



**DRAFT FOR PUBLIC COMMENT**  
**MCM Withhold and Incentive Program Guidance**

## **1. INTRODUCTION AND PURPOSE**

This *draft* Withhold and Incentive Program Policy (or, “Policy”) will, once finalized by DHHS, apply to all Managed Care Organizations (MCOs) participating in the Medicaid Care Management (MCM) program as of July 1, 2019, consistent with the requirements outlined in Section 5.4 (MCM Withhold and Incentive Program) of the MCM Agreement.

The MCM Withhold and Incentive Program is based on a Withhold applied to the capitation payments made by DHHS to MCOs participating the MCM program. The goal of the MCM Withhold and Incentive Program is to establish incentives in addition to those outlined in the MCM Agreement for meeting performance requirements and priorities established by DHHS, as described in this guidance.

Broadly, the MCM Withhold and Incentive Program will require MCOs to meet a minimum performance standard for measures in three priority Performance Categories – Quality Improvement, Care Management, and Behavioral Health. Upon satisfying the minimum performance standard, MCOs will become eligible to earn back withheld capitation payments based on their performance against DHHS performance targets in each of the three Performance Categories. In addition, if one or more MCO fails to earn back its full withhold, those unearned dollars will be used to finance an incentive pool that is available for additional incentive payments to be made to high-performing MCO(s).

As often as once annually, DHHS plans to reassess and modify the MCM Withhold and Incentive Program. The performance metrics, populations, and individual metrics described in this Policy will be developed by DHHS, taking into account input from a workgroup consisting of members from DHHS and each MCO. Final decisions, however, regarding the MCM Withhold and Incentive Program will be made exclusively by DHHS. Each MCO shall comply with all subsequent changes specified by DHHS.

## **2. DEFINITIONS**

### **Earned Withhold**

Earned Withhold means the amount of the Withhold returned to the MCO based on the results of the MCO’s performance against the Earned Withhold Performance Standards described in this Policy, not to exceed 100% of the MCO’s withheld capitation payment amount.

### **Incentive Payment**

Incentive Payment means the amount of the incentive pool returned to the MCO based on the results of the MCO’s performance against the Earned Withhold Performance Standards described in this Policy, not to exceed – once added to the Earned Withhold payment – 105% of the MCO’s withheld capitation payment amount.



**DRAFT FOR PUBLIC COMMENT**  
**MCM Withhold and Incentive Program Guidance**

**Performance Measure**

Performance Measure means the measures and quantitative targets set forth within this Policy for use in determining the Earned Withhold and/or Incentive Payment to be made to each MCO participating in the MCM program.

**Withhold**

Withhold means a specified percentage of all MCOs' gross capitation payments, net of directed payments (as identified by DHHS), that will be withheld by DHHS via a recoupment after the completion of the contract year and may be repaid in full or in part to the MCO on the basis of the MCO's performance.

### **3. POLICY**

#### **3.1 General**

The total Withhold amount to be recouped by DHHS is equal to two percent (2%) of the Capitation Rate for Medicaid-eligible enrollees in the MCM program, net of directed payments.

Withhold percentages will not be applied to directed payments, including payments to Community Mental Health Programs (CMHPs), and any other payments otherwise identified by DHHS as a directed payment.

The MCO's performance will be assessed in three (3) Performance Categories: Quality Improvement, Care Management, and Behavioral Health. The MCO's performance against measures assigned to each Performance Category will be assessed on the basis of the:

- Minimum Performance Standard (described in Section 3.2.1 below), which will be used to determine whether the MCO is eligible for receipt of any Earned Withhold and/or Incentive Payment, across all Performance Categories;
- Earned Withhold Performance Standard (described in Section 3.2.2 below), which will be used to determine the Earned Withhold amount; and the
- Incentive Payment Performance Standard (described in Section 3.2.3 below), which will be used to determine whether the MCO is eligible for receipt of any Incentive Payment.

DHHS reserves the right to eliminate a particular Performance Measure for use in this Policy. In such instance, DHHS will remove each MCO's Withhold amount for that measure.

DHHS reserves the right to exclude a particular MCO from one or more Performance Measure(s) used in this Policy based on the MCO's lack of a sufficient population for the denominator of the measure to provide for a credible statistic, or other reasons determined by DHHS. In such instance, DHHS will remove the MCO's Withhold amount for that Performance Measure.



**DRAFT FOR PUBLIC COMMENT**  
**MCM Withhold and Incentive Program Guidance**

The methods and procedures used for data sources, validation, and tabulation of results will be described in DHHS Measurement Specifications for Exhibit O for the measurement year or if not contained in Exhibit O, as an appendix to this document. Risk adjustment methods for specific Performance Measures will be considered and utilized, if deemed appropriate by DHHS.

