



Qlarant 



**Medicaid Managed Care
Organization**



**Value-Based Purchasing
Final Report**

Calendar Year 2021



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Maryland HealthChoice Value-Based Purchasing Report Calendar Year 2021

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Maryland HealthChoice Program

Value-Based Purchasing Report

Calendar Year 2021

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 the 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)¹
- CareFirst BlueCross BlueShield Community Health Plan (CFCHP)
- 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) 2021 reporting period, January 1, 2021, to December 31, 2021. HealthChoice served 1,446,237 enrollees as of December 31, 2021.

¹ Effective 01/01/2023, ACC became Wellpoint Maryland

Methodology

MDH selects HEDIS^{®2} and state-specific performance measures for the VBP 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:

- Whether the topic is relevant to the HealthChoice core populations, which include children, special needs children, pregnant women, adults with disabilities, and adults with chronic conditions;
- Whether the topic is prevention-oriented to promote optimum health;
- Whether the topic is measurable with data availability;
- Whether the topic is consistent with CMS Medicaid Core Set or HEDIS performance measures; and
- Whether the MCOs can achieve quality improvement and positive health outcomes in this topic.

Value-Based Purchasing Validation

CY 2021 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 2021.

Table 1. CY 2021 VBP Measures

Performance Measure	Domain	Measure Source	Reporting Entity
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
Lead Screenings for Children - Ages 12 to 23 Months	Effectiveness of Care	Encounter, Lead Registry, and Fee for Service Data	MCO/MDE

² 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
Prenatal and Postpartum Care – Postpartum Care	Access and Availability to Care	HEDIS	MCO

HEDIS Measure Validation

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

- Asthma Medication Ratio;
- Breast Cancer Screening;
- Comprehensive Diabetes Care - HbA1c Control (<8.0%); and
- Prenatal and Postpartum Care – Postpartum Care.

MDH contracted with MetaStar to validate measures and conduct the NCQA HEDIS Compliance Audits™³. 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"> • 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. • 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). • Conduct conference calls with each MCO to review any HEDIS guideline updates or measure specification changes and provide technical assistance.
Onsite	<ul style="list-style-type: none"> • Investigate issues identified in the Roadmap, interview key staff, and review systems and processes used to collect data and produce HEDIS measures.
Post-onsite	<ul style="list-style-type: none"> • Provide all MCOs with a list of follow-up items needed to complete the audit. • 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, if applicable. • 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; 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; and
- Lead Screenings for Children - Ages 12 to 23 Months.

Qlarant validated the three measures by reviewing both 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 MCO did not offer the required benefit.

Incentive/Disincentive Target Setting Methodology

Hilltop used the below methodology to set incentive targets for CY 2021 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%⁴.

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

- 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
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.

A disincentive of 1/7 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 1/7 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 2021 by a per enrollee amount. For CY 2021, disincentive amounts were determined not to be actuarially sound in accordance with 42 CFR 438.4. Based on the HealthChoice capitation rates for CY 2021 not being actuarially sound, the Department is not collecting sanctions for CY 2021 VBP performance. Therefore, any net incentives earned by the MCO would be distributed based on available funding in the HealthChoice Performance Incentive Fund.

Results

Validation Results

Table 6 illustrates HealthChoice VBP measure validation results for CY 2021.

Table 6. HealthChoice CY 2021 VBP Measure Validation Results

Performance Measure	Validation Result
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
Lead Screenings for Children - Ages 12 to 23 Months	R
Prenatal and Postpartum Care – Postpartum Care	R

Performance Measure Results

Table 7 illustrates HealthChoice MCOs' VBP performance summary for CY 2021.

