



**Qlarant** 



**Medicaid Managed Care  
Organization**



**Value-Based Purchasing  
Final Report**

**Calendar Year 2020**



Submitted February 2022

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# Maryland HealthChoice

## Value-Based Purchasing Report

### Calendar Year 2020

## Introduction

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

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

The nine participating MCOs in the HealthChoice program are:

- Aetna Better Health of Maryland (ABH)
- AMERIGROUP Community Care (ACC)
- CareFirst BlueCross BlueShield Community Health Plan (CFCHP)<sup>1</sup>
- 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)

This report includes VBP results for HealthChoice MCOs for the calendar year (CY) 2020 reporting period, January 1, 2020, to December 31, 2020. HealthChoice served 1,331,459 enrollees as of December 31, 2020.<sup>2</sup>

<sup>1</sup> Formerly University of Maryland Health Partners (UMHP).

<sup>2</sup> [Statewide Executive Summary Report HealthChoice Participating Organization HEDIS 2020 by MetaStar.](#)

## Methodology

MDH selects HEDIS<sup>3</sup> 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 developing incentive, neutral, and disincentive ranges for each measure. 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 needs children, pregnant women, adults with disabilities, and adults with chronic conditions
- Prevention-oriented to promote optimum health
- Measurable with data availability
- Consistent 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 2020 VBP rates were drawn from HEDIS and encounter data rates reported by MCOs and/or the Maryland Department of Environment (MDE). Table 1 displays the selected VBP measures for CY 2020.

**Table 1. CY 2020 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 (AMR)	Effectiveness of Care	HEDIS	MCO
Breast Cancer Screening	Effectiveness of Care	HEDIS	MCO
Comprehensive Diabetes Care - HbA1c Control	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

<sup>3</sup> HEDIS® – Health Care Effectiveness Data and Information Set. HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA).

Performance Measure	Domain	Measure Source	Reporting Entity
Well-Child Visits for Children - Ages 0 to 15 Months, 6 or more Visits	Utilization	HEDIS	MCO

## 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

MDH contracted with MetaStar to validate measures and conduct the NCQA HEDIS Compliance Audits™<sup>4</sup>. MetaStar validated the six HEDIS measures and conducted the audits to ensure HEDIS data reported publicly by HealthChoice MCOs are accurate and reliable. The audit is conducted in three phases: a pre-onsite visit, an onsite visit, and a post-onsite visit (reporting), as displayed in Table 2.

**Table 2. HEDIS Audit Phases and Activities**

Audit Phase	Activities
Pre-onsite	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Perform source code review and supplemental data validation; provide 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).</li> <li>• Conduct conference calls with each MCO to review any HEDIS guideline updates or measure specification changes and provide technical assistance.</li> </ul>
Onsite	<ul style="list-style-type: none"> <li>• Investigate issues identified in the Roadmap, interview key staff, and review systems and processes used to collect data and produce HEDIS measures.</li> </ul>
Post-onsite	<ul style="list-style-type: none"> <li>• Provide all MCOs with a list of follow-up items needed to complete the audit.</li> <li>• 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.</li> <li>• 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.</li> <li>• Submit final HEDIS data to NCQA.</li> <li>• Provide a final audit report to the MCO and NCQA.</li> </ul>

<sup>4</sup> NCQA HEDIS Compliance Audit™ is a trademark of the National Committee for Quality Assurance (NCQA).

Table 3 displays HEDIS Compliance Audit Designations.

**Table 3. HEDIS Compliance Audit Designations**

HEDIS Designation	Description
R	Reportable; the MCO submitted a reportable rate 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 with 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; the measure was compliant with state specifications.
DNR	Do not report; the 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; the 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 2020 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 each measure's incentive and disincentive benchmarks 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%<sup>5</sup>.
- The disincentive benchmark is equal to the midpoint minus 10% of the difference between the midpoint and 100%.
- If the difference between the incentive 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
	<b>Incentive</b>	The MCO’s performance meets or exceeds the incentive target for a measure. Financial incentive is applied.
	<b>Neutral</b>	The MCO’s performance is in between incentive and disincentive targets for a measure. No financial incentive or disincentive is applied.
	<b>Disincentive</b>	The MCO’s performance is at or below the disincentive target. Financial disincentive is applied.

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 does not meet the minimum target. 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. 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.

