comprehensive Diabetes Care - HbA1c Testing:</b> % of enrollees 18-75 years of age with diabetes (type 1 and type 2) who had a Hemoglobin A1c (HbA1c) test	HEDIS®	Incentive: ≥ 85% Neutral: 82%-84% Disincentive: ≤ 81%
<b>Controlling High Blood Pressure:</b> % of enrollees ages 18 to 85 who had a diagnosis of hypertension and whose blood pressure was adequately controlled during the measurement year	HEDIS®	Incentive: ≥ 62% Neutral: 54%-61% Disincentive: ≤ 53%
<b>Immunizations for Adolescents (Combo I):</b> % of adolescents 13 years of age during the measurement year who had one dose of meningococcal vaccine and either one Tdap or Td vaccine by their 13 <sup>th</sup> birthday	HEDIS®	Incentive: ≥ 76% Neutral: 71%-75% Disincentive: ≤ 70%
<b>Lead Screenings for Children Ages 12-23 Months:</b> % of children ages 12-23 months (enrolled 90 or more days) who receive a lead test during the current or prior calendar year	Lead Registry, Encounter & Fee for Service Data	Incentive: ≥ 68% Neutral: 62%-67% Disincentive: ≤ 61%
<b>Medication Management for People with Asthma - Medication Compliance 75%:</b> % of enrollees 5-64 years of age during the measurement year who were identified as having persistent asthma and who were appropriately prescribed medication during the measurement year	HEDIS®	Incentive: ≥ 43% Neutral: 31%-42% Disincentive: ≤ 30%
<b>Postpartum Care:</b> % of deliveries that had a postpartum visit on or between 21 and 56 days after delivery	HEDIS®	Incentive: ≥ 78% Neutral: 74%-77% Disincentive: ≤ 73%
<b>Well-Child Visits for Children Ages 3 - 6 Years:</b> % of children ages 3-6 (enrolled 320 or more days) receiving at least one well-child visit during the measurement year, consistent with American Academy of Pediatrics & EPSDT recommended number of visits	HEDIS®	Incentive: ≥ 88% Neutral: 85%-87% Disincentive: ≤ 84%



## 2015 Performance Measure Results

The CY 2015 performance results presented in Table 6 were validated by Delmarva Foundation and DHMH's contracted HEDIS® Compliance Audit™ firm, HDC. The contractors determined the validity and the accuracy of the performance measure results. All measures were calculated in a manner that did not introduce bias, allowing the results to be used for public reporting and the VBP program. In CY 2015, all eight HealthChoice MCOs qualified to participate in the initiative:

- AMERIGROUP Community Care (ACC)
- Jai Medical Systems (JMS)
- Kaiser Permanente of the Mid-Atlantic States, Inc. (KPMAS)
- Maryland Physicians Care (MPC)
- MedStar Family Choice, Inc. (MSFC)
- Priority Partners (PPMCO)
- Riverside Health of Maryland (RHMD)
- UnitedHealthcare (UHC)

Table 6 represents the CY 2015 VBP results for each of the MCOs.

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Table 6. MCO CY 2015 VBP Performance Summary

Performance Measure	CY 2015 Target	ACC	JMS	KPMAS	MPC	MSFC	PPMCO	RHMD	UHC
		Incentive (I); Neutral (N); Disincentive (D)							
Adolescent Well Care	Incentive: ≥ 73% Neutral: 68%–72% Disincentive: ≤ 67%	68% (N)	83% (I)	57% (D)	73% (I)	64% (D)	73% (I)	43% (D)	65% (D)
Adult BMI Assessment	Incentive: ≥ 81% Neutral: 77%–80% Disincentive: ≤ 76%	85% (I)	97% (I)	100% (I)	82% (I)	90% (I)	86% (I)	85% (I)	93% (I)
Ambulatory Care Services for SSI Adults	Incentive: ≥ 87% Neutral: 84%–86% Disincentive: ≤ 83%	83% (D)	89% (I)	60% (D)	84% (N)	82% (D)	85% (N)	74% (D)	81% (D)
Ambulatory Care Services for SSI Children	Incentive: ≥ 86% Neutral: 83%–85% Disincentive: ≤ 82%	83% (N)	88% (I)	53% (D)	83% (N)	81% (D)	85% (N)	59% (D)	80% (D)
Breast Cancer Screening	Incentive: ≥ 66% Neutral: 59%–65% Disincentive: ≤ 58%	66% (I)	73% (I)	89% (I)	72% (I)	66% (I)	68% (I)	64% (N)	62% (N)
Childhood Immunization Status (Combo 3)	Incentive: ≥ 82% Neutral: 79%–81% Disincentive: ≤ 78%	82% (I)	87% (I)	78% (D)	82% (I)	83% (I)	83% (I)	80% (N)	81% (N)
Comprehensive Diabetes Care – HbA1 Testing	Incentive: ≥ 85% Neutral: 82%–84% Disincentive: ≤ 81%	87% (I)	94% (I)	95% (I)	86% (I)	88% (I)	89% (I)	88% (I)	83% (N)
Controlling High Blood Pressure	Incentive: ≥ 62% Neutral: 54%–61% Disincentive: ≤ 53%	54% (N)	76% (I)	86% (I)	56% (N)	71% (I)	60% (N)	48% (D)	57% (N)
Immunizations for Adolescents (Combo 1)	Incentive: ≥ 76% Neutral: 71%–75% Disincentive: ≤ 70%	87% (I)	82% (I)	83% (I)	85% (I)	80% (I)	89% (I)	83% (I)	85% (I)
Lead Screenings for Children Ages 12–23 Months	Incentive: ≥ 68% Neutral: 62%–67% Disincentive: ≤ 61%	64% (N)	74% (I)	51% (D)	57% (D)	60% (D)	64% (N)	44% (D)	57% (D)
Medication Management for People with Asthma – Medication Compliance 75%	Incentive: ≥ 43% Neutral: 31%–42% Disincentive: ≤ 30%	25% (D)	51% (I)	N/A*	36% (N)	26% (D)	24% (D)	48% (I)	29% (D)
Postpartum Care	Incentive: ≥ 78% Neutral: 74%–77% Disincentive: ≤ 73%	74% (N)	88% (I)	84% (I)	69% (D)	69% (D)	74% (N)	62% (D)	66% (D)
Well Child Visits for Children Ages 3–6	Incentive: ≥ 88% Neutral: 85%–87% Disincentive: ≤ 84%	86% (N)	91% (I)	83% (D)	89% (I)	86% (N)	85% (N)	62% (D)	81% (D)

\*This measure is not applicable due to insufficient eligible population (e.g. <30 members).

