

Medicaid Managed Care Organization



**Maryland**  
DEPARTMENT OF HEALTH

**HealthChoice**  
Maryland's Medicaid Managed Care Program

## Value-Based Purchasing Final Report

Calendar Year 2018

Submitted January 2020

**Qlarant**

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# Maryland Department of Health

## Value-Based Purchasing Report

### Calendar Year (CY) 2018

## Introduction

The Maryland Department of Health (MDH) began working with the Center for Health Care Strategies in 1999 to develop a Value-Based Purchasing (VBP) initiative 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.

MDH contracted with Qlarant and MetaStar, Inc. (MetaStar), a NCQA–Licensed Organization, to perform a validation of the calendar year (CY) 2018 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. MetaStar performed the validation of the HEDIS<sup>®1</sup>–based VBP measurement data for all of the HealthChoice MCOs using the NCQA's HEDIS Volume 5: HEDIS Compliance Audit: Standards, Policies, and Procedures. Qlarant validated the measures developed by MDH and calculated by The Hilltop Institute of University of Maryland Baltimore County (Hilltop).

## Performance Measure Selection Process

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

MDH 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; and
6. Possible for MCOs to affect change.

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<sup>1</sup> HEDIS<sup>®</sup> – Health Care Effectiveness Data and Information Set. HEDIS<sup>®</sup> is a registered trademark of the National Committee for Quality Assurance (NCQA).

## Value-Based Purchasing Validation

Several sources of measures (Table 1) are included in the CY 2018 VBP program. They are chosen from NCQA's HEDIS data set and encounter data supplied by the HealthChoice MCOs. Validation is subsequently provided by MetaStar and Qlarant. The measure type and the presence of an existing audit or validation process determined the validation activities undertaken.

**Table 1. CY 2018 VBP Measures**

Performance Measure	Domain	Measure	Reporting Entity
Adolescent Well-Care Visits	Use of Services	HEDIS	MCO
Adult BMI Assessment	Effectiveness of Care	HEDIS	MCO
Ambulatory Care Visits for Supplemental Security Income (SSI) Adults	Access to Care	Encounter Data	MDH
Ambulatory Care Visits for SSI Children	Access to Care	Encounter Data	MDH
Asthma Medication Ratio	Effectiveness of Care	HEDIS	MCO
Breast Cancer Screening	Effectiveness of Care	HEDIS	MCO
Childhood Immunization Status - Combination 3	Effectiveness of Care	HEDIS	MCO
Comprehensive Diabetes Care – HbA1c Testing	Effectiveness of Care	HEDIS	MCO
Controlling High Blood Pressure	Effectiveness of Care	HEDIS	MCO
Immunizations for Adolescents - Combination 1	Effectiveness of Care	HEDIS	MCO
Lead Screenings for Children - Ages 12 to 23 Months	Effectiveness of Care	Encounter, Lead Registry, & Fee For Service Data	MDH
Postpartum Care	Access to Care	HEDIS	MCO
Well-Child Visits for Children - Ages 3 to 6	Use of Services	HEDIS	MCO

## HEDIS Measure Validation

HealthChoice MCOs are required to produce and report audited HEDIS data under Code of Maryland Regulations (COMAR) 10.67.04.03B(2). Ten of the CY 2018 VBP measures are HEDIS measures and are validated under the HEDIS Compliance Audit:

- Adolescent Well-Care Visits
- Adult BMI Assessment
- Asthma Medication Ratio
- Breast Cancer Screening
- Childhood Immunization Status - Combination 3
- Comprehensive Diabetes Care – HbA1c Testing
- Controlling High Blood Pressure
- Immunizations for Adolescents - Combination 1
- Postpartum Care
- Well-Child Visits for Children - Ages 3 to 6

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, MetaStar 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/Results
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, MDH used ten of the HEDIS audit measure determinations as VBP measure determinations.

## Maryland Encounter Data Measure Validation

Three CY 2018 Maryland encounter data measures were calculated by The Hilltop Institute of University of Maryland Baltimore County (Hilltop). Hilltop used encounter data submitted by the MCOs, Maryland Department of the Environment's Lead Registry data, and Fee-for-Service data. The measures include:

- Ambulatory Care Visits for SSI Adults
- Ambulatory Care Visits for SSI Children
- Lead Screenings for Children - Ages 12 to 23 Months

Qlarant validated the above measures including the specifications for each 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.

Validation determinations were used to characterize the findings. Table 3 indicates the possible determinations of the measures. To validate the rates calculated, two analysts reviewed and approved the measure creation process and source code.

**Table 3. Possible Validation Findings for EQRO-Validated Measures (Encounter Data)**

Validation Determination	Definition
FC: Fully Compliant	Measure was fully compliant with State specifications and reportable.
SC: Substantially Compliant	Measure was substantially compliant with State specifications and had only minor deviations that did not significantly bias the reported rate.
NV: Not Valid	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.
NA: Not Applicable	Measure was not reported because the entity did not have any Medicaid enrollees that qualified for the denominator.

## Validation Results

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

All of the HEDIS VBP measures audited by MetaStar were determined to be reportable for all MCOs.

Table 4 shows the results of the encounter data measure validation activities. Hilltop was responsible for producing the encounter data measure results at the MCO level. The EQRO validated the measure specifications, source code, and preliminary and final results. During the validation process undertaken by Qlarant, no issues appeared to be identified that could have introduced bias to the resulting statistics.

**Table 4. EQRO VBP Measure Validation Determinations**

Measure	Validation Determinations
Ambulatory Care Visits for SSI Adults	FC
Ambulatory Care Visits for SSI Children	FC
Lead Screenings for Children - Ages 12 to 23 Months	FC

## Incentive/Disincentive Target Setting Methodology

The following target setting methodology has been developed for the CY 2018 VBP measures:

- Targets for incentive, disincentive, and neutral ranges are based on the enrollment-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.

