

## **Technical Proposal Attachment D Pay for Outcomes Program**

### 1. Program Establishment and Eligibility

DVHA has established a pay for outcomes program under which Contractor may receive additional compensation if certain conditions are met. The compensation under the pay for outcomes program is subject to Contractor's complete and timely satisfaction of its obligations under the Contract. This includes, but is not limited to, timely submission of the Contractor's HEDIS data for the measurement year as well as timely submission of Priority Reports identified by DVHA in the ACO Reporting Manual.

The Contractor may, at DVHA's discretion, lose eligibility for its compensation under the pay for outcomes program if:

- a. DVHA has suspended, in whole or in part, capitation payments or attribution to the Contractor;
- b. The Contract has been terminated;
- c. The Contractor has, in the determination of the DVHA Commissioner, failed to execute a smooth transition at the end of the Contract term, including failure to comply with the Contractor responsibilities set forth in the Scope of Work; or
- d. Pursuant to the Contract including without limitation this Attachment, DVHA has required a corrective action plan or assessed liquidated damages against Contractor in relation to its performance under the Contract during the measurement year.

DVHA may, at its option, reinstate Contractor's eligibility for participation in the pay for outcomes program once Contractor has properly corrected all prior instances of non-compliance of its obligations under the Contract, and DVHA has satisfactory assurances of acceptable future performance.

### 2. Incentive Payment Potential

During each measurement year, DVHA will withhold a portion of the approved capitation payments each month from the Contractor as follows:

- Calendar Year 2017 – three percent (3.0%)
- Calendar Year 2018 – three and one half percent (3.50%)
- Calendar Year 2019 – four percent (4.0%)
- Calendar Year 2020 – four and one half percent (4.50%)
- Calendar Year 2021 – five percent (5.0%)

Contractor may be eligible to receive some or all of the withheld funds based on Contractor's performance in the areas outlined in Section 3 of this Appendix. DVHA reserves the right to adjust performance measures and targets in future Contract years.

### 3. Calendar Year 2017 Outcome Measures and Incentive Payment Structure

The outcome measures, targets and incentive payment opportunities for Calendar Year 2017 are set forth below. The 2017 performance measures and targets are based on the priority areas established by DVHA and data available in year one (1) of the Contract. Performance measures and targets may change on a year-to-year basis as program priorities shift and as necessary to support continuous quality improvement. The performance measures and targets applicable during subsequent years of the Contract shall be established annually by DVHA and reflected in an amendment to the Contract.

Contractor performance shall be calculated based on care delivered during Calendar Year 2017. Incentive payments after Calendar Year 2017, for any measure, will be conditioned upon Contractor substantially maintaining or improving Contractor's outcome on that individual measure from the previous year.

Contractor will be eligible for incentive payments if Contractor outcomes on individual measures for a certain year decline from the previous year's outcomes by a de minimus amount defined by DVHA for each measure. Future incentive payments for any measure may be conditioned upon Contractor maintaining or improving Contractor's outcome from the prior year.

Measures will be paid based on custom specifications and performance will be determined by DVHA or its designee. Contractor shall submit information to DVHA, in the format and detail specified by DVHA, with respect to each performance measure set forth below. Any data received after the required submission date will not be eligible for an incentive payment.

Incentive payments are payable in the form of release of funds withheld. For purposes of this subsection only, the amount withheld shall be referred to as the "Performance Withhold". The amount of the Performance Withhold at risk varies by measure.

1. Follow Up After Hospitalization for Mental Illness (7 day rate) [HEDIS FUH]
  - a. Benchmark used: HEDIS 2016, Medicaid Health Plans
  - b. Assigned of Performance Withhold at Risk = 20% of Total
    - i. 0% of assigned performance withhold for reaching a rate below the 75<sup>th</sup> percentile.
    - ii. 20% of assigned performance withhold for reaching a rate between the 75<sup>th</sup> and 90<sup>th</sup> percentile.
    - iii. 100% of assigned performance withhold for reaching a rate at or above the 90<sup>th</sup> percentile.
2. Developmental Screening in the 1<sup>st</sup> 3 years of life [NQF 1448]
  - a. Benchmark used: Quality Compass 2016
  - b. Assigned of Performance Withhold at Risk = 10% of Total
    - i. 0% of assigned performance withhold for reaching a rate below the 75<sup>th</sup> percentile.

