Qlarant

Maryland
DEPARTMENT OF HEALTH

HealthChoice
Maryland's Medicaid Managed Care Program

Medicaid Managed Care Organization

Value-Based Purchasing Final Report

Calendar Year 2019

Submitted January 2021

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Maryland HealthChoice
Value-Based Purchasing Report
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Introduction

The Maryland Department of Health (MDH) administers the state's Medicaid managed care program, Maryland HealthChoice Program (HealthChoice). Operating since June 1997 under Centers for Medicare & Medicaid Services (CMS) 1115 waiver and Code of Maryland Regulations (COMAR), the program emphasizes providing quality health care, which is patient focused, prevention oriented, coordinated, accessible, and cost effective. The HealthChoice program aims to improve quality and access to coordinated services for qualifying enrollees through nine Medicaid managed care organizations (MCOs).

Per federal regulations, MDH must contract with an external quality review organization (EQRO) to conduct annual, independent reviews of Maryland's HealthChoice program. To meet these requirements, MDH contracts with Qlarant. As the EQRO, Qlarant conducts annual value-based purchasing (VBP) activities of each HealthChoice MCO by collaborating with MetaStar, Inc. (MetaStar), a NCQA-Licensed Organization, and the Hilltop Institute of University of Maryland Baltimore County (Hilltop).

In 1999, MDH and the Center for Health Care Strategies began to develop a VBP initiative, with the goal of improving the health of core populations served by HealthChoice. Eventually, MDH and the Center for Health Care Strategies adopted the model of improving quality by awarding financial incentives to MCOs based on their performance.

The nine participating MCOs in MD's HealthChoice program are:

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

This report includes VBP results for HealthChoice MCOs for the reporting period, January 1, 2019 to December 31, 2019, for calendar year (CY) 2019. HealthChoice served 1,187,272 enrollees as of December 31, 2019. [1]

[1] Statewide Executive Summary Report HealthChoice Participating Organization HEDIS 2020 by MetaStar

Methodology

MDH selects HEDIS®[2] and state-specific performance measures for the Value-Based Purchasing program. Selected measures are calculated and validated per *HEDIS volume 2: Technical Specifications for Health Plans* or MDH specifications before being calibrated into incentive, neutral, and disincentive ranges. These ranges are then used to determine if the MCO's quality improvement efforts have successfully resulted in improved health outcomes and if incentives should be awarded.

Performance Measure Selection Process

MDH selects performance measures with input from stakeholders, which include MCOs and the Maryland Medicaid Advisory Committee. Measure selection is based on legislative priorities, HealthChoice enrollee health care needs, and the below criteria:

- Relevance to the HealthChoice core populations, which include children, special need children, pregnant women, adults with disabilities, and adults with chronic conditions
- Prevention-oriented to promote optimum health
- Measurable with data availability
- Consistency with CMS Medicaid Core Set or HEDIS performance measures
- Ability of MCOs to achieve quality improvement and positive health outcomes

Value-Based Purchasing Validation

CY 2019 VBP rates were drawn from HEDIS and encounter data rates reported by MCOs and/or Maryland Department of Environment (MDE). Table 1 displays the selected VBP measures for CY 2019.

Table 1. CY 2019 VBP Measures

Performance Measure	Domain	Measure Source	Reporting Entity
Adolescent Well-Care Visits	Utilization	HEDIS	MCO
Ambulatory Care Visits for Supplemental Security Income (SSI) Adults	Access to Care	Encounter Data	MCO
Ambulatory Care Visits for SSI Children	Access to Care	Encounter Data	MCO
Asthma Medication Ratio	Effectiveness of Care	HEDIS	MCO
Breast Cancer Screening	Effectiveness of Care	HEDIS	MCO
Comprehensive Diabetes Care - HbA1c Control (<8.0%)	Effectiveness of Care	HEDIS	MCO
Controlling High Blood Pressure	Effectiveness of Care	HEDIS	MCO
Lead Screenings for Children - Ages 12 to 23 Months	Effectiveness of Care	Encounter, Lead Registry, and Fee For Service Data	MCO/MDE*
Well-Child Visits for Children - Ages 0 to 15 Months	Utilization	HEDIS	MCO

*MDE – Maryland Department of the Environment

[2] HEDIS® – Health Care Effectiveness Data and Information Set. HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA)

HEDIS Measure Validation

HealthChoice MCOs are required to produce and report audited HEDIS data under COMAR 10.67.04.03B (2). The VBP program includes the following six HEDIS measures:

- Adolescent Well-Care Visits
- Asthma Medication Ratio
- Breast Cancer Screening
- Comprehensive Diabetes Care - HbA1c Control (<8.0%)
- Controlling High Blood Pressure
- Well-Child Visits for Children - Ages 0 to 15 months

MetaStar validated the six measures through the NCQA HEDIS Compliance Audits™[3]. MDH contracted with MetaStar to conduct the audits to ensure HEDIS data reported publicly by HealthChoice MCOs are accurate and reliable. The audit is conducted in three phases: offsite, onsite, and post onsite (reporting) as displayed in Table 2.

