



**COLORADO**  
Department of Health Care  
Policy & Financing

1570 Grant Street  
Denver, CO 80203

# Performance Measurement

*Accountable Care Collaborative Fact Sheet (February 2021)*

The Accountable Care Collaborative (ACC) assesses program performance using four mechanisms:

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

Other methods of monitoring ACC performance include contract deliverables, site visits, and audits.

## ACC Pay for Performance Program

The Department makes incentive payments 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. Here is how RAEs can earn these incentive payments:

- RAEs 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 SFY 2020-21, the funds are spread equally among all KPIs. No indicator is worth more

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than any other.

- There are two performance tiers (targets) for each indicator:
  - ✓ **Tier 1:** RAE may receive 75% of the incentive payment for a 1 - 4.9% 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 paid to the RAEs quarterly. Due to claims run-out and the time needed for analysis, incentive payments and performance results are available two quarters after the performance period ends.

### Key Performance Indicators for State Fiscal Year 2020-21

- **Potentially Avoidable Costs:** Compares a standard cost of an episode of care to actual costs. RAEs select three conditions to address (e.g., diabetes, substance use disorder, asthma) with interventions and identified milestones. Payment is currently based on completing milestones.
- **Emergency Department Visits:** Number of emergency department visits, per 1,000 members per year (PKPY) risk-adjusted
- **Behavioral Health Engagement:** Percentage of members that access behavioral health services
- **Well Visits:** Percentage of members (adults and children) who receive a well visit during the 12-month evaluation period
- **Prenatal Engagement:** Percentage of deliveries where a woman received a prenatal visit during pregnancy
- **Dental Visit:** Percentage 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.
  - ✓ The number of care compacts, or signed agreements, between primary care providers and specialty care providers.
  - ✓ The percentage of outpatient specialist visits that took place within 60 days of referrals from primary care providers.

### **Performance Pool**

Unearned KPI funds become the Performance Pool, a second opportunity for RAEs to earn incentive dollars for their region.

### How the Performance Pool Works

Performance Pool funds are available to provide incentive dollars for additional performance measures or for participation in state and federal initiatives that align with the goals of the



Accountable Care Collaborative. They are intended to provide a degree of flexibility to the Department and the RAEs to push improvement in key areas or to respond to emerging health issues. For example, in the spring of 2020, the Department used Performance Pool to incentivize RAEs' performance in response to the pandemic and to require that 100% of these funds be passed along to primary care providers.

The Department has established the following Performance Pool measures for State Fiscal Year 2020-21. Measures are reported and analyzed quarterly but paid annually.

#### Performance Pool Measures for State Fiscal Year 2020-21

- **Extended Care Coordination:** Percentage of members with complex needs who received extended care coordination during the last 12 months. Extended care coordination is defined as having a care plan or at least one real-time bidirectional visit with a care coordinator.
- **Premature Birth Rate:** Percentage of premature births (< 37 weeks) of all live births
- **Behavioral Health Engagement for the Department of Corrections (DOC) Population:** Percentage of DOC members who had at least one behavioral health visit or service within 14 days of release from state prison
- **Inpatient Psychiatric Discharges:** Percentage of discharges from hospitals (excluding state psychiatric hospitals) for treatment of a covered mental health diagnosis per 1,000 full-time equivalent members
- **Risk Adjusted PMPM (Per Member Per Month):** The cost of care per member
- **Medication Adherence (3 Measures):** RAEs select medication adherence measures to address three of the following conditions: asthma, chronic obstructive pulmonary disease (COPD), depression, hypertension, diabetes, and contraceptive care for postpartum women.

#### **Behavioral Health Incentive Program**

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

#### How the Behavioral Health Incentive Program Works

Performance is evaluated by state fiscal year. Payment occurs approximately nine months after the close of the state fiscal year to allow the RAEs to process and report claims and the Department to conduct the analysis.

RAEs receive payment if they successfully close the gap between their historical performance and the performance goal by at least 10%.

#### Behavioral Health Incentive Measures for State Fiscal Year 2020-21

- **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 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 [publicly reports](#) the RAEs' performance on a series of performance measures and operational data. RAEs are not eligible to earn payments for public reporting.

## For more information

[CO.gov/HCPF/ACCPhase2](https://www.colorado.gov/HCPF/ACCPhase2)

