



COLORADO

Department of Health Care
Policy & Financing

APM 2 Program Design Review Team

Meeting 7

May 22, 2024



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Agenda

1. Welcome & Introductions
2. Meeting 5 & 6 (Office Hours) Recap
3. Quality Target Setting & Reward Structure
4. Looking Ahead

1. Welcome & Introductions



Meet the APM 2 Team



Araceli Santistevan
APM 2 Lead



Dawson Larence
APM 2 Co-Lead



Suman Mathur
Design Review Team
Lead Facilitator



Taylor Kelley
Design Review Team
Supporting Facilitator



Gerardo Silva-Padron
Design Review Team
Supporting Facilitator



Andy Wilson
APM 2 Support Team



Chelsea Finfer
APM 2 Support Team



Drew Lane
APM 2 Support Team



Janet Milliman
APM 2 Support Team

2. Meeting 5 & 6 Recap



What We Heard

- **Guiding Principles**

- Suggestion to add a principle to support practices to achieve a minimum level of performance
- Timing of payment is key to continuous improvement

- **Reward Structure**

- Agreement with concept of commendable & minimum acceptable thresholds
- Practices should be rewarded for maintaining high performance

Key Topics for the Design Review Team

1. **Goals and Objectives:** What are we trying to achieve?
2. **Quality Measurement and Quality Target Setting:** How will performance be measured for payment purposes?
3. **Cost Target Setting and Payment Methodology:** How will providers get paid?
4. **Performance Improvement:** What information do you need to be successful?
5. **Program Sustainability:** What types of support will be needed to sustain this program?

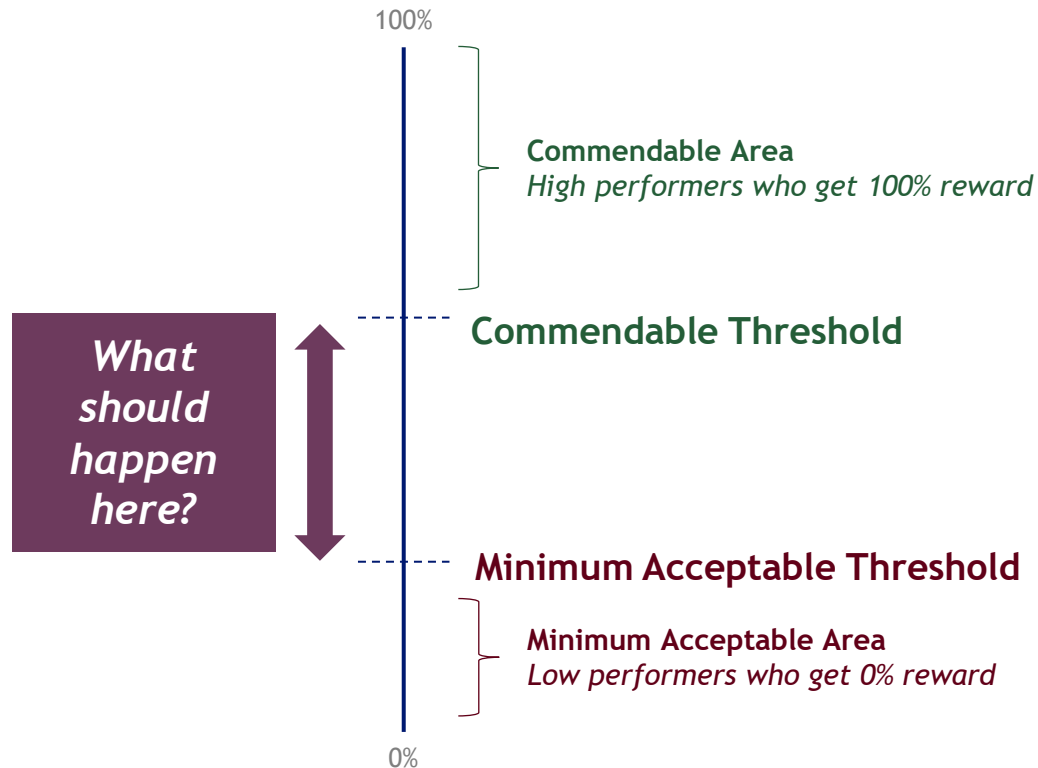
Today's Objectives

1. Review reward structure and target setting components
2. Understand how reward structure and target setting impacts payment for APM 2
3. Provide feedback on options to assess performance between the Commendable and Minimum Acceptable Thresholds