Table 2. HEDIS Audit Phases and Activities

Audit Phase	Activities
Offsite	• Perform a review of each MCO's HEDIS Record of Administration, Data Management and Processes (Roadmap). The Roadmap captures self-reported information about an MCO's data systems and processes used for HEDIS data reporting. • Conduct source code review, supplemental data validation, and medical record review validation results, and select HEDIS measures to audit in further detail (results are then extrapolated to the rest of the HEDIS measures). • Hold conference calls with each MCO to review any HEDIS guideline updates or measure specification changes, and provide technical assistance.
Onsite	• Investigate issues identified in the Roadmap, interview key staff, and review systems and processes used to collect data and produce HEDIS measures.
Post Onsite	• Provide all MCOs with a list of follow-up items needed to complete the audit. • May require the MCO to implement corrective actions, which need to be completed with enough time to allow the auditor to assess the effect on measure results prior to final rate submission. • Complete a final audit report and assign possible audit designations (Table 3), when the MCO has provided all requested documents and performed the recommended corrective actions. • Submit final HEDIS data to NCQA. • Provide a final audit report to the MCO and NCQA.

Table 3 displays HEDIS Compliance Audit Designations.

[3] NCQA HEDIS Compliance Audit™ is a trademark of the National Committee for Quality Assurance (NCQA)

Table 3. HEDIS Compliance Audit Designations

HEDIS Designation	Description
R	Reportable; a reportable rate was submitted for the measure.
NA	Small Denominator; the MCO followed the specifications, but the denominator was too small (e.g., <30) to report a valid rate.
NB	No Benefit; the MCO did not offer the health benefit required by the measure.
NR	Not Reported; the MCO chose not to report the measure.

Encounter Data Measure Validation

VBP encounter data measures were calculated by Hilltop. Hilltop used encounter data submitted by the MCOs and Lead Registry and Fee-for-Service data submitted by MDE, respectively, to calculate the below encounter data measures:

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

Qlarant validated the three measures by reviewing data collection and processing systems, and reviewing source code for each measure to determine compliance to MDH's measure specifications. Validation designations were used to characterize the findings as shown in Table 4.

Table 4. Validation Designation for Encounter Data Measures

Validation Designation	Description
R	Reportable; measure was compliant with state specifications
DNR	Do not report; MCO rate was materially biased and should not be reported
NA	Not applicable; the MCO was not required to report the measure
NR	Not Reportable; measure was not reported because the MCP did not offer the required benefit

Incentive/Disincentive Target Setting Methodology

Hilltop used the below methodology to set incentive targets for CY 2019 VBP measures:

- Targets for the current performance year 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 benchmarks of each measure is the sum of the weighted average of MCO performance on that measure in the base year and 15% of the difference between that number and 100%.
- The incentive benchmark is the sum of the midpoint and 10% of the difference between the midpoint and 100%[4].
- The disincentive benchmark is equal to the midpoint minus 10% of the difference between the midpoint and 100%.

[4] Incentives and disincentives are rounded to the nearest 1/100th. (EX: .81253=81%)

- If the difference between the incentive threshold and disincentive threshold is less than 4 percentage points, then the incentive and disincentive thresholds will be the midpoint +/- 2 percentage points. For example, if steps 1 through 4 yield a disincentive benchmark of 90% and an incentive benchmark of 92%, the midpoint would be 91% and the adjusted disincentive and incentive benchmarks would be 89% and 93%, respectively.

Financial Incentive/Disincentive Methodology

As described in COMAR 10.67.04.03B(3)(g), MDH uses financial incentives and disincentives to promote performance improvement. Three performance ranges for all measures: incentive, neutral, and disincentive are displayed in Table 5.

Table 5. Financial Ranges for MCO's VBP Performance

Ranges		Definition
	Incentive	The MCO's performance meets or exceeds the incentive target for a measure. Financial incentive is applied.
	Neutral	The MCO's performance is in between incentive and disincentive targets for a measure. No financial incentive or disincentive is applied.
	Disincentive	The MCO's performance is at or below the disincentive target. Financial disincentive is applied.

For any measure that the MCO does not meet the minimum target, a disincentive of 1/9 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 1/9 of 1 percent of the total capitation amount paid to the MCO during the measurement year. Amounts are calculated for each measure and 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.

Results

Validation Results

According to MetaStar's annual report, *Statewide Executive Summary Report HealthChoice Participating Organization HEDIS 2020*, all VBP HEDIS measures achieved "Reportable" (R) designations for all MCOs; However, two measures for ABH, Asthma Medication Ratio and Breast Cancer Screening were "Not Applicable" (NA) due to an insufficient eligible population (denominator<30). Qlarant determined all VBP encounter data measure rates calculated by Hilltop were "Reportable" (R).

Performance Measure Results

Table 6 illustrates HealthChoice MCOs' VBP performance summary for CY 2019.