## 2015 VBP Financial Incentive/Disincentive Methodology

As described in the Code of Maryland Regulations 10.09.65.03, DHMH uses financial incentives and disincentives to promote performance improvement. There are three levels of performance for all measures: incentive, neutral, and disincentive. Financial incentives are earned when performance meets or exceeds the incentive target for a measure. Conversely, disincentives are assessed when performance is at or below the minimum target. All measures are evaluated separately and are of equal weight in the methodology. For any measure that the MCO does not meet the minimum target, a disincentive of 1/13 of 1 percent of the total capitation amount paid to the MCO during the measurement year shall be collected. For any measure that the MCO meets or exceeds the incentive target, the MCO shall be paid an incentive payment of up to 1/13 of 1 percent of the total capitation amount paid to the MCO during the measurement year. The amounts are calculated for each measure and the total incentive payments made to the MCOs each year may not exceed the total amount of disincentives collected from the MCOs in the same year plus any additional funds allocated by the DHMH for a quality initiative.

Table 7 represents the incentive and/or disincentive amounts provided to each MCO for each performance measure and the total incentive/disincentive amount for the CY 2015 VBP Program.

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**Table 7. MCO CY 2015 VBP Incentive/Disincentive Amounts**

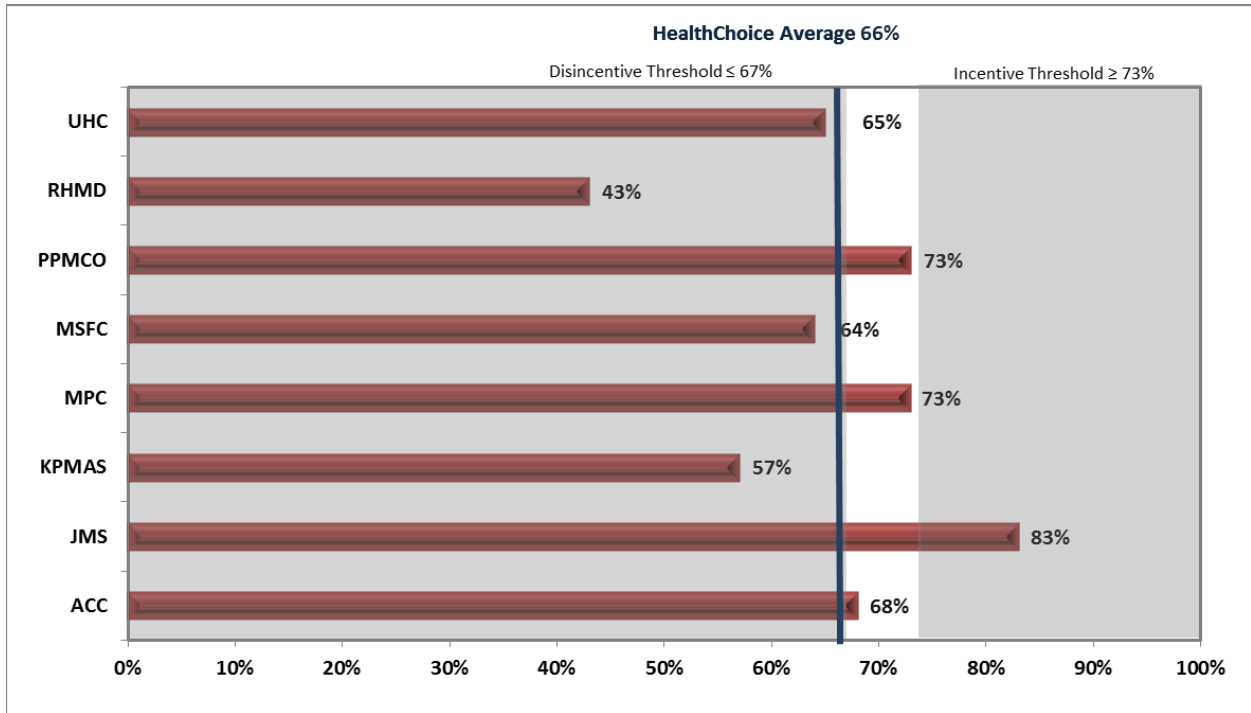
Performance Measure	MCO							
	ACC	JMS	KPMAS	MPC	MSFC	PPMCO	RHMD	UHC
Adolescent Well Care	\$0	\$137,817	(\$74,598)	\$654,603	(\$74,598)	\$791,486	(\$95,558)	(\$650,160)
Adult BMI Assessment	\$727,733	\$137,817	\$74,598	\$654,603	\$74,598	\$791,486	\$95,558	\$650,160
Ambulatory Care Services for SSI Adults	(\$727,733)	\$137,817	(\$74,598)	\$0	(\$74,598)	\$0	(\$95,558)	(\$650,160)
Ambulatory Care Services for SSI Children	\$0	\$137,817	(\$74,598)	\$0	(\$74,598)	\$0	(\$95,558)	(\$650,160)
Breast Cancer Screening	\$727,733	\$137,817	\$74,598	\$654,603	\$74,598	\$791,486	\$0	\$0
Childhood Immunization Status (Combo 3)	\$727,733	\$137,817	(\$74,598)	\$654,603	\$74,598	\$791,486	\$0	\$0
Comprehensive Diabetes Care - HbA1 Testing	\$727,733	\$137,817	\$74,598	\$654,603	\$74,598	\$791,486	\$95,558	\$0
Controlling High Blood Pressure	\$0	\$137,817	\$74,598	\$0	\$74,598	\$0	(\$95,558)	\$0
Immunizations for Adolescents (Combo 1)	\$727,733	\$137,817	\$74,598	\$654,603	\$74,598	\$791,486	\$95,558	\$650,160
Lead Screenings for Children Ages 12-23 Months	\$0	\$137,817	(\$74,598)	(\$654,603)	(\$74,598)	\$0	(\$95,558)	(\$650,160)
Medication Management for People with Asthma - Medication Compliance 75%	(\$727,733)	\$137,817	N/A*	\$0	(\$74,598)	(\$791,486)	\$95,558	(\$650,160)
Postpartum Care	\$0	\$137,817	\$74,598	(\$654,603)	(\$74,598)	\$0	(\$95,558)	(\$650,160)
Well Child Visits for Children Ages 3-6	\$0	\$137,817	(\$74,598)	\$654,603	\$0	\$0	(\$95,558)	(\$650,160)
<b>Total Incentive/Disincentive Amount</b>	<b>\$2,183,199</b>	<b>\$1,791,621</b>	<b>\$0</b>	<b>\$3,273,015</b>	<b>\$0</b>	<b>\$3,957,430</b>	<b>(\$286,674)</b>	<b>(\$3,250,800)</b>

