

# Commonwealth of Virginia Department of Medical Assistance Services

## SFY 2022 CCC Plus Performance Withhold Program Methodology





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## Project Overview

The Virginia Department of Medical Assistance Services (DMAS) contracted with Health Services Advisory Group, Inc. (HSAG), as their External Quality Review Organization (EQRO), to establish, implement, and maintain a scoring mechanism for the managed care Commonwealth Coordinated Care Plus (CCC Plus) Performance Withhold Program (PWP). For the CCC Plus PWP, managed care organizations' (MCOs') performance is evaluated on four National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS®) measures (11 measure indicators)<sup>1</sup> and two Centers for Medicare and Medicaid Service (CMS) Core Set of Adult Health Care Quality Measures for Medicaid (Adult Core Set) measures (two measure indicators). The EQRO is responsible for collecting MCOs' audited HEDIS measure rates and the CMS Adult Core Set measure rates from DMAS. The EQRO will derive PWP scores for each measure and calculate the portion of the 1 percent quality withhold earned back for each MCO.

The following sections provide the PWP calculation methodology for the state fiscal year (SFY) 2022. SFY 2022 is the initial performance year for the PWP; therefore, the MCOs will be eligible to earn back all or a portion of their 1 percent quality withhold based on the scoring methods and quality withhold funds model described in this document.

## Performance Measures

DMAS selected the following four HEDIS measures (11 measure indicators) and two CMS Adult Core Set measures (two measure indicators) for the PWP within the domains indicated in Table 1.

**Table 1—PWP Measures**

Indicator	Measure Specification	Required Reporting Method
<b>Behavioral Health</b>		
<i>Follow-Up After Emergency Department (ED) Visit for Alcohol and Other Drug (AOD) Abuse or Dependence—7-Day Follow-Up—Total and 30-Day Follow-Up—Total</i>	HEDIS	Administrative
<i>Follow-Up After ED Visit for Mental Illness—7-Day Follow-Up—Total and 30-Day Follow-Up—Total</i>	HEDIS	Administrative
<i>Initiation and Engagement of AOD Abuse or Dependence Treatment—Initiation of AOD Treatment—Total—Total and Engagement of AOD Treatment—Total—Total</i>	HEDIS	Administrative

<sup>1</sup> HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA).

Indicator	Measure Specification	Required Reporting Method
<b>Chronic Conditions</b>		
<i>Comprehensive Diabetes Care—Hemoglobin A1c (HbA1c) Testing; HbA1c Poor Control (&gt;9.0 Percent); HbA1c Control (&lt;8.0 Percent); Eye Exam (Retinal) Performed; and Blood Pressure Control (&lt;140/90 mm Hg)</i>	HEDIS	Hybrid
<i>Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission rate (Per 100,000 Member Months [MM])—Total</i>	CMS Adult Core Set	Administrative
<i>Heart Failure Admission Rate (Per 100,000 MM)—Total</i>	CMS Adult Core Set	Administrative

## Performance Period

The SFY 2022 PWP assesses calendar year (CY) 2021 performance measure data (i.e., the performance measures will be calculated following HEDIS Measurement Year [MY] 2021 and CMS federal fiscal year [FFY] 2022 Adult Core Set specifications that use a CY 2021 measurement period) to determine what portion, if any, the MCOs will earn back from the funds withheld in SFY 2022 (i.e., the 1 percent of capitation payments withheld from July 1, 2021 through June 30, 2022).

## Data Collection

The HEDIS Interactive Data Submission System (IDSS) files for the PWP calculation will be audited as required by NCQA. The auditor-locked IDSS files containing the HEDIS measure rates will be provided to the EQRO by the MCOs. DMAS will contract with their EQRO to validate the two CMS Adult Core Set measures in accordance with *CMS External Quality Review (EQR) Protocols: Protocol 2. Validation of Performance Measures*, October 2019.<sup>2</sup> Following the performance measure validation, the EQRO will provide the true, audited rates for the two CMS Adult Core Set measures to DMAS.

## PWP Calculation

The following sections provide a detailed description and examples of the PWP scoring and quality withhold funds model for the SFY 2022 PWP (i.e., the initial performance year). With receipt of audited HEDIS measure rates and validated CMS Adult Core Set measure rates (i.e., non-HEDIS measure rates), each measure will be scored prior to calculating the amount of the quality withhold, if any, each MCO will earn back.

