TN Division of
TennCare

HEALTH CARE INNOVATION INITIATIVE

PCMH and Tennessee Health Link
Quality Thresholds and Efficiency Thresholds Guidance
Performance Year 2018

TennCare thresholds: How thresholds are set

How Thresholds are Set

- *Quality stars:* TennCare set the passing threshold for each metric at a single level statewide. Thresholds were influenced by historical performance, performance improvement scenarios, and health policy goals.

- *Efficiency stars:* MCOs set the passing thresholds to earn efficiency stars under high level guidance from the State. Efficiency stars are earned in different manners depending upon the program and size of the organization.

  - *PCMH organizations with >5,000 members with a single MCO:* Efficiency stars are achieved by meeting or outperforming a series of cost based thresholds

  - *Health Links and other PCMH organizations:* Efficiency stars are achieved by meeting or outperforming efficiency metric thresholds

Earning Quality Stars

Quality Value Redistribution

- Beginning with the 2018 performance year, redistribution of quality values may be applied under certain circumstances.

- Most of the quality metrics are defined by HEDIS. HEDIS requires that an organization have at least 30 observations in the denominator of any metric for it to be measured accurately.

- If an organization does not have at least 30 observations during a calendar year for a given HEDIS metric, that organization is ineligible for that particular quality star. The potential value of each ineligible quality star will be redistributed.

- A detailed description of this process can be found both in the 2018 Health Link Provider Operating Manual and the 2018 PCMH Provider Operating Manual.
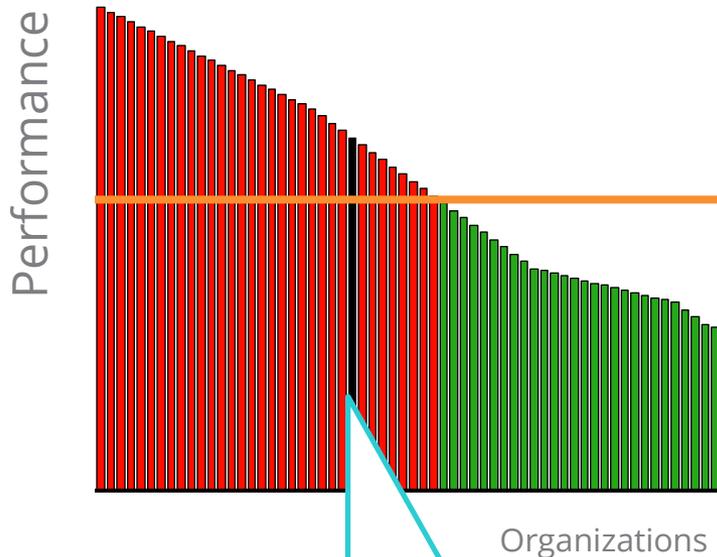
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- **Health Link thresholds**

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- Guidance for efficiency metric thresholds

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- Statewide average Total Cost of Care

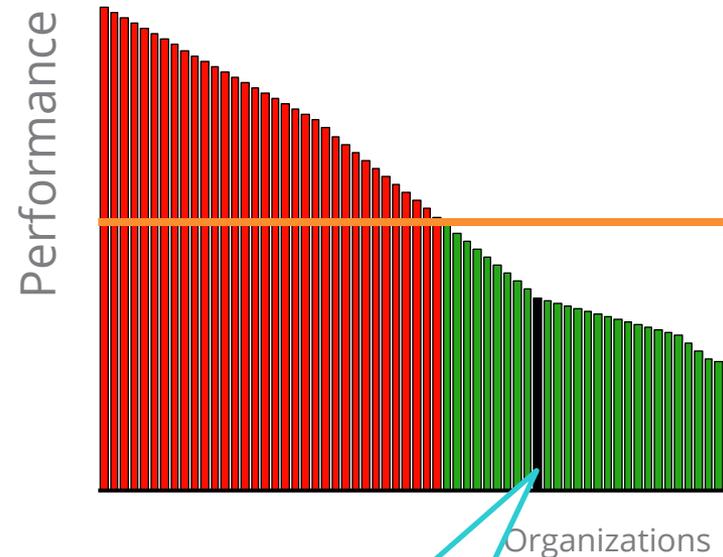# Tennessee Health Link quality stars: Illustrative example