Table 6. MCO CY 2019 VBP Performance Summary

Performance Measure	CY 2019 Target	ABH	ACC	JMS	KPMAS	MPC	MSFC	PPMCO	UHC	UMHP
Adolescent Well-Care Visits	Incentive: ≥ 73% Neutral: 68% - 72% Disincentive: ≤ 67%	**42%**	**74%**	**76%**	**72%**	**59%**	**58%**	**62%**	**65%**	**73%**
Ambulatory Care Visits for SSI Adults	Incentive: ≥ 87% Neutral: 84% - 86% Disincentive: ≤ 83%	**58%**	**82%**	**91%**	**76%**	**85%**	**84%**	**86%**	**79%**	**88%**
Ambulatory Care Visits for SSI Children	Incentive: ≥ 87% Neutral: 84% - 86% Disincentive: ≤ 83%	**41%**	**84%**	**91%**	**80%**	**84%**	**79%**	**86%**	**80%**	**89%**
Asthma Medication Ratio	Incentive: ≥ 72% Neutral: 66% - 71% Disincentive: ≤ 65%	**NA**	**64%**	**77%**	**77%**	**59%**	**64%**	**60%**	**62%**	**58%**
Breast Cancer Screening	Incentive: ≥ 75% Neutral: 70% - 74% Disincentive: ≤ 69%	**NA**	**69%**	**76%**	**79%**	**63%**	**75%**	**68%**	**58%**	**77%**
Comprehensive Diabetes Care - HbA1c control (<8.0%)	Incentive: ≥ 64% Neutral: 57% - 63% Disincentive: ≤ 56%	**50%**	**52%**	**65%**	**64%**	**54%**	**58%**	**48%**	**53%**	**58%**
Controlling High Blood Pressure	Incentive: ≥ 69% Neutral: 63% - 68% Disincentive: ≤ 62%	**59%**	**59%**	**70%**	**82%**	**48%**	**62%**	**50%**	**62%**	**69%**
Lead Screenings for Children - Ages 12 to 23 Months	Incentive: ≥ 71% Neutral: 66% - 70% Disincentive: ≤ 65%	**56%**	**65%**	**76%**	**73%**	**61%**	**64%**	**65%**	**60%**	**65%**
Well-Child Visits for Children - Ages 0 to 15 Months	Incentive: ≥ 76% Neutral: 71% - 75% Disincentive: ≤ 70%	**41%**	**70%**	**74%**	**84%**	**71%**	**70%**	**73%**	**73%**	**85%**

NA – not reportable due to an insufficient eligible population (<30).

Financial Incentive and Disincentive Results

Table 7 displays HealthChoice MCOs' VBP incentive or disincentive amounts for CY 2019.

Table 7. MCO CY 2019 VBP Incentive/Disincentive Amounts

Performance Measure	MCO								
	ABH	ACC	JMS	KPMAS	MPC	MSFC	PPMCO	UHC	UMHP
Adolescent Well-Care	(122,698.58)	1,266,581.16	222,918.99	0	(1,258,011.17)	(518,167.47)	(1,652,942.72)	(753,038.78)	280,869.98
Ambulatory Care Services for SSI Adults	(122,698.58)	(1,266,581.16)	222,918.99	(333,920.20)	0	0	0	(753,038.78)	280,869.98
Ambulatory Care Services for SSI Children	(122,698.58)	0	222,918.99	(333,920.20)	0	(518,167.47)	0	(753,038.78)	280,869.98
Asthma Medication Ratio	-	(1,266,581.16)	222,918.99	333,920.20	(1,258,011.17)	(518,167.47)	(1,652,942.72)	(753,038.78)	(280,869.98)
Breast Cancer Screening	-	(1,266,581.16)	222,918.99	333,920.20	(1,258,011.17)	518,167.47	(1,652,942.72)	(753,038.78)	280,869.98
Comprehensive Diabetes Care - HbA1c Control (<8.0%)	(122,698.58)	(1,266,581.16)	222,918.99	333,920.20	(1,258,011.17)	0	(1,652,942.72)	(753,038.78)	0
Controlling High Blood Pressure	(122,698.58)	(1,266,581.16)	222,918.99	333,920.20	(1,258,011.17)	(518,167.47)	(1,652,942.72)	(753,038.78)	280,869.98
Lead Screenings for Children - Ages 12 to 23 Months	(122,698.58)	(1,266,581.16)	222,918.99	333,920.20	(1,258,011.17)	(518,167.47)	(1,652,942.72)	(753,038.78)	(280,869.98)
Well-Child Visits for Children - Ages 0 to 15 Months	(122,698.58)	(1,266,581.16)	0	333,920.20	0	518,167.47	0	0	280,869.98
Gross Incentives	0	1,266,581.16	1,783,351.92	2,003,521.20	0	518,167.47	0	0	1,685,219.88
Gross Disincentives	(858,890.06)	(8,866,068.12)	0	(667,840.40)	(7,548,067.02)	(3,109,004.82)	(9,917,656.32)	(6,024,310.24)	(561,739.96)
Net Payout	(858,890.06)	(7,599,486.96)	1,783,351.92	1,335,680.80	(7,548,067.02)	(2,590,837.35)	(9,917,656.32)	(6,024,310.24)	1,123,479.92

Appendix 1:

MCO Performance by Individual Value-Based Purchasing Measures

Figures 1 to 9 in Appendix 1 represent performance rates for each VBP measure. Each graph presents all nine MCOs' performance, the disincentive, incentive, and neutral threshold, and the HealthChoice average. The HealthChoice Average is a simple average of all MCO rates.