Table 7. MCO CY 2021 VBP Performance Summary

Performance Measure	CY 2021 Target	ABH	ACC	CFCHP	JMS	KPMAS	MPC	MSFC	PPMCO	UHC
Ambulatory Care Visits for SSI Adults	Incentive: ≥ 87% Neutral: 84% - 86% Disincentive: ≤ 83%	60%	80%	76%	90%	72%	84%	80%	84%	79%
Ambulatory Care Visits for SSI Children	Incentive: ≥ 87% Neutral: 84% - 86% Disincentive: ≤ 83%	46%	82%	64%	89%	76%	83%	76%	85%	79%
Asthma Medication Ratio (AMR)	Incentive: ≥ 71% Neutral: 66% - 70% Disincentive: ≤ 65%	63%	69%	71%	74%	87%	65%	68%	68%	58%
Breast Cancer Screening	Incentive: ≥ 75% Neutral: 71% - 74% Disincentive: ≤ 70%	44%	59%	67%	77%	74%	66%	70%	60%	57%
Comprehensive Diabetes Care - HbA1c Control	Incentive: ≥ 64% Neutral: 57% - 63% Disincentive: ≤ 56%	53%	56%	54%	60%	62%	57%	57%	55%	53%
Lead Screenings for Children - Ages 12 to 23 Months	Incentive: ≥ 72% Neutral: 67% - 71% Disincentive: ≤ 66%	53%	59%	54%	73%	74%	54%	65%	59%	55%
Prenatal and Postpartum Care – Postpartum Care	Incentive: ≥ 83% Neutral: 80% - 82% Disincentive: ≤ 79%	81%	83%	82%	88%	93%	84%	83%	84%	77%

Green – Incentive Threshold, Yellow – Neutral Threshold, Red – Disincentive Threshold

Financial Incentive and Disincentive Results

Table 8 displays HealthChoice MCOs' VBP incentive or disincentive amounts for CY 2021.

Table 8. MCO CY 2021 VBP Incentive/Disincentive Amounts

Performance Measure	MCO								
	ABH	ACC	CFCHP	JMS	KPMAS	MPC	MSFC	PPMCO	UHC
Ambulatory Care Visits for SSI Adults	\$317,873.00	\$1,788,077.00	\$466,399.00	\$323,766.00	\$713,603.00	\$0.00	\$807,176.00	\$0.00	\$1,081,437.00
Ambulatory Care Visits for SSI Children	\$317,873.00	\$1,788,077.00	\$466,399.00	\$323,766.00	\$713,603.00	\$1,882,189.00	\$807,176.00	\$0.00	\$1,081,437.00
Asthma Medication Ratio (AMR)	\$317,873.00	\$0.00	\$466,399.00	\$323,766.00	\$713,603.00	\$1,882,189.00	\$0.00	\$0.00	\$1,081,437.00
Breast Cancer Screening	\$317,873.00	\$1,788,077.00	\$466,399.00	\$323,766.00	\$0.00	\$1,882,189.00	\$807,176.00	\$2,460,365.00	\$1,081,437.00
Comprehensive Diabetes Care - HbA1c Control	\$317,873.00	\$1,788,077.00	\$466,399.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,460,365.00	\$1,081,437.00
Lead Screenings for Children - Ages 12 to 23 Months	\$317,873.00	\$1,788,077.00	\$466,399.00	\$323,766.00	\$713,603.00	\$1,882,189.00	\$807,176.00	\$2,460,365.00	\$1,081,437.00
Prenatal and Postpartum Care – Postpartum Care	\$0.00	\$1,788,077.00	\$0.00	\$323,766.00	\$713,603.00	\$1,882,189.00	\$807,176.00	\$2,460,365.00	\$1,081,437.00

Disincentives were not collected due to actuarial soundness.

Green – Incentive Threshold, Yellow – Neutral Threshold, Red – Disincentive Threshold

Appendix 1:

