AUTO-ASSIGNMENT INCENTIVE PROGRAM OVERVIEW: PROGRAM YEAR 19

OVERVIEW

The Auto-Assignment Incentive Program was initially implemented in the Medi-Cal managed care program in December 2005 (Year 1) in the Geographic Managed Care (GMC) and Two-MCP Model (2-Plan) counties. Since January 2017 (Year 12) Imperial and the Regional Model (RM) counties were included in the program's calculations. This methodology is applicable for participating Medi-Cal Managed Care Plans (MCPs) in the Auto-Assignment Incentive program for 2024. The program is designed to reward a greater percentage of default enrollments based upon specific performance measures. Quality performance measures are used to develop an adjustment factor for the program. Historically, Safety Net Primary Care Provider (PCP) Assignment as detailed in AB 85[1] and Encounter Data Quality were part of the Auto-assignment incentive program. Going forward however, they are independently assessed and monitored by the program and are not factored into the methodology (unless a plan is out of compliance with AB 85).[2]

[1] AB 85: http://www.leginfo.ca.gov/pub/13-14/bill/asm/ab_0051-0100/ab_85_bill_20130627_chaptered.pdf

[2] Encounter Data Validation grades will be assessed separately from the Auto-Assignment Algorithm prioritizing enforcement action for lower performing MCPs demonstrating opportunities for improvement.

METHODOLOGY

Scoring of Quality Measure Performance Results

Points are assigned to each plan's rate for individual quality measure – "current year" points and "improvement" points. This scoring methodology is the same methodology as was used for previous program years but updated to include additional quality measures. Previous program years used four (4) quality measures, while this methodology uses eleven (11) quality measures.

- For current year points, plans are compared to each other (2-plan counties) or to the county's harmonic mean (GMC counties) and awarded points based on whether the plan's score for each measure is statistically superior to the other (2-plan) or to the harmonic mean (GMC), statistically equivalent or statistically inferior.
- An improvement point is awarded if a plan's performance has improved over the previous year or in the case of "exceptionally strong performance" (at or above NCQA's national 90th percentile for Medicaid managed care and better than 75% overall). No point is awarded if the plan's performance is unchanged from the previous year, and a point is removed if the plan's performance has deteriorated from the previous year.

Cap on Percentage of Total Assignments

The maximum change in the default allocation for any one plan is "capped" at 20% from the previous year. This will protect for large fluctuations in rates that may be the result of external factors that require a closer examination for the variation.

AB-85 25% Reduction for Inadequate Safety Net PCP Assignment

The AB-85 policy states that, if a MCP does not assign the required amount of its Members, who do not choose a PCP, to an identified Safety Net provider, their net default allocation may be reduced by 25%. If a MCP would otherwise already receive 25% or less, the MCP may not receive any defaults. If the MCP was unable to meet the requirements of AB-85 due to provider panel closures or time and distance requirements, the adjustment may not be made to their default allocation. Historically, DHCS had found that MCP's did assign as required so there were no 25% reductions due to non-allocation. This section will be updated with new data reflecting the most current's year's findings of AB-85 compliance.

New Plans Entering a County

Beginning in 2024 some counties have MCP's that entered the service area for the first time. Since there is no comparable quality metric data for new plans entering a county, an equal assignment split will be applied to all plans within that county. The default rate will be set the same for all applicable plans. This even split will continue until quality metrics can be assessed for the new plan.

Kaiser Foundation Health Plan Inc. Default Enrollment

Kaiser Foundation Health Plan Inc. (KFHP) is entering the PY 19 Auto-Assignment program with a set default enrollment ceiling of 3000 Members in total that are auto-assigned. To allow for this expansion into the program and the ceiling amount, KFHP is receiving the total amount specified in Table 1 below as one allocation. In these counties KFHP is entering into the program, the existing MCPs' default allocated rate will be paused while KFHP received the total amount for each county. Once that is achieved, the existing MCPs' default rate will resume as calculated through the methodology above.