3. Quality Target Setting & Reward Structure



Reward Between Commendable and Acceptable Thresholds



- We are going to present **two potential options** on how to scale rewards between the minimum and commendable threshold:
 - **Option 1: Tiering**
 - **Option 2: Sliding Scale**
- To simplify, the goal is to use a **consistent reward methodology across all measures**

Threshold Setting Example

Example Performance Breakout			
	> Minimum Acceptable Threshold	> Commendable Threshold	Total Eligible
PCMPs	221 (80%)	39 (14%)	276
Attributed Members	498k (64%)	59k (8%)	618k

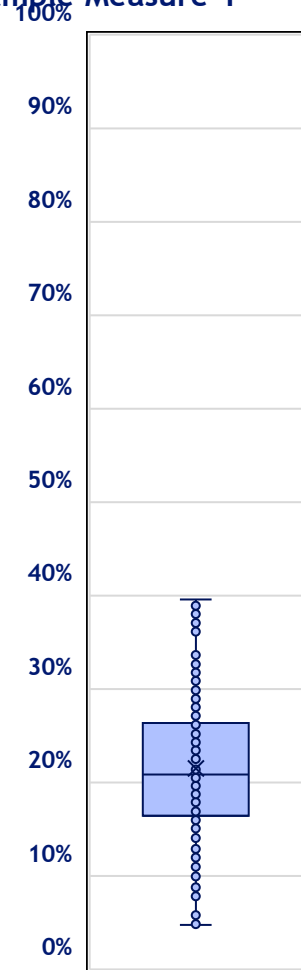
Note: % of total eligible PCMPs and attributed members

Commendable Threshold = 30%

Colorado FFS Health First Median Performance = 22%

Minimum Acceptable Threshold = 15%

Example Measure 1



Commendable Area = 30% and above
High performers who get 100% reward

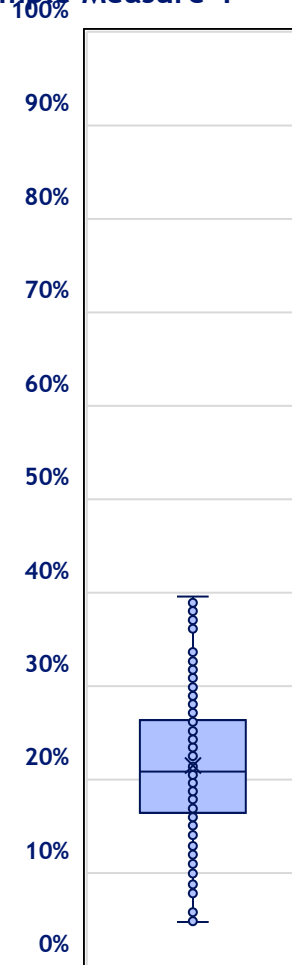
Minimum Acceptable Area = 14.9% and below
Low performers who get 0% reward

Option 1: Tiering

Payments earned are tiered based on performance levels

Commendable Threshold = 30%
Current Median Performance = 22%
Minimum Acceptable Threshold = 15%

Example Measure 1



Above Commendable Threshold ($\geq 30\%$)
get 100% payment

Tier 2 (22%-29%) get 67% payment

Tier 1 (15%-21%) get 33% payment

Example Performance Calculation: Tiering

Example Measure 1 Parameters

	Minimum Threshold	Tier 1	Tier 2	Commendable Threshold
Performance Rate	<15%	15-21%	22-29%	30+%
Weight	0%	33%	67%	100%
Points Earned	0 pts	33 pts	67 pts	100 pts

Provider Performance Calculations for Example Measure 1

	Performance Rate	Threshold/Tier Met (From Measure Parameter Table above)	Points Awarded (From 'Points Earned' in Table above)
Practice A	12%	Below Minimum Threshold	0 points
Practice B	21%	Tier 1	33 points
Practice C	24%	Tier 2	67 points
Practice D	27%	Tier 2	67 points
Practice E	30%	Commendable Threshold	100 points

Tiering Reward: Potential Benefits and Drawbacks

Potential Benefits:

- **Simplicity:** Straightforward categories clear goals for providers
- **Motivation:** Clear goals for providers to aim for at the next highest tier