### **3.2 Performance Standards**

#### **3.2.1 Minimum Performance Standard for Earned Withhold Eligibility**

Measures are grouped into Performance Categories. To qualify for an Earned Withhold for a measure the MCO shall meet *all* of the Minimum Performance Standards for all measures within a Performance Category. Performance Categories and Measures for Calendar Year 2020 are provided in Figure A below. Measure performance will be assessed by DHHS or the DHHS-assigned External Quality Review Organization (EQRO).

Minimum performance standards will be determined by DHHS.

*Figure A. Minimum Performance Standards*

<b>Performance Category</b>	<b>Performance Measure</b>	<b>Minimum Performance Standard</b>
Quality Improvement	Frequent (4+ /year) Emergency Department Users Age 6 and Older	
	Timeliness of Prenatal Care (HEDIS PPC)	
	Percent of Members with Polypharmacy Who Completed a Comprehensive Medicaid Review and Counseling	
	Adolescent Well-Care Visits (HEDIS AWC)	
	Follow-Up After Emergency Department Visit for Alcohol and Other Drug Abuse or Dependence – 7 Day (HEDIS FUA)	
	Follow-Up After Hospitalization for Mental Illness – 7 Day (Includes members discharged from NH Hospital) (HEDIS FUH modified to include unreimbursed NH Hospital stays)	
Care Management	The Percent of MCM Members that Received a Health Risk Assessment Within 90 days of Enrollment	
	The Percent of Newborns Diagnosed with Neonatal Abstinence Syndrome (and parents) who Receive Care Management from the MCO Directly, or via a Designated Local Care Management Entity	
	The Percent of MCM Members that Received Care Management from the MCO Directly, or via a Designated Local Care Management Entity	



**DRAFT FOR PUBLIC COMMENT**  
**MCM Withhold and Incentive Program Guidance**

Performance Category	Performance Measure	Minimum Performance Standard
Behavioral Health	The Percent of Community Mental Health Program Eligible MCM members (as defined in He-M 426 <sup>1</sup> and described in Section 4.11.5.3 of the MCM Agreement) that Receive Assertive Community Treatment (ACT) services Consistent with a Fidelity Score of 85 or More	
	The Percent of MCM Members in an Emergency Department or a Medical Ward that are Awaiting Psychiatric Placement for 24 hours or more	

Failure to meet the Minimum Performance Standards in accordance with DHHS requirements will disqualify the MCO from receiving any Earned Withhold for the contract year in the relevant Performance Category. In such event, the MCO’s Withhold amount will still be assessed and used to fund the Incentive Payment funds available to qualifying MCOs.

**3.2.2 Earned Withhold Performance Calculation**

DHHS will determine the amount of the Earned Withhold to be paid to the MCO on the basis of the MCO’s performance relative to the Earned Withhold Performance Standards for the CY2020 measures provided in Figure C below. Measure performance will be assessed by DHHS or the DHHS-assigned External Quality Review Organization (EQRO).

Performance Measures shall be equally weighted within each Performance Category, but performance categories may have varying weights. For example in Figure C below, the Quality Performance Category is worth 50% of the total Withhold points, while the Care Management and Behavioral Health categories are each worth 25% of the total Withhold Points.

MCO performance will be measured on an overall basis against achievement of all annual goals. MCO’s will be given points based on their performance on each measure. Each Performance Measure will be scored from 0 to 3 based on measure results as follows in Figure B.

Measure points will be weighted by performance category and totaled across all measures. The MCOs result will be scored relative to the maximum possible points. MCO’s Earned Withhold will be calculated as the total withhold amount in dollars times the percent of possible total points.

<sup>1</sup> Available at: [http://www.gencourt.state.nh.us/rules/state\\_agencies/he-m.html](http://www.gencourt.state.nh.us/rules/state_agencies/he-m.html)



**DRAFT FOR PUBLIC COMMENT**  
**MCM Withhold and Incentive Program Guidance**

*Figure B. Earned Withhold Performance Point Scale*

Range	Points
Minimum Performance Standard to <Less Than 1/3 of Filled Gap to Performance Standard	0
1/3 to Less Than 2/3 of Gap to Performance Standard	1
2/3 to Less Than Performance Standard	2
Performance Standard or Greater	3