\*This measure is not applicable due to insufficient eligible population (e.g. <30 members).

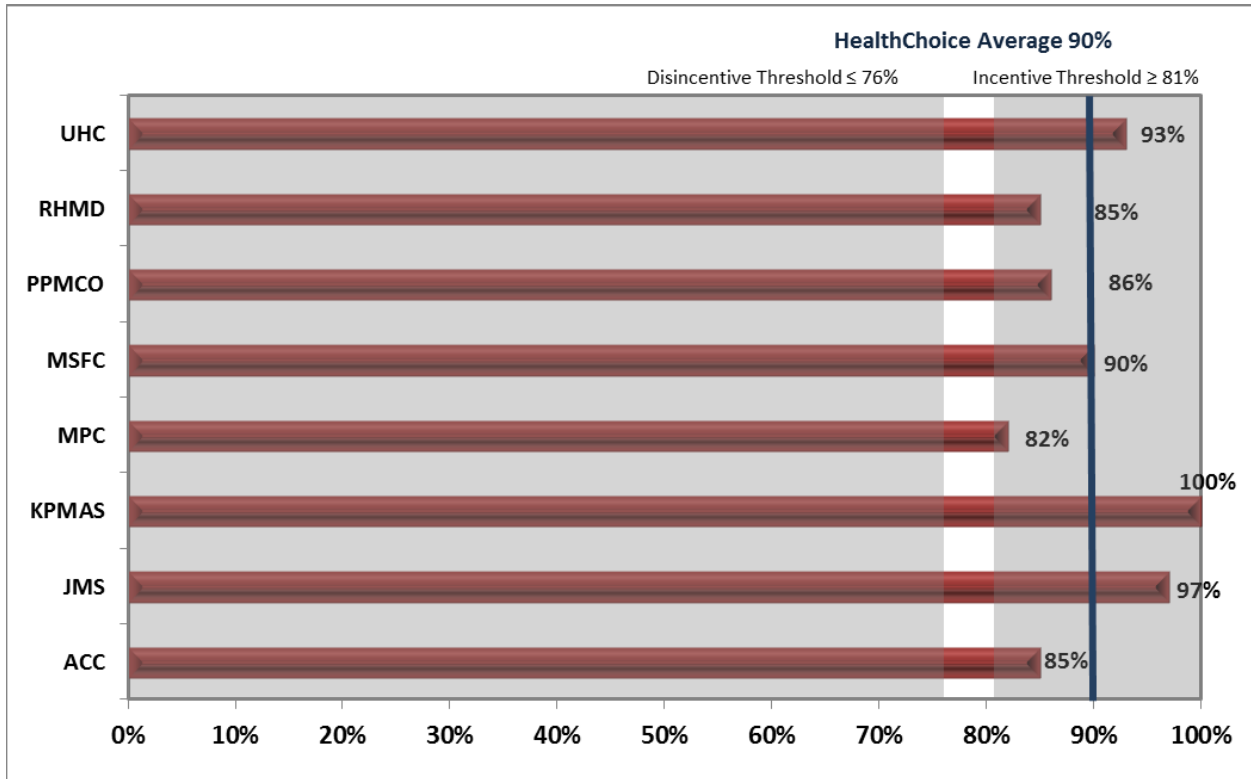
## MCO Performance By Individual Performance Measures

The graphs in Appendix 1 represent the performance rates for each VBP measure. Each graph presents each MCO's performance, the disincentive and incentive threshold, and the HealthChoice average. The HealthChoice Average is an unweighted average of all MCO rates.