MCO Performance by Individual Value-Based Purchasing Measures

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

Figure 1. Ambulatory Care Visits for SSI Adults

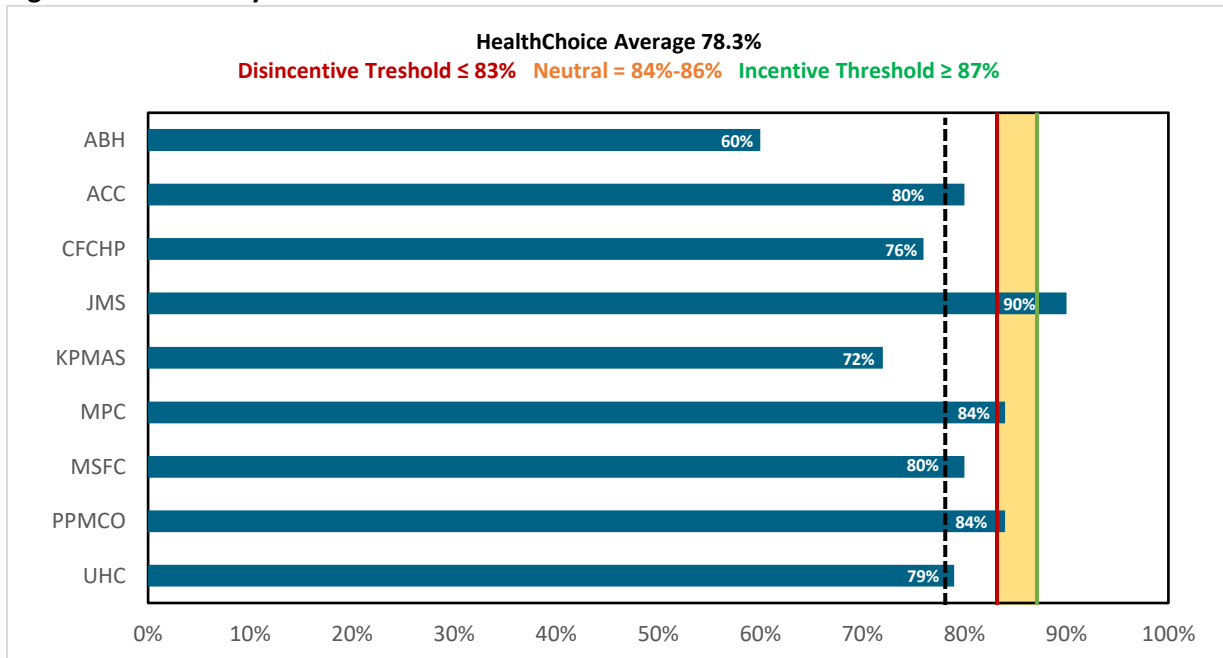


Figure 2. Ambulatory Care Visits for SSI Children

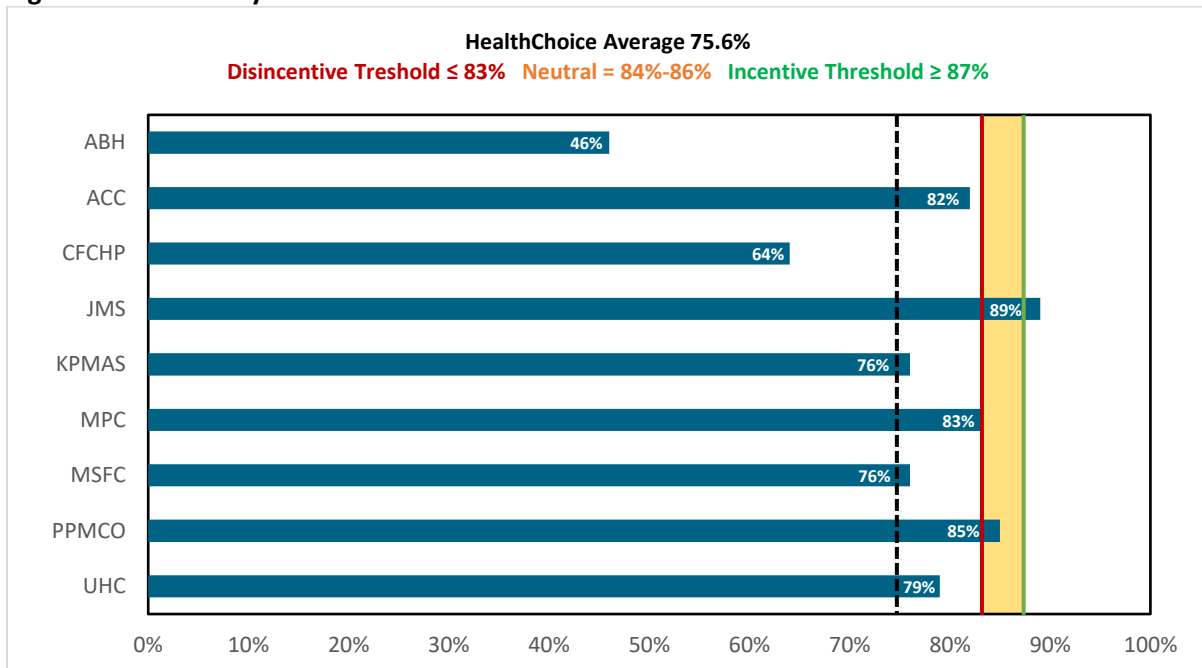


Figure 3. Asthma Medication Ratio (AMR)