<sup>2</sup> Department of Health and Human Services, Centers for Medicare and Medicaid Services. *CMS External Quality Review (EQR) Protocols*. 2019:57-114. Available at: <https://www.medicare.gov/medicaid/quality-of-care/downloads/2019-eqr-protocols.pdf>. Accessed on: Nov 19, 2020.

Only measure rates with a “Reportable (R)” (HEDIS and non-HEDIS rates) audit result (i.e., the plan produced a reportable rate for the measure in alignment with the technical specifications) will be included in the PWP calculation. Measure rates with a “Small Denominator (NA)” (HEDIS rates only) audit result (i.e., the plan followed the specifications, but the denominator was too small to report a valid rate) will be excluded from the PWP calculation. Measure rates with any audit result other than “Reportable (R)” or “Small Denominator (NA)” will receive a score of zero (i.e., the MCO will not be eligible to earn a portion of the quality withhold back for that measure).

## SFY 2022 PWP

As indicated above, the SFY 2022 PWP is the initial performance period and will use the MCOs’ audited HEDIS MY 2021 and validated CMS FFY 2022 Adult Core Set performance measure data. Table 2 shows the percentage of withhold associated with each performance measure indicator.

**Table 2—SFY 2022 PWP Measure Weights**

Indicator	Measure Weight
<b>Behavioral Health</b>	
<i>Follow-Up After ED Visit for AOD Abuse or Dependence—7-Day Follow-Up—Total and 30-Day Follow-Up—Total</i>	15%
<i>Follow-Up After ED Visit for Mental Illness—7-Day Follow-Up—Total and 30-Day Follow-Up—Total</i>	20%
<i>Initiation and Engagement of AOD Abuse or Dependence Treatment—Initiation of AOD Treatment—Total—Total and Engagement of AOD Treatment—Total—Total</i>	15%
<b>Chronic Conditions</b>	
<i>Comprehensive Diabetes Care—HbA1c Testing; HbA1c Poor Control (&gt;9.0 Percent)*; HbA1c Control (&lt;8.0 Percent); Eye Exam (Retinal) Performed; and Blood Pressure Control (&lt;140/90 mm Hg)</i>	20%
<i>COPD or Asthma in Older Adults Admission rate (Per 100,000 MM)—Total*</i>	15%
<i>Heart Failure Admission Rate (Per 100,000 MM)—Total*</i>	15%

\*For this measure indicator, a lower rate indicates better performance.

## Scoring Methods

The next several sections describe the PWP calculation method for the SFY 2022 PWP (i.e., the initial performance year).

### Indicator Partial Score

For SFY 2022 (i.e., the initial performance year), the performance scores for the Adult Core Set measures will be determined by comparing the rate for the current year to CY 2019 rates and

calculating the relative difference.<sup>3</sup> Beginning with the SFY 2023 PWP and forwards, DMAS will attempt to set benchmarks for the CMS Adult Core Set measures, based on available data from prior years, for determining CCC Plus MCO performance scores. However, this process will need to account for, and better understand, the future availability of such data and the impact of the Coronavirus Disease 2019 (COVID-19) on such data in designated years before committing to such benchmarks. Table 3 presents the possible scores for each CMS Adult Core Set indicator based on MCO performance. For both CMS Adult Core Set measures, a lower rate indicates better performance.

**Table 3—PWP CMS Adult Core Set Indicator Scoring**

Criteria for Each Indicator	Score
MCO’s rate either declined or demonstrated a relative improvement of less than 2 percent from CY 2019	0.00
MCO’s rate demonstrated relative improvement of at least 2 percent but less than 4 percent from CY 2019	0.25
MCO’s rate demonstrated relative improvement of at least 4 percent but less than 6 percent from CY 2019	0.50
MCO’s rate demonstrated relative improvement of at least 6 percent but less than 8 percent from CY 2019	0.75
MCO’s rate demonstrated relative improvement of at least 8 percent from CY 2019	1.00

CMS Adult Core Set indicator rates that demonstrate a decline in performance from CY 2019 (i.e., the rate increases) or a relative improvement from CY 2019 of less than 2 percent will receive a score of zero (i.e., no portion of the quality withhold will be earned back for this indicator). Indicator rates that demonstrate at least 2 percent will receive at least 0.25 points up to a maximum of 1 point for relative improvement at or above 8 percent. The relative difference will be derived using the following formula, keeping in mind that a current year rate that is lower than the CY 2019 rate indicates an improvement in performance:

$$Relative\ Difference = \left[ \frac{(MCO\ CY\ 2019\ Rate - MCO\ Current\ Year\ Rate)}{MCO\ CY\ 2019\ Rate} \right] \times 100$$

The performance scores for the HEDIS measures will be determined by comparing each rate to NCQA’s Quality Compass<sup>®4</sup> national Medicaid health maintenance organization (HMO) percentiles (referred to in this document as percentiles).