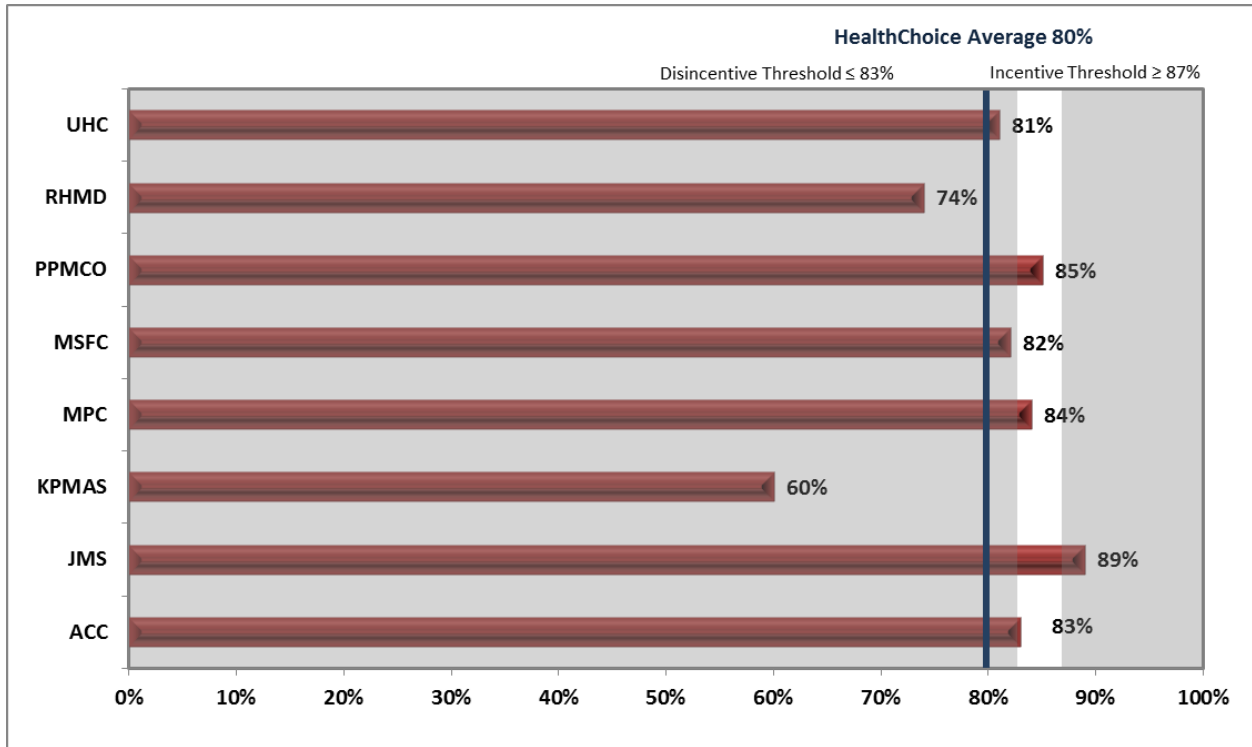
### Adolescent Well Care



### Adult BMI Assessment

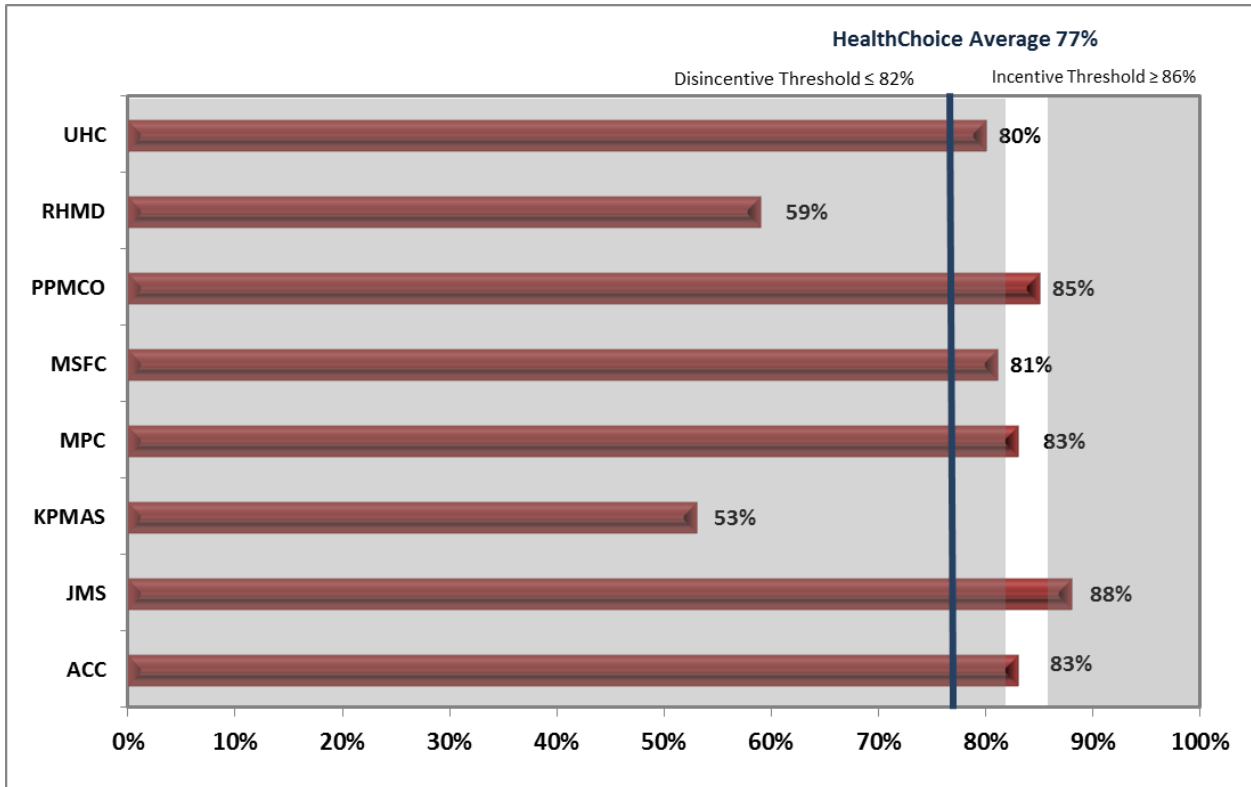


### Ambulatory Care Services for SSI