Figure 1. Adolescent Well-Care Visits

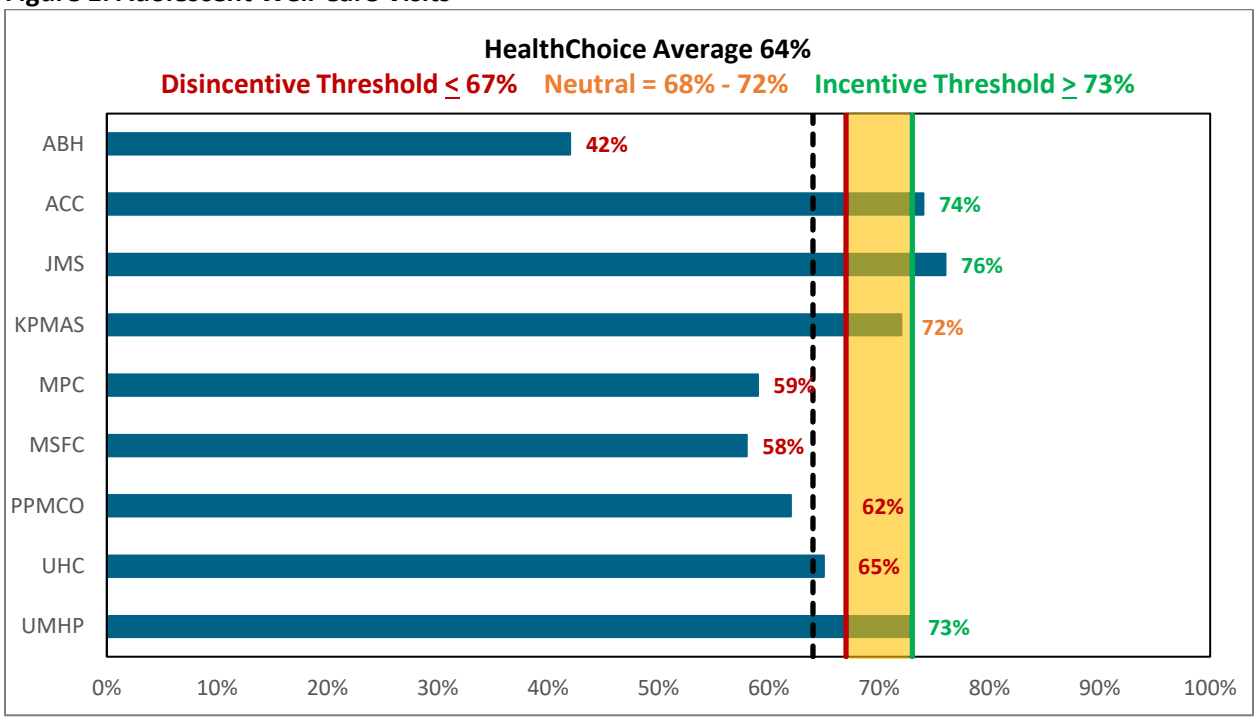

Figure 2. Ambulatory Care Visits for SSI Adults

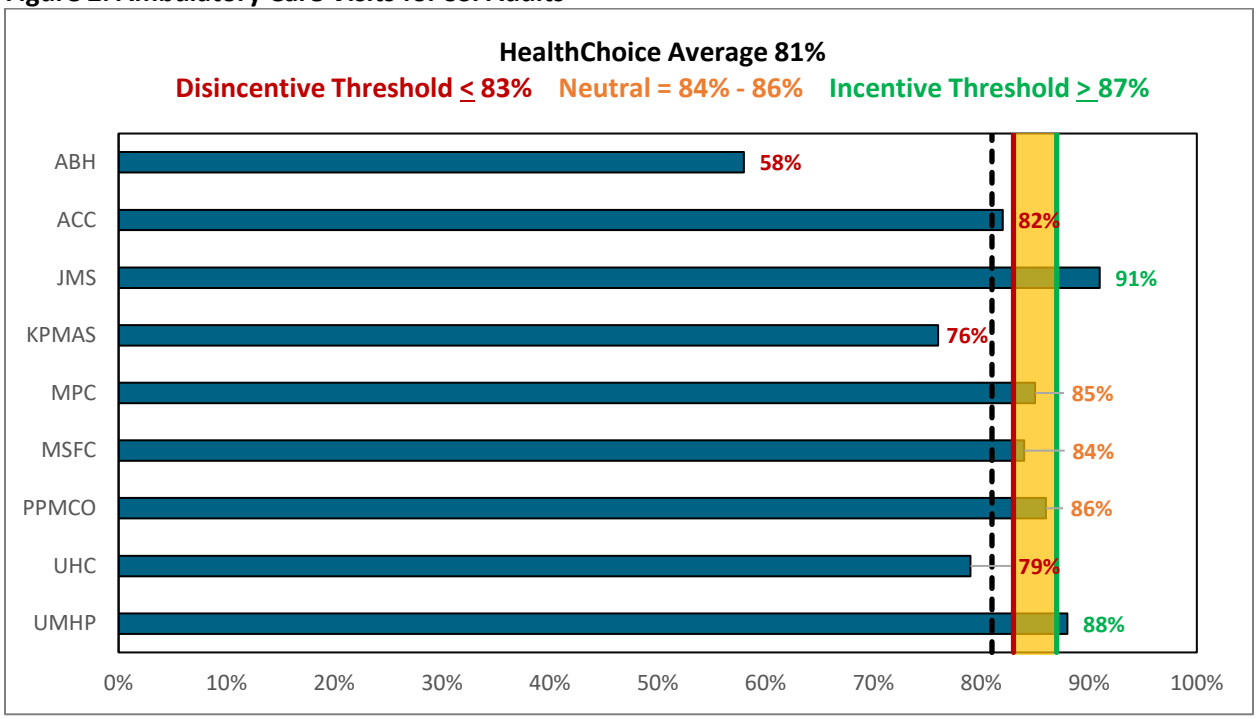