## Incentive/Disincentive Targets

Table 5. CY 2018 VBP Measures and Targets

Performance Measure	Data Source	2018 Target
<b>Adolescent Well-Care Visits:</b> 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: ≥ 74% Neutral: 69%–73% Disincentive: ≤ 68%
<b>Adult BMI Assessment:</b> 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: ≥ 94% Neutral: 91%–93% Disincentive: ≤ 90%
<b>Ambulatory Care Visits for SSI Adults - Ages 21 to 64 Years:</b> 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 Visits for SSI Children - Ages 0 to 20 Years:</b> 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>Asthma Medication Ratio:</b> Enrollees ages 5–85 years of age who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year	HEDIS	Incentive: ≥ 73% Neutral: 68%–72% Disincentive: ≤ 67%
<b>Breast Cancer Screening:</b> Women 50–74 years of age who had a mammogram to screen for breast cancer	HEDIS	Incentive: ≥ 75% Neutral: 71%–74% Disincentive: ≤ 70%
<b>Childhood Immunization Status - Combination 3:</b> 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: ≥ 85% Neutral: 82%–84% Disincentive: ≤ 81%



Performance Measure	Data Source	2018 Target
<b>Comprehensive Diabetes Care – HbA1c Testing:</b> Enrollees 18–75 years of age with diabetes (type 1 and type 2) who had a Hemoglobin A1c (HbA1c) test	HEDIS	Incentive: ≥ 92% Neutral: 89%–91% Disincentive: ≤ 88%
<b>Controlling High Blood Pressure:</b> Enrollees ages 18 to 85 who had a diagnosis of hypertension and whose blood pressure was adequately controlled during the measurement year	HEDIS	Incentive: ≥ 71% Neutral: 65%–70% Disincentive: ≤ 64%
<b>Immunizations for Adolescents - Combination 1:</b> 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: ≥ 91% Neutral: 88%–90% Disincentive: ≤ 87%
<b>Lead Screenings for Children - Ages 12 to 23 Months:</b> 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: ≥ 70% Neutral: 64%–69% Disincentive: ≤ 63%
<b>Postpartum Care:</b> Deliveries that had a postpartum visit on or between 21 and 56 days after delivery	HEDIS	Incentive: ≥ 78% Neutral: 75%–77% Disincentive: ≤ 74%
<b>Well-Child Visits for Children - Ages 3 to 6 Years:</b> 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: ≥ 87% Neutral: 84%–86% Disincentive: ≤ 83%

## Performance Measure Results

Table 6. MCO CY 2018 VBP Performance Summary

Performance Measure	CY 2018 Target	ACC	JMS	KPMAS	MPC	MSFC	PPMCO	UHC	UMHP
Adolescent Well-Care Visits	Incentive: ≥ 74% Neutral: 69%–73% Disincentive: ≤ 68%	74% (I)	77% (I)	65% (D)	57% (D)	54% (D)	57% (D)	65% (D)	62% (D)
Adult BMI Assessment	Incentive: ≥ 94% Neutral: 91%–93% Disincentive: ≤ 90%	94% (I)	99% (I)	98% (I)	89% (D)	100% (I)	94% (I)	85% (D)	94% (I)
Ambulatory Care Visits for SSI Adults	Incentive: ≥ 87% Neutral: 84%–86% Disincentive: ≤ 83%	82% (D)	91% (I)	69% (D)	84% (N)	82% (D)	86% (N)	80% (D)	88% (I)
Ambulatory Care Visits for SSI Children	Incentive: ≥ 86% Neutral: 83%–85% Disincentive: ≤ 82%	85% (N)	90% (I)	76% (D)	82% (D)	79% (D)	85% (N)	80% (D)	86% (I)

Performance Measure	CY 2018 Target	ACC	JMS	KPMAS	MPC	MSFC	PPMCO	UHC	UMHP
Asthma Medication Ratio	Incentive: ≥ 73% Neutral: 68%–72% Disincentive: ≤ 67%	66% (D)	73% (I)	74% (I)	58% (D)	62% (D)	60% (D)	62% (D)	57% (D)
Breast Cancer Screening	Incentive: ≥ 75% Neutral: 71%–74% Disincentive: ≤ 70%	69% (D)	76% (I)	80% (I)	56% (D)	69% (D)	70% (D)	59% (D)	76% (I)
Childhood Immunization Status - Combination 3	Incentive: ≥ 85% Neutral: 82%–84% Disincentive: ≤ 81%	80% (D)	81% (D)	80% (D)	70% (D)	79% (D)	75% (D)	73% (D)	83% (N)
Comprehensive Diabetes Care – HbA1c Testing	Incentive: ≥ 92% Neutral: 89%–91% Disincentive: ≤ 88%	86% (D)	95% (I)	93% (I)	81% (D)	90% (N)	87% (D)	84% (D)	89% (N)
Controlling High Blood Pressure	Incentive: ≥ 71% Neutral: 65%–70% Disincentive: ≤ 64%	59% (D)	73% (I)	80% (I)	46% (D)	60% (D)	50% (D)	57% (D)	66% (N)
Immunizations for Adolescents - Combination 1	Incentive: ≥ 91% Neutral: 88%–90% Disincentive: ≤ 87%	90% (N)	92% (I)	83% (D)	88% (N)	90% (N)	92% (I)	91% (I)	90% (N)
Lead Screenings for Children Ages - 12 to 23 Months	Incentive: ≥ 70% Neutral: 64%–69% Disincentive: ≤ 63%	66% (N)	75% (I)	71% (I)	56% (D)	57% (D)	67% (N)	58% (D)	64% (N)
Postpartum Care	Incentive: ≥ 78% Neutral: 75%–77% Disincentive: ≤ 74%	78% (I)	90% (I)	84% (I)	67% (D)	78% (I)	71% (D)	66% (D)	79% (I)
Well-Child Visits for Children - Ages 3 to 6	Incentive: ≥ 87% Neutral: 84%–86% Disincentive: ≤ 83%	88% (I)	91% (I)	85% (N)	72% (D)	77% (D)	80% (D)	84% (N)	82% (D)

## Financial Incentive/Disincentive Methodology

As described in COMAR 10.67.04.03, MDH 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 disincentive 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 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 MDH for a quality initiative.

Table 7 represents the incentive and/or disincentive amounts for each performance measure and the total incentive/disincentive amount by MCO for the CY 2018 VBP Program.