Table 4, on the next page, presents the possible scores for each HEDIS indicator based on the MCO performance for the current year. Rates will be rounded to two decimals prior to comparing to the percentiles and determining the measure score, and no scores will be dropped.

<sup>3</sup> Due to the impact COVID-19 will likely have on the CY 2020 rates, DMAS has elected to use the CY 2019 rates as a comparison to the current year rates.

<sup>4</sup> Quality Compass<sup>®</sup> is a registered trademark of NCQA.

**Table 4—PWP HEDIS Indicator Scoring**

Criteria for Each Indicator	Score
MCO's rate is below the 25th percentile	0
MCO's rate is at or above the 25th percentile but below the 50th percentile	Between 0 and 1
MCO's rate is at or above the 50th percentile	1

HEDIS indicator rates that are below the 25th percentile will receive a score of zero (i.e., no portion of the quality withhold will be earned for this indicator). Indicator rates that are at or above the 50th percentile will receive the maximum score for that indicator (i.e., 1 point). If an indicator rate is at or above the 25th percentile but below the 50th percentile, the MCO will be eligible to receive a partial score (i.e., a partial point value that falls between 0 and 1). To calculate the partial points at the indicator level, each MCO's rate will be compared to the percentiles to determine how close the MCO's rate is to the 50th percentile. In future iterations of the PWP, the minimum performance level (i.e., 25th percentile) may increase to encourage continued positive performance and quality improvement. The partial score for each measure will be derived using the following formula:

$$Partial\ Point\ Value = \left[ \frac{(MCO\ Rate - 25th\ Percentile)}{(50th\ Percentile - 25th\ Percentile)} \right]$$

For example, if the 25th percentile is 40 percent and the 50th percentile is 60 percent, and an MCO has a rate of 55 percent for an indicator, then the partial point value is calculated as follows:

$$Partial\ Point\ Value = \left[ \frac{(55 - 40)}{(60 - 40)} \right] = 0.75$$

### Improvement Bonus

For the CMS Adult Core Set measure indicators, DMAS will determine an appropriate method of assigning improvement bonus points for the SFY 2023 PWP, if applicable.

For the SFY 2022 PWP, MCOs that failed to meet the 50th percentile in CY 2019 (i.e., HEDIS 2020 data) for a HEDIS indicator may be eligible to earn an improvement bonus if an indicator rate demonstrates substantial improvement from CY 2019.<sup>5</sup> Substantial improvement will be defined as 20 percent of the difference between the 25th and 50th percentile. An improvement bonus of 0.25 points will be awarded for each indicator, if the MCO was below the 50th percentile in CY 2019 and the following is true:

$$| MCO\ Current\ Rate - MCO\ CY\ 2019\ Rate | \geq \left| \left[ \frac{(50th\ Percentile - 25th\ Percentile)}{5} \right] \right|$$

<sup>5</sup> In future iterations of the PWP, the improvement bonus will be based on improvement over the prior year; however, this methodology skips CY 2020 due to the impact of COVID-19 on MCO performance and measure results.

For each MCO, HSAG will assess which indicator rates are eligible for an improvement determination. HSAG will only determine improvement bonus eligibility if an indicator meets the following criteria:

- The MCO current year rate demonstrated an improvement from the CY 2019 rate;
- The MCO reported the indicator rate in both the current year and CY 2019;
- The MCO’s reported indicator rate was below the 50th percentile in CY 2019;
- The MCO reported the indicator rate using the same reporting methodology in both years (e.g., the reporting methodology did not change from administrative in CY 2019 to hybrid in the current year); and
- NCQA did not recommend a break in trending for the indicator due to a change in the technical specifications for the Medicaid product line.

If an MCO demonstrates substantial improvement for an indicator rate and meets all of the criteria for improvement bonus determinations, then the MCO will receive an improvement bonus for that indicator.

### High Performance Bonus

For the CMS Adult Core Set measure indicators, DMAS will determine an appropriate method of assigning high performance bonus points for future iterations of the PWP, if applicable.