Table 1: Counties Kaiser will Enter and Amount

County	2024 Default Enrollment Ceiling
Kern	51
Los Angeles	946
San Bernardino	321
San Diego	239
San Francisco	600
Santa Clara	600
Riverside	243
Total	**3000**

QUALITY METRICS FACTORED INTO AUTO-ASSIGNMENT

- Well Child Visits in the first 30 Months of life-Well-Child Visits in the first 15 months (W30-6)
- Well Child Visits in the first 30 Months of life-Well-Child Visits for age 15 months-30 months (W30-2)
- Child and Adolescent Well-Care Visits (WCV)
- Childhood Immunization Status – Combination 10 (CIS-10)
- Immunizations for Adolescents: Combination 2 (IMA-2)
- Comprehensive Diabetes Care: HbA1c Poor Control (>9.0%) (CDC-H9)
- Controlling High Blood Pressure (CBP)
- Follow-Up After Emergency Department Visit for Mental Illness (FUM)
- Follow-Up After Emergency Department Visit for Alcohol and Other Drug Abuse or Dependence (FUA)
- Prenatal and Postpartum Care: Postpartum Care (PPC-Pst)
- Prenatal and Postpartum Care: Timeliness of Prenatal Care (PPC-Pre)

APPENDIX A: FINAL METHODOLOGY

Auto Assignment (AA)

Proposed Methodology with Examples

Purpose: This document outlines the methodology for the 2024 Auto-Assignment Incentive Program that was developed based on feedback from plans in January 2024.

METHODOLOGY:

DHCS selected a subset of MCAS quality measures for the Auto-Assignment.

The eleven (11) measures are:

1. Well Child Visits in the first 30 Months of life-Well-Child Visits in the first 15 months (W30-6)
2. Well Child Visits in the first 30 Months of life-Well-Child Visits for age 15 months-30 months (W30-2)
3. Child and Adolescent Well-Care Visits (WCV)
4. Childhood Immunization Status – Combination 10 (CIS-10)
5. Immunizations for Adolescents: Combination 2 (IMA-2)
6. Comprehensive Diabetes Care: HbA1c Poor Control (>9.0%) (CDC-H9)* (Lower rate indicates better performance)
7. Controlling High Blood Pressure (CBP)
8. Follow-Up After Emergency Department Visit for Mental Illness (FUM)
9. Follow-Up After Emergency Department Visit for Alcohol and Other Drug Abuse or Dependence (FUA)** (excluded in San Diego County)
10. Prenatal and Postpartum Care: Postpartum Care (PPC-Pst)
11. Prenatal and Postpartum Care: Timeliness of Prenatal Care (PPC-Pre)

Sourcing of MCAS quality measures for the Auto-Assignment:

The rates for the measures are those provided by plans to DHCS through the external quality review organization (EQRO). The MY 2022 MCAS audited rates were submitted to DHCS on June 15, 2023, and the rates were released publicly to all MCPs on October 23, 2023.

Counties impacted in the methodology:

1. Two Plan: Fresno, Kings, Los Angeles, Madera, Riverside, San Bernardino, San Francisco, San Joaquin, Santa Clara, Stanislaus, Tulare
2. GMC: Sacramento, San Diego
3. Region 2: Amador, Calaveras, Inyo, Mono, Tuolumne

Counties not impacted: Alpine, El Dorado, and Kern counties will receive a 50/50 split.

Methodology with Example Calculations

To better understand the Auto Assignment Methodology, this document shows step-by-step example calculations and formulas used in the methodology. The data and numbers used are fictional yet realistic, and not based on any specific plan. This document is to be used as a learning tool and reference material to aid specific application and technical implementation.

Comparison Approach

The methodology uses the MY 2022/RY 2023 MCAS audited rates to do two comparisons:

- A Plan-to-Plan Comparison
- A Year-to-Year Comparison

The Plan-to-Plan Comparison results in a **Current Year Score.** The example calculations for the Current Year Score are split into two sections due to differences in methodology:

- Example Current Year Score calculation for Non-GMC County Plans
- Example Current Year Score calculation for GMC County Plans

The Year-to-Year Comparison results in an **Improvement Score.** Both Non-GMC and GMC county plans use the same methodology for calculating their Improvement Score for a single measure.

The sum of the **Current Year Score** and **Improvement Score** result in the **Aggregate Score.**

The sum of the **Aggregate Scores** across plans in the County allows for the calculation of the **Percentage Allocation**.

Calculating the Current Year Score (Plan-to-Plan Comparison)

Non-GMC County Plans

Step 1: Compare the performance of the plans in the county to each other using example data from Table 2.

Table 2: Example Plan Rates and Denominators for a single HEDIS Measure

HEDIS Measure	Plan 1	Plan 2
Measure 1 Rate (Example: CBP)	55.61%	44.39%
Denominator	411	400

Step 2: Use a statistical test to determine if the difference between plans is statistically significant. The statistical test used is an un-pooled, two-tailed z-test (Baldi & Moore, 2018; Eberhardt & Fligner, 2017) for a significance level (alpha) of 0.05, where a p-value < 0.05 is considered significant.