Any funds remaining after the payment of the incentives are distributed to the MCOs receiving the four highest normalized scores for all performance measures at a rate calculated by multiplying each MCO’s adjusted enrollment as of December 31 of CY 2020 by a per enrollee amount. For CY 2020, disincentive amounts were adjusted for MCOs based on .5% of their capitation instead of 1% to account for actuarial soundness in accordance with 42 CFR 438.6 and 438.7. Additionally, MDH added supplemental funding to the payout for the four highest performing MCOs to ensure that each earned its full incentive amount without being impacted by the actuarial soundness adjustment.

<sup>5</sup> Incentives and disincentives are rounded to the nearest 1/100<sup>th</sup> (EX: .81253=81%).

## Results

### Validation Results

According to MetaStar’s annual report, *Statewide Executive Summary Report HealthChoice Participating Organization HEDIS 2021*, all VBP HEDIS measures achieved “Reportable” (R) designations for all MCOs. Qlarant determined that all VBP encounter data measure rates calculated by Hilltop were “Reportable” (R). Reportable measures were compiled with the measure specifications, and the rate can be reported.

Table 6 illustrates HealthChoice VBP measure validation results for CY 2020.

**Table 6. HealthChoice CY 2020 VBP Measure Validation Results**

Performance Measure	Validation Result
Adolescent Well-Care Visits	R
Ambulatory Care Visits for SSI Adults	R
Ambulatory Care Visits for SSI Children	R
Asthma Medication Ratio (AMR)	R
Breast Cancer Screening	R
Comprehensive Diabetes Care - HbA1c Control	R
Controlling High Blood Pressure	R
Lead Screenings for Children - Ages 12 to 23 Months	R
Well-Child Visits for Children - Ages 0 to 15 Months, 6 or more Visits	R

### Performance Measure Results

Table 7 illustrates HealthChoice MCOs’ VBP performance summary for CY 2020.

**Table 7. MCO CY 2020 VBP Performance Summary**

Performance Measure	CY 2020 Target	ABH	ACC	CFCHP	JIMS	KPMAS	MPC	MSFC	PPMCO	UHC
Adolescent Well-Care Visits	Incentive: ≥ 72% Neutral: 66 - 71% Disincentive: ≤ 65%	33%	56%	39%	74%	49%	41%	46%	48%	49%
Ambulatory Care Visits for SSI Adults	Incentive: ≥ 87% Neutral: 84% - 86% Disincentive: ≤ 83%	57%	77%	76%	90%	69%	83%	80%	82%	77%
Ambulatory Care Visits for SSI Children	Incentive: ≥ 87% Neutral: 84% - 86% Disincentive: ≤ 83%	38%	75%	66%	90%	66%	79%	74%	77%	70%
Asthma Medication Ratio (AMR)	Incentive: ≥ 71% Neutral: 66% - 70% Disincentive: ≤ 65%	70%	70%	61%	77%	77%	64%	67%	68%	64%
Breast Cancer Screening	Incentive: ≥ 74% Neutral: 70% - 73% Disincentive: ≤ 69%	55%	64%	68%	76%	76%	61%	71%	61%	56%
Comprehensive Diabetes Care - HbA1c Control	Incentive: ≥ 62% Neutral: 54% - 61% Disincentive: ≤ 53%	47%	55%	52%	57%	57%	48%	54%	42%	48%



Performance Measure	CY 2020 Target	ABH	ACC	CFCHP	JMS	KPMAS	MPC	MSFC	PPMCO	UHC
<b>Controlling High Blood Pressure</b>	Incentive: ≥ 66% Neutral: 60% - 65% Disincentive: ≤ 59%	47%	51%	50%	67%	76%	59%	55%	33%	55%
<b>Lead Screenings for Children - Ages 12 to 23 Months</b>	Incentive: ≥ 72% Neutral: 66% - 71% Disincentive: ≤ 65%	52%	60%	66%	74%	66%	53%	66%	60%	56%
<b>Well-Child Visits for Children - Ages 0 to 15 Months, 6 or more Visits</b>	Incentive: ≥ 76% Neutral: 71% - 75% Disincentive: ≤ 70%	42%	60%	72%	73%	73%	60%	58%	58%	54%

## Financial Incentive and Disincentive Results

Table 8 displays HealthChoice MCOs' VBP incentive or disincentive amounts for CY 2020.