For the SFY 2022 PWP, if an MCO demonstrates a strong performance trend over time for a HEDIS indicator, the MCO will be eligible for a high performance bonus. The high performance bonus will be awarded for indicator rates that exceed the 66.67th percentile for both the current year and CY 2019.<sup>6</sup> Each indicator rate that ranks above the 66.67th percentile for the current year and CY 2019 will be eligible for a maximum high performance bonus of 0.25 points that will be added to the indicator partial score described above (i.e., 1 point).

### Scoring Model Example

Table 5 and Table 6, on the next page, provide examples of how indicator partial scores will be determined, by MCO. All data presented in the tables below (both measure rates and percentile values) are mock data and do not represent actual data or results.

**Table 5—Indicator Partial Score Calculations—HEDIS Measures  
(Example Using Mock Data)**

Indicator	Current Year Rate	25th Percentile	50th Percentile	Indicator Partial Score
<b>Behavioral Health</b>				
<b><i>Follow-Up After ED Visit for AOD Abuse or Dependence</i></b>				
<i>7-Day Follow-Up—Total</i>	6.94%	6.25%	9.73%	<b>0.20</b>
<i>30-Day Follow-Up—Total</i>	11.04%	9.89%	15.25%	<b>0.21</b>

<sup>6</sup> In future iterations of the PWP, the high performance bonus will be based on sustained high performance over the prior year; however, this methodology skips CY 2020 due to the impact of COVID-19 on MCO performance and measure results.

Indicator	Current Year Rate	25th Percentile	50th Percentile	Indicator Partial Score
<b>Follow-Up After ED Visit for Mental Illness</b>				
7-Day Follow-Up—Total	46.22%	29.21%	35.49%	1
30-Day Follow-Up—Total	58.92%	43.17%	51.45%	1
<b>Initiation and Engagement of AOD Abuse or Dependence Treatment</b>				
Initiation of AOD Treatment—Total—Total	42.26%	39.25%	41.99%	1
Engagement of AOD Treatment—Total—Total	11.16%	9.53%	11.01%	1
<b>Chronic Conditions</b>				
<b>Comprehensive Diabetes Care</b>				
HbA1c Testing	82.44%	85.36%	86.44%	0
HbA1c Poor Control (>9.0 Percent)*	50.70%	45.55%	38.66%	0
HbA1c Control (<8.0 Percent)	54.74%	44.11%	51.22%	1
Eye Exam (Retinal) Performed	42.68%	41.77%	52.00%	0.09
Blood Pressure Control (<140/90 mm Hg)	53.00%	50.23%	54.55%	0.64

\*For this indicator, a lower rate indicates better performance.

**Table 6—Indicator Partial Score Calculations—CMS Adult Core Set Measures  
(Example Using Mock Data)**

Indicator	CY 2019 Rate	Current Year Rate	Relative Difference	Indicator Partial Score
<b>Chronic Conditions</b>				
<b>COPD or Asthma in Older Adults Admission Rate (Per 100,000 MM)*</b>				
Total	129.89	121.23	6.67%	0.75
<b>Heart Failure Admission Rate (Per 100,000 MM)*</b>				
Total	135.31	119.24	11.88%	1

\*For this indicator, a lower rate indicates better performance.

The indicator partial scores for the HEDIS measures are calculated by first determining the applicable percentile level for the indicator rate. For example, the *Follow-Up After ED Visit for Mental Illness—7-Day Follow-Up—Total* indicator received an indicator partial score of one point because the rate (46.22 percent) is above the 50th percentile (35.49 percent). For the CMS Adult Core Set measures, the indicator partial scores are derived by comparing the relative difference between the current year and CY 2019 (i.e., improvement less than 2 percent receives zero points; at or above 2 percent but below 4 percent improvement receives 0.25 points; at or above 4 percent but below 6 percent improvement receives 0.50 points; at or above 6 percent but below 8 percent improvement receives 0.75 points; and at or above 8 percent improvement receives 1 point). For example, the *COPD or Asthma in Older*



*Adults Admission Rate*—Total indicator receives an indicator partial score of 0.75 because the relative difference (6.67 percent) was at or above 6 percent but less than 8 percent.

Table 7 provides an example of how the improvement bonus scores will be determined by MCO based on performance for the current year and CY 2019 for the HEDIS measures. Improvement bonus determinations for the CMS Adult Core Set measures will be evaluated for future iterations of the PWP.