*Figure C. Earned Withhold Performance Standards*

Performance Category	Performance Measure	Minimum Performance Standard
Quality Improvement (50% of Withhold Points)	Frequent (4+/year) Emergency Department Users Age 6 and Older	
	Timeliness of Prenatal Care (HEDIS PPC)	
	Percent of Members with Polypharmacy Who Completed a Comprehensive Medicaid Review and Counseling	
	Adolescent Well-Care Visits (HEDIS AWC)	
	Follow-Up After Emergency Department Visit for Alcohol and Other Drug Abuse or Dependence – 7 Day (HEDIS FUA)	
	Follow-Up After Hospitalization for Mental Illness – 7 Day (Includes members discharged from NH Hospital) (HEDIS FUH modified to include unreimbursed NH Hospital stays)	
Care Management (25% if Withhold Points)	The Percent of MCM Members that Received a Health Risk Assessment Within 90 days of Enrollment	
	The Percent of Newborns Diagnosed with Neonatal Abstinence Syndrome (and parents) who Receive Care Management from the MCO Directly, or via a Designated Local Care Management Entity	
	The Percent of MCM Members that Received Care Management from the MCO Directly, or via a Designated Local Care Management Entity	
Behavioral Health (25% if Withhold Points)	The Percent of Community Mental Health Program Eligible MCM members (as defined in He-M 426 <sup>2</sup> and described in Section 4.11.5.3 of the MCM Agreement) that Receive Assertive Community Treatment (ACT) services Consistent with a Fidelity Score of 85 or More	

<sup>2</sup> Available at: [http://www.gencourt.state.nh.us/rules/state\\_agencies/he-m.html](http://www.gencourt.state.nh.us/rules/state_agencies/he-m.html)



**DRAFT FOR PUBLIC COMMENT**  
**MCM Withhold and Incentive Program Guidance**

Performance Category	Performance Measure	Minimum Performance Standard
	The Percent of MCM Members in an Emergency Department or a Medical Ward that are Awaiting Psychiatric Placement for 24 hours or more	

**3.2.3 Incentive Payment Performance Standard**

In the event that any MCO does not meet any of the Minimum Performance Standard or all of the Earned Withhold Performance Standards described in Section 3.2.1 and Section 3.2.2 of this Policy, DHHS shall use the unearned Withhold funds to fund an incentive pool through which each MCO that met all the Minimum Performance Standards may earn an Incentive Payment.

The total incentive pool will be calculated by subtracting the total Earned Withhold payments for all MCOs from the total Earned Withhold for all MCOs.

The Incentive Payment to each MCO will be calculated on the basis of the MCO’s performance relative to its peers in each Performance Category for measures where the MCO exceeded the Earned Withhold Performance Standard. In effect, this allows a high-performing MCO to receive a combined Earned Withhold and Incentive Payment that is greater than the amount of the MCO’s contribution to the Withhold. Depending on the performance of other MCOs and available incentive dollars, the payment may be up to (but no more than) 5% of the MCO’s qualifying capitation revenue.

The MCO shall be deemed ineligible to earn an Incentive Payment for any Performance Category in which the MCO did not satisfy the Minimum Performance Standard for all measures included in that Performance Category.

**3.3 DHHS Assessment of MCO Performance and Payment Mechanics**

DHHS will pay to MCOs participating in the MCM program the full Capitation Payment, as described in the MCM Agreement, without withholding any dollars from the premium during the contract year.

The Withhold amount may be adjusted by DHHS, if necessary, for the elimination of a particular measure or the elimination of an MCO from a particular measure as indicated in Section 3.1 of this Policy.

An MCO may earn less than, equal to, or more than the MCO’s contribution to the Withhold, provided that no MCO earns greater than 105% of the MCO’s withheld capitation rate in accordance with federal regulation.



**DRAFT FOR PUBLIC COMMENT**  
**MCM Withhold and Incentive Program Guidance**

Between one (1) and three (3) months after the DHHS Withhold performance report for the measurement year has been issued, DHHS shall tabulate and report to each MCO its performance and the dollar amount of the Earned Withhold and Incentive Payment. DHHS will recoup from or make payment to the MCO as follows:

- If DHHS determines that the MCO has achieved the maximum Earned Withhold, the MCO will not owe payment to DHHS and may retain the Withhold (there is no financial exchange).
- If DHHS determines that the MCO has earned less than 100% of the Earned Withhold, the MCO will owe to DHHS the dollar amount of the Withhold less the value of the Earned Withhold.
- If DHHS determines that the MCO has earned an Incentive Payment that, when combined with the MCO's Earned Withhold payment is greater than the value of the Withhold, DHHS will owe to the MCO the sum of the Earned Withhold and Incentive Payment, less the value of the Withhold.

If the MCO's performance results in the MCO owing payment to DHHS, the MCO shall make during the subsequent contract year a lump sum payment in the amount of the Withhold less the value of the Earned Withhold. If the MCO's performance results in an Incentive Payment that is greater than the value of the Withhold, DHHS shall make during the subsequent contract year a lump sum payment that is the sum of the Earned Withhold and Incentive Payment, less the value of the Withhold (provided that the payment does not exceed 105% of the MCO's capitation rate).

Included in DHHS's report to each MCO regarding its performance and the dollar amount of the Earned Withhold and Incentive Payment, DHHS will provide a written deadline for the MCO's review and comment. Upon completion of the review period, DHHS will evaluate all MCO comments and address any issues as warranted.