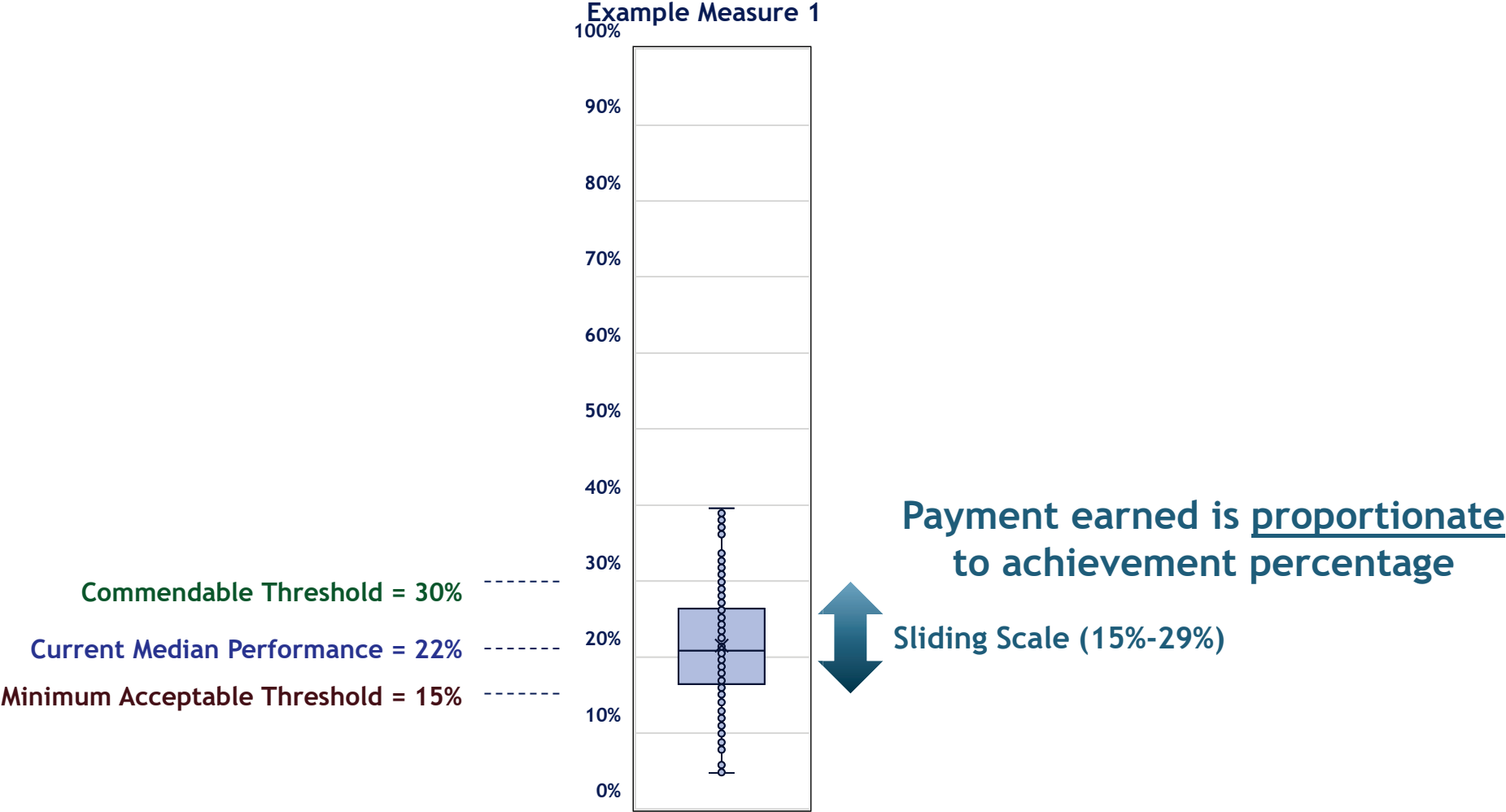
Potential Drawbacks:

- **Inflexibility:** Variances in provider performance within the same tier are not reflected in payment
- **Rounding:** Providers near a tier cutoff could experience payout fluctuations year to year

Questions for consideration - Tiering:

- Is there another component that should be included?
- Are there any unintended consequences?
- Should there be a buffer that prevents year to year backsliding to a lower tier?
 - If so, how much should that buffer account for?