**Table 7. MCO CY 2018 VBP Incentive/Disincentive Amounts**

Performance Measure	MCO							
	ACC	JMS	KPMAS	MPC	MSFC	PPMCO	UHC	UMHP
Adolescent Well-Care Visits	\$856,207.97	\$153,617.15	(\$208,498.76)	(\$888,429.46)	(\$362,395.86)	(\$1,143,657.84)	(\$543,867.02)	(\$185,531.94)
Adult BMI Assessment	\$856,207.97	\$153,617.15	\$208,498.76	(\$888,429.46)	\$362,395.86	\$1,143,657.84	(\$543,867.02)	\$185,531.94
Ambulatory Care Visits for SSI Adults	(\$856,207.97)	\$153,617.15	(\$208,498.76)	\$0	(\$362,395.86)	\$0	(\$543,867.02)	\$185,531.94
Ambulatory Care Visits for SSI Children	\$0	\$153,617.15	(\$208,498.76)	(\$888,429.46)	(\$362,395.86)	\$0	(\$543,867.02)	\$185,531.94
Asthma Medication Ratio	(\$856,207.97)	\$153,617.15	\$208,498.76	(\$888,429.46)	(\$362,395.86)	(\$1,143,657.84)	(\$543,867.02)	(\$185,531.94)
Breast Cancer Screening	(\$856,207.97)	\$153,617.15	\$208,498.76	(\$888,429.46)	(\$362,395.86)	(\$1,143,657.84)	(\$543,867.02)	\$185,531.94
Childhood Immunization Status - Combination 3	(\$856,207.97)	(\$153,617.15)	(\$208,498.76)	(\$888,429.46)	(\$362,395.86)	(\$1,143,657.84)	(\$543,867.02)	\$0
Comprehensive Diabetes Care – HbA1c Testing	(\$856,207.97)	\$153,617.15	\$208,498.76	(\$888,429.46)	\$0	(\$1,143,657.84)	(\$543,867.02)	\$0
Controlling High Blood Pressure	(\$856,207.97)	\$153,617.15	\$208,498.76	(\$888,429.46)	(\$362,395.86)	(\$1,143,657.84)	(\$543,867.02)	\$0
Immunizations for Adolescents - Combination 1	\$0	\$153,617.15	(\$208,498.76)	\$0	\$0	\$1,143,657.84	\$543,867.02	\$0
Lead Screenings for Children - Ages 12 to 23 Months	\$0	\$153,617.15	\$208,498.76	(\$888,429.46)	(\$362,395.86)	\$0	(\$543,867.02)	\$0
Postpartum Care	\$856,207.97	\$153,617.15	\$208,498.76	(\$888,429.46)	\$362,395.86	(\$1,143,657.84)	(\$543,867.02)	\$185,531.94
Well-Child Visits for Children - Ages 3 to 6	\$856,207.97	\$153,617.15	\$0	(\$888,429.46)	(\$362,395.86)	(\$1,143,657.84)	\$0	(\$185,531.94)
<b>Total Incentive/Disincentive Amount</b>	<b>(\$1,712,415.94)</b>	<b>\$1,689,788.65</b>	<b>\$416,997.52</b>	<b>(\$9,772,724.06)</b>	<b>(\$2,536,771.02)</b>	<b>(\$6,861,947.04)</b>	<b>(\$5,438,670.20)</b>	<b>\$371,063.88</b>

