

## **Appendix L**

### **SCO Quality Improvement and Project Requirements**

This Appendix details how EOHHS will assess quality performance and calculate the Quality Withhold Payment amount for a SCO Contractor as described in **Section 4.7.1.2**. EOHHS reserves the right to modify the methodology set forth herein prior to execution of the Contract. EOHHS may modify the methodology set forth herein after the execution of the Contract by written amendment. EOHHS anticipates ongoing evaluation of this methodology, including but not limited to the list of Quality Measures, during the Contract Term. EOHHS anticipates engaging the Contractor as well as other stakeholders in this evaluation process. The following information is included:

- 1. Overview of SCO Quality and Accountability**
- 2. Performance Assessment Methodology**
  - 2.1. Measure Scoring Methodology**
  - 2.2. Quality Payment**
- 3. Methodology for Establishing Performance Benchmarks for Quality Measures**
- 4. Quality Withhold Payment Amount Adjustments**

#### **1 Overview of SCO Quality and Accountability**

The Contractor shall have the opportunity to earn a Quality Withhold Payment for each Contract Year. The Contractor's Quality Withhold Payment amount shall be calculated as described in this Appendix and as further specified by EOHHS.

EOHHS has established a slate of SCO Quality Measures (see Figure 4.2 in **Section 4.7.1.2**). The Contractor's Quality Withhold Payment amount will be determined by the Contractor's performance on the Quality Measures against benchmarks set by EOHHS (achievement points, as described in Section 2.1.A below), as well as any improvement in the Contractor's Quality Measure performance compared to prior Contract Year(s), if applicable (improvement points, as described Section 2.1.B below).

If the Contractor is unable to report at least three of the quality withhold measures listed in Figure 4.7.2 for a given year due to low enrollment or inability to meet other reporting criteria, alternative measures will be used in the quality withhold analysis.

## 2 Performance Assessment Methodology

### 2.1 Measure Scoring Methodology

The Contractor will be assigned achievement and improvement points based on its performance on each Quality Measure.

#### A. Achievement Points

The Contractor may receive up to a maximum of ten (10) achievement points for each Quality Measure, as follows:

1. EOHHS will establish an “attainment threshold” and a “goal benchmark” for each Quality Measure
  - a. “Attainment threshold” sets the minimum level of performance at which the contractor can earn achievement points
  - b. “Goal benchmark” is a high-performance standard above which the Contractor earns the maximum number of achievement points (i.e., 10 points)
2. EOHHS will calculate the Contractor’s performance score on the Quality Measure based on the measure specifications
3. EOHHS will award the Contractor between zero (0) and ten (10) achievement points as follows:
  - a. If the Contractor’s performance score is less than the attainment threshold: 0 achievement points
  - b. If the Contractor’s performance score is greater than or equal to the goal benchmark: 10 achievement points
  - c. If the performance score is between the attainment threshold and goal benchmark: achievement points earned are determined by the formula:
    - i.  $10 * ((\text{Performance Score} - \text{Attainment Threshold}) / (\text{Goal Benchmark} - \text{Attainment Threshold}))$

#### EXHIBIT 2 – Example Calculation of Achievement Points for Measure A

Measure A attainment threshold = 45% Measure A goal benchmark = 80%

Example Calculation of Achievement Points for Measure A		
	Measure A Performance Score	Achievement Points Earned
Scenario 1	25%	0

Scenario 2	90%	10
Scenario 3	58%	3.7*

*\*Achievement points earned =  $10 * ((58\% - 45\%) / (80\% - 45\%)) = 3.7$  points*

## **B. Improvement Points**

In addition to receiving achievement points based on performance (on a 0 to 10 scale), the Contractor may earn improvement points for reaching established improvement targets for each Quality Measure starting in Contract Year 2. Improvement points will be calculated as follows:

1. EOHHS will calculate the Contractor's performance score on each Quality Measure based on the measure specifications. Each Quality Measure's specifications will describe the detailed methodology by which this performance score is calculated.
2. EOHHS will compare the Contractor's performance score on each Quality Measure to the Contractor's performance score on that same Quality Measure from the highest scoring previous Contract Year.
3. EOHHS will calculate an Improvement Target for each Quality Measure using the following formula (unless otherwise specified by EOHHS). The Improvement Target is based on at least a 20% improvement each year in the gap between Goal Benchmark and the Attainment Threshold of each SCO measure.
  - a. Improvement Target formula =  $[(\text{Goal Benchmark} - \text{Attainment Threshold}) / 5]$ 
    - i. *For example, for Measure A, if the Attainment Threshold is 50% and the Goal Benchmark is 60%, the Improvement Target is 2%  $[(60 - 50)/5]$*
  - b. For the purposes of calculating the Improvement Target, the result is rounded to the nearest tenth (i.e., one decimal point).
    - i. *For example, for Measure B, if the Attainment Threshold is 80% and the Goal Benchmark is 90.2%, the Improvement Target is calculated to 2.04%  $[(90.2 - 80)/5]$  which rounds to 2.0%.*
  - c. The Contractor may earn up to five (5) improvement points for increases in measure score which meet or exceed the improvement target.
    - i. *For example, for Measure B, the Improvement Target is 2.0%. If Contractor's performance in Contract Year 4 is 54.0% and the Contractor's performance in Contract Year 5 is 60.0%, the Contractor improvement from Contract Year 4 to Contract Year 5 is*