Core Metric

Sub-metric #1

Performance

Organizations

Organization **does not** meet the threshold on sub-metric #1
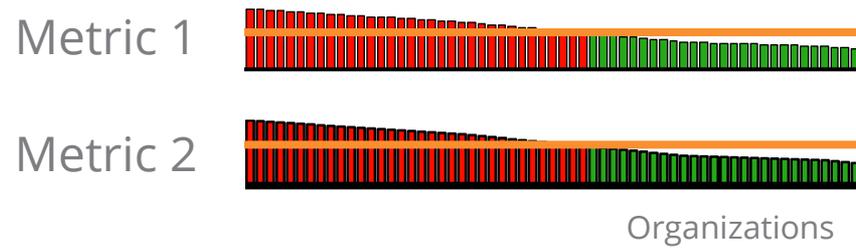
Sub-metric #2

Performance

Organizations

Organization **does** meet the threshold on sub-metric #2

Organization **does not** earn a quality star because the threshold was not met on both eligible sub-metrics

Tennessee Health Link efficiency stars: Illustrative example

Efficiency stars

Metric 1

Metric 2

Organizations

Up to 2 stars earned in the same manner as quality metrics

Summary of quality metrics

Health Link Quality Metrics

1. **7- and 30-day psychiatric hospital / RTF readmission rate**
   - 7-day
   - 30-day
2. **Antidepressant medication management**
   - Acute phase treatment
   - Continuation phase treatment
3. **Follow-up after hospitalization for mental illness within 7 and 30 days**
   - 7-days
   - 30-days
4. **Initiation/engagement of alcohol and drug dependence treatment**
   - Initiation
   - Engagement
5. **Use of multiple concurrent antipsychotics in children/adolescents**
6. **BMI and weight composite metric**
   - Adult BMI screening
   - BMI percentile (children and adolescents only)
7. **Comprehensive diabetes care (Composite 1)**
   - Diabetes eye exam
   - Diabetes BP < 140/90
   - Diabetes nephropathy
8. **Comprehensive diabetes care (Composite 2)**
   - Diabetes HbA1c testing
   - Diabetes HbA1c poor control (> 9%)
9. **EPSDT: Well-child visits ages 7-11 years**
10. **EPSDT: Adolescent well-care visits age 12-21**

Category	Source	Core metrics	Sub-metrics	Threshold to pass the sub-metric	Requirement to pass the core metric (earn a star)
Behavioral Health	TennCare	7- and 30-day psychiatric hospital / RTF readmission rate	7 days	<=5%	Pass all eligible sub-metrics
Behavioral Health	TennCare	7- and 30-day psychiatric hospital / RTF readmission rate	30 days	<=15%	
Behavioral Health	2017 HEDIS AMM	Antidepressant medication management (adults only)	Effective acute phase treatment	>=55%	Pass all eligible sub-metrics
Behavioral Health	2017 HEDIS AMM	Antidepressant medication management (adults only)	Effective continuation phase treatment	>=40%	
Behavioral Health	2017 HEDIS FUH	Follow-up after hospitalization for mental illness within 7 and 30 days	7 days	>=60%	Pass all eligible sub-metrics
Behavioral Health	2017 HEDIS FUH	Follow-up after hospitalization for mental illness within 7 and 30 days	30 days	>=75%	
Behavioral Health	2017 HEDIS IET	Initiation / engagement of alcohol & drug dependence treatment	Initiation	>=45%	Pass all eligible sub-metrics
Behavioral Health	2017 HEDIS IET	Initiation / engagement of alcohol & drug dependence treatment	Engagement	>=15%	
Behavioral Health	2017 HEDIS APC	Use of multiple concurrent antipsychotics in children/adolescents	Total rate	<=1%	Pass the sub-metric