- **H0 (Null hypothesis):** There is no difference between the measures for the two plans, or:
  - **H0:** Plan 1 Rate – Plan 2 Rate = 0.
- **H1 (Alternative Hypothesis):** There is a difference between the measures for the two plans, or:
  - **H1:** Plan 1 Rate – Plan 2 Rate ≠ 0.
- Calculate an un-pooled, two-tailed z-score using the plan-specific measures and denominators:

$$Z = \frac{(Plan\ 1\ Rate - Plan\ 2\ Rate)}{\sqrt{\frac{Plan\ 1\ Rate * (1 - Plan\ 1\ Rate)}{Plan\ 1\ Denominator} + \frac{Plan\ 2\ Rate * (1 - Plan\ 2\ Rate)}{Plan\ 2\ Denominator}}}$$

- Using the above formula with the example data from **Table 2**:

$$\frac{(0.5561 - 0.4439)}{\sqrt{\frac{0.5561 * (1 - 0.5561)}{411} + \frac{0.4439 * (1 - 0.4439)}{400}}} = \mathbf{3.22}$$

- Next, obtain the p-value for the z-test statistic:
  - Using a p-value calculator, table, normal distribution, or similar method, determine the p-value for the calculated z-score of **3.22**, for a significance level of 0.05, and a two-tailed test. The p-value for this test would be **0.0013**.

Step 3: Points are assigned based on statistical significance obtained from the previous step:

- 0 points if statistically worse than the other plan*
- 1 point if not statistically different from the other plan
- 2 points if statistically better than the other plan*

Example: Since the calculated p-value of **0.0013** is less than a significance level of 0.05 (0.0013 < 0.05), then there **is a significant difference in performance between the plans for that year**. Because the Plan 1 measure (55.61%) is higher than the Plan 2 measure (44.39%) and significantly different, **Plan 1 would be assigned a score of 2, while Plan 2 would be assigned a score of 0**. If the p-value obtained was instead greater than 0.05 (p > 0.05), then there would be no significant difference by this method, and both plans would be assigned a score of 1.

Calculating the Current Year Score (Plan-to-Plan Comparison)

GMC County Plans

Step 1: Compare the performance of the plans in the county to each other using example data from Table 3.

Table 3: Example Plan Rates and Denominators for a single HEDIS Measure for GMC County Plans

HEDIS Measure	Plan 1	Plan 2	Plan 3
Measure 1 Rate	50.50%	61.00%	62.76%
Denominator	411	411	411

Step 2: Use a statistical test to determine if the difference between plans is statistically significant. The statistical test used is a standard two-tailed z-test (Baldi & Moore, 2018; Eberhardt & Fligner, 1977) for a significance level (alpha) of 0.05, where a p-value < 0.05 is considered significant.

- **H0 (Null hypothesis):** There is *no* difference between the measure for a specific plan and the harmonic mean of all the plans in the county, or:
  - **H0:** Plan *i* Rate – Harmonic Mean of Plan Rates = 0.

- **H1 (Alternative Hypothesis):** There *is* a difference between the measure for a specific plan and the harmonic mean of all the plans in the county, or:
  - **H1:** Plan i Rate – Harmonic Mean of Plan Rates ≠ 0.
- Calculate the Harmonic Mean (Martinez & Bartholomew; 2017) for the specific measure using rates from each plan in the county:

$$Harmonic\ Mean = \frac{n}{\frac{1}{Plan\ 1\ Rate} + \frac{1}{Plan\ 2\ Rate} + \frac{1}{Plan\ 3\ Rate}}$$

- Using the above formula with the example data from **Table 3**:

$$\frac{3}{\frac{1}{50.50} + \frac{1}{61.00} + \frac{1}{62.76}} = 57.55\%$$

- Calculate a standard two-tailed z-test using the plan-specific measures and denominators compared against the calculated harmonic mean:

$$Z = \frac{(Plan\ 1\ Rate - Harmonic\ Mean)}{\sqrt{\frac{Harmonic\ Mean * (1 - Harmonic\ Mean)}{Plan\ 1\ Denominator}}}$$

- Using the above formula with the example data from **Table 3**:

$$\frac{(0.5050 - 0.5755)}{\sqrt{\frac{0.5755 * (1 - 0.5755)}{411}}} = \mathbf{-2.89}$$

- Next, obtain the p-value for the z-test statistic:
  - Using a p-value calculator, table, normal distribution, or similar method, determine the p-value for the calculated z-score of **-2.89**, for a significance level of 0.05, and a two-tailed test. The p-value for this test would be **0.0038**.