Adults Ages 21 - 64 Years

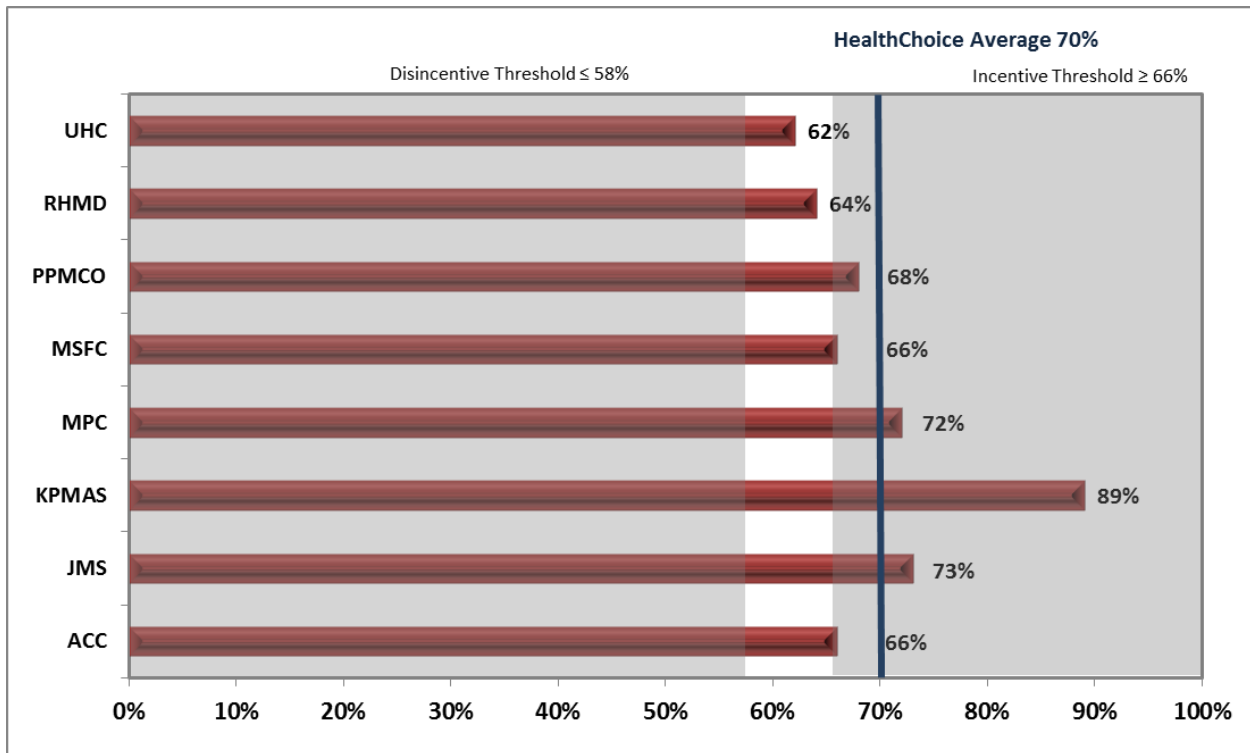




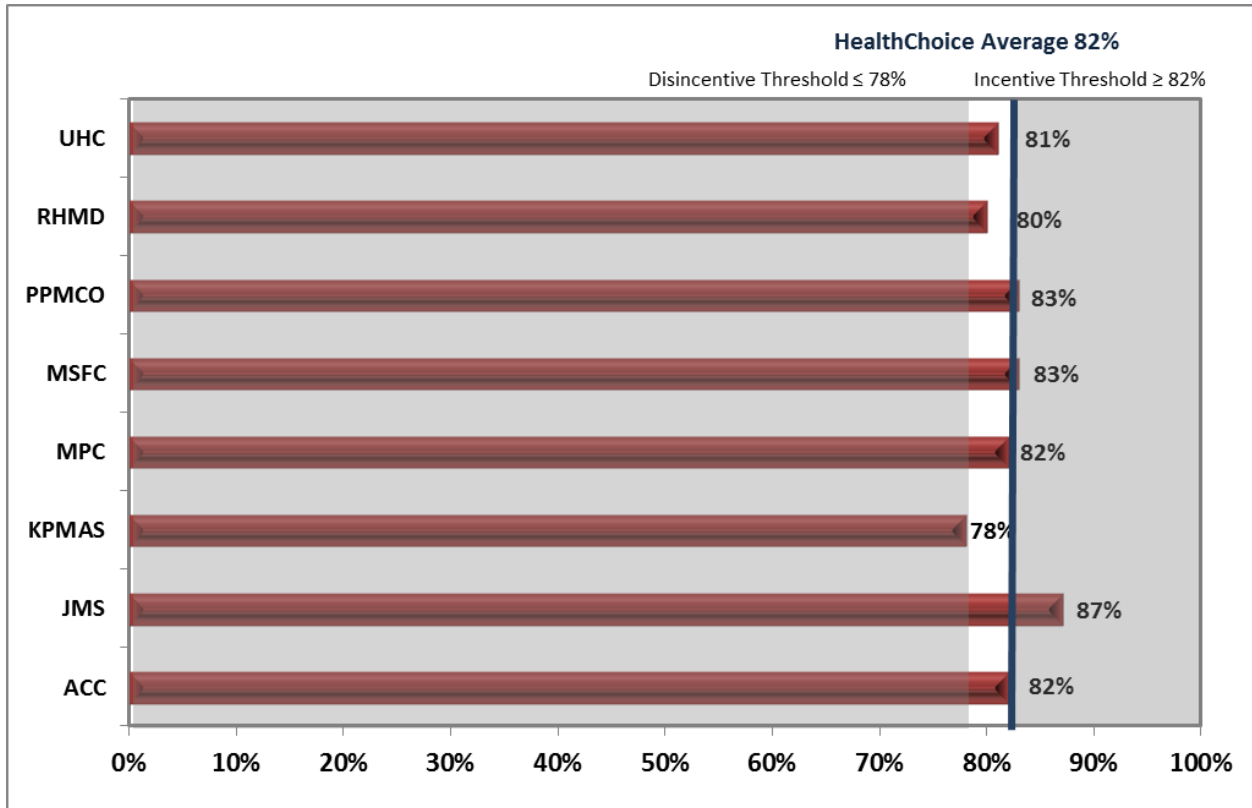
### Ambulatory Care Services for SSI Children Ages 0 – 20 Years