**Table 7—Indicator Improvement Bonus Score Calculations—HEDIS Measures  
(Example Using Mock Data)**

Indicator	CY 2019 Rate	Current Year Rate	Rate Difference	Substantial Improvement Value	Below 50th Percentile in CY 2019	Met Substantial Improvement	Improvement Bonus†
<b>Behavioral Health</b>							
<b>Follow-Up After ED Visit for AOD Abuse or Dependence</b>							
7-Day Follow-Up—Total	5.66%	6.94%	1.28%	0.70%	Y	Y	0.25
30-Day Follow-Up—Total	11.42%	11.04%	-0.38%	1.07%	Y	N	0
<b>Follow-Up After ED Visit for Mental Illness</b>							
7-Day Follow-Up—Total	45.12%	46.22%	1.10%	1.26%	N	N	0
30-Day Follow-Up—Total	59.67%	58.92%	-0.75%	1.66%	N	N	0
<b>Initiation and Engagement of AOD Abuse or Dependence Treatment</b>							
Initiation of AOD Treatment—Total—Total	41.68%	42.26%	0.58%	0.55%	N	Y	0
Engagement of AOD Treatment—Total—Total	11.11%	11.16%	0.05%	0.30%	Y	N	0
<b>Chronic Conditions</b>							
<b>Comprehensive Diabetes Care</b>							
HbA1c Testing	80.68%	82.44%	1.76%	0.22%	Y	Y	0.25
HbA1c Poor Control (>9.0 Percent)*	52.26%	50.70%	-1.56%	-1.38%	Y	Y	0.25
HbA1c Control (<8.0 Percent)	57.41%	54.74%	-2.67%	1.42%	N	N	0
Eye Exam (Retinal) Performed	44.27%	42.68%	-1.59%	2.05%	Y	N	0
Blood Pressure Control (<140/90 mm Hg)	53.25%	53.00%	-0.25%	0.86%	Y	N	0

\*For this indicator, a lower rate indicates better performance.

†A measure indicator is eligible for an improvement bonus if the indicator rate was below the 50th percentile in CY 2019 and the indicator rate demonstrated substantial improvement from CY 2019.

Table 8 provides an example of how the high performance bonus scores will be determined, by MCO, based on performance for the current year and CY 2019 for the HEDIS measures. Once the high performance bonus scores are determined, the indicator partial score, the improvement bonus score, and high performance bonus score (i.e., 0 or 0.25) will be summed to obtain the final indicator score. High performance bonus determinations for the CMS Adult Core Set measures will be evaluated for future iterations of the PWP.

**Table 8—High Performance Bonus Score Calculations—HEDIS Measures  
(Example Using Mock Data)**

Indicator	CY 2019 Rate	CY 2019 66.67th Percentile	Current Year Rate	Current Year 66.67th Percentile	High Performance Bonus		
					CY 2019	Current Year	Points Earned
<b>Behavioral Health</b>							
<i>Follow-Up After ED Visit for AOD Abuse or Dependence</i>							
7-Day Follow-Up—Total	5.66%	10.85%	6.94%	11.01%	N	N	0
30-Day Follow-Up—Total	11.42%	15.30%	11.04%	15.75%	N	N	0
<i>Follow-Up After ED Visit for Mental Illness</i>							
7-Day Follow-Up—Total	45.12%	45.01%	46.22%	44.95%	Y	Y	0.25
30-Day Follow-Up—Total	59.67%	54.66%	58.92%	55.79%	Y	Y	0.25
<i>Initiation and Engagement of AOD Abuse or Dependence Treatment</i>							
Initiation of AOD Treatment—Total—Total	41.68%	47.00%	42.26%	48.04%	N	N	0
Engagement of AOD Treatment—Total—Total	11.11%	12.16%	11.16%	12.13%	N	N	0
<b>Chronic Conditions</b>							
<i>Comprehensive Diabetes Care</i>							
HbA1c Testing	80.68%	87.23%	82.44%	86.95%	N	N	0
HbA1c Poor Control (>9.0 Percent)*	52.26%	33.23%	50.70%	34.15%	N	N	0
HbA1c Control (<8.0 Percent)	57.41%	53.48%	54.74%	54.51%	Y	Y	0.25
Eye Exam (Retinal) Performed	44.27%	57.16%	42.68%	58.02%	N	N	0
Blood Pressure Control (<140/90 mm Hg)	53.25%	56.12%	53.00%	57.89%	N	N	0

\*For this indicator, a lower rate indicates better performance.

Table 9 shows the measure level score calculations for each MCO by determining the average of the indicator level scores for each measure.