Category	Source	Core metrics	Sub-metrics	Threshold to pass the sub-metric	Requirement to pass the core metric (earn a star)
Physical Health	2017 HEDIS ABA	BMI and Weight composite metric	ABA - Adult BMI screening	>=60%	Pass all eligible sub-metrics
Physical Health	2017 HEDIS WCC	BMI and Weight composite metric	WCC - BMI percentile	>=30%	
Physical Health	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #1)	Diabetes care: eye exam	>=40%	Pass all eligible sub-metrics
Physical Health	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #1)	Diabetes care: BP < 140/90	>=50%	
Physical Health	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #1)	Diabetes care: nephropathy	>=85%	
Physical Health	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #2)	Diabetes care: HbA1c testing	>=85%	Pass all eligible sub-metrics
Physical Health	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #2)	Diabetes care: HbA1c poor control (>9%)	<=50%	
Physical Health	2017 HEDIS AWC	EPSDT: Adolescent well-care visits age 12-21	Total rate	>=45%	Pass the sub-metric
Physical Health	TennCare	EPSDT: Well-child visits ages 7-11 years	Total rate	>=55%	Pass the sub-metric

Health Link thresholds – Efficiency

| Category	Source	Core metrics	Sub-metrics	Threshold to pass the sub-metric
Efficiency	2017 HEDIS AMB	Ambulatory care - ED visits per 1,000 member months	Total rate	MCO specific
Efficiency	2017 HEDIS IPU	Inpatient discharges per 1,000 member months	Total inpatient rate	MCO specific

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TennCare PCMH quality stars: Illustrative example

Core Metric
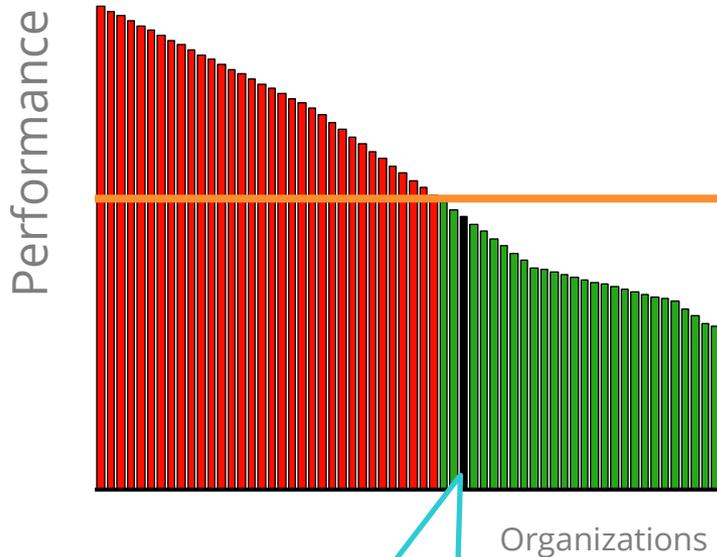
Sub-metric #1
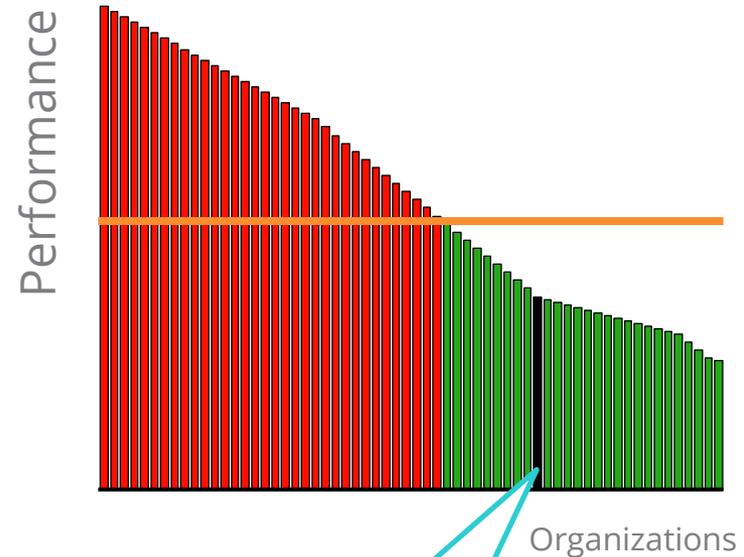

Sub-metric #2

Organization **does** meet the threshold on sub-metric #1

Organization **does** meet the threshold on sub-metric #2

Organization **does** earn a quality star because the threshold was met on both eligible sub-metrics