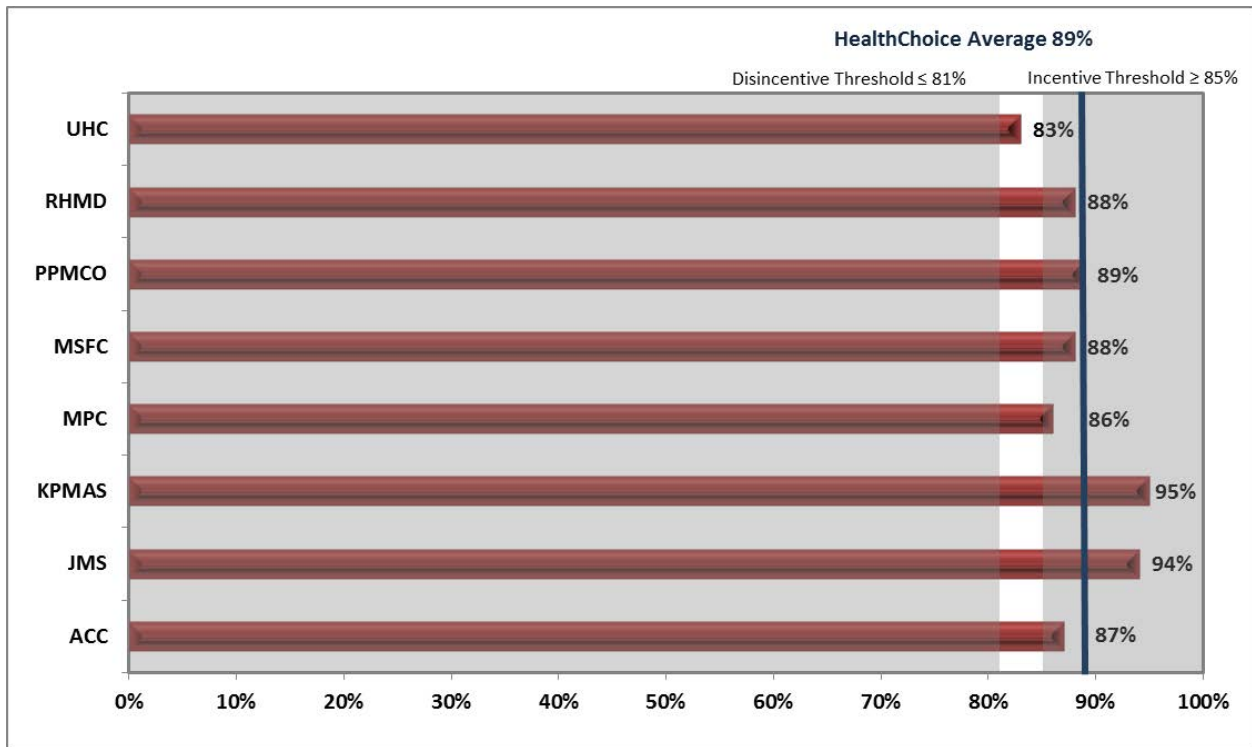
### Breast Cancer Screening



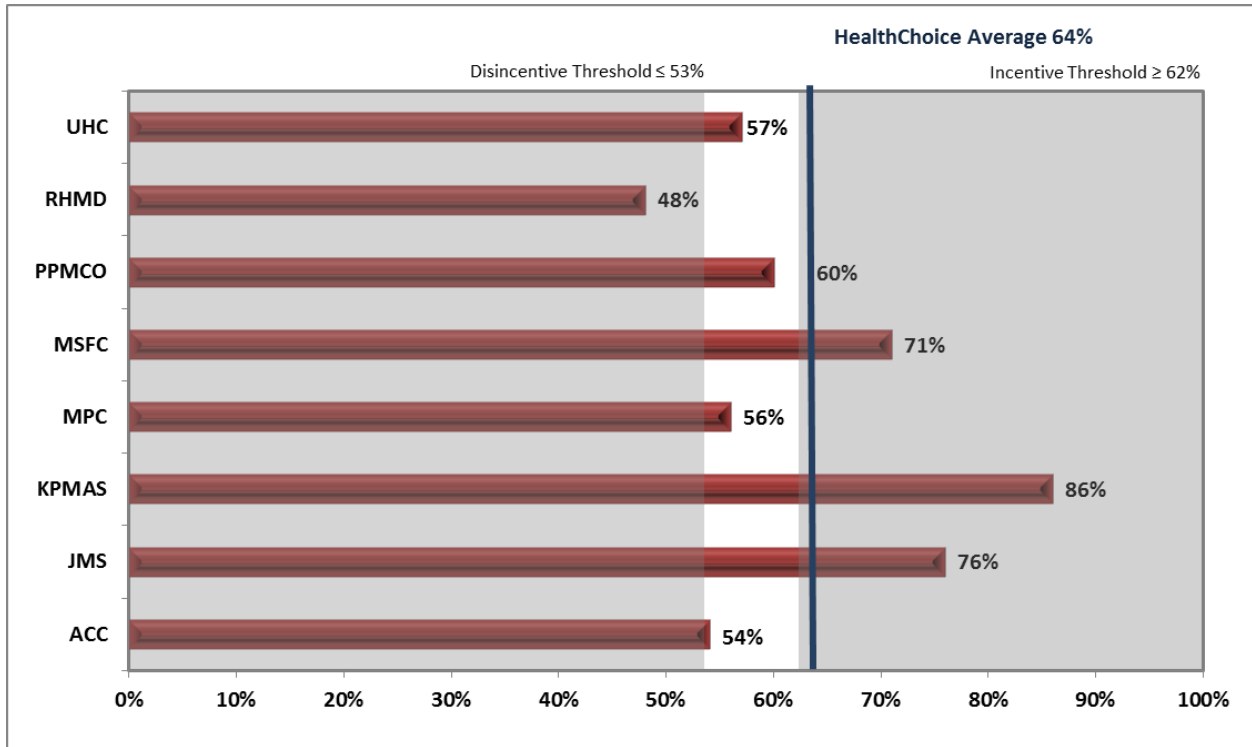
### Childhood Immunization Status—Combo 3