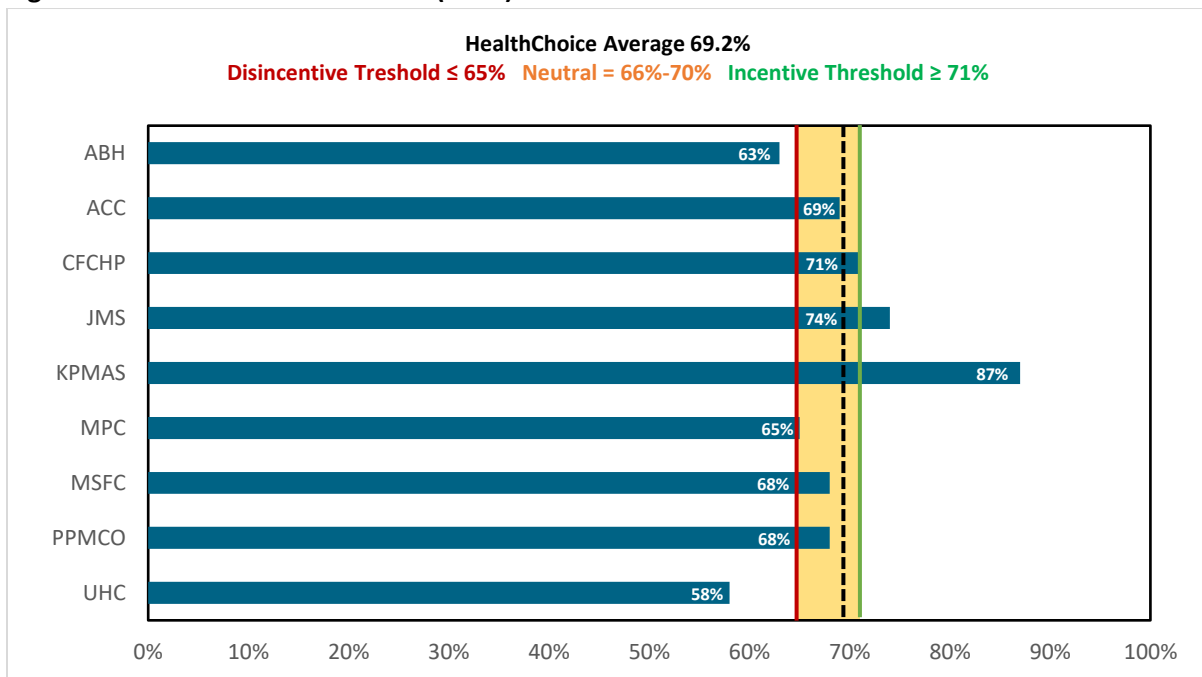


Figure 4. Breast Cancer Screening

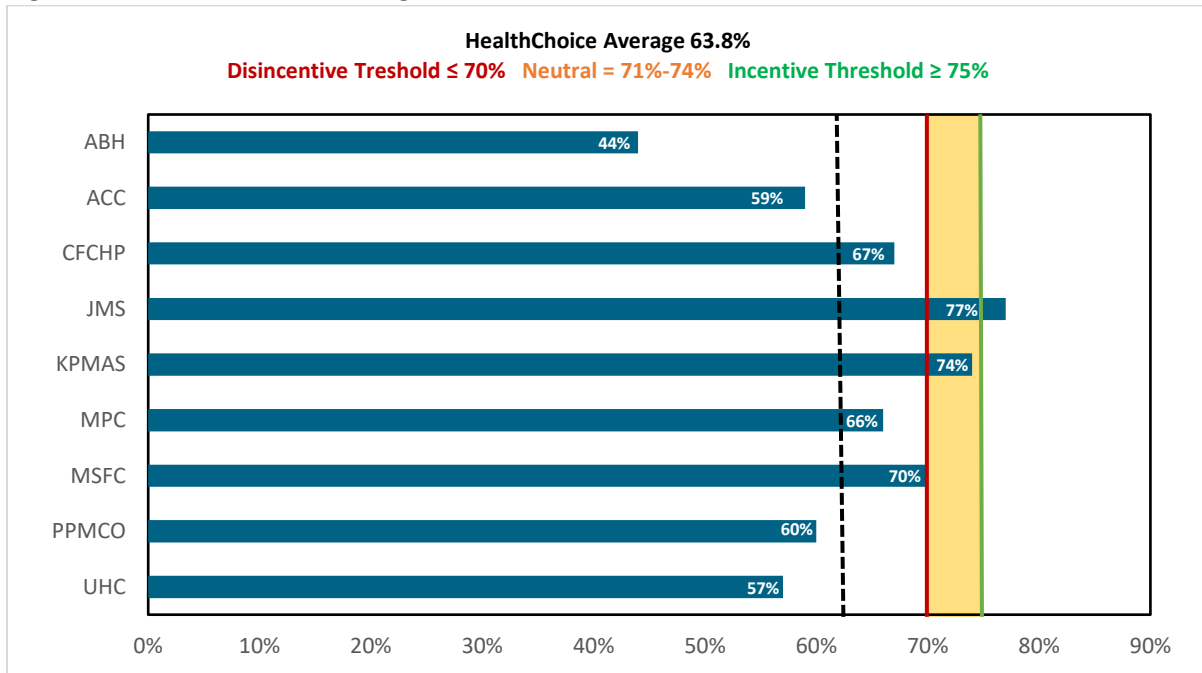


Figure 5. Comprehensive Diabetes Care - HbA1c Control (<8.0%)