**Table 8. MCO CY 2020 VBP Incentive/Disincentive Amounts**

Performance Measure	MCO								
	ABH	ACC	CFCHP	JMS	KPMAS	MPC	MSFC	PPMCO	UHC
Adolescent Well-Care Visits	\$ 193,622.71	\$ 1,391,976.06	\$ 301,286.44	\$ 253,836.01	\$ 419,158.93	\$ 1,409,543.31	\$ 578,131.04	\$ 1,796,365.62	\$ 806,684.76
Ambulatory Care Visits for SSI Adults	\$ 193,622.71	\$ 1,391,976.06	\$ 301,286.44	\$ 253,836.01	\$ 419,158.93	\$ 1,409,543.31	\$ 578,131.04	\$ 1,796,365.62	\$ 806,684.76
Ambulatory Care Visits for SSI Children	\$ 193,622.71	\$ 1,391,976.06	\$ 301,286.44	\$ 253,836.01	\$ 419,158.93	\$ 1,409,543.31	\$ 578,131.04	\$ 1,796,365.62	\$ 806,684.76
Asthma Medication Ratio (AMR)	\$ -	\$ -	\$ 301,286.44	\$ 253,836.01	\$ 419,158.93	\$ 1,409,543.31	\$ -	\$ -	\$ 806,684.76
Breast Cancer Screening	\$ 193,622.71	\$ 1,391,976.06	\$ 301,286.44	\$ 253,836.01	\$ 419,158.93	\$ 1,409,543.31	\$ -	\$ 1,796,365.62	\$ 806,684.76
Comprehensive Diabetes Care - HbA1c Control	\$ 193,622.71	\$ -	\$ 301,286.44	\$ -	\$ -	\$ 1,409,543.31	\$ -	\$ 1,796,365.62	\$ 806,684.76
Controlling High Blood Pressure	\$ 193,622.71	\$ 1,391,976.06	\$ 301,286.44	\$ 253,836.01	\$ 419,158.93	\$ 1,409,543.31	\$ 578,131.04	\$ 1,796,365.62	\$ 806,684.76
Lead Screenings for Children - Ages 12 to 23 Months	\$ 193,622.71	\$ 1,391,976.06	\$ -	\$ 253,836.01	\$ -	\$ 1,409,543.31	\$ -	\$ 1,796,365.62	\$ 806,684.76
Well-Child Visits for Children - Ages 0 to 15 Months, 6 or more Visits	\$ 193,622.71	\$ 1,391,976.06	\$ -	\$ -	\$ -	\$ 1,409,543.31	\$ 578,131.04	\$ 1,796,365.62	\$ 806,684.76
Amount due to Normalized Score*	\$ -	\$ 16,393,805.28	\$ -	\$ 6,287,936.52	\$ 15,296,158.60	\$ -	\$ 10,854,699.50	\$ -	\$ -
Gross Incentives	\$ -	\$ -	\$ -	\$ 1,776,852.07	\$ 1,257,476.79	\$ -	\$ -	\$ -	\$ -
Gross Disincentives	\$(1,548,981.68)	\$( 9,743,832.42)	\$( 2,109,005.08)	\$ -	\$( 1,257,476.79)	\$( 12,685,889.79)	\$( 2,890,655.20)	\$( 14,370,924.96)	\$( 7,260,162.84)
Actuarial Adjustment**	\$( 677,679.46)	\$ -	\$( 753,216.09)	\$ -	\$ -	\$( 6,342,944.90)	\$ -	\$( 6287,279.66)	\$( 3,630,081.43)
Net Payout	\$( 871,302.22 )	\$ 6,649,972.86	\$( 1,355,788.99 )	\$ 8,064,788.59	\$ 15,296,158.60	\$( 6,342,944.90)	\$ 7,964,044.30	\$( 8,083,645.30)	\$( 3,630,081.41 )

\*Distribution of funds for MCOs receiving the four highest normalized scores per COMAR 10.67.04.03B(3)(h)(vii).