Figure 3. Ambulatory Care Visits for SSI Children

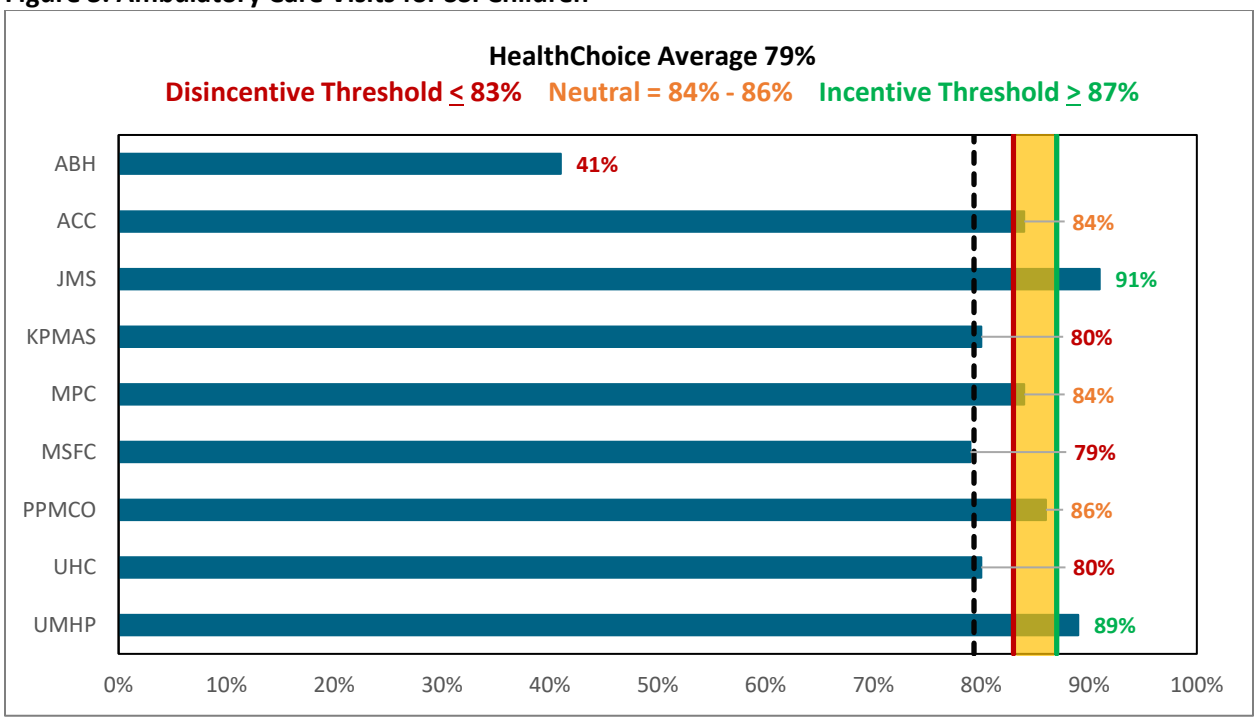

Figure 4. Asthma Medication Ratio

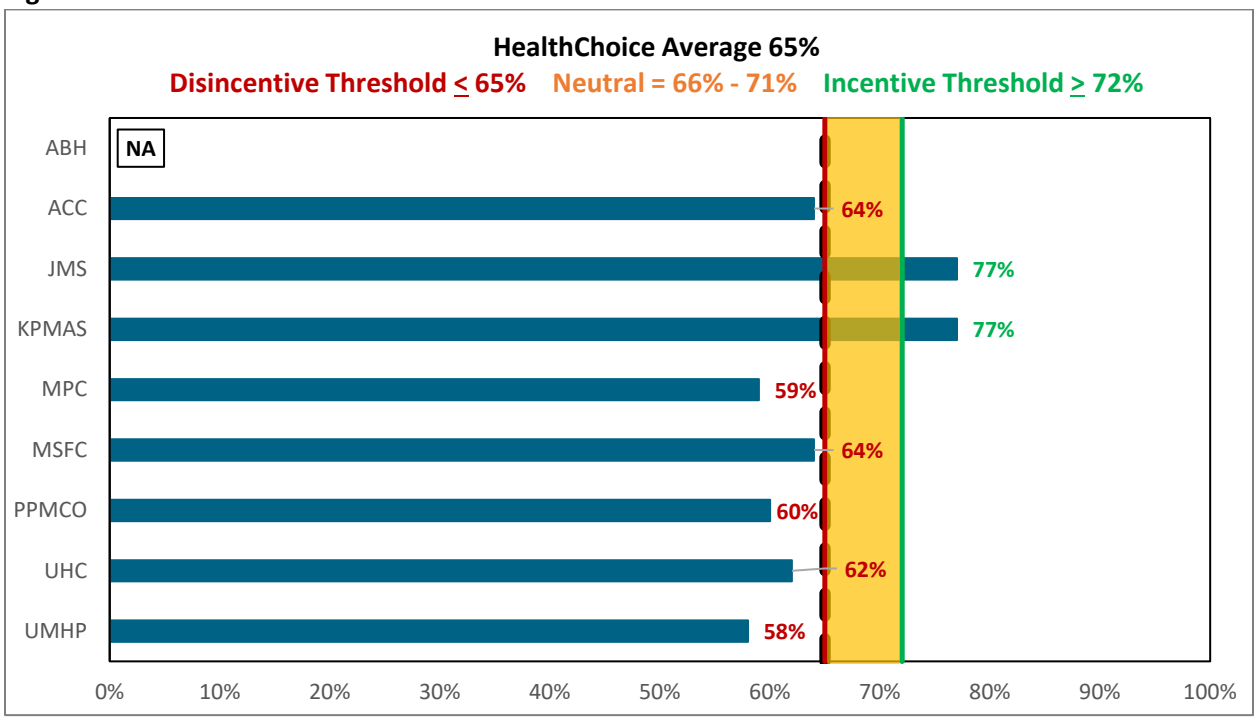