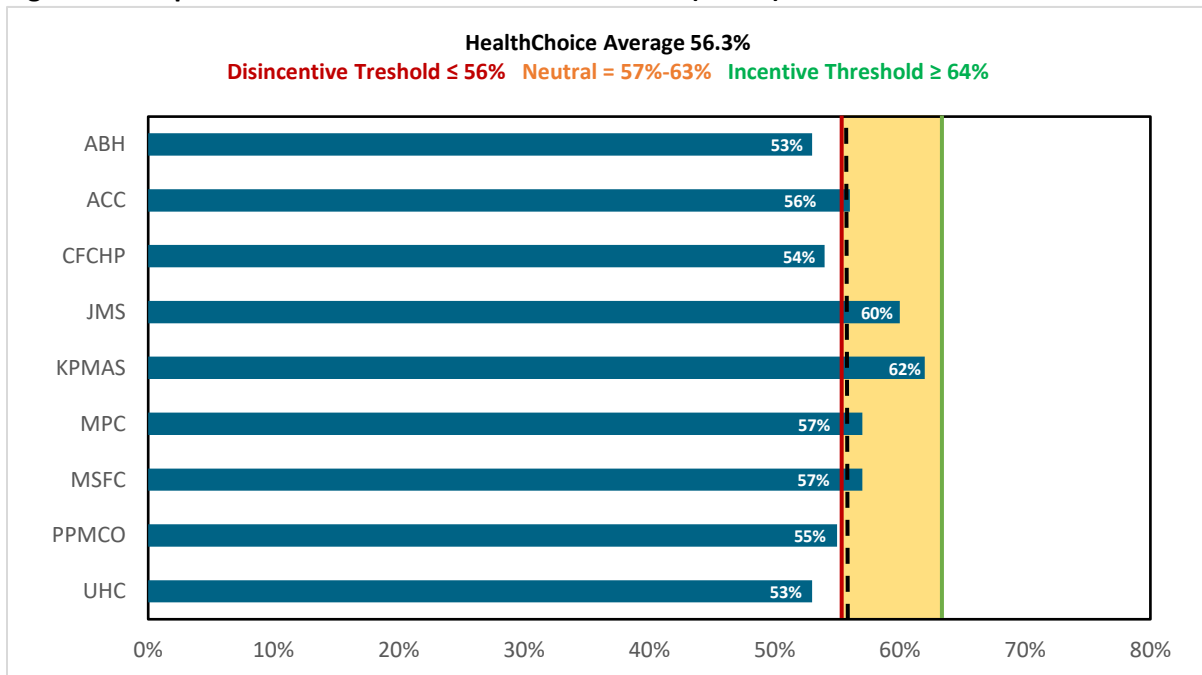


Figure 6. Lead Screenings for Children - Ages 12 to 23 Months