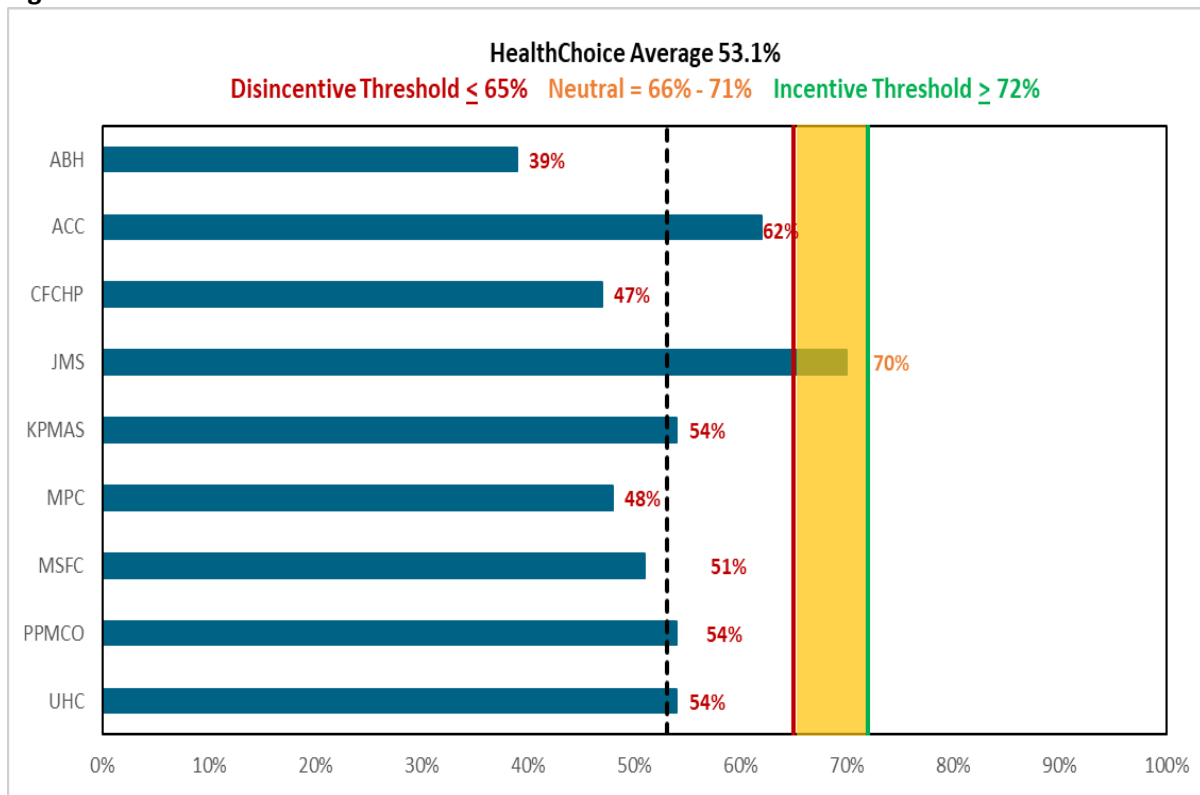
\*\*Adjusted disincentive amount for MCOs based on .5% of their capitation instead of 1% to account for actuarial soundness in accordance with 42 CFR 438.6 and 438.7.

## Appendix 1:

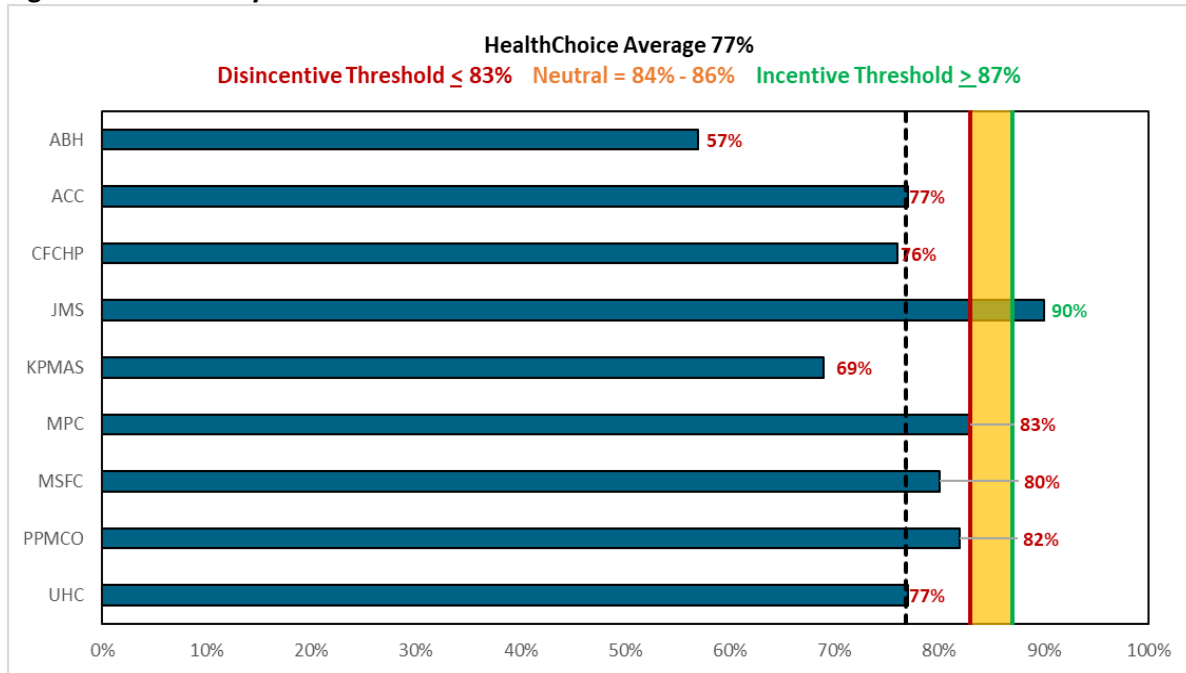
### MCO Performance by Individual Value-Based Purchasing Measures