## 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.

## Appendix 1

Figure 1. Adolescent Well-Care Visits

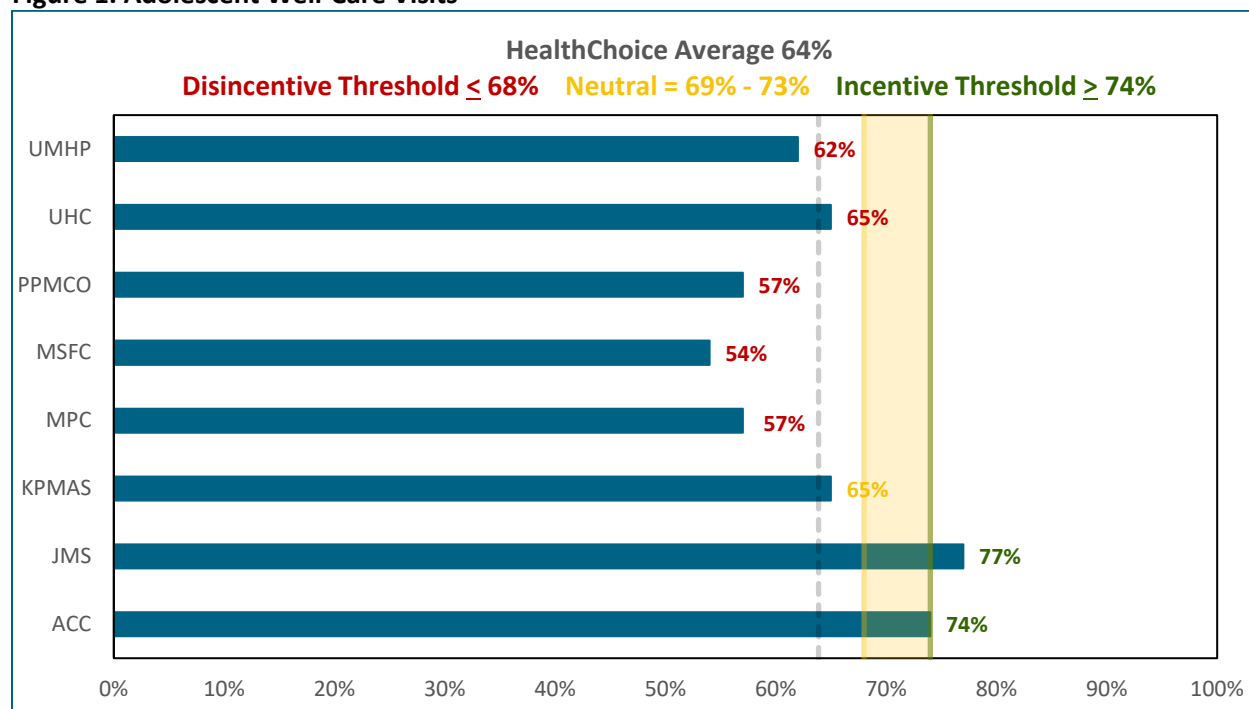
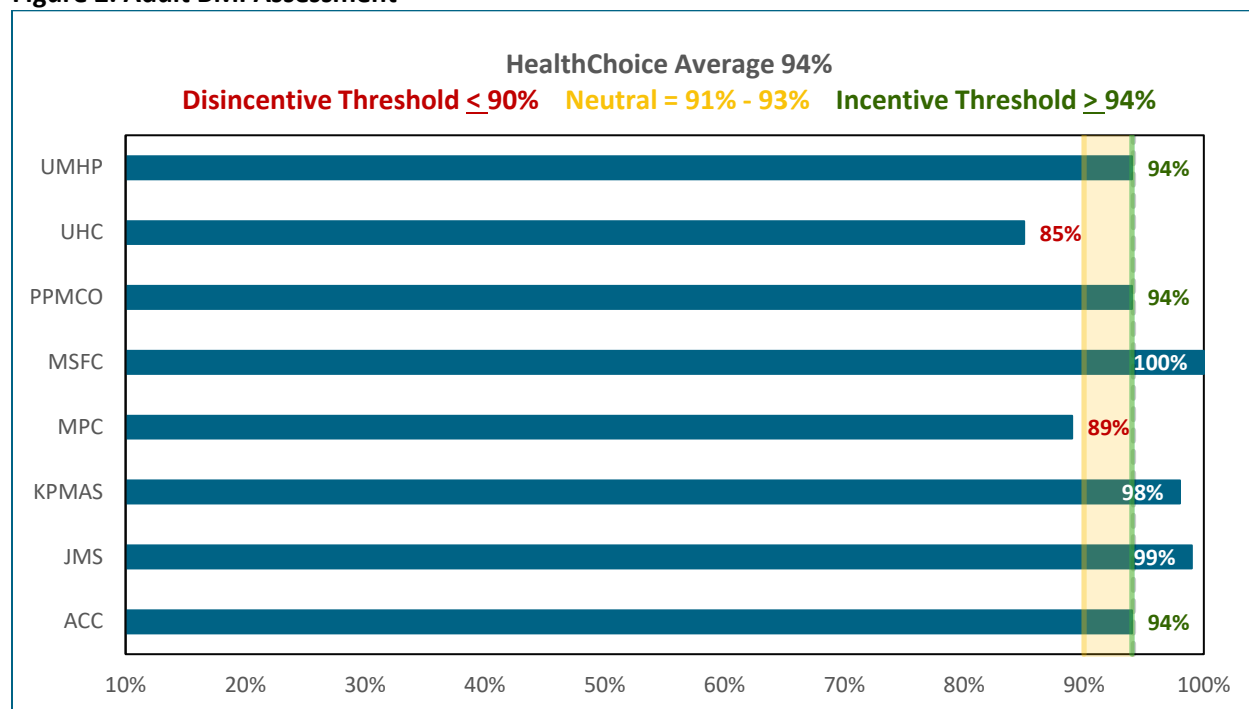
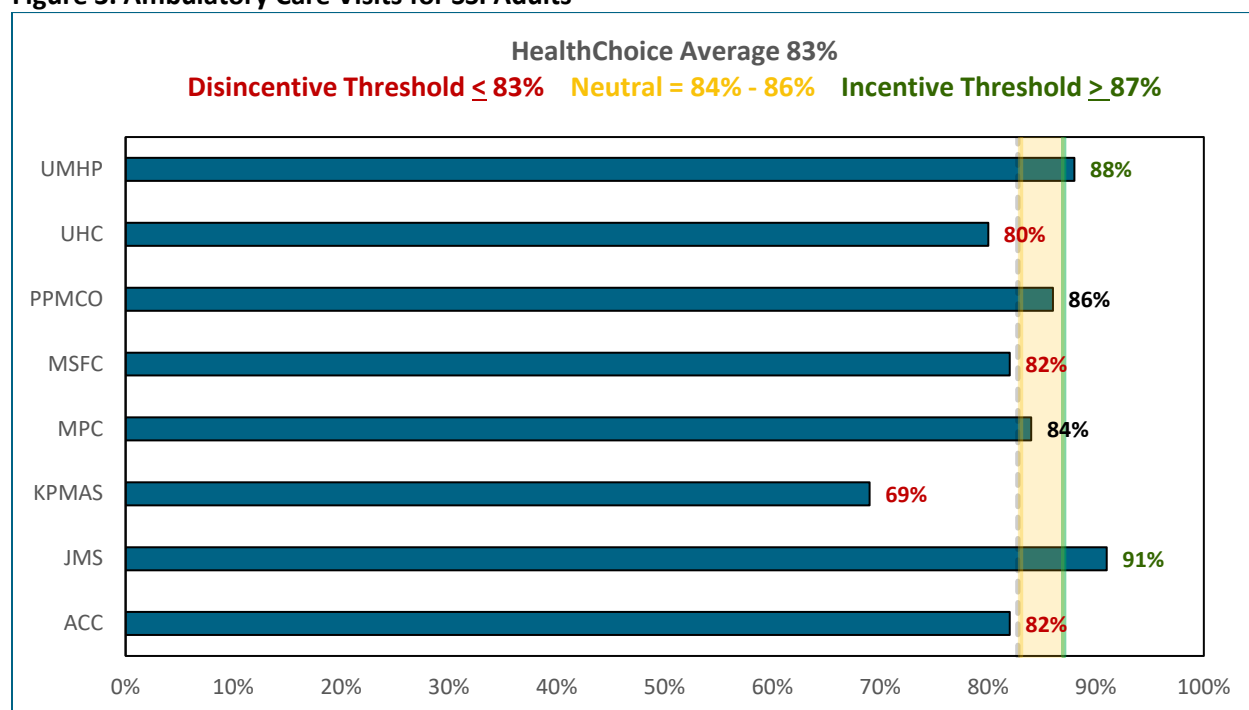