Step 3: Points are assigned based on statistical significance obtained from the previous step:

- 0 points if statistically worse than the harmonic mean*
- 1 point if not statistically different from the harmonic mean
- 2 points if statistically better than the harmonic mean*

Example: Since the calculated p-value of **0.0038** is less than a significance level of 0.05 (0.0038 < 0.05), then there **is a significant difference in performance between the plan and the harmonic mean of the measure for all plans in that year**. Because the Plan 1 measure (50.50%) is lower than both Plan 2 (61.00%) and Plan 3 (62.76%) in the county, and significantly different from the harmonic mean, the plans would be assigned scores as follows:

- Plan 1 would be assigned a score of 0, since it performed significantly worse than the harmonic mean
- Plan 2 would be assigned a score of 1, since it was not significantly different from the harmonic mean
- Plan 3 would be assigned a score of 2, since it performed significantly better than the harmonic mean for plans in the county

Calculating the Improvement Score (Year-to-Year Comparison)

Step 1: Compare the performance of the plan for the current year against their performance in the previous year for a given measure.

Table 4: Example Measure Rates and Denominators for a Single Plan across Two Years

HEDIS Measure	Year 1	Year 2
Measure 1 Rate (Ex: CBP)	40.00 %	55.61%
Denominator	386	411

Step 2: Use a statistical test to determine if the difference in performance year-to-year is statistically significant. The statistical test used is an un-pooled, two-tailed z-test (Baldi & Moore; 2018) for a significance level (alpha) of 0.05, where a p-value < 0.05 is considered significant.

- **H0 (Null hypothesis):** There *is no* difference between the measures for the current and previous years for the plan, or, Year 2 Rate – Year 1 Rate = 0.
- **H1 (Alternative Hypothesis):** There *is* a difference between the measures for the current and previous years for the plan, or, Year 2 Rate – Plan 1 Rate ≠ 0.
- Calculate an un-pooled, two-tailed z-score using the plan-specific measures and denominators:

$$Z = \frac{(Year\ 2\ Rate - Year\ 1\ Rate)}{\sqrt{\frac{Year\ 2\ Rate * (1 - Year\ 2\ Rate)}{Year\ 2\ Denominator} + \frac{Year\ 1\ Rate * (1 - Year\ 1\ Rate)}{Year\ 1\ Denominator}}}$$

- Using the above formula with the example data from **Table 4**:

$$\frac{(0.5561 - 0.4000)}{\sqrt{\frac{0.5561 * (1 - 0.5561)}{411} + \frac{0.4000 * (1 - 0.4000)}{386}}} = 4.46$$

- Next, obtain the p-value for the z-test statistic:
- Using a p-value calculator, table, normal distribution, or similar method, determine the p-value for the calculated z-score of **4.46**, for a significance level of 0.05, and a two-tailed test. The p-value for this test would be **0.000008**.

Step 3a: Points are assigned based on statistical significance obtained from the previous step:

- -1 point if statistically worse than the previous year*
- 0 points if not statistically different from the previous year and low performing (see **Step 3b**)
- +1 point if statistically better than the previous year*

Example: Since the calculated p-value of **0.000008** is less than a significance level of 0.05 (0.000008 < 0.05), then there **is a significant difference in performance between the current and previous year for that measure and plan**. Because the Year 2 measure (55.61%) is higher than the Year 1 measure (40.00%) and significantly different, **the plan would be assigned a score of +1**. If the p-value obtained was instead greater than 0.05 (p > 0.05), then there would be no significant difference by this method, and the plan would be assigned a score of 0 *if it was not already performing well for that measure year to year (see next step)*.

Step 3b: A plan may have no significant change in performance year-to-year and be considered either high- or low- performing for a specific measure. To ensure high- and

low- performing plans do not receive the same score in this case, the plan's performance in that year is compared to the High Performance Level (HPL) Improvement Score, based on the National Committee for Quality Assurance's (NCQA) 90th percentile benchmarks (Product Year 2022).