TennCare PCMH efficiency stars: Illustrative example

Efficiency stars

Low Volume PCMHs
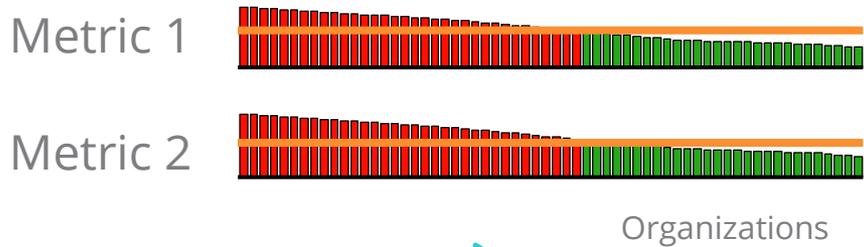
High Volume PCMHs

Metric 1

Metric 2

Organizations

Up to 2 stars earned in the same manner as quality metrics

Cost Performance

◀ 1 star

◀ 2 star

◀ 3 star

◀ 4 star

◀ 5 star
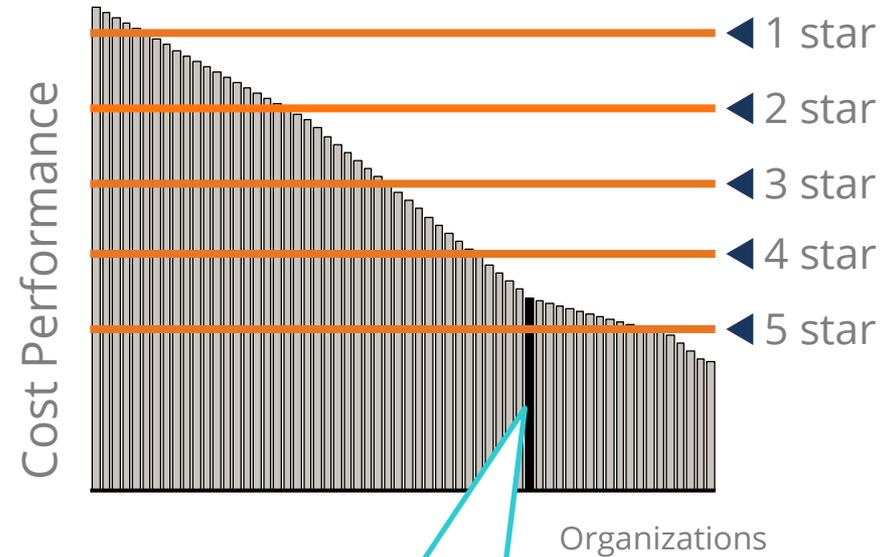
Organizations

Organization earns 4 stars for outperforming the 4 star threshold

Summary of quality metrics for Adult organizations

Adult Practice Quality Metrics

1. Adult BMI screening

2. Antidepressant medication management

3. EPSDT: Adolescent well-care visits age 12-21

4. Comprehensive diabetes care (composite 1)
   Diabetes care: eye exam
   Diabetes care: BP < 140/90
   Diabetes care: nephropathy

5. Comprehensive diabetes care (composite 2)
   Diabetes HbA1c testing
   Diabetes HbA1c poor control (>9%)

PCMH thresholds – Quality – Adult organizations

Category	Source	Core metrics	Sub-metrics	Threshold to pass the sub-metric	Requirement to pass the core metric (earn a star)
Adult	2017 HEDIS ABA	Adult BMI assessment	Adult BMI screening	>=60%	Pass the sub-metric
Adult	2017 HEDIS AMM	Antidepressant medication management (adults only)	Effective acute phase treatment	>=55%	Pass all eligible sub-metrics
Adult	2017 HEDIS AMM	Antidepressant medication management (adults only)	Effective continuation phase treatment	>=40%	
Adult	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #1)	Diabetes care: eye exam	>=40%	Pass all eligible sub-metrics
Adult	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #1)	Diabetes care: BP < 140/90	>=50%	
Adult	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #1)	Diabetes care: nephropathy	>=85%	
Adult	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #2)	Diabetes care: HbA1c testing	>=85%	Pass all eligible sub-metrics
Adult	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #2)	Diabetes care: HbA1c poor control (>9%)	<=50%	
Adult	2017 HEDIS AWC	EPSDT: Adolescent well-care visits age 12-21	Total rate	>=45%	Pass the sub-metric

