

Measurement Year 2017 Intended Health Plan Incentive Design Summary

Value Based P4P Incentive Design Elements

Incentive Design Elements VBP4P Recommendation	Aetna	Anthem	Blue Shield	Cigna	United- Healthcare	Sharp	Western Health Advantage	Health Net
Incentive Payments Using IHA Results	✓	✓	✓	✓	✓	✓	✓	✓
Incentive Design – Value Based P4P	✓	✓	✓	✓	✓	✓	✓	✗ Own design
1. Shared Risk PO Design Implement VBP4P recommended design based on IHA Quality, Resource Use, Total Cost of Care <ul style="list-style-type: none"> • Shared Savings • Attainment Incentive 	✓ Yes – full risk design applied to all POs	✓ Shared Savings ✓ Attainment	✓ Shared savings ✓ Attainment	✓ Shared savings ✓ Attainment	✓ Shared savings ✓ Attainment	✗	✗	✗ Quality only incentive
2. Full Risk PO Design Implement recommended incentive design for Full Risk POs using IHA Quality & Total Cost of Care Results		✗ No – shared savings on generic prescribing	✗ No – shared savings on generic prescribing	✓	✗ No – shared savings on generic prescribing	✓ ¹	✓ ²	

Incentive Design – Measure Domains

IHA Measure Domains Included	Aetna	Anthem	Blue Shield	Cigna	United- Healthcare	Sharp	Western Health Advantage	Health Net
Quality	✓	✓	✓	✓	✓	✓ Plus add'l measures	✓ Plus add'l measures	✓
Appropriate Resource Use	✗	✓	✓	✓	✓	✓ All-Cause Readmissions only	✓ All Cause Readmissions only	✗
Total Cost of Care	✓	✓	✓	✓	✓	✓	✓	✗

¹ Modified full risk design incorporating quality

² Modified full risk design incorporating quality

Value Based P4P Eligibility Gates

In Value Based P4P, in order to earn an incentive POs must meet or exceed a minimum level of performance on VBP4P quality measures. The Total Cost of Care performance gates establish ceilings that POs cannot exceed to be eligible for an incentive.

Pathway	Incentive Design Elements VBP4P Recommendation	Aetna	Anthem	Blue Shield	Cigna	United- Healthcare	Sharp	Western Health Advantage	Health Net
All	Quality Gate Quality Composite Score (QCS) at or above 10th percentile compared to the rest of the VBP4P population	✓	✓	✓	✓	✓ adapted ¹	✓	✓ adapted ²	✗
All	Total Cost of Care Trend Gate Standard: TCC trend \leq CPI +2%, including a lower 85% confidence interval High Cost PO: see below	✗	✓	✓	✓	✓ adapted ³	✓	✓	✗
All	High Cost PO Total Cost of Care Trend Gate TCC Trend \leq CPI + 0%, including a lower 85% confidence interval	✗	✓	✓	✓	✓	✗	✗	✗
Attainment	Total Cost of Care Amount Gate Not a high-cost PO ³	N/A	✓	✓	✓	✓	N/A	N/A	✗

¹ Quality Composite Score at or above a score of 8

² Recommended measures compared to percentile

³ Standard: TCC trend \leq CPI + 0%; High Cost POs: TCC trend \leq CPI – 1%

³ Definition – High Cost PO/Total Cost of Care Amount Gate: PO TCC performance for current AND prior measure year above plan-specific 90th percentile

Value Based P4P Incentive Calculations

Shared Savings Design & Attainment Pathway

There are two ways to earn an incentive under the VBP4P recommended design. To earn an incentive through shared savings, POs eligible for an incentive (based on plan eligibility and performance on quality and cost gates) generate shared savings by improving performance on measures of resource use. Health plans share savings generated by improved performance with POs; the share of savings is adjusted up or down based on a PO's performance on quality metrics. In addition, the attainment incentive assesses a PO's performance relative to population benchmarks and is designed to reward high-performing POs that meet and maintain excellent resource use standards. The shared savings and attainment incentives are combined; POs that both improve and meet attainment benchmarks are eligible to earn both incentives.

Pathway	Incentive Design Elements VBP4P Recommendation	Aetna	Anthem	Blue Shield	Cigna	United- Healthcare	Sharp	Western Health Advantage	Health Net
Shared Savings	Calculating Shared Savings Shared savings are determined by PO improvement on appropriate resource use measures	N/A	✓	✓	✓	✓	N/A	N/A	✗
Shared Savings	Appropriate Resource Use Improvement Targets PO's own prior year plan-specific performance	N/A	✓	✓	✓	✓	N/A	N/A	✗
Shared Savings	Estimating Savings Base unit cost savings on actual payments	N/A	✓	✓	✓	✓adpated ¹	N/A	N/A	✗
Shared Savings	Quality Adjustments Continuous linear adjustment based on quality composite scores (QCS) that adjusts a PO's share of savings up or down. Ranges from min multiplier of 0.65 with 10th percentile to max multiplier of 1.35 at 90th percentile.	N/A	✓	✓	✓	✓ adapted ⁴	N/A	N/A	✗
Attainment	Appropriate Resource Use Attainment Targets Top 25 th and 10 th percentiles of PO performance for baseline and measurement year	N/A	✓	✓	✓	✓	N/A	N/A	✗

¹Plan set Budget Neutrality Corridor if total payments are either too high or too low across all POs and UnitedHealthcare set an Adjustment Factor to all PO's estimated savings to ensure budget neutrality. Additionally all provider organizations can earn up to a maximum of \$96.00 Per Member Per Year (PMPY).

