

## Physical Health Key Performance Indicators (KPI) Incentive Distribution Model FY19-20

### Overview

Colorado Access (COA) utilized its regional governing councils to help determine the most equitable, incentivizing, transparent and defensible approach to distribution of the physical health incentives. The governing councils' membership includes representatives from primary care and behavioral health providers and hospitals that serve Health First Colorado members in Regional Accountable Entity (RAE) region 3 and region 5. The net result of fully engaging the regional governing councils has been a full understanding of the intricacies of the measures, a better understanding of the provider network, a general agreement about the best way to incentivize providers, and an increase in the collective impact of the providers' focus on the measures.

### Model

To qualify for incentive payments, each provider must meet the primary care medical providers (PCMPs) criteria. Enhanced Clinical Partners (ECPs) must meet additional criteria. Incentive payments will go to providers only if the RAE region earns the physical health key performance incentive (KPI). In these cases, Colorado Access will calculate and pay incentives to PCMPs on a quarterly basis.

COA will share KPI revenues that it receives in a three-step structure. The steps will be set at the beginning of each State Fiscal Year (SFY) based on COA's projection of the maximum expected SFY Physical Health (PH) KPI revenues. The steps will not change unless other factors materially change the maximum amounts that will ultimately be available. The steps are as follows:

- Step 1 – the first 33% of the Projected SFY PH Incentive Revenues
- Step 2 – the next 33% of the Projected SFY PH Incentive Revenues
- Step 3 – the remaining 34% of the Projected SFY PH Incentive Revenues

<b><u>Table 1</u></b>				
<u>Steps</u>	<u>PCMP/EPCPs*</u>	<u>Innovations Pool</u>	<u>Combined Provider and Innovations Pool</u>	<u>Colorado Access</u>
Step 1	70%	10%	80%	20%
Step 2	65%	15%	80%	20%
Step 3	60%	20%	80%	20%
* Distributed according to each individual PCMP/ECP's attributed members in the month of distribution. Details of distribution will be decided by the governing councils.				

Incentive distribution will be based on each PCMP’s net attributed membership (number of members) as reported by the Department of Health Care Policy and Financing (HCPF) to COA and multiplied according to the rates in Table 2 below.

- a. Level 1 represents the region achieving 75% of the KPI goals.
- b. Level 2 represents the region achieving 100% of the KPI goals.
- c. Each KPI will be assigned to Level 1 or Level 2 by HCPF. The KPI incentive payment to the PCMPs will be paid in accordance with the appropriate Step in Table 1, and as described above. The incentive payment may contain a combination of Level 1 and Level 2 payments, depending on the achievement of each RAE region for the performance period.

<b><u>Table 2</u></b>			
<u>Level of payment achieved by RAE region</u>	<u>Based on first payment to COA from HCPF</u>  <u>PMPM</u>	<u>Based on second payment to COA from HCPF</u>  <u>PMPM</u>	<u>Based on third payment to COA from HCPF</u>  <u>PMPM</u>
Level 1	\$0.299	\$0.278	\$0.257
Level 2	\$0.399	\$0.260	\$0.371

COA will continue to use the regional governing councils to develop the model based on reviews of data and provider feedback.