Summary of quality metrics for Pediatric organizations

Pediatric Practice Quality Metrics

(1) EPSDT screening rate (composite for older kids)
Well-child visits ages 7-11 years
Adolescent well-care visits age 12-21

(2) Asthma medication management

(3) Immunization composite metric
Childhood immunizations
Immunizations for adolescents

(4) EPSDT screening rate (composite for younger kids)
Well-child visits first 15 months
Well-child visits at 18, 24, & 30 months
Well-child visits ages 3-6 years

(5) Weight assessment and nutritional counseling
BMI percentile
Counseling for nutrition

PCMH thresholds – Quality – Pediatric organizations

Category	Source	Core metrics	Sub-metrics	Threshold to pass the sub-metric	Requirement to pass the core metric (earn a star)
Pediatric	2017 HEDIS AWC	EPSDT Composite #1	EPSDT: Adolescent well-care visits age 12-21	>=45%	Pass all eligible sub-metrics
Pediatric	TennCare	EPSDT Composite #1	EPSDT: Well-child visits ages 7-11 years	>=55%	
Pediatric	2017 HEDIS W15	EPSDT Composite #3	EPSDT: Well-child visits first 15 months – 6 or more visits	>=45%	Pass all eligible sub-metrics
Pediatric	TennCare	EPSDT Composite #3	EPSDT: Well-child visits at 18, 24, & 30 months	>=34%	
Pediatric	2017 HEDIS W34	EPSDT Composite #3	EPSDT: Well-child visits ages 3-6 years	>=65%	
Pediatric	2017 HEDIS MMA	Asthma medication management	% of members who remained on an asthma controller medication for at least 75% of their treatment – Total rate	>=30%	Pass all eligible sub-metrics
Pediatric	2017 HEDIS IMA	Immunization composite metric (children and adolescents only)	Combination 2	>=65%	Pass all eligible sub-metrics
Pediatric	2017 HEDIS CIS	Immunization composite metric (children and adolescents only)	Combination 3	>=45%	
Pediatric	2017 HEDIS WCC	Weight assessment and counseling for nutrition for children/adolescents	BMI percentile	>=30%	Pass all eligible sub-metrics
Pediatric	2017 HEDIS WCC	Weight assessment and counseling for nutrition for children/adolescents	Counseling for nutrition	>=30%	

Summary of quality metrics for Family organizations

Family Practice Quality Metrics

1. **Adult BMI screening**
2. **Antidepressant medication management**
3. **Comprehensive diabetes care (composite 1)**
   - Diabetes eye exam
   - Diabetes BP < 140/90
   - Diabetes nephropathy
4. **Comprehensive diabetes care (composite 2)**
   - Diabetes HbA1c testing
   - Diabetes HbA1c poor control (> 9%)
5. **Asthma medication management**
6. **Immunization composite metric**
   - Childhood immunizations
   - Immunizations for adolescents
7. **EPSDT screening rate (Composite for youngest kids)**
   - Well-child visits first 15 months
   - Well-child visits at 18, 24, & 30 months
8. **EPSDT: Well-child visits ages 3-6 years**
9. **EPSDT Screening (Composite for older kids)**
   - Well-child visits ages 7-11 years
   - Adolescent well-care visits age 12-21
10. **Weight assessment and nutritional counseling**
    - BMI percentile
    - Counseling for nutrition

PCMH thresholds – Quality – Family organizations – Page 1 of 2

Category	Source	Core metrics	Sub-metrics	Threshold to pass the sub-metric	Requirement to pass the core metric (earn a star)
Family	2017 HEDIS ABA	Adult BMI assessment	Adult BMI screening	>=60%	Pass the sub-metric
Family	2017 HEDIS AMM	Antidepressant medication management (adults only)	Effective acute phase treatment	>=55%	Pass all eligible sub-metrics
Family	2017 HEDIS AMM	Antidepressant medication management (adults only)	Effective continuation phase treatment	>=40%	
Family	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #1)	Diabetes care: eye exam	>=40%	Pass all eligible sub-metrics
Family	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #1)	Diabetes care: BP < 140/90	>=50%	
Family	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #1)	Diabetes care: nephropathy	>=85%	
Family	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #2)	Diabetes care: HbA1c testing	>=85%	Pass all eligible sub-metrics
Family	2017 HEDIS CDC	Comprehensive Diabetes Care (Composite #2)	Diabetes care: HbA1c poor control (>9%)	<=50%	
Family	2017 HEDIS W34	EPSDT: Well-child visits ages 3-6 years	Total rate	>=65%	Pass the sub-metric