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

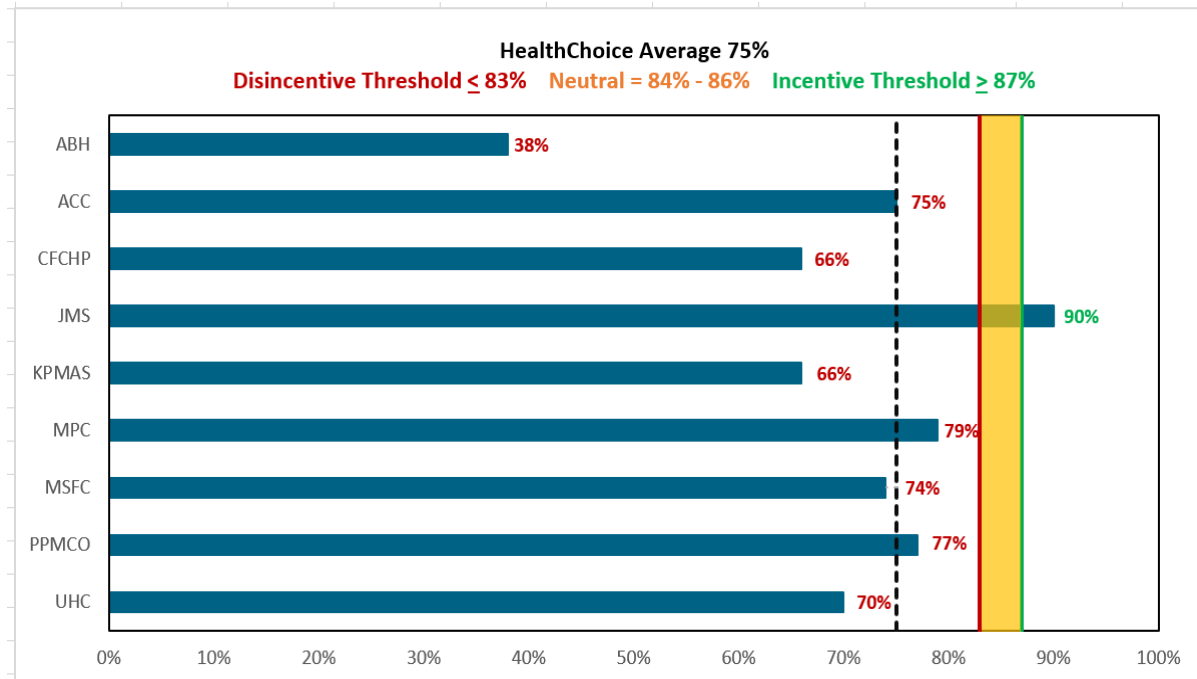
**Figure 1. Adolescent Well-Care Visits**