- +1 points if not statistically different (see **Step 2**) from the previous year, AND, HPL is greater than or equal to 75%, AND, the measure performance is greater than or equal to the HPL
    - For CDC-H9, a lower rate is considered better: +1 points if not statistically different from the previous year, AND, the HPL is less than or equal to 25%, AND, the measure performance is less than the HPL
- 0 points if not statistically different from the previous year, OR, HPL is less than 75%, OR, the measure performance is less than the HPL
    - For CDC-H9: 0 points if not statistically different from the previous year, AND, HPL is greater than 25%, AND, the measure performance is greater than the HPL

Example: To consider a plan which performs well for a specific measure, examine Table 5 and the associated NCQA 90th Percentiles:

Table 5: Example High Performance Plan Year-to-Year Measure Rates and NCQA 90th Percentiles

HEDIS Measure	Year 1	Year 2
Measure 1 Rate	89.00 %	93.00 %
NCQA 90th Percentile	83.00 %	85.00 %

This plan is performing well year-to-year for this measure. However, there is not a significant improvement year-to-year (determined from the test statistic in **Step 2**). Because the plan is performing above an HPL of 75% in both years, and similarly performing above the NCQA 90th percentile, this plan would be assigned an improvement score of 1 for that measure.

Calculating the Aggregate Score

For each plan, the Aggregate Score is obtained from the sum of their Current Year Scores and their Improvement Scores for each of the 11 measures.

Example: For a specific plan, across each of the 11 measures, the plan will have 11 Current Year Scores and 11 Improvement Scores to sum to create the aggregate score, as illustrated by Table 6.

Table 6: Example Current Year Score, Improvement Score, and resulting Aggregate Score

HEDIS Measure	Current Year Score	Improvement Score	Aggregate Score
Measure 1	1	+1	
Measure 2	0	0	
Measure 3	2	+1	
Measure 4	0	+1	
Measure 5	2	+1	
Measure 6	0	-1	
Measure 7	1	+1	
Measure 8	2	0	
Measure 9	2	+1	
Measure 10	1	0	
Measure 11	2	+1	
Totals	13	6	19

Calculating the Percentage Allocation

The Percentage Allocation is obtained from the plan of interests Aggregate Score, divided by the sum of the Aggregate Scores for the plans in the county.

Example: For the plan (Plan 1) described in Table 6, their Aggregate Score would be **19**. Supposing a second plan (Plan 2) in the County has an Aggregate Score of **5** (not

shown), then the sum of the Aggregate Scores in that County would be **24.** The percentage allocation for the plans could then be calculated:

- Percentage Allocation for Plan 1: 19 / 24 = 0.791, or 79%
- Percentage Allocation for Plan 2: 5 / 24 = 0.208, or 21%

The Percentage Allocation is adjusted if there is more than a 20% difference between the current year Percentage Allocation and the previous year Percentage Allocation.

- If a plan has more than a 20% difference in allocation between two years, the proposed will be held at a +/-20% difference.
- If a plan has a Percentage Allocation difference below 20%, then no additional adjustment is made.

Table 7: Example of Change in Percentage Allocation and 20% Capped Maximum Difference in Percentage Allocation Year-to-Year for Two Plans

Percentage Allocation	Plan 1	Plan 2
Previous Percentage Allocation	55%	45%
Calculated Percentage Allocation	80%	20%
Difference	+25%	-25%
Maximum Difference	+20%	-20%
Proposed Percentage Allocation	**75%**	**25%**

Notes

- GMC includes three plans that will be in the counties for 2024.
  - Sacramento GMC includes Anthem, Health Net, and Molina
  - San Diego GMC includes Blue Shield Promise, Community Health Group, and Molina
- Kaiser is not included in any county, as they will be addressed separately given they have an enrollment cap.
- *For CDC-H9, a lower rate indicates better performance, and a higher rate indicates worse performance. For all other 10 measures, a higher rate is better, and lower rate is worse. Therefore, the scoring assignment for CDC-H9 would be: a statistically lower rate between plans in the current year score is rewarded (+2),

and a statistically lower rate from previous to the current year is rewarded for the year-to-year improvement score (+1). For all other 10 measures, a statistically higher rate between plans in the current year score is rewarded (+2), and a statistically higher rate from previous to current year is rewarded for the year-to-year improvement score (+1). **All counties use the 11 HEDIS measures except for San Diego County where it has 10 measures. FUA_30 is removed for all plans showing a zero-value due to denominator value of less than 30 for one of the three plans.

References

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