Figure 5. Breast Cancer Screening

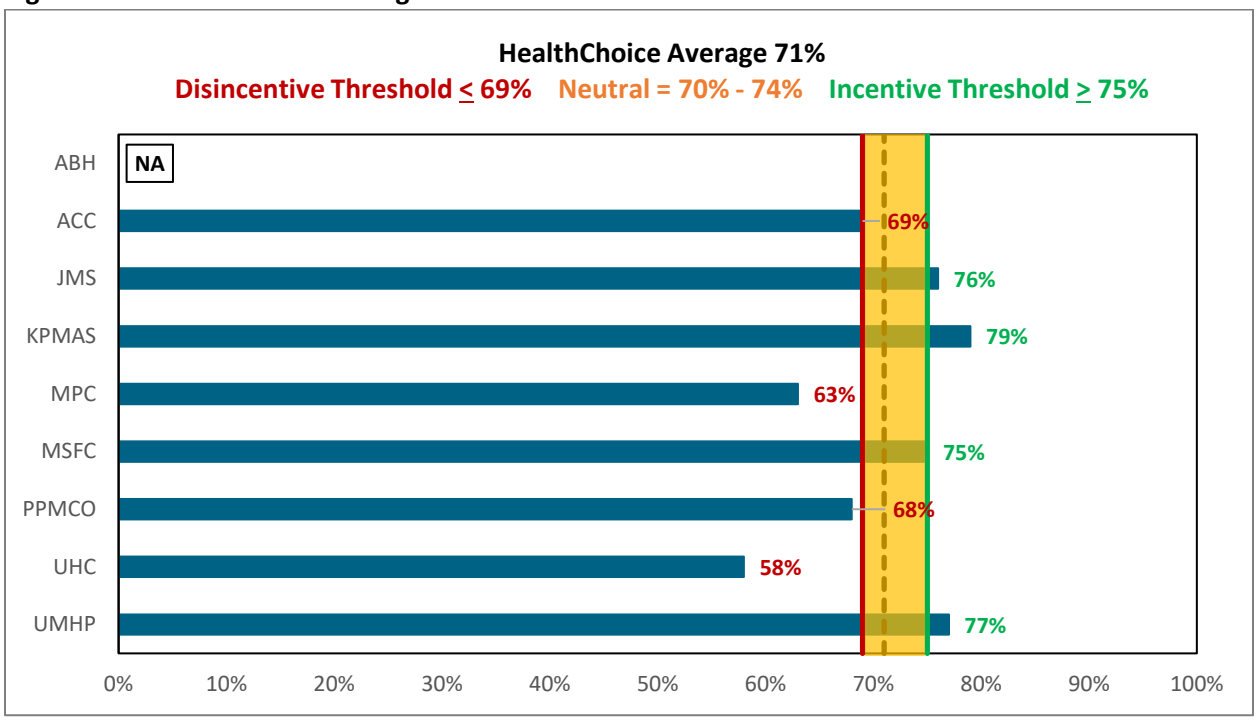

Figure 6. Comprehensive Diabetes Care - HbA1c Control (<8.0%)