**Table 9—Measure Level Score Calculations  
(Example Using Mock Data)**

Indicator	Indicator Level Score	Improvement Bonus	High Performance Bonus	Final Indicator Score	Measure Level Score
<b>Behavioral Health</b>					
<b>Follow-Up After ED Visit for AOD Abuse or Dependence</b>					
7-Day Follow-Up—Total	0.20	0.25	0	0.45	<b>0.33</b>
30-Day Follow-Up—Total	0.21	0	0	0.21	
<b>Follow-Up After ED Visit for Mental Illness</b>					
7-Day Follow-Up—Total	1	0	0.25	1.25	<b>1.25</b>
30-Day Follow-Up—Total	1	0	0.25	1.25	
<b>Initiation and Engagement of AOD Abuse or Dependence Treatment</b>					
Initiation of AOD Treatment—Total—Total	1	0	0	1	<b>1</b>
Engagement of AOD Treatment—Total—Total	1	0	0	1	
<b>Chronic Conditions</b>					
<b>Comprehensive Diabetes Care</b>					
HbA1c Testing	0	0.25	0	0.25	<b>0.50</b>
HbA1c Poor Control (>9.0 Percent)	0	0.25	0	0.25	
HbA1c Control (<8.0 Percent)	1	0	0.25	1.25	
Eye Exam (Retinal) Performed	0.09	0	0	0.09	
Blood Pressure Control (<140/90 mm Hg)	0.64	0	0	0.64	
<b>COPD or Asthma in Older Adults Admission Rate</b>					
Total	0.75	NE	NE	0.75	<b>0.75</b>
<b>Comprehensive Diabetes Care</b>					
Total	1	NE	NE	1	<b>1</b>

NE indicates the measure is not eligible for an Improvement Bonus or High Performance Bonus, at this time.

As shown above, the *Follow-Up After ED Visit for AOD Abuse or Dependence* measure level score (0.33) was obtained by averaging the indicator level scores for *7-Day Follow-Up—Total* and *30-Day Follow-Up—Total* (0.45 and 0.21, respectively). Table 10, on the next page, provides an example of how the percentage of the quality withhold is derived (i.e., overall withhold earned) based on the six

measure level scores calculated above. The percentage of the quality withhold that the MCO is eligible to earn back is calculated by multiplying the measure level score with the applicable measure weight and then summing the measure withhold earned values together. An MCO is not able to earn back more than 100 percent of its total withhold amount. If an overall withhold amount is greater than 100 percent (due to bonus points), the overall withhold earned will be reduced to 100 percent.

**Table 10—Percentage Withhold Earned  
(Example Using Mock Data)**

Indicator	Measure Level Score	Weight	Measure Withhold Earned	Overall Withhold Earned†
Follow-Up After ED Visit for AOD Abuse or Dependence	0.33	15%	4.95%	<b>81.20%</b>
Follow-Up After ED Visit for Mental Illness	1.25	20%	25.00%	
Initiation and Engagement of AOD Abuse or Dependence Treatment	1.00	15%	15.00%	
Comprehensive Diabetes Care	0.50	20%	10.00%	
COPD or Asthma in Older Adults Admission Rate	0.75	15%	11.25%	
Heart Failure Admission Rate	1.00	15%	15.00%	

†Please note, the Measure Withhold Earned may not sum to the Overall Withhold Earned due to rounding.

### Quality Withhold Funds Model

The quality withhold percentage is 1 percent of the total MCO capitation payments for the year. An MCO is eligible to earn the entire quality withhold by having 100 percent for the overall withhold as shown (i.e., the MCO would not lose any quality withhold funds).

**Table 11—PWP Funds Allocation  
(Example Using Mock Data)**

MCO Name	Total Capitation Payment	Maximum At-Risk Amount (1% Withhold)	Percentage Withhold Earned	Final Withhold Earned Back Amount
<b>MCO</b>	\$735,790,000.00	\$7,357,900.00	81.20%	\$5,974,614.80

As shown in Table 11, the one percent at risk amount for the example MCO is \$7,357,900.00. The MCO earned 81.20 percent of the quality withhold through the review of the HEDIS and Adult Core Set measure indicator rates, thus the MCO is eligible to receive \$5,974,614.80 of the quality withhold according to the following equation:

$$\text{Final Withhold Earned Back Amount} = (\text{Maximum At Risk Amount} \times \text{Percentage Withhold Earned})$$