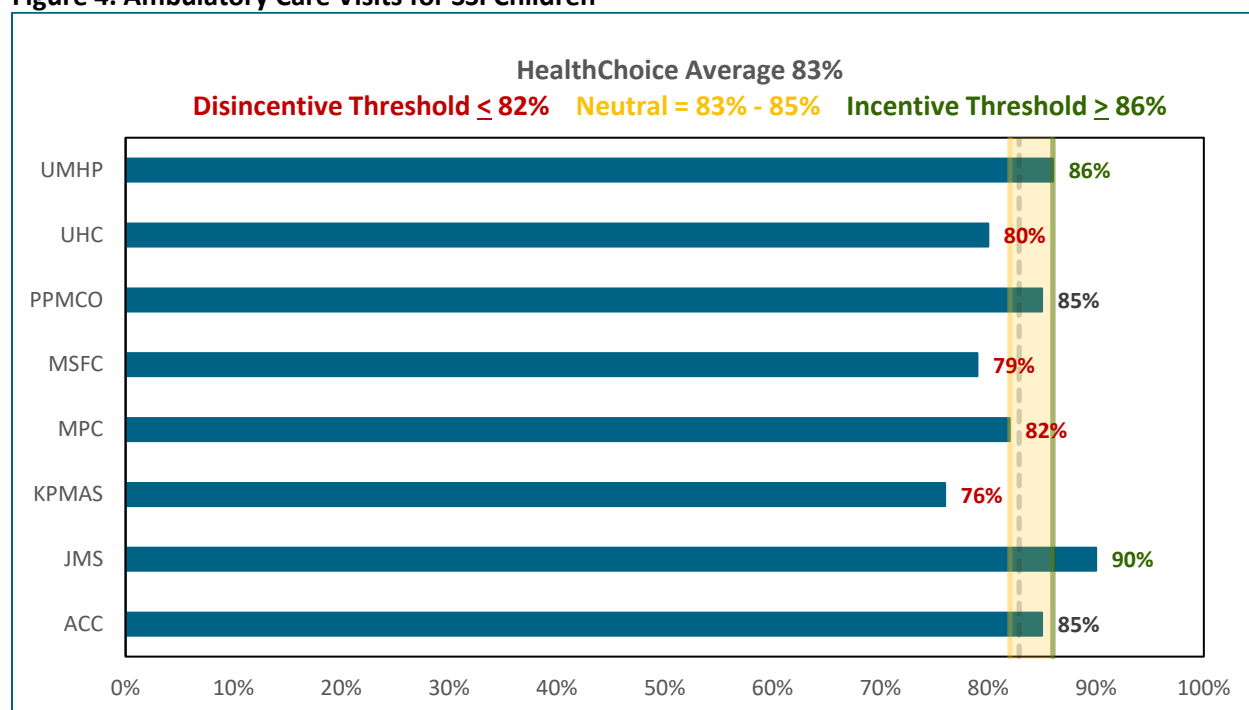
Figure 2. Adult BMI Assessment



**Figure 3. Ambulatory Care Visits for SSI Adults**

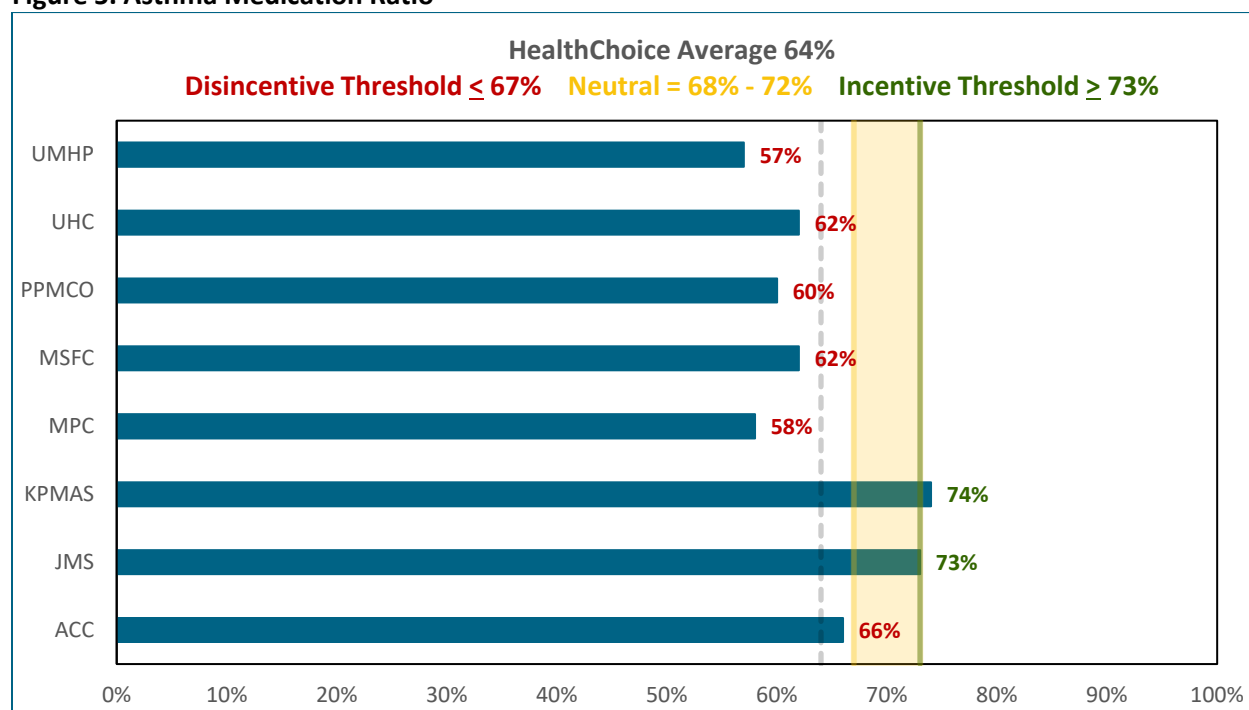


**Figure 4. Ambulatory Care Visits for SSI