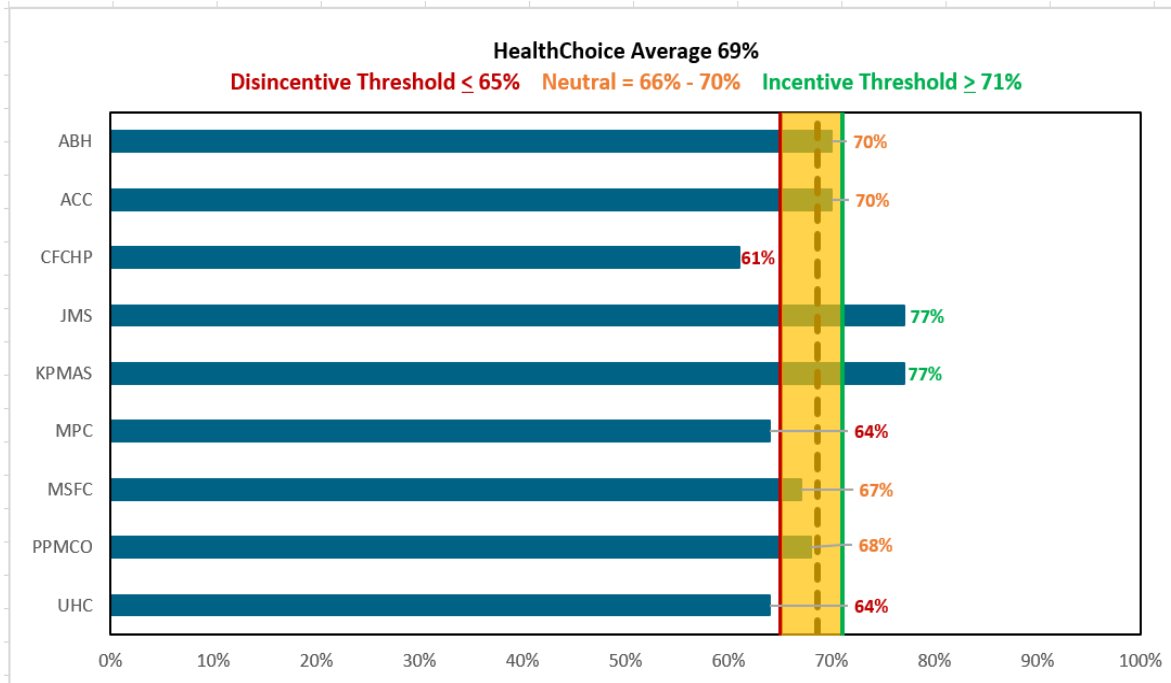
**Figure 2. Ambulatory Care Visits for SSI Adults**



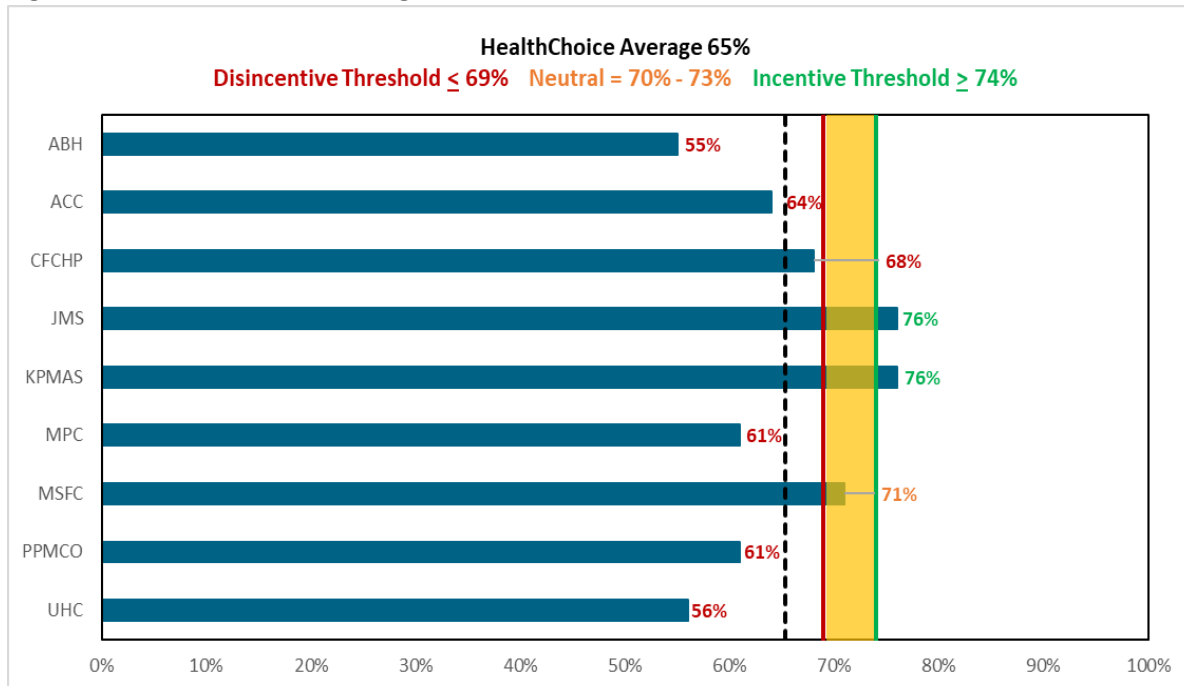
**Figure 3. Ambulatory Care Visits for SSI Children**