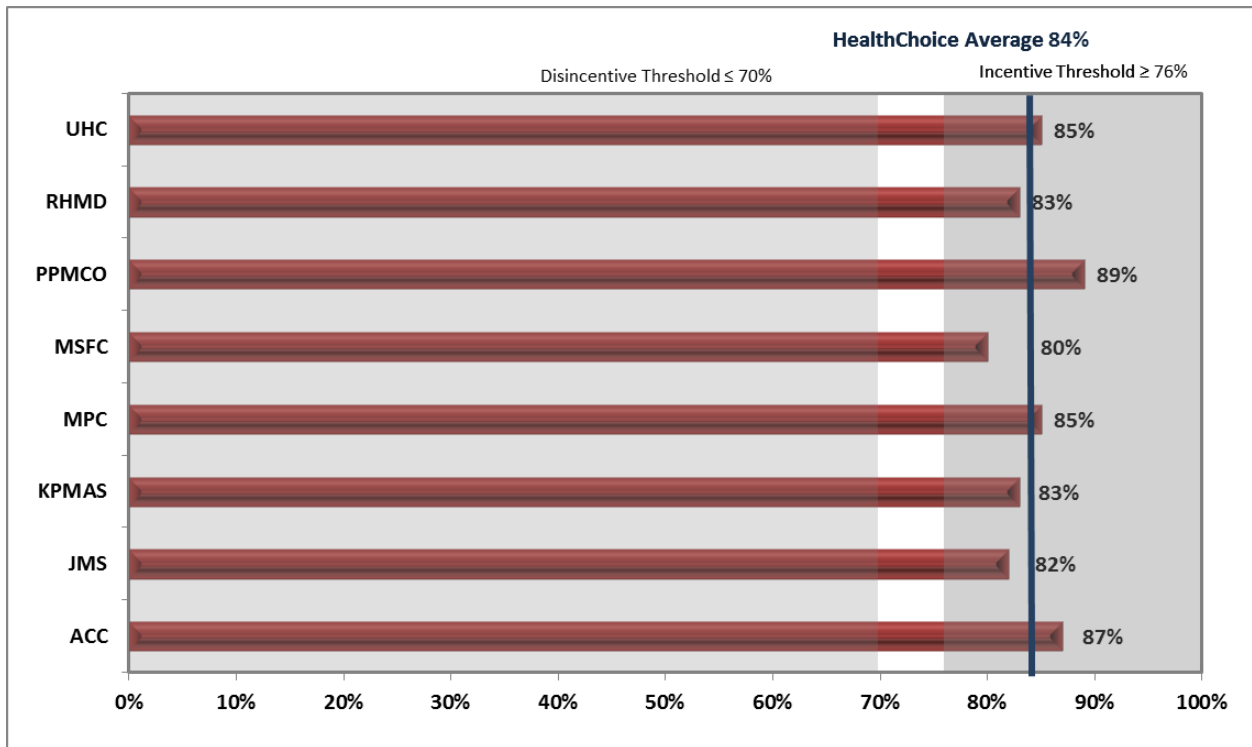
### Comprehensive Diabetes Care – HbA1 Testing