Children**

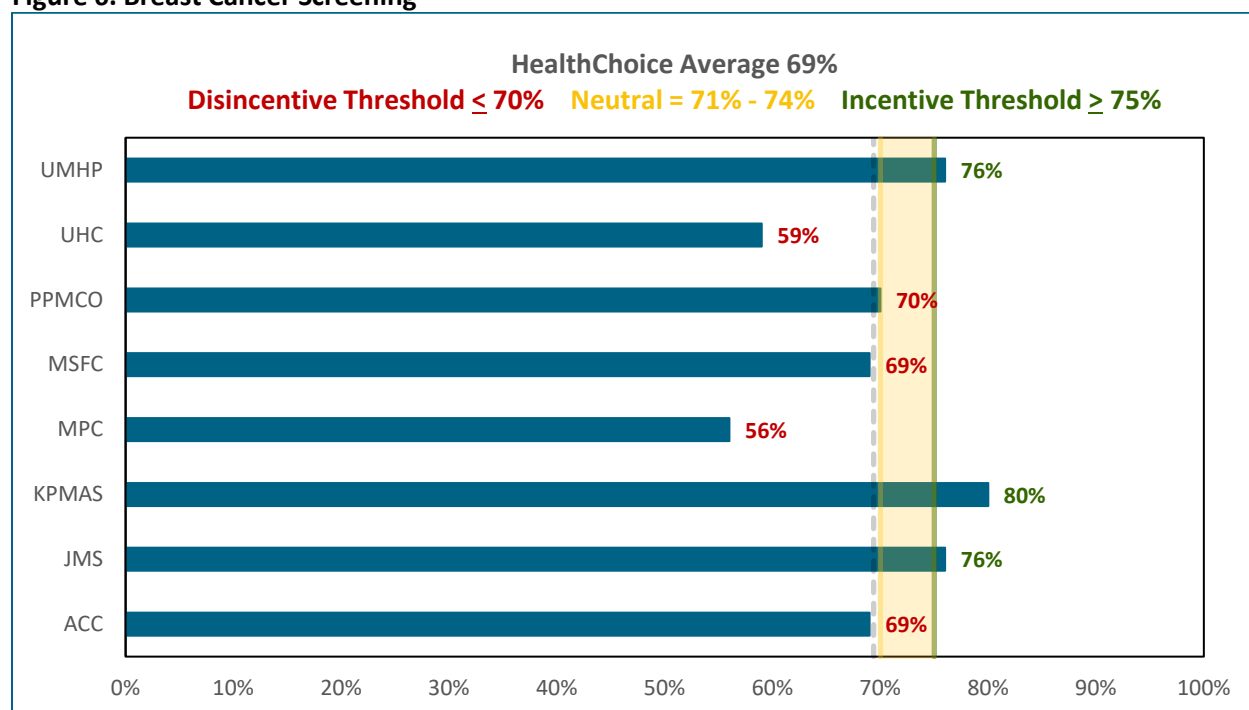




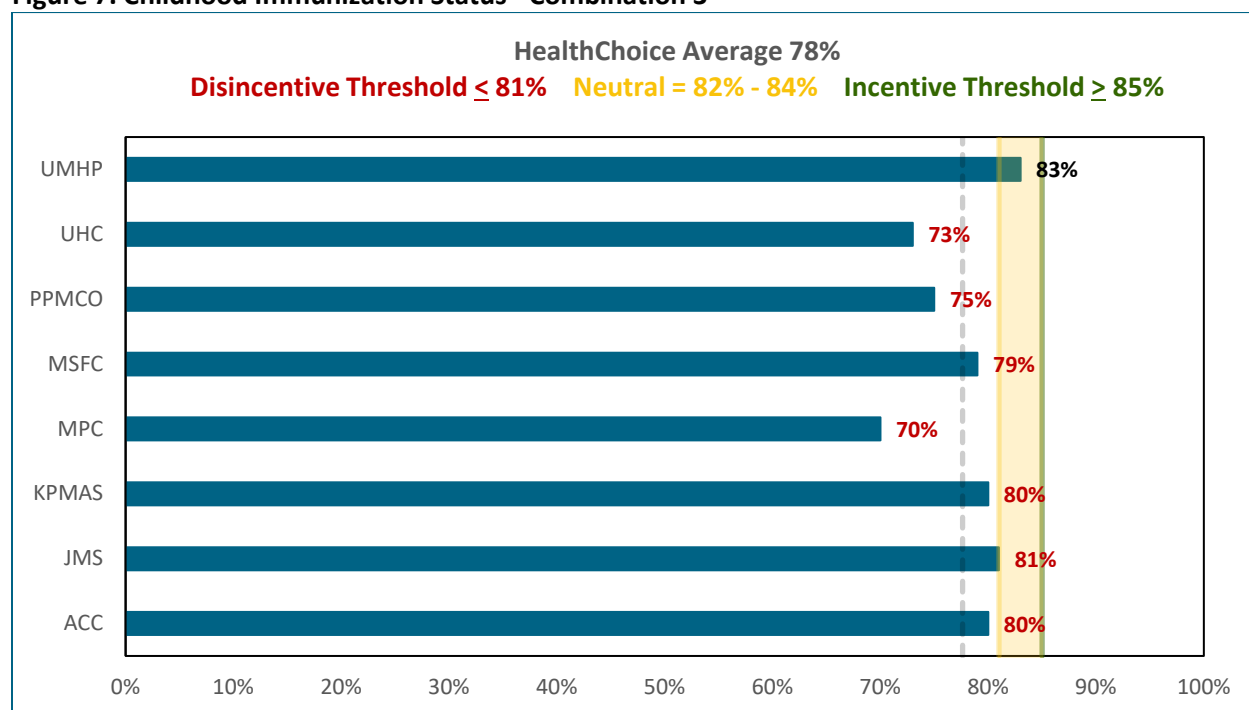
**Figure 5. Asthma Medication Ratio**



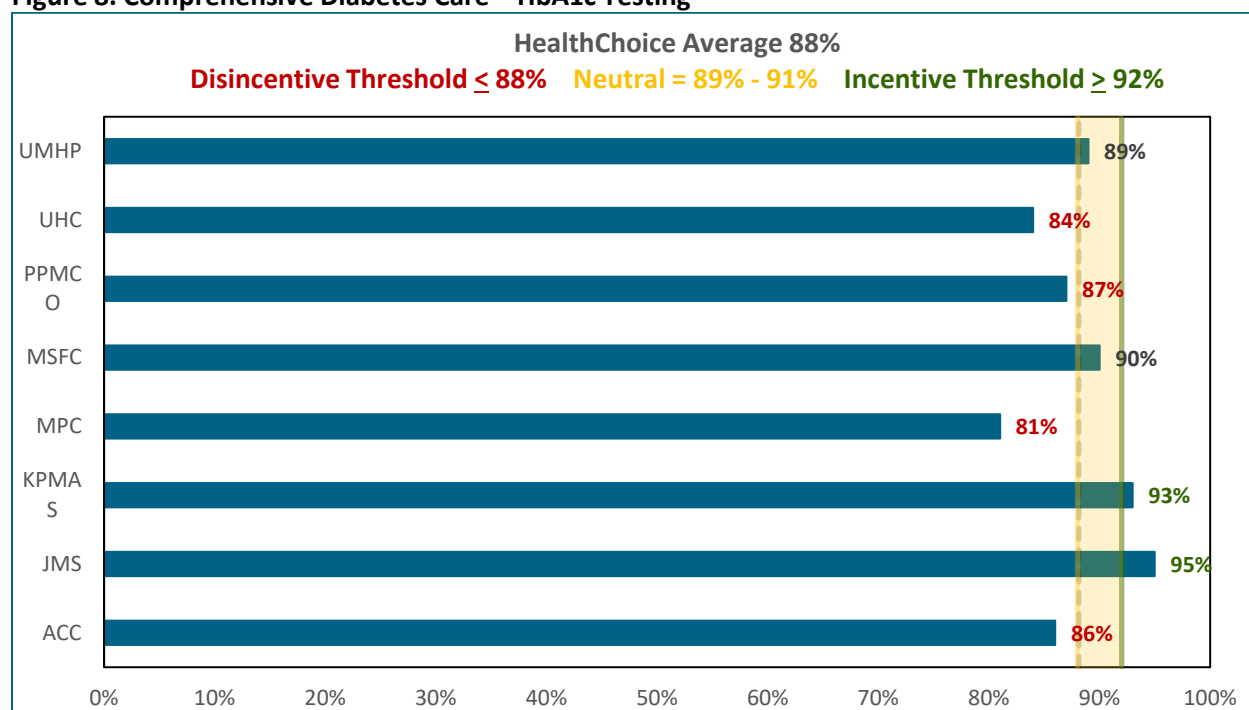
**Figure 6. Breast Cancer