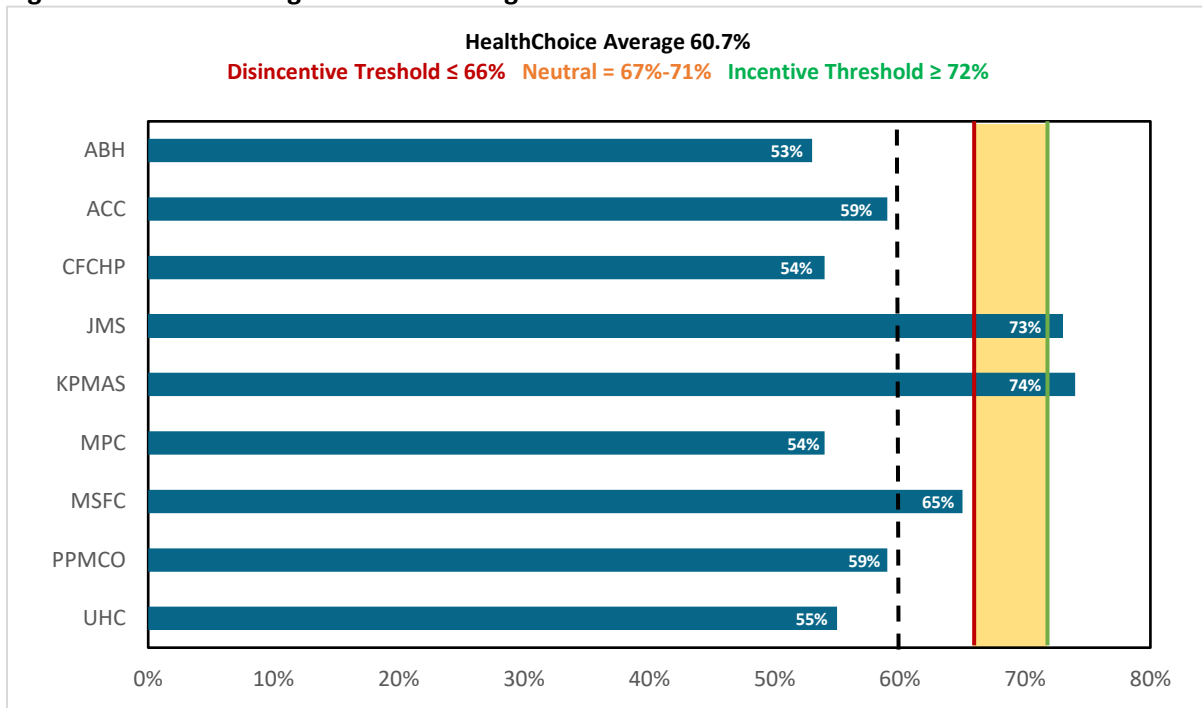


Figure 7. Prenatal and Postpartum Care - Postpartum Care