Category	Source	Core metrics	Sub-metrics	Threshold to pass the sub-metric	Requirement to pass the core metric (earn a star)
Family	2017 HEDIS AWC	EPSDT Composite #1	EPSDT: Adolescent well-care visits age 12-21	>=45%	Pass all eligible sub-metrics
Family	TennCare	EPSDT Composite #1	EPSDT: Well-child visits ages 7-11 years	>=55%	
Family	2017 HEDIS W15	EPSDT Composite #2	EPSDT: Well-child visits first 15 months – 6 or more visits	>=45%	Pass all eligible sub-metrics
Family	TennCare	EPSDT Composite #2	EPSDT: Well-child visits at 18, 24, & 30 months	>=34%	
Family	2017 HEDIS MMA	Asthma medication management	% of members who remained on an asthma controller medication for at least 75% of their treatment – Total rate	>=30%	Pass the sub-metric
Family	2017 HEDIS IMA	Immunization composite metric (children and adolescents only)	Combination 2	>=65%	Pass all eligible sub-metrics
Family	2017 HEDIS CIS	Immunization composite metric (children and adolescents only)	Combination 3	>=45%	
Family	2017 HEDIS WCC	Weight assessment and counseling for nutrition for children/adolescents	BMI percentile	>=30%	Pass all eligible sub-metrics
Family	2017 HEDIS WCC	Weight assessment and counseling for nutrition for children/adolescents	Counseling for nutrition	>=30%	

PCMH thresholds – Efficiency – Low Volume organizations

Category	Source	Core metrics	Sub-metrics	Threshold to pass the sub-metric
Efficiency	2017 HEDIS AMB	Ambulatory care - ED visits per 1,000 member months	Total rate	MCO specific
Efficiency	2017 HEDIS IPU	Inpatient discharges per 1,000 member months	Total inpatient rate	MCO specific

PCMH thresholds – Efficiency – High Volume organizations

Category	Source	Usage	Threshold levels	Threshold to pass	Requirement to earn stars
Efficiency - TCOC	TennCare	Cost thresholds	5 star threshold	MCO specific	
Efficiency - TCOC	TennCare	Cost thresholds	4 star threshold	MCO specific	Earn number of stars for the best threshold that is achieved
Efficiency - TCOC	TennCare	Cost thresholds	3 star threshold	MCO specific	
Efficiency - TCOC	TennCare	Cost thresholds	2 star threshold	MCO specific	
Efficiency - TCOC	TennCare	Cost thresholds	1 star threshold	MCO specific	

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Efficiency threshold guidance - metrics

- The two measures are:
    1. ED Vists per 1,000 member months (AMB)
    2. Inpatient Discharges per 1,000 member months (IPU)
- Always use the most recent HEDIS definitions
- Each measure's threshold should represent the average performance on that measure in CY 2016.
- MCOs are asked to set a total of 6 thresholds:
    1. Health Link ED Visits
    2. Health Link Inpatient Discharges
    3. PCMH ED Visits: Family & Adult PCMHs
    4. PCMH Inpatient Discharges: Family & Adult PCMHs
    5. PCMH ED Visits: Pediatric PCMHs
    6. PCMH Inpatient Discharges: Pediatric PCMHs
- These thresholds should represent average performance. In other words, if a PCMH or THL shows performance above average for their members, that organization will earn a star.

Efficiency threshold guidance – metrics (continued)

PCMH

- For **PCMH family and adult organizations**, calculate the average performance of all TennCare members using 2016 data. This will include both children and adult members. You may use the a panel based on the run date you have closest to 12/31/2016.
- For **PCMH pediatric organizations**, calculate the average performance of all TennCare members ages 0 -19 as of December 31, 2016 using 2016 data. You may use the a panel based on the run date you have closest to 12/31/2016.
  - o TN chose ages 0-19 to match the age frames already designated by HEDIS.

Health Link

- For **Health Link**, calculate the average performance of all members who were eligible for Health Link at the end of December 2016. Remove excluded members. You may use the a panel based on the run date you have closest to 12/31/2016.