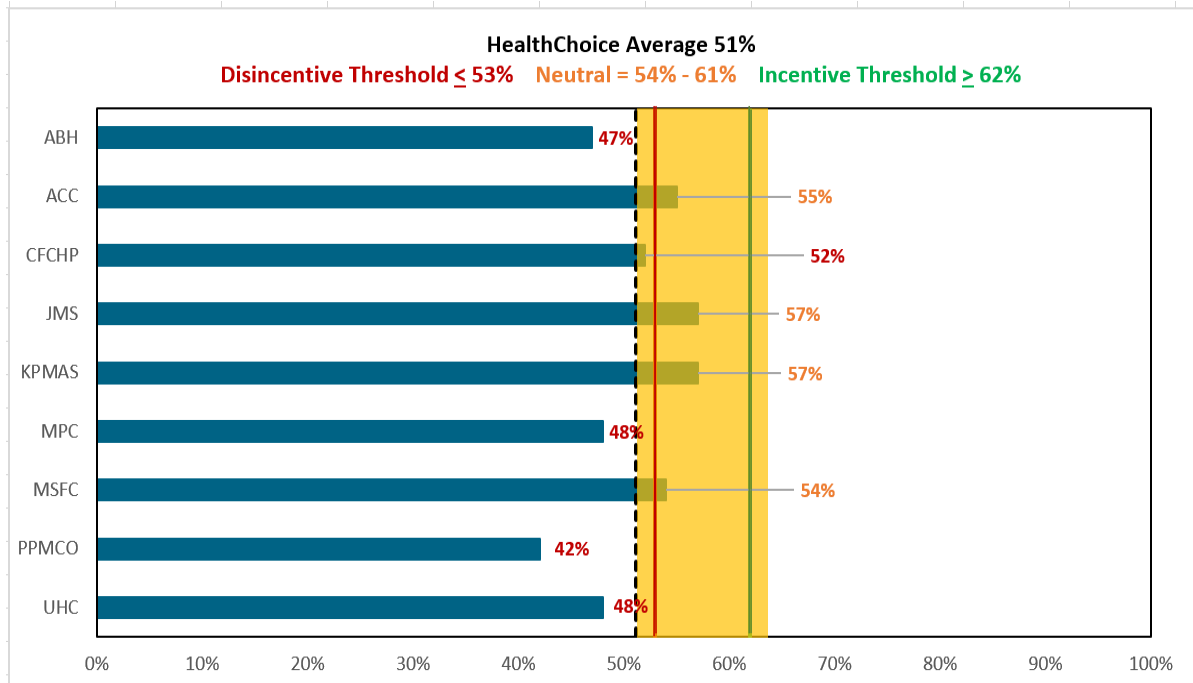
**Figure 4. Asthma Medication Ratio (AMR)**