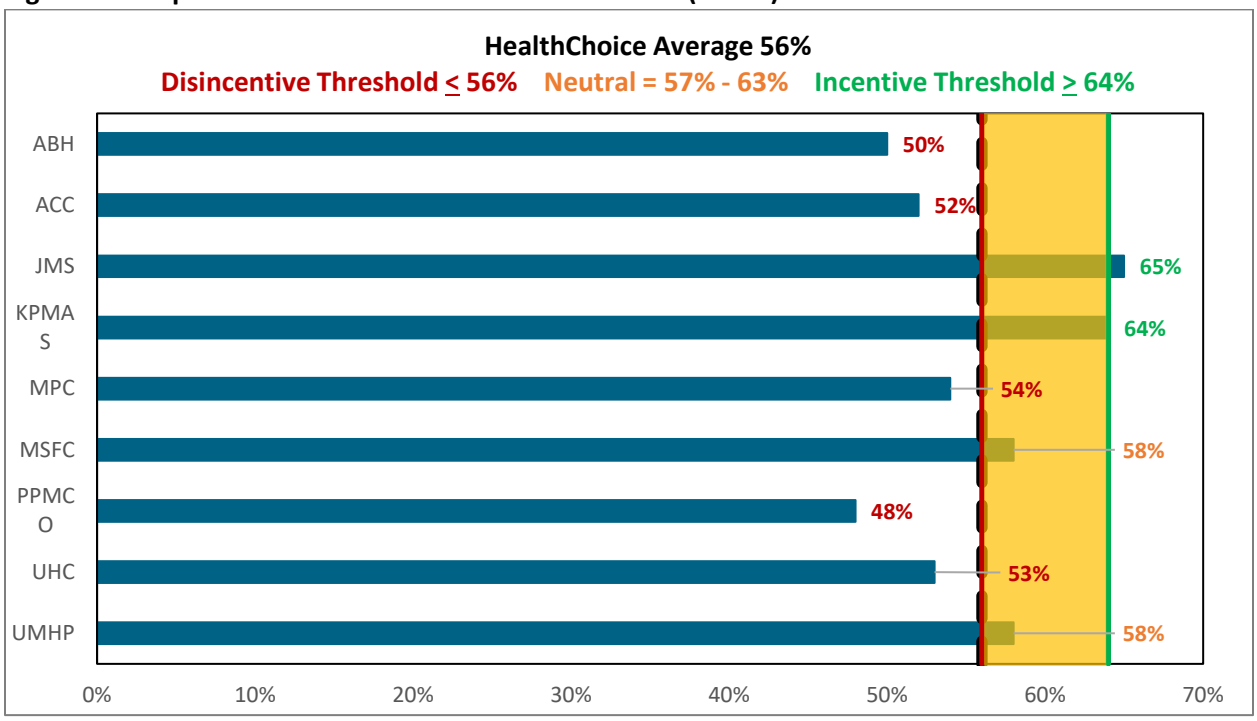

Figure 7. Controlling High Blood Pressure

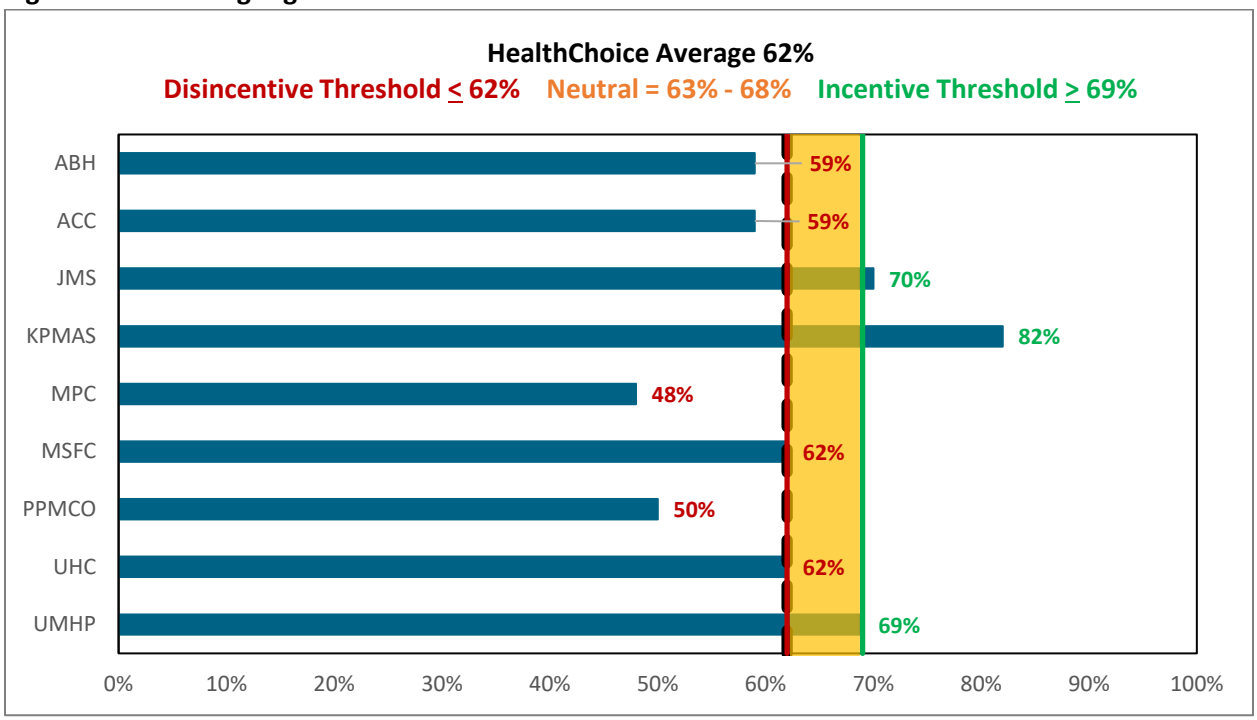

