The Primary Care Provider Total Cost of Care (TCOC) Quality Enhancement Program (QEP)

Improving quality care and health outcomes

January 2023

www.amerihealthcaritasnc.com

AmeriHealth Caritas™
North Carolina

Dear Primary Care Provider:

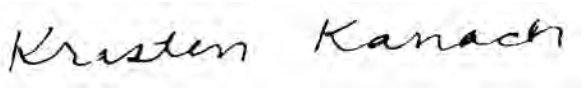
We are pleased to present AmeriHealth Caritas North Carolina's Category 3 Alternative Payment Model (APM) program, the Total Cost of Care Program (TCOC). The TCOC Program is specifically designed for PCPs and pays incentives for delivering high-quality, cost-effective care; providing member services and conveniences; and submitting timely key health data.

AmeriHealth Caritas North Carolina is excited about our enhanced incentive program and will work with your practice to assist in maximizing your revenue while providing quality, cost-effective care to our members.

Thank you for your continued participation in our network and your commitment to our members. If you have any questions regarding our new TCOC Program, please contact your Provider Network Account Executive.

Sincerely,

George R. Cheely Jr., M.D., M.B.A.
Market Chief Medical Officer



Kristen Kanach
Director, Provider Network Management

Program overview

The Total Cost of Care Program (TCOC) is a reimbursement opportunity developed by AmeriHealth Caritas North Carolina for participating PCPs.

The TCOC is intended to be a fair and open system that provides incentives for high-quality and cost-effective care, member service and convenience, and submission of accurate and complete health data. Quality performance and efficiency are the most important determinants of the additional compensation. As new meaningful measures are developed and introduced, the quality indicators contained in the TCOC will be refined. AmeriHealth Caritas North Carolina reserves the right to make changes to this program at any time and will provide written notification of any changes.

TCOC participation

The TCOC is intended to be a program that provides financial incentives beyond a PCP practice's base reimbursement. Quality Enhancement Program (QEP) performance and associated incentive payments are calculated at the group or solo practice level — not per individual provider.

Eligible providers include:

- PCP groups or solo practices with average panel sizes of 50 or more assigned AmeriHealth Caritas North Carolina members during the measurement period*

* Members who reside in skilled nursing facilities or who are dual-eligible members are not included in the quantified results for the TCOC program.

Ineligible providers include:

- PCP practices with average panel sizes of less than 50 AmeriHealth Caritas North Carolina members during the measurement period

Certain QEP components can only be measured effectively for PCP offices whose panels averaged 50 or more members.

A quality incentive payment may be paid in addition to a practice's base compensation.

Program specifications

The TCOC is designed to reward higher performance by practices that meet financial and quality benchmarks by reducing unnecessary costs and delivering quality health care for our members. The incentive payment is based on a total cost of care risk-adjusted shared savings pool. This shared savings pool is available to practices whose attributed population demonstrates efficient use of services. Efficient use of services is defined as having an actual medical and pharmacy spend that is less than the expected medical and pharmacy spend in the measurement year as determined using the 3M™ Clinical Risk Groups (CRG) methodology.

1. Efficient use of services calculation

The efficient use of services calculation leverages the 3M™ CRG platform to determine the total expected medical and pharmacy cost for all the members attributed to the practice. The expected medical and pharmacy cost for each individual member is the average of the cost observed for all members within each clinical risk group. These calculations are adjusted to remove outlier patients with excessive medical or pharmacy costs from consideration. Each member is assigned to a clinical risk group (CRG) based on the presence of disease and their corresponding severity level(s), as well as additional information that informs their clinical risk. CRGs can provide the basis for a comparative understanding of severity, treatment, best practice patterns, and disease management strategies, which are necessary management tools for payers who want to control costs, maintain quality, and improve outcomes.

Actual Cost		Expected Cost		Efficiency Rate	Efficient Use of Services
$9M	/	$9.8M	=	0.92 or 92%	**Y**
$10M	/	$9.8M	=	1.02 or 102%	**N**

Shared savings pool calculation

- By comparing the actual medical and pharmacy cost to the 3M expected cost, AmeriHealth Caritas North Carolina calculates the actual versus expected cost ratio.
- A practice's panel whose actual medical cost is exactly equal to the expected medical cost would have an actual versus expected cost ratio of 1, or 100%, indicating that the panel cost is exactly as expected for the health mix of the attributed population.
- An actual versus expected cost ratio of less than 100% indicates a lower than expected spend and therefore a savings.
- A savings percentage is then calculated using the difference between 100% and the practice's actual versus expected cost ratio. This savings percent is capped at 25%. Should the result of this calculation be greater than 25%, 25% will be used.
- The shared savings pool will be equal to the savings percent times the practice's paid claims for primary care services. The pool will be distributed across the components as described below.