⁴ Multiplier range modified (0.75-1.25)

Value Based P4P Incentive Calculations

Full Risk Design

The recommended design for full risk physician organizations applies the Quality gate and TCC Trend gate, and as long as the PO passes the gates, the PO would be eligible for an incentive. The recommended design then creates a value score by adjusting the quality composite score to a PO's performance on the TCC amount. The value score is then used to distribute incentives.

Pathway	Incentive Design Elements VBP4P Recommendation	Aetna	Anthem	Blue Shield	Cigna	United- Healthcare	Sharp	Western Health Advantage	Health Net
Full Risk	Value Score Quality adjusted by Total Cost of Care. Adjustment calculated using a continuous linear scale based on the PO's geography- and risk-adjusted TCC for the measurement year and specific plan. The maximum (increase 20%) and minimum (decrease 20%) adjustments correspond with the 10th and 90th percentiles of P4P PO performance on TCC.	✓	✗ shared savings ¹	✗ shared savings ¹	✓	✗ shared savings ¹	✓ adapted ²	✓ adapted ²	✗

¹ Shared savings for generic prescribing only.

² Without cost adjustment.

Health Plan Eligibility

POs must also meet health-plan specific criteria to be eligible for payments.

Incentive Design Elements VBP4P Recommendation	Aetna	Anthem	Blue Shield	Cigna	United-Healthcare	Sharp	Western Health Advantage	Health Net
Health Plan Eligibility Criteria for PO Payout	<ul style="list-style-type: none"> ✓ Signed VBP4P consent to disclosure agreement ✓ Contracted with plans for full measure year ✓ Contracted with plans for full baseline (i.e. prior year) ✓ Signed delegation agreement ✓ Contracted with plan at time of award distribution 	<ul style="list-style-type: none"> ✓ Signed VBP4P consent to disclosure agreement ✓ Contracted with plans for full measure year ✓ Contracted with plan at time of award distribution 	<ul style="list-style-type: none"> ✓ Signed VBP4P consent to disclosure agreement ✓ Contracted with plans for full measure year ✓ Contracted with plans for full baseline (i.e. prior year) ✓ Signed delegation agreement ✓ Contracted with plan at time of award distribution 	<ul style="list-style-type: none"> ✓ Signed VBP4P consent to disclosure agreement ✓ Contracted with plans for full measure year ✓ Contracted with plans for full baseline (i.e. prior year) ✓ Signed delegation agreement 	<ul style="list-style-type: none"> ✓ Contracted with plans for full measurement year ✓ Contracted with plan for full baseline (i.e. prior year) ✓ Contracted with plan at time of award distribution ✓ Meet encounter rate threshold ✓ Share all VBP4P and HEDIS related lab results data electronically available to quality for 100% of payout, otherwise 50% of payout 	<ul style="list-style-type: none"> ✓ Signed VBP4P consent to disclosure agreement ✓ Contracted with plans for full measure year ✓ Contracted with plans for full baseline (i.e. prior year) ✓ Signed delegation agreement ✓ Contracted with plan at time of award distribution 	<ul style="list-style-type: none"> ✓ Contracted with plans for full measurement year ✓ Signed delegation agreement 	<ul style="list-style-type: none"> ✓ Contracted with plans for full measurement year ✓ Contracted with plan for full baseline (i.e. prior year) ✓ Contracted with plan at time of award distribution ✓ Meet encounter rate threshold

Use of IHA Value Based P4P Results

The table below includes information reported by health plans as of 6/1/2018. If a health plan's intention on use changes, the health plan is obligated to update their information no less than sixty (60) days before they change such use.

Use of IHA Results	Aetna	Anthem	Blue Shield	Cigna	United-Healthcare	Sharp	Western Health Advantage	Health Net
Incentive Payments	<ul style="list-style-type: none"> ✓ Quality ✓ Plan specific TCC 	<ul style="list-style-type: none"> ✓ Quality ✓ Plan specific Resource Use ✓ Plan specific TCC 	<ul style="list-style-type: none"> ✓ Quality ✓ Plan specific Resource Use ✓ Plan specific TCC 	<ul style="list-style-type: none"> ✓ Quality ✓ Plan specific Resource Use ✓ Plan specific TCC 	<ul style="list-style-type: none"> ✓ Quality ✓ Plan specific Resource Use ✓ Plan specific TCC 	<ul style="list-style-type: none"> ✓ Quality ✓ Plan specific TCC 	<ul style="list-style-type: none"> ✓ Quality ✓ Plan specific Resource Use ✓ Plan specific TCC 	<ul style="list-style-type: none"> ✓ Quality ✓ Plan specific Resource Use
Plan Report Card	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Provider Directory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Network Design	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A