Option 2: Sliding Scale



*Based on measure eligible Fee-for-Service Health First Colorado Members (e.g., excludes CHP+ and Managed Care Populations) and PCMPs with a denominator of 30+.

Example Performance Calculation: Sliding Scale

Example Measure 1 Parameters

Minimum Threshold	Commendable Threshold	Difference (Commendable - Minimum)	Total Possible Measure Points
15%	30%	15%	100

Provider Performance Calculations for Example Measure 1

	Performance Rate	Normalized Score* = (Performance Rate - Minimum Threshold)/Difference <small>*Converts performance rate to a number between 0 and 1</small>	Points Awarded = Normalized Score * Total Points
Practice A	12%	Below Minimum Threshold (15%)	0 points
Practice B	21%	$(21\% - 15\%) / 15\% = 40\%$	$40\% * 100 = 40$ points
Practice C	24%	$(24\% - 15\%) / 15\% = 60\%$	$60\% * 100 = 60$ points
Practice D	27%	$(27\% - 15\%) / 15\% = 80\%$	$80\% * 100 = 80$ points
Practice E	30%	Commendable Threshold (30%)	100 points

Sliding Scale Reward: Potential Benefits and Drawbacks

Potential Benefits:

- **Flexibility:** Variances in provider performance are directly reflected in payment
- **Encouragement:** Minor improvements in performance can result in a higher payout year to year

Potential Drawbacks:

- **Complexity:** It may be more challenging to calculate each provider individually
- **Uncertainty:** Potential payouts are less predictable
- **Potential Backsliding:** Small declines in performance will be reflected in payment

Questions for consideration - Sliding Scale:

- Is there another component that should be included?
- Are there any unintended consequences?
- Should there be a buffer that limits the amount that a provider can backslide?
 - If so, how much should that buffer account for?

Example Payment Variance: Tiering vs Sliding Scale

Provider Performance Calculations for Example Measure 1

	Performance Rate	Tiering Points Awarded	Tiering Payment (Max \$25K)	Sliding Scale Points Awarded	Sliding Scale Payment (Max \$25K)
Practice A	12%	0 points	\$0	0 points	\$0
Practice B	21%	33 points	\$8,250	40 points	\$10,000
Practice C	24%	67 points	\$16,750	60 points	\$15,000
Practice D	27%	67 points	\$16,750	80 points	\$20,000
Practice E	30%	100 points	\$25,000	100 points	\$25,000

Performance Determines Level of Payment Across Multiple Measures

Example Scorecard for Quality Payment

Measure	Points Awarded	Maximum Points
Controlling High Blood Pressure	33	100
Hba1c Poor Control	67	100
Total Points:	100	200

Maximum Eligible Incentives	\$50,000
Practice's Total Points	100
Maximum Possible Points	200
% of Total	$100/200 = 50\%$
Reward Payout to Practice	$(\\$50,000 \times 50\%) = \\$25,000$



4. Looking Ahead



What's Next

- **Next DRT Session:** Wednesday, June 12 from 11:00am - 1:00pm
- **Resources** available for your review:
 - [Team Charter](#)
 - [APM 2 Program Resources](#)
 - APM 101 Videos
 - [APM 1](#)
 - [APM 2](#)
- **Questions?** Please email us
at HCPF_VBPStakeholderEngagement@state.co.us

Upcoming DRT Meeting Topics

Date	DRT Session	APM Framework Component	APM 2 DRT Session Topic (Subcomponent)
Feb 6	1	DRT Overview	Sessions, expectations, background
Feb 28	2	Goals and Objectives	Feedback on goals
Mar 13	3	Quality Measurement and Quality Target Setting	Feedback on quality measures and targets as well as operationalization
Mar 27	4	Payment	Feedback and proposed considerations for attribution method
Apr 24	5	Quality Measurement and Quality Target Setting	Feedback on quality target setting methodology
May 8	6	Office Hour	Questions and feedback
May 22 - Today!	7	Quality Target Setting	Feedback on quality target setting methodology
June 12	8	Payment	Feedback on risk adjustment methodologies & potential uses
June 26	9	Payment	Feedback on prospective payment and reconciliation process
July 10	10	Performance Improvement	Actionable insights, provide must-haves, nice-to-haves
July 24	11	Program Sustainability	Prioritize types of support



Questions?