Screening**



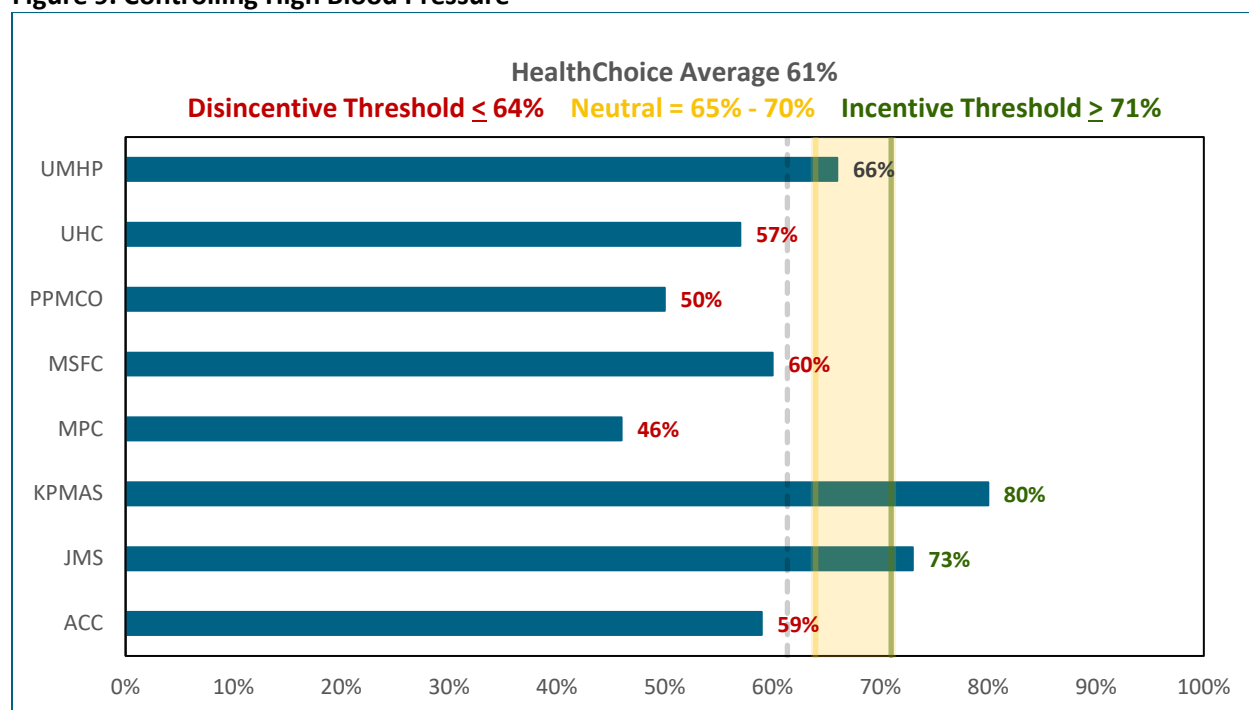
**Figure 7. Childhood Immunization Status - Combination 3**



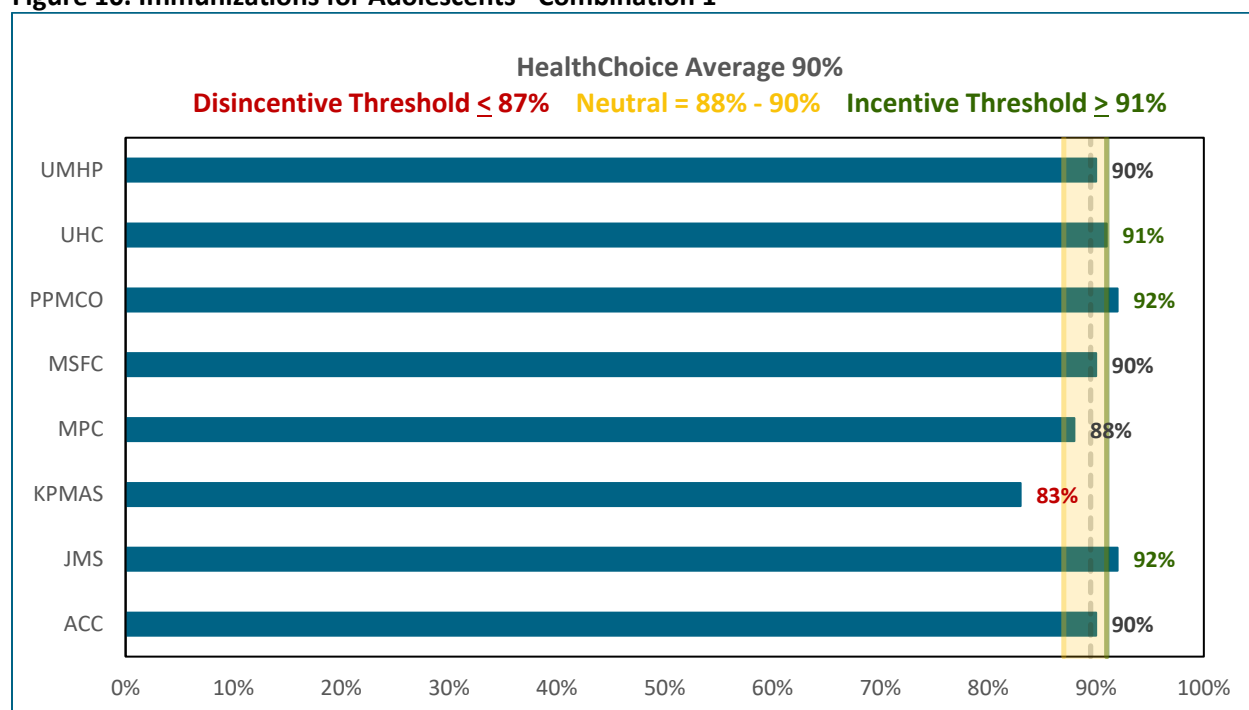
**Figure 8. Comprehensive Diabetes Care – HbA1c Testing**