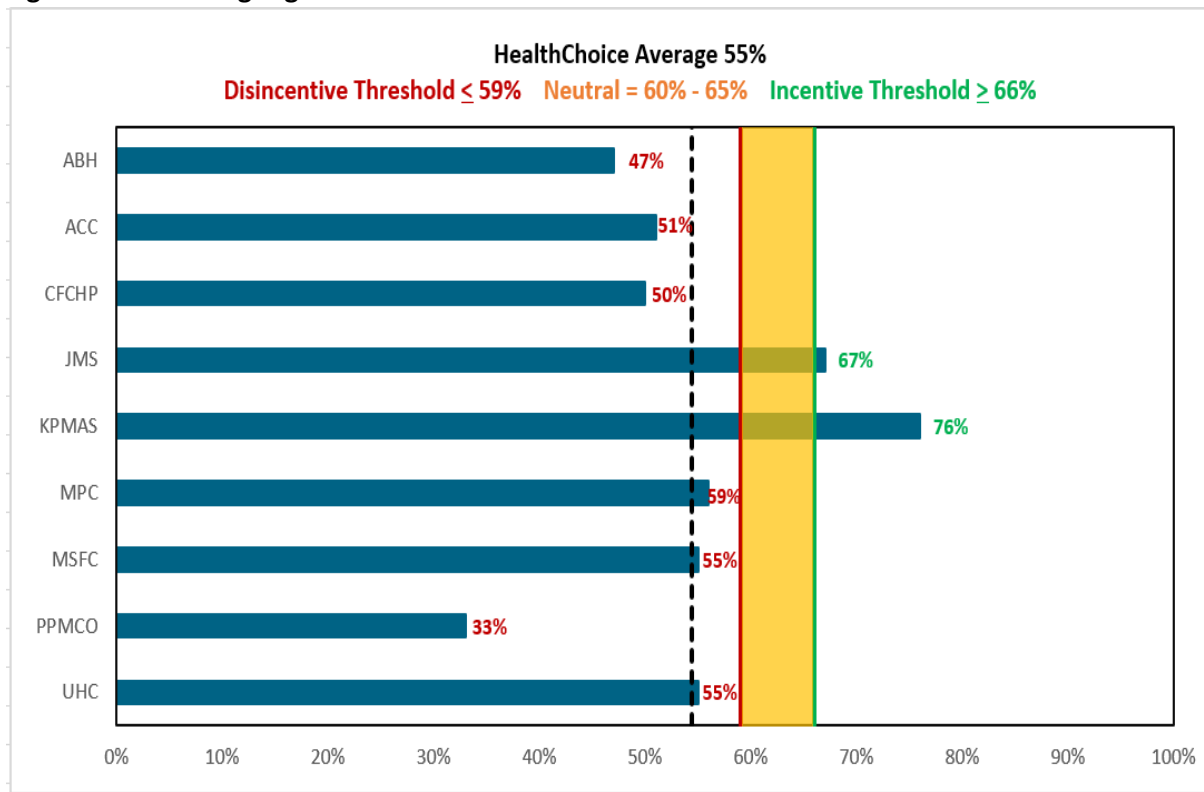
**Figure 5. Breast Cancer Screening**



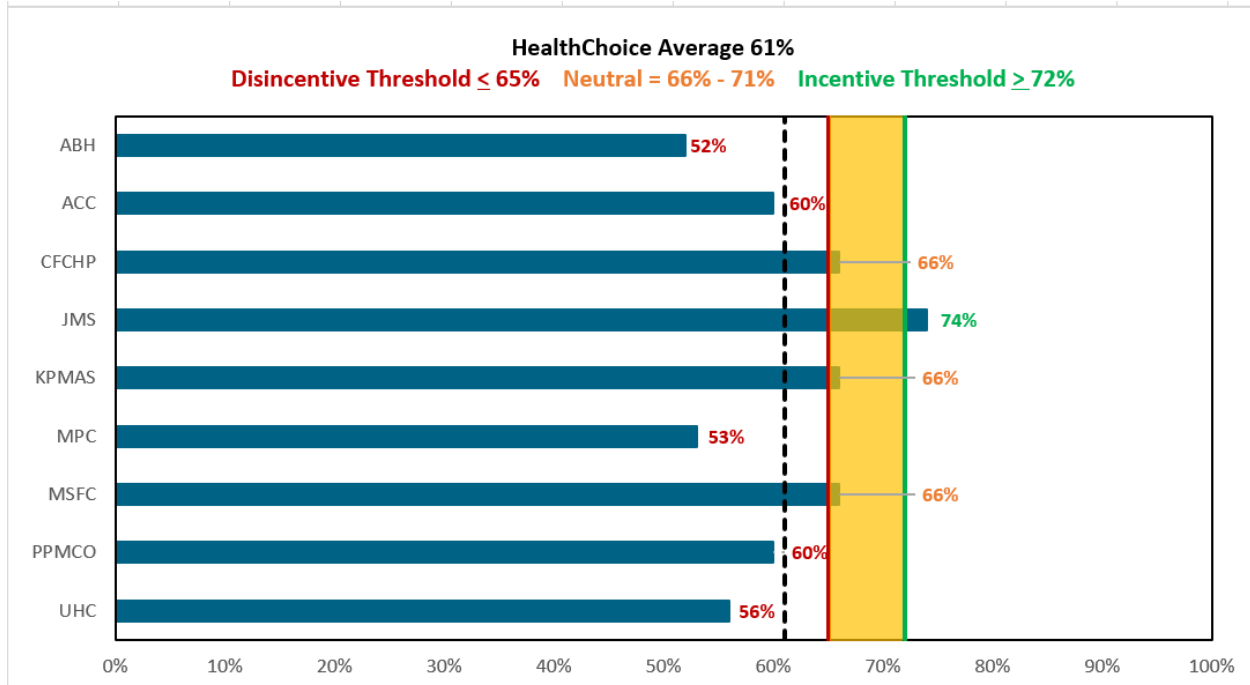
**Figure 6. Comprehensive Diabetes Care - HbA1c Control (<8.0%)**



**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, 6 or more Visits**