*6.0% [(60.0-54.0)] and the Contractor is awarded 5 improvement points. No points above 5 are awarded for increases in excess of the improvement target.*

- d. For the purposes of calculating the difference in Contractor quality performance over a previous year, the results are rounded to the nearest tenth (i.e., one decimal point). Rounding takes place after the calculation.
  - i. *For example, for Measure B, if Contractor performance in Contract Year 4 is 54.54% and if Contractor performance in Contract Year 5 is 60.17%, the Contractor improvement from Contract Year 4 to Contract Year 5 is 5.63% [(60.17-54.54)], and the Contractor improvement will be rounded to the nearest tenth (i.e., one decimal point) to 5.6%.*
- e. The Improvement Target is based on the higher of the original baseline or any year's performance prior to the current Contract Year. This is intended to avoid rewarding regression in performance.
  - i. *For example, for Measure B, assume Contractor performance in Contract Year 1 is 90.0% and the Improvement Target is 2.0%. If in Contract Year 4 the performance for the Contractor decreases to 89.0%, in Contract Year 5 the Contractor would need to reach 92.0% to reach the Improvement Target.*
- f. There are several special circumstances:
  - i. *At or Above Goal:* If the Contractor has prior Contract Year performance scores equal to or greater than the Goal Benchmark then the Contractor may still earn up to five (5) improvement points in each Contract Year if improvement from the highest prior Contract Year is greater than or equal to the Improvement Target.
- g. *At or Below Attainment:* If the Contractor has prior Contract Year performance scores less than the Attainment Threshold then the Contractor may still earn up to five (5) improvement points each Contract Year if improvement from the highest prior Contract Year is greater than or equal to the Improvement Target, and performance in the current Contract Year does not equal or exceed the Attainment Threshold. Additionally, if the Contractor has prior Contract Year performance scores less than the Attainment Threshold and current Contract Year performance scores are equal to or above the Attainment Threshold then the Contractor may still earn up to five (5) improvement points if the improvement is greater than or equal to the Improvement Target.

**EXHIBIT 3 – Example Calculation of Improvement Points for Measure B**  
 Measure B Attainment = 48.9% | Goal = 59.4% | Improvement Target = 2.1%

	Contract Year 4 Score	Contract Year 5 Score	Improvement	Improvement Target Met	Improvement Points Earned
Scenario 1:	50.0%	52.1%	2.1%	Yes	5
Scenario 2:	50.0%	56.7%	6.7%	Yes	5
Scenario 3:	59.5%	63.0%	3.5%	Yes; above Goal Benchmark	5
Scenario 4:	45.0%	48.0%	3.0%	Yes; below Attainment Threshold	5
Scenario 5:	46.0%	49.0%	3.0 %	Yes; crossing Attainment	5
Scenario 6:	45.0%	46.0%	1.0%	No	0

**2.2 Quality Payment**

The Contractor shall receive Quality Withhold Payments as described in **Section 4.7.1.2** of the Contract. The methodology for calculating the Contractor’s Quality Withhold Payment amount shall be as follows, or as further specified by EOHHS:

- a. The Quality Withhold amounts are specified in **Section 4.7.1.2** of the Contract for each Contract Year. EOHHS may further increase the quality withhold in Contract Years 2, 3, 4, and 5, by no more than a 0.25% increase over the prior Contract Year.
- b. EOHHS will sum the Contractor’s achievement and improvement points for all Quality Withhold Measures. Once the total number of points has been calculated, EOHHS will divide the sum by the maximum number of achievement points for which the Contractor is eligible resulting in a value between zero (0) and one (1) expressed as a percentage (i.e., 0% to 100%).
- c. To determine the Quality Withhold Payment amount, the Quality Withhold Amount (2.2.a of this Appendix) will be multiplied by the quality performance percentage (2.2.b of this Appendix).

**EXHIBIT 4 – Example Calculation of Quality Withhold Payment Amount**

Example Calculations of Quality Withhold Payment Amount	
Example 1	Two Quality Measures (Measure A and Measure B)

	Therefore, maximum number of achievement points is $2 \times 10 = 20$ points	
Measure A:	Achievement points:	1.5
	Improvement Points:	0
Measure B:	Achievement points:	0
	Improvement Points:	5
Total achievement points: $1.5 + 0 = 1.5$ points		
Total improvement points: $0 + 5 = 5$ points		
Sum of achievement and improvement points: $1.5 + 5 = 6.5$ points		
Quality performance percentage = $6.5/20 * 100 = 32.5\%$		
Quality Withhold Payment amount = $.325 \times$ Quality Withhold amount.		

- i. *In the above example, a SCO plan will earn 32.5% of the total Quality Withhold amount available to them.*

**3 Methodology for Establishing Performance Benchmarks for Quality Measures**

EOHHS will establish the attainment threshold and goal benchmark for each Quality Measure utilizing historical MassHealth data and where applicable regional or national data.

**4 Quality Withhold Payment Amount Adjustments**

EOHHS may, in its discretion, establish a process through which the Contractor may seek clarification on or request revisions to its Quality Withhold Payment amount. If the Contractor chooses to seek clarification on or requests revisions to its Quality Withhold Payment amount, the Contractor shall follow processes established by EOHHS, including meeting specified deadlines and providing all information requested by EOHHS. EOHHS does not guarantee any adjustments to the Quality Withhold Payment amount.

The Contractor shall identify a key contact, responsible for raising such issues to EOHHS or its designee and working with the appropriate personnel to discuss and resolve issues as appropriate.