Thresholds should be set using *member averages* rather than practice averages.

Efficiency threshold guidance – Total Cost of Care (PCMH only)

Earning TCOC efficiency stars (for high volume panel >= 5,000 member organizations)

Distribution of prior year provider performance

Average total cost of care (PMPM)

TaxIDs

0 stars | *Example*
95th | $200
 | $180
 | $160
 | $140
 | $120
5th | $100

Approach to TCOC thresholding

- Use all Tax IDs with 500 or more point-in-time members on December 31, 2016. You may use the a panel based on the run date you have closest to 12/31/2016.
- Use risk adjusted TCOC from CY16 calculated in accordance with the PCMH DBR
- Rank Tax IDs from high to low cost
- Identify the 5th and 95th percentiles for cost
- Segment the remaining cost range into 5 bands, equally distributed by cost
- Assign stars based on the band that contains the provider's risk adjusted TCOC

1 500 members is used as the minimum instead of 5,000 so that a more robust curve is created. Adequate spread of 5,000 member organizations across star levels was created using this methodology at the state level

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Chronic Illness and Disability Payment System (CDPS)

- The Chronic Illness and Disability Payment System (CDPS) is a diagnostic classification system that Medicaid programs can use to make health-based capitated payments for TANF and disabled Medicaid beneficiaries.

- TennCare is using CDPS for the PCMH program because CDPS is the risk adjustment tool of choice for Altruista, the Care Coordination Tool vendor

Review of CDPS model

	Description
Model design decisions	• CDPS has both concurrent and prospective risk models • The concurrent model will be used to calculate risk-adjusted total cost of care • The prospective model will be used to calculate activity payment PMPMs • Model will utilize both medical and pharmacy categories

Aid category	• The TennCare aid categories have been mapped to the four CDPS specified aid categories, which have different risk weights:
	   - Children TANF
	   - Adult TANF
	   - Disabled Children
	   - Disabled Adults

Model algorithm	• CDPS is an additive and hierarchical model
	   – 20 major categories of medical diagnoses and 15 pharmacy categories
	   – Members will only have one risk weight from a diagnosis category which will always be the condition of highest severity
	   – These weights will be totaled to derive a member's risk score
	• CDPS was built using a population of Medicaid FFS data only; weights are developed using that population

Practice-level risk band guidance

- The State has set the following risk bands using CDPS prospective model:
    - 0 to 1.05
    - 1.05 to 1.15
    - 1.15 to 1.25
    - 1.25 to 1.4
    - 1.4 or greater

- Each MCO should assign a PMPM activity payment amount per risk band using the following guidance:
    - Average PMPM across all organizations should meet at least a $4 average
    - No band can be below $1 PMPM
    - Each band must earn more than the previous band

- The PMPM amount per organization will be reevaluated each year based on the risk of that organization's panel.
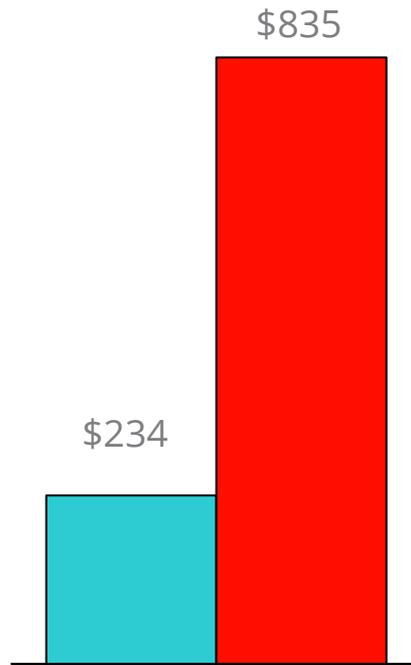
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Statewide average Total Cost of Care

Total Cost of Care (TCOC)
USD PMPM
CY 2015

- PCMH
- Health Link

$835

$234

- Statewide average TCOC used for calculation of outcome payments for Health Links and PCMH organizations with <5000 members

- Average is calculated using a **capped mean:**
  - Mean is calculated across all MCOs
  - Capped indicates members with TCOC >$100,000 are set to a cost of $100,000
  - Capped most closely matches broader TCOC calculation

- Averages may be re-evaluated after first performance year

TN