Example	Expected Rate		Efficiency Rate		Pool %		Practice's PCP Paid Claims		Shared Savings Pool
Non-CAP	100%	—	92%	=	8%	×	100k	=	**$8,000**
CAPPED	100%	—	73%	=	25%	×	100k	=	**$25,000**

QEP performance incentive payment (PIP)

Using the shared savings pool calculated earlier, a performance incentive payment (PIP) associated with quality performance will be paid on a bi-annual basis (PIP payment schedule). All PIP payments are in addition to the group or solo practice's base reimbursement. The payment amount will be calculated based on the PCP group or solo practice performance compared to their peers on each identified measure.

Payment cycle	Enrollment	Claims paid through	Payment date
1	**1/1/23 – 6/30/23**	**September 30, 2023**	**December 2023**
2	**7/1/23 – 12/31/23**	**March 31, 2024**	**June 2024**

The shared savings pool is apportioned as follows:

1. Quality performance (100%)

For the payment cycle of the program, one hundred percent (100%) of the pool is based on quality performance results. Payment schedules are outlined in subsequent sections of this document.

2. Quality performance measures

This component is based on quality performance measures consistent with Healthcare Effectiveness Data and Information Set (HEDIS®) specifications. In addition, this component is predicated on the AmeriHealth Caritas North Carolina Preventive Health Guidelines and other established clinical guidelines.

PCP quality performance is measured on services rendered during the reporting period and requires accurate and complete encounter reporting. **Please note:** For each quality performance (HEDIS) measure, participating PCP groups or solo practitioners must have a minimum of five AmeriHealth Caritas North Carolina members who meet the HEDIS measurement definition requirements.

Helpful hints to improve your HEDIS performance:

- Use your member roster to identify and contact patients who are due for an examination or who are newly assigned to your practice.
- Take advantage of this QEP guide, applicable coding information, and online resources to assist your practice with understanding each HEDIS measure to maximize compliance with HEDIS requirements.
- Use your Gaps in Care member list to reach out to patients in need of services or procedures.
- Schedule the member's next well visit at the end of the current appointment.
- Assign a staff member with HEDIS knowledge or experience to complete ongoing internal reviews and serve as the point person for AmeriHealth Caritas North Carolina's Quality Management staff.
- Institute HEDIS alerts and flags in your electronic health records (EHRs) to notify office personnel of patients in need of HEDIS services.

* Please note that each HEDIS measure requires participating PCP groups to have a minimum of five members who meet the HEDIS eligibility requirements.

Quality performance measures	
Child and Adolescent Well-Care Visits (WCV)	**Measure description:** The percentage of members who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year **Eligible members:** 3 – 21 years as of December 31 of the measurement year **Report three age stratifications and total rate:** • 3 – 11 years • 12 – 17 years • 18 – 21 years Total = the sum of all the qualifying age stratifications **Continuous enrollment:** The measurement year **Allowable gap:** No more than one gap in enrollment of up to 45 days during the continuous enrollment period. To determine continuous enrollment for a Medicaid member for whom enrollment is verified monthly, the member may not have more than a one-month gap in coverage (e.g., a member whose coverage lapses for two months [60 days] is not considered continuously enrolled).
Well-Child Visits in the First 30 Months of Life (W30)	**Measure description/rate calculation:** The percentage of members who had well-child visits with a PCP during the last 15 months: • **Well-child visits in the first 15 months:** six or more well visits • **Well-child visits for ages 15 – 30 months:** two or more well visits **Eligible members:** Children who turn 30 months during the measurement year. Calculate the 30-month birthday as the second birthday plus 180 days. **Continuous enrollment:** 15 months plus 1 day – 30 months of age. Calculate the 15-month birthday plus 1 day as the first birthday plus 91 days. **Allowable gap:** No more than one gap in enrollment of up to 45 days during the continuous enrollment period.
Cervical Cancer Screening	**Measure description:** The percentage of women ages 21 – 64 who were screened for cervical cancer using any of the following criteria: • Women ages 21 – 64 who had cervical cytology performed every three years • Women ages 21 – 64 who had cervical cytology/human papillomavirus co-testing performed every five years • Women 30 – 64 years of age who had cervical cytology/high-risk human papillomavirus (hrHPV) co-testing performed within the last five years **Eligible members:** Women ages 21 – 64 during the applicable measurement year **Continuous enrollment:** The measurement year **Allowable gap:** No more than one gap in enrollment of up to 45 days during the measurement year