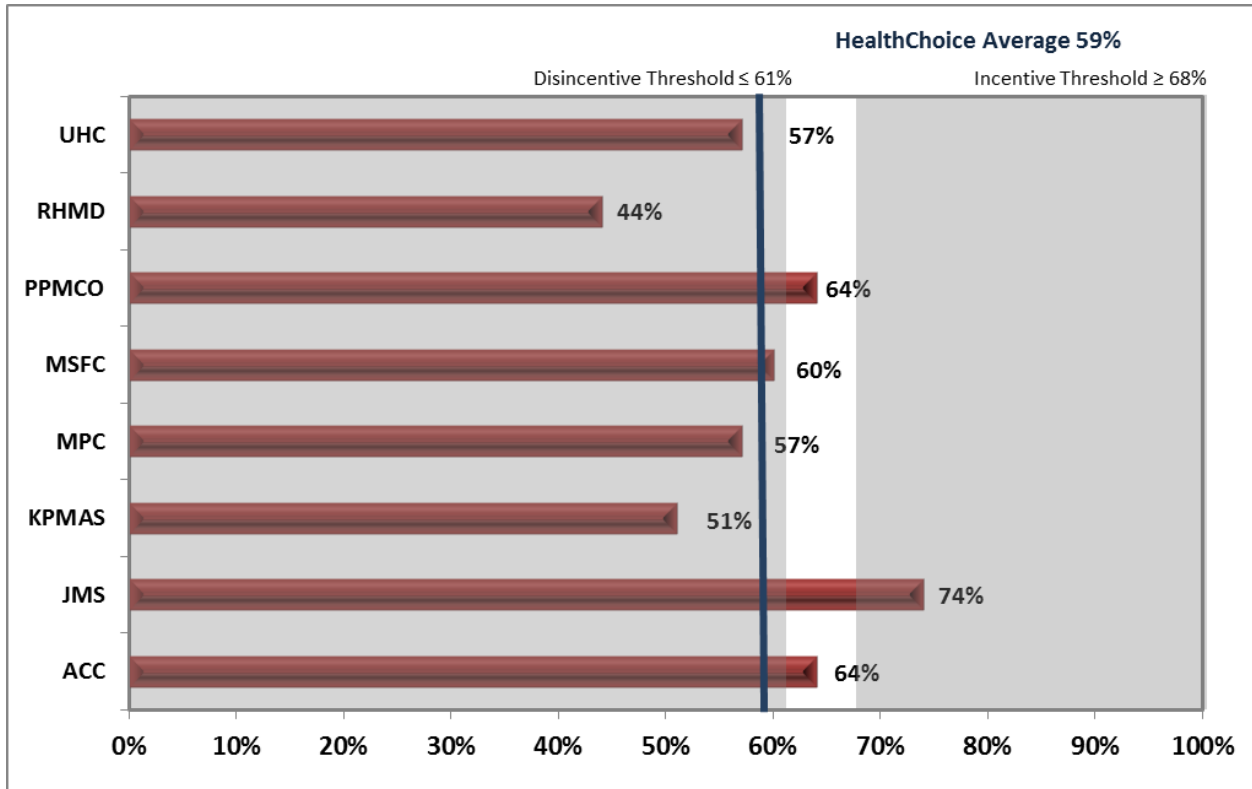
### Controlling High Blood Pressure



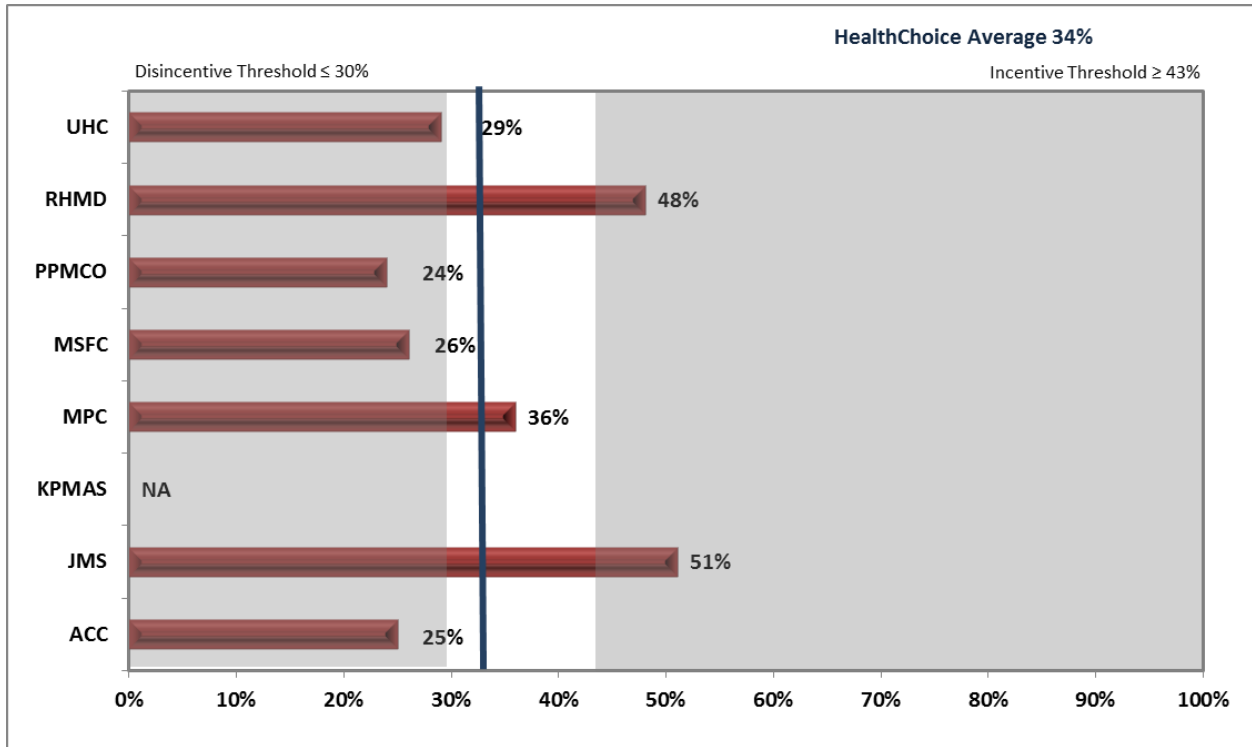
### Immunizations for Adolescents



### Lead Screenings for Children Ages 12 – 23 Months

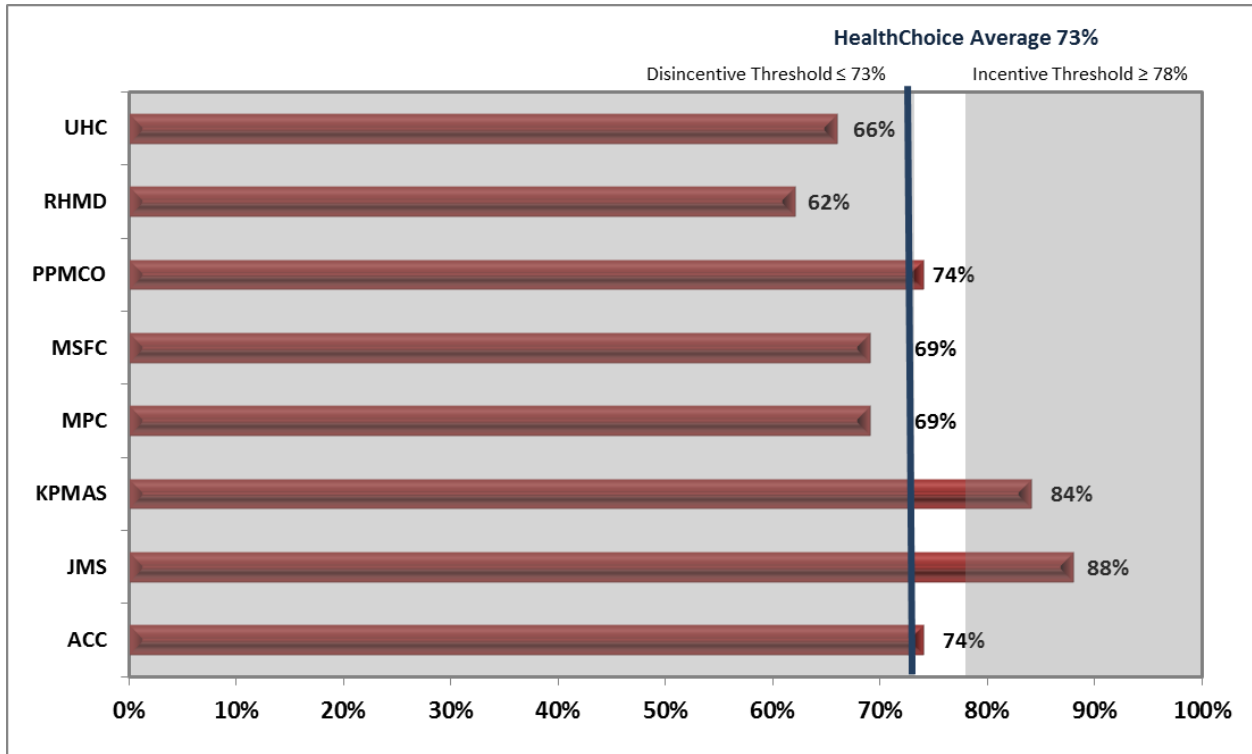


### Medication Management for People with Asthma – Medication Compliance 75%





### Postpartum Care



### Well-Child Visits for Children Ages 3 – 6 Years