Figure 8. Lead Screenings for Children - Ages 12 to 23 Months

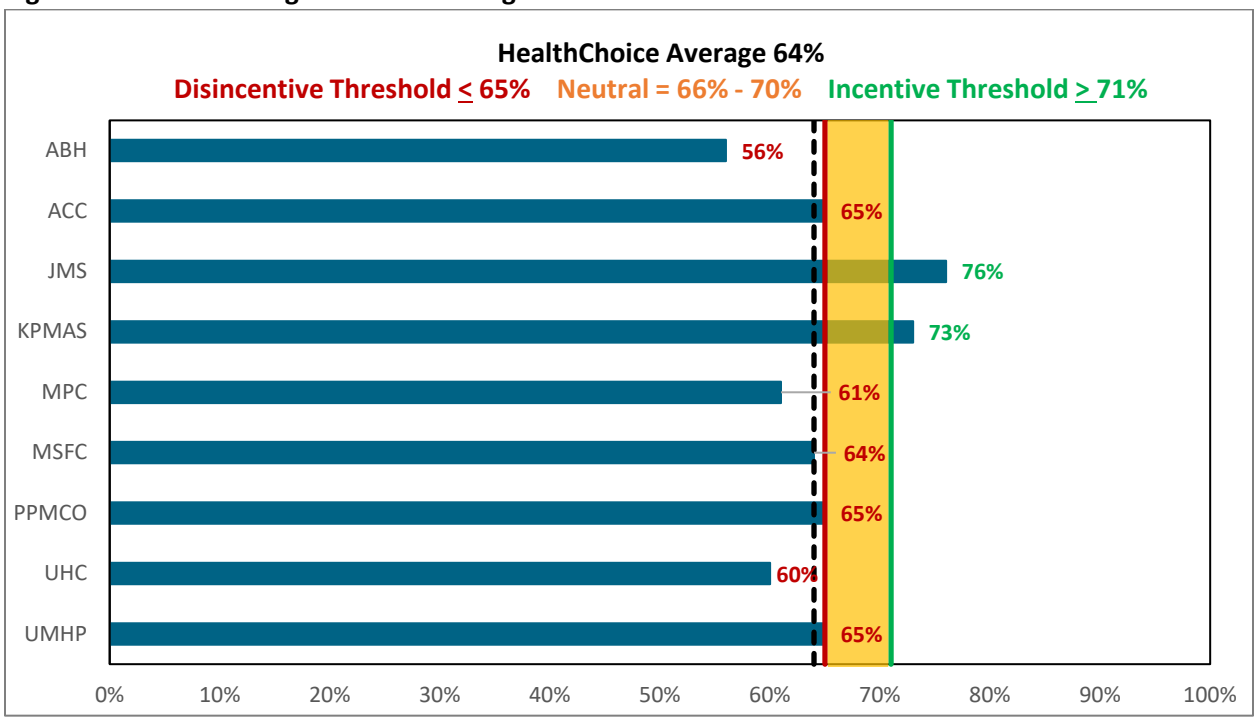

Figure 9. Well-Child Visits for Children - Ages 0 to 15 Months