- ii. 20% of assigned performance withhold for reaching a rate between the 75<sup>th</sup> and 90<sup>th</sup> percentile.
- iii. 100% of assigned performance withhold for reaching a rate at or above the 90<sup>th</sup> percentile.

3. Comprehensive Diabetes Care [HEDIS CDC]

- a. Assigned of Performance Withhold at Risk = 20% of Total
- b. Each of the five elements equals 20% of the total assigned value
  - i. HbA1c testing – Contractor receives full 20% for this element if 90% of the eligible population is compliant.
  - ii. HbA1c control – Contractor receives full 20% for this element if 75% of the eligible population is compliant.
  - iii. Blood pressure control – Contractor receives full 20% for this element if 75% of the eligible population is compliant.
  - iv. Eye Exam – Contractor receives full 20% for this element if 60% of the eligible population is compliant.
  - v. Nephropathy (screening test or evidence of the nephropathy) – Contractor receives full 20% for this element if 75% of the eligible population is compliant.

4. Timeliness of Prenatal Care [HEDIS PPC]

- a. Assigned of Performance Withhold at Risk = 10% of Total
  - i. Contractor receives 25% of the assigned performance withhold if 85% of the eligible population is complaint.
  - ii. Contractor receives 75% of the assigned performance withhold if 90% of the eligible population is compliant.
  - iii. Contractor receives 100% of the assigned performance withhold if 95% of the eligible population is compliant.

5. Ambulatory ED Visits/1000 member months [HEDIS AMB]

- a. Benchmark Used: HEDIS 2016 results for DVHA
- b. Assigned of Performance Withhold at Risk = 20% of Total
  - i. Contractor receives 25% of the assigned performance withhold if at least a 5% improvement is achieved over DVHA's previous year's overall performance.
  - ii. Contractor receives 75% of the assigned performance withhold if at least a 10% improvement is achieved over DVHA's previous year's overall performance.
  - iii. Contractor receives 100% of the assigned performance withhold if at least a 15% improvement is achieved over DVHA's previous year's overall performance.

6. Prevention Quality Chronic Composite [PQI 92]

- a. Benchmark Used: DVHA results from 2016 Reporting Year
- b. Assigned of Performance Withhold at Risk = 20% of Total
  - i. Contractor receives 25% of the assigned performance withhold if at least a 5% improvement is achieved over DVHA's previous year's overall performance.
  - ii. Contractor receives 75% of the assigned performance withhold if at least a 10% improvement is achieved over DVHA's previous year's overall performance.
  - iii. Contractor receives 100% of the assigned performance withhold if at least a 15% improvement is achieved over DVHA's previous year's overall performance.

4. Timing of Payments

DVHA will make its best efforts to distribute a report identifying Contractor's performance during Calendar Year 2017 and the amount of incentive payments, if any, earned for each outcome measure identified in Section 3 by September 1, 2018. DVHA will make its best efforts to distribute payment to Contractor, subject to Section 5, by September 15, 2018.

5. Conditions to Incentive Payments

DVHA will not have any obligation to distribute the Contractor's incentive payment to Contractor if DVHA has made a determination that Contractor is not eligible to participate in the pay for outcomes program, as described in Section 1.

6. Disposition of Undistributed Incentive Payment Funds

In the event the maximum amount of the incentive payment funds available is not earned and distributed based on the performance of Contractor, DVHA will retain the difference (hereinafter referred to as the "undistributed incentive payment funds").