

2019 Performance Incentive Program

► NOVEMBER 14, 2019

Executive Summary

The Performance Incentive Program (PIP) awards incentive payments to organizations participating in the SIM PCMH Initiative. Nine measures have been selected for inclusion in the program as described below. POs will earn a base incentive payment based on the percentage of measure benchmarks met by the organization. For example, if all benchmarks are met, the organization would receive 100% of the base incentive payment. If seven out of nine benchmarks are met, the organization would receive 7/9ths or 78% of the base incentive payment. Scores are adjusted for measures that are ineligible due to small sample sizes. If funds remain in the incentive pool after the base incentive payments are calculated, a bonus incentive will be distributed to all POs achieving a score of 75% or better. Payments will be made by MDHHS at the managing organization level (PO or practice as per the SIM participation agreements) in a manner similar to that used for other SIM PCMH payments.

Timeframes and Data Sources

The incentive calculations will be based on quality and utilization performance as measured in the final MDC dashboard (Release 10), to be released at the end of October 2019 with a reporting period of July 2018 through June 2019.

Measures

The following measures have been selected and include both adult and pediatric quality and utilization metrics. All metrics are based on claims and specifications will remain in HEDIS 2018.

MEASURE TYPE	AGE GROUP	MEASURE NAME	BENCHMARK
QUALITY	Pediatric	Adolescent Well-Care Visits	48.54
		Childhood Immunization Status	45.00
		Lead Screening	78.67
	Adult	Diabetes Nephropathy	86.67
		Diabetes HbA1c Testing	85.63
		Cervical Cancer Screening	59.61

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UTILIZATION	Adult	Prevention Quality Indicator Chronic Composite 92 (PQI 92)	8.77
	Both	Acute Hospital Admissions	67.78
		Emergency Department Visits	606.01

Each measure has a minimum volume requirement; the numerator must be greater than 5 (except for utilization metrics), and the denominator greater than 30. If either the numerator or the denominator does not meet this level, that measure will be excluded from the percentage calculation for the organization.

When viewing results in the MDC dashboard, please note that the dashboard has two levels of small sample sizes:

- The dashboard displays results in gray when the denominator is less than 100. These results **will be** included in for incentive payment purposes.
- Results are not displayed in visualizations when the numerator is less than 5, or the denominator is less than 30. The numerator and denominator are available in the Data view. If an organization does not meet these minimum requirements, the measure will be **excluded** from the calculation.

Benchmarks

The dashboard benchmark rates use best-in-class methodology. Benchmarks are normally re-calculated with each release to correspond to the reporting year used for the data included in the current Dashboard. However, for incentive purposes the benchmarks are based on the reporting period of July 2017 through June 2018 so that POs can better measure their progress. Benchmarks for each metric can be found in the “Measure” section above.

Quality benchmarks are calculated at 5 percentage points below the 75th percentile.

Benchmarks for Acute Hospital Admissions and Emergency Department Visits are calculated at 50 points above the 75th Percentile.

For the Prevention Quality Chronic Composite (PQI 92) measure, the benchmark published by AHRQ as of October 2016 will be used. If AHRQ updates the benchmark before the final metrics are calculated, the benchmark from October 2016 will still be used. This benchmark is a nationwide comparative rate based on an analysis of discharge data from forty states from the 2013 AHRQ Healthcare Cost and Utilization Project (HCUP) State Inpatient Databases (SID).

Calculation

Payments will be based on the percentage of measure benchmarks met by the organization. For example, if all benchmarks are met, the organization would receive 100% of the incentive payment. If seven out of nine benchmarks are met, the organization would receive 7/9ths or 78% of the incentive payment. Not all organizations meet the volume requirements for every metric, in which case the metric will be excluded from the calculation. The base incentive earned by a participating organization would be based on the

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number of measures for which they meet the minimum volume criteria (denominator), and the portion of these for which they exceed the measure benchmark (numerator). For example, if an organization meets the volume requirement for 6 out of the 9 metrics, and successfully meets the benchmark for 5 out of these 6 metrics, their score will be 5/6ths or 83%.

$$\text{BASE INCENTIVE} = \$1.75\text{PM} * \text{INCENTIVE SCORE} * 12(\text{MONTHS})$$
 For the

purpose of incentive calculation, the number of attributed lives will be defined as the average number of SIM attributed lives over the period of July 2018 to June 2019. The maximum base incentive payment to any organization will be $\$1.75 * \text{the average number of their SIM attributed lives over the specified 12 month period} * 12 \text{ months}$ (the number of months in the payment pool).

If the practice association to managing organization shifts (i.e. a practice moves from one managing organization to another) the base incentive would be based on the practice's managing organization at the end of the reporting period.

Bonus Incentive

BASE INCENTIVE + BONUS INCENTIVE = TOTAL INCENTIVE PAYMENT

The total incentive pool available is similar to the amount paid out to all POs in 2018 for practice transformation. Should funds remain in the incentive pool after the base incentive awards are calculated using the method described above, the remainder of the pool (the "bonus" incentive) will be divided among all organizations that reached a 75% or better score based on the average number of attributed SIM PCMH members in each organization July 2018 – June 2019. Below is an example in which five organizations meet the 75% threshold and the total funds remaining in the incentive pool is \$1,000,000:

Organization meeting 75% threshold	Attributed SIM members (average July 2018-June 2019)	Bonus Payment Amount
Organization 1	8,000	\$98,765.43
Organization 2	30,000	\$370,370.37
Organization 3	11,000	\$135,802.47
Organization 4	7,000	\$86,419.75
Organization 5	25,000	\$308,641.98
Total	81,000	

Questions

If you have questions about the PIP, please contact us via the MDHHS SIM PCMH mailbox at MDHHS-SIMPCMH@michigan.gov.

Revisions

- Added clarification that utilization metrics need not have a minimum numerator of 5 in order to be included in the percentage calculation for the organization.
- Removed language related to payment timing.
- Clarified that the benchmark for PQI 92 will not change even if the AHRQ benchmark is updated before the incentives are released.
- Clarified that the twelve-month incentive period is July 2018-June 2019.
- Added context to the bonus incentive example.