Quality performance measures	
Plan All-Cause Readmission	**Measurement description:** For members 18 years of age and older, the number of acute inpatient and observation stays during the measurement year that were followed by an unplanned acute readmission for any diagnosis within 30 days and the predicted probability of an acute readmission **Eligible members:** Members age 18 – 64 as of the Index Discharge Date **Continuous enrollment:** 365 days prior to the Index Discharge Date through 30 days after the Index Discharge Date **Allowable gap:** No more than one gap in enrollment of up to 45 days during the 365 days prior to the Index Discharge Date and no gap during the 30 days following the Index Discharge Date.
Childhood Immunization Status (Combo 10)	**Measure description:** The percentage of children 2 years of age who had four diphtheria, tetanus and acellular pertussis (DTaP); three polio (IPV); one measles, mumps and rubella (MMR); three haemophilus influenza type B (HiB); three hepatitis B (HepB); one chicken pox (VZV); four pneumococcal conjugate (PCV); one hepatitis A (HepA); two or three rotavirus (RV); and two influenza (flu) vaccines by their second birthday. The measure calculates a rate for each vaccine and nine separate combination rates. **Eligible members:** Children who turn 2 years of age during the measurement year **Continuous enrollment:** 12 months prior to the child's second birthday **Allowable gap:** No more than one gap in enrollment of up to 45 days during the 12 months prior to the child's second birthday.
Immunization for Adolescents (Combo 2)	**Measure description:** The percentage of adolescents age 13 years who had one dose of meningococcal conjugate vaccine; one tetanus, diphtheria toxoids, and acellular pertussis (Tdap) vaccine; and completed the human papillomavirus (HPV) vaccine series by their 13th birthdays. **Eligible members:** Members age 13 during the measurement year who have not had a previous anaphylactic reaction to the vaccine **Continuous enrollment:** 12 months prior to the 13th birthday **Allowable gap:** No more than one gap in enrollment of up to 45 days during the 12 months prior to the 13th birthday
Hemoglobin A1c Control for Patients with Diabetes (HBD)	**Measurement definition:** The percentage of members 18 – 75 years of age with diabetes (Types 1 and 2) whose hemoglobin A1c (HbA1c) was at the following levels during the measurement year: HbA1c Poor Control (>9.0%) **Eligible members:** The percentage of members 18 – 75 years of age with diabetes (Types 1 and 2) whose hemoglobin A1c (HbA1c) was at the following levels during the measurement year: • **HbA1c Poor Control (>9.0%)** **Ages:** 18 – 75 years as of December 31 of the measurement year **Continuous enrollment:** The measurement year **Allowable gap:** No more than one gap in the enrollment of up to 45 days during the measurement year

Quality performance measures	
Controlling High Blood Pressure (CBP)	**Measurement definition:** Members 18 – 85 years of age who had a diagnosis of hypertension (HTN) and whose blood pressure (BP) was adequately controlled (<140/90) during the measurement year. **Eligible:** 18 – 85 years as of December 31 of the measurement year **Continuous enrollment:** The measurement year **Allowable gap:** No more than one gap in continuous enrollment of up to 45 days during the measurement year
Chlamydia Screening in Women	**Measurement description:** The percentage of women 16 – 24 years of age who were identified as sexually active and who had at least one test for chlamydia during the measurement year **Eligible members:** Women 16 – 24 years as of December 31 of the measurement year **Report two age stratifications and a total rate:** • 16 – 20 years • 21 – 24 years • Total **Continuous enrollment:** The measurement year **Allowable gap:** No more than one gap in enrollment of up to 45 days during the measurement year.

Note

The submission of accurate and complete claims data is critical to your practice receiving the correct calculation based on the services performed for AmeriHealth Caritas North Carolina members.

If you do not submit claims reflecting the measures shown on pages 7 through 9 (where applicable), your performance ranking will be adversely affected, thereby reducing your incentive payment.

Quality performance measures incentive calculation

The shared savings pool (described in a preceding section) is allocated based on performance for quality measures as previously described above.

Quality measure rates are calculated for each practice participating in the TCOC Program. This rate is calculated by dividing the number of members who received the service (numerator) by the number of members eligible to receive the service (denominator). This rate is compared to the rates calculated for all other eligible practices to determine the peer percentile rank. The practice's score for the quality component is the average of the peer percentile ranks of all measures for which the practice's panel met minimum denominator criteria. The average peer percentile rank determines the percent of the shared shavings pool for quality.

The TCOC efficiency component and quality performance are evaluated independently. Although maximum earnings are tied to performance for both components, an incentive can still be earned for quality measures, even if the TCOC efficiency component is not met.

Please note that each HEDIS measure requires participating PCP groups to have a minimum of five members who meet the HEDIS eligibility requirements detailed next to the HEDIS measure.

See table below for payout percentages.

