



COLORADO

Department of Health Care
Policy & Financing

Performance Measurement

Accountable Care Collaborative Phase II June 2018

About Pay-for-Performance in Phase II

During Phase II, the Accountable Care Collaborative (ACC) will monitor program performance using four mechanisms:

1. Key Performance Indicators,
2. Behavioral Health Incentive Program,
3. Public Reporting, and
4. Performance Pool.

Incentive payments will be made directly to each Regional Accountable Entity (RAE). This provides RAEs with greater flexibility to design innovative value-based payment arrangements with their network providers and maximize performance.

Key Performance Indicators

The Key Performance Indicators (KPIs) are designed to assess the overall health of the ACC program and reward RAEs for improvement of the regional delivery system as a whole. The Department selected measures that highlight the RAEs progress toward building a coordinated, community-based approach to meet member health needs and reduce costs.

How Key Performance Indicators Work

Key Performance Indicators give RAEs the opportunity to earn more per-member-per-month for reaching certain performance targets. There are seven KPIs for FY 2018–19. Here is how RAEs can earn these incentive payments:

- RAEs will have \$4.00 withheld from their total administrative per-member-per-month (PMPM) payment.
- The RAEs can earn back some or all of that \$4.00 PMPM depending on their performance. For 2018–19, the funds are spread equally among all KPIs. No indicator is worth more than any other.
- There are two performance tiers (targets) for each indicator:

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- ✓ **Tier 1:** RAE may receive 75% of the incentive payment for a 1-5% improvement from the baseline year.
 - ✓ **Tier 2:** RAE may receive 100% of the incentive payment for improvement of 5% or more from the baseline year.
- KPI performance will be evaluated using twelve rolling months of data and will be paid to the RAEs quarterly. Due to claims run-out and the time needed for analysis, incentive payments will be made two quarters after the performance period ends.

Key Performance Indicators for FY 2018–19

- **Potentially Avoidable Costs:** Compares a standard cost of an episode of care to actual costs
- **Emergency Department Visits:** Number of emergency department visits, per 1,000 members per year (PKPY) risk-adjusted
- **Behavioral Health Engagement:** Percent of members that access behavioral health services
- **Well Visits:** Percent of members who receive a well visit during the 12-month evaluation period
- **Prenatal Engagement:** Percent of deliveries where a woman received a prenatal care during pregnancy
- **Dental Visit:** Percent of members who received professional dental services
- **Health Neighborhood:** This KPI is comprised of two components that reflect connections and referrals between specialty care and primary care providers.

Performance Pool

Unused KPI funds will go into a pool of funds available for additional performance measures or for participation in state and federal initiatives that align with the goals of the Accountable Care Collaborative.

Behavioral Health Incentive Program

Regional Accountable Entities can earn up to 5% of their annual behavioral health capitation rate for reaching incentive goals.

Performance Targets

The behavioral health incentive measures are:

- **Engagement in Outpatient Substance Use Disorder (SUD) Treatment:** Percent of members with a new episode of substance use disorder who initiated outpatient treatment and who had two or more additional services for a primary

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diagnosis of SUD within 30 days of the initiation visit

- **Follow-up within 7 days after an Inpatient Hospital Discharge for a Mental Health Condition:** Percent of member discharges from an inpatient hospital episode for treatment of a covered mental health diagnosis to the community or a non-24-hour treatment facility who were seen on an outpatient basis by a mental health provider within 7 days
- **Follow-up within 7 days after an Emergency Department Visit for a SUD:** Percent of member discharges from an emergency department episode for treatment of a covered SUD to the community or a non-24-hour treatment facility who were seen on an outpatient basis by a behavioral health provider within 7 days
- **Follow-up after a Positive Depression Screen:** Percent of members engaged in mental health service within 30 days of screening positive for depression
- **Behavioral Health Screening or Assessment for Foster Care Children:** Percentage of foster care children who received a behavioral screening or assessment within 30 days of RAE enrollment

Public Reporting

To ensure greater accountability and transparency, the Department will publicly report the RAEs performance on a series of clinical and utilization measures. To support overall population health, the Department will also post public health metrics where the RAE plays a critical, but not determinative role in affecting change. RAEs will not be eligible to earn payments for performance on Public Reporting measures.

For more information contact

[CO.gov/HCPF/ACCPPhase2](https://www.CO.gov/HCPF/ACCPPhase2)

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