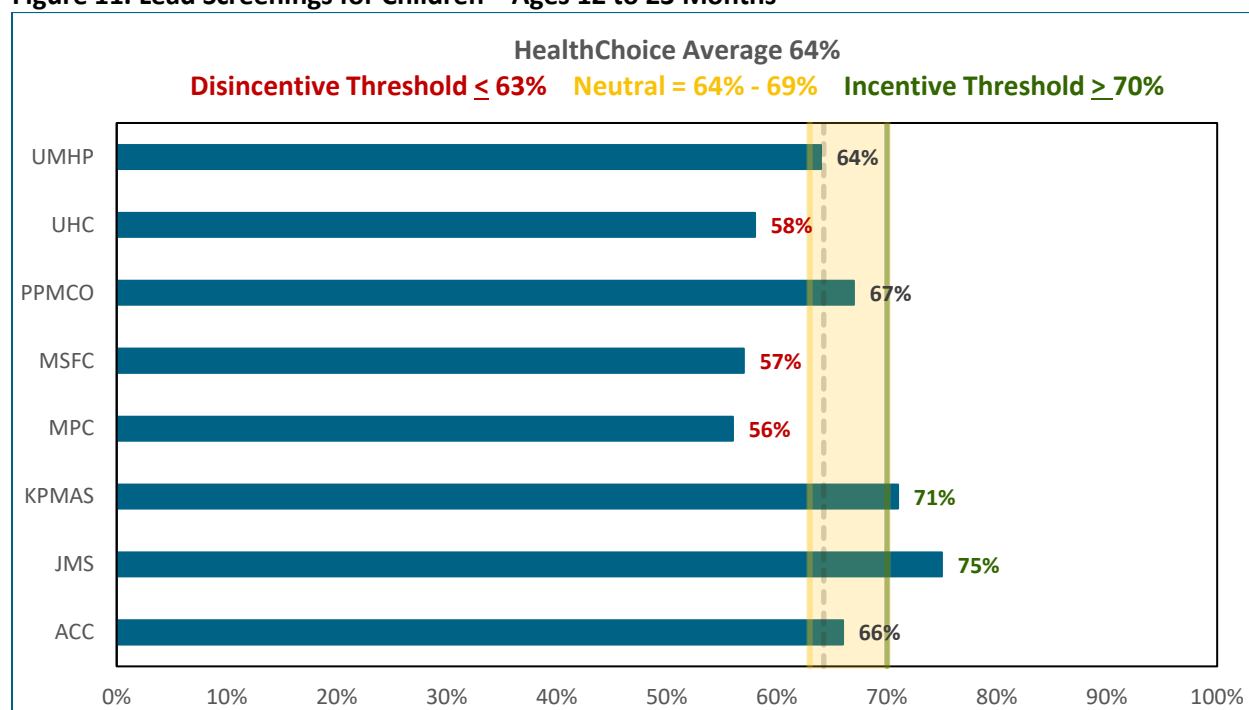
**Figure 9. Controlling High Blood Pressure**



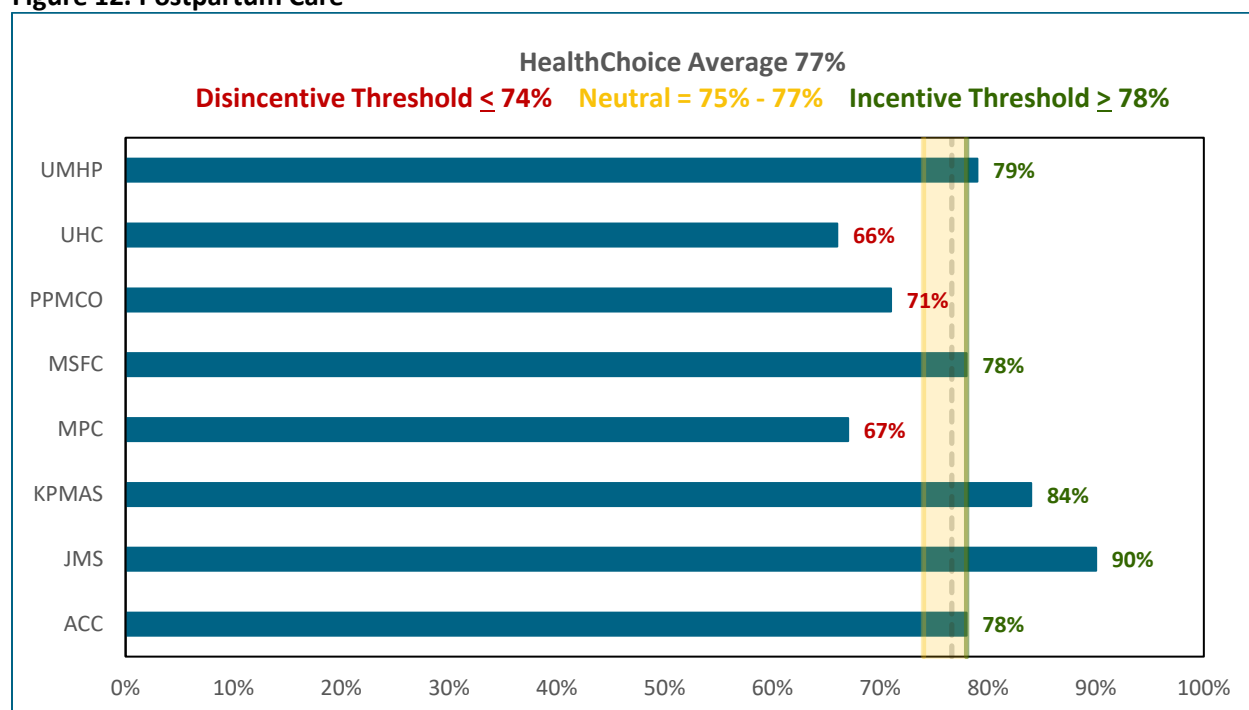
**Figure 10. Immunizations for Adolescents - Combination 1**



**Figure 11. Lead Screenings for Children – Ages 12 to 23 Months**



**Figure 12. Postpartum Care**



**Figure 13. Well-Child Visits for Children - Ages 3 to 6 Years**