Level	Practice score tier	Payout percentage
Core	>= 50th	60%
Premium	>= 60th	80%
Elite	>= 70th	100%

Available resources

Your Provider Network Management Account Executive can familiarize you with the TCOC Program and provide additional training to you and your staff.

- NaviNet® — Participating primary care providers can access this secure provider portal and resolve HEDIS® Care Gaps for AmeriHealth Caritas North Carolina members. Learn more about resolving care gaps in NaviNet by visiting **www.amerihealthcaritasnc.com** > Providers > Provider Resources >NaviNet> Healthcare Effectiveness Data and Information Set (HEDIS) Care Gaps Response Form Provider Guide.

AmeriHealth Caritas North Carolina

Primary Care Provider Quality Enhancement Program

Measurement Period: 1/1/2023 - 9/30/2023

Payment Period: December 2023

Tax Name:	ABC Medical Center	**Member Months:**	2,490
Tax ID:	123456789	**Total Earned:**	$8,717.32

The Performance Component Incentive Payment is based on a Total Cost of Care Risk Adjusted Share Savings Pool. This Shared Savings Pool is available to groups whose attributed member population members demonstrate an Efficient Use of Services relative to the health of the overall population.
Efficient Use of Services is defined as having actual medical and pharmacy cost less than the expected medical and pharmacy cost in the measurement year.

Total Cost of Care Summary

Actual Cost:	$2,596,059.37	**Claims Paid in Measurement Period:**	$60,401.38
Expected Cost:	$3,054,820.01	**Shared Savings Pool:**	$9,060.27
Actual vs Expected Cost:	85.0%	**Performance Tier:**	Premium - 80%
Payable Savings Percent:	15.0%	**Shared Savings Earned:**	$7,248.22

Quality Performance Summary

Quality Metrics	Numerator	Denominator	Rate	Percentile Rank
Cervical Cancer Screening	73	149	48.99%	81.41%
Chlamydia Screening (HEDIS) - Total	10	20	50.00%	63.47%
Childhood Immunizations (Combo 10)	0	15	0	0.00%
Immunization for Adolescents (Combo 2)	0	8	0	0.00%
Plan All-Cause Readmissions	1	0.5662	1.77%	Annual
Child and Adolescent Well-Care Visits (Total)	60	223	26.91%	87.64%
Well-Child Visits in the First 30 Months of Life 0-15 Months	0	3	0	N/A
Well-Child Visits in the First 30 Months of Life 15-30 Months	8	13	61.53%	72.41%
Controlling High Blood Pressure	24	48	50.00%	90.43%
A1c - Comprehensive Diabetes Care: Hemoglobin	26	39	66.67%	95.40%

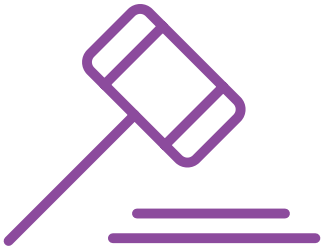
Avg Percent Rank:	61.347%	**Quality Earned PMPM:**	$0.59	**Quality Payment Earned:**	$1,469.10

GROUP DETAIL

Group Name	Group ID	Member Months	Group Payment
ABC Group 1	98754125	1,000	$3,500.93
ABC Group 2	98754361	1,490	$5,216.39

Provider appeal of incentive calculations or ranking determination

- If a provider wishes to appeal their percentile ranking on any or all incentive components, the appeal must be in writing.
- The written appeal must be addressed to the AmeriHealth Caritas North Carolina Chief Medical Officer and include a detailed description of the appeal.
- The appeal must be submitted within 60 days of receiving the information/results from AmeriHealth Caritas North Carolina.
- The appeal and all supporting documentation will be reviewed by the AmeriHealth Caritas North Carolina TCOC Review Committee.
- If the TCOC Review Committee rules in favor of the provider and an adjustment or correction is required, it will be included in the next scheduled payment cycle following committee approval.



If a provider wishes to appeal their percentile ranking on any or all incentive components, this appeal must be in writing.

Important notes and conditions

1. The total annual sum of incentive payments awarded to a specific group or solo practice for the TCOC will not exceed 33% of the total AmeriHealth Caritas North Carolina annual reimbursement paid for medical and administrative services. Only capitation and fee-for-service payments are considered part of total reimbursement for medical and administrative services.
2. The quality performance measures are subject to change at any time upon written notification. AmeriHealth Caritas North Carolina will continuously evaluate and enhance its quality management and quality assessment systems. As a result, new quality variables may be added periodically, and criteria for existing quality variables may be modified.
3. For computational and administrative ease, no retroactive adjustments with the exception of those associated with TCOC appeals, will be made to incentive payments. All per member, per month (PMPM) payments will be paid according to the known membership at the beginning of each month.

If you have any questions about the QEP or your program results, please contact your Account Executive.

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