

## **Medicare High Performance Network Cost-Efficiency Criteria**

### **Measurement Period**

Data used includes episodes from the prior calendar year through the first quarter of the current year for the upcoming year's designation. Data from the first quarter of the current year was used because:

- Total episode length (the point from which the illness started and has been successfully treated) typically takes between 3 to 6 months to complete. This length of time, combined with the necessary time period to capture claims experience, necessitates that the overall data set be complete for at least 9 to 12 months.
- Episodes for chronic care conditions are assigned to physicians on a calendar year basis. Using a time period outside of a calendar year would create data integrity issues in terms of assessing episode cost for these conditions.

### **Episode Assignment and Peer Comparisons**

Episodes are assigned to the physician that is most involved in evaluating and managing a patient (or the entire course of treatment for a particular illness for a particular patient). Also, note that:

- An episode encompasses treatment costs in settings outside of the physician office. For instance, technical or facility costs relating to an inpatient stay that occurred during an episode would be included in the overall cost per episode.
- These episodes do not have to be assigned to a member on a physician's panel.
- The number of episodes tied to a physician is directly tied to the extent that they are evaluating and managing the course of treatment for their patients, not so much the amount of services they provide to patients.

The cost efficiency assessment for a particular physician/group is conducted relative to their peer physicians. These peer comparisons include:

- Provider groups having 30 or more assigned episodes within the measurement period. Provider groups are further defined in the cost efficiency criteria section.
- A composite-scoring approach that combines product-specific cost assessments into one overall score. The overall cost efficiency assessment weighs the product-based scoring by volume of episodes for treatment of the Commercial and Medicare members.
- Other physicians within the same specialty, who are treating AvMed members in the South Florida region during the same time period.
  - For comparisons relating to treatment of Medicare members, only providers operating in Miami-Dade and Broward counties are included.
  - For comparisons relating to treatment of Commercial members, providers in the South Florida region are included.
- An adjustment for treatment complexity, illness severity and patient overall health condition.
- An adjustment excluding outlier episodes that would skew overall peer comparisons.

## Criteria for Volume Requirements, Scoring Criteria and Provider Group Definitions

Designation was provided to solo practitioners, single specialty group practices, and multi-specialty group practices. General cost efficiency criteria to receive a designation in the High Performance Network is as follows:

- Episodes of care = 30 or greater
- Efficiency index = .95 or less (rounded to the nearest 100<sup>th</sup>).

- **Solo Practitioners** – Defined as one physician, who will receive designation in the High Performance Network when the physician has 30 or more episodes and has a cost efficiency index of .95 or less within the determined measuring period.

*If the solo practitioner has fewer than 30 episodes, or a cost efficiency index greater than .95 the practitioner will not receive the high performance network designation for that measurement period.*

- **Single specialty groups** – Defined as having more than one physician practicing in the same specialty and billing with the same tax id number. The practice receives designation in the High Performance Network where the group has 30 or more episodes, and has a cost efficiency index of .95 or less within the determined measuring period.

*If the group practice has fewer than 30 episodes or a cost efficiency index greater than .95 the group will not receive the high performance network designation for that measurement period.*

- All episodes for physicians associated with the group practice during the measuring period are included in the cost efficiency assessment.
- If physicians leave the group practice during the measuring period, their episode data will still be assigned to the group practice during the time that they were a part of the group.
- If physicians are added to a group practice during the measuring period, their episode data will be assigned to the group practice only for the time that they are a part of that new group.

- **Multi-specialty groups** – Defined as having more than one physician practicing in more than one HPN selected specialty and billing with the same tax id. Each specialty is evaluated separately and will receive designation in the High Performance Network where that particular specialty has 30 or more episodes, and has a cost efficiency index of .95 or less within the determined measuring period.

*If the specialty group has fewer than 30 episodes or a cost efficiency index greater than .95 that specialty will not receive the high performance network designation for that measurement period.*

- All episodes for physicians associated with the group practice during the measuring period are included in the cost efficiency assessment.

- If physicians leave the group practice during the measuring period, their episode data will still be assigned to the group practice during the time that they were a part of the group.
- If physicians are added to a group practice during the measuring period, their episode data will be assigned to the group practice only for the time that they are a part of that new group.

## **Final HPN Designation Determinations and Other Policies**

Physicians are reviewed and designated on an annual basis. Provider groups (as previously defined) will receive the upcoming HPN designation for Medicare products if the provider group has met both efficiency and quality criteria as previously displayed.

## **Policies regarding changes to Physician Network**

The following scenarios cite examples of new and existing physicians moving in and out of AvMed's Physician Network, and how these changes will affect the HPN designation assigned.

### **Scenarios where physician **keeps or receives HPN designation****

- Physician moving from an HPN group into another HPN group
- Physician moves from a non-HPN group into an HPN group
- New physician joins an HPN designated group
- New physician joining AvMed into a specialty that has not been profiled for HPN\*\*

\*\*Placed in the lower cost-share category, which is currently equivalent to HPN designation for the upcoming Benefit Year

### **Scenarios where physician **keeps or receives Non-HPN designation****

- Physician moves from a non-HPN group into another non-HPN group
- Physician moving from an HPN group to a non-HPN group
- New physician joins a non-HPN designated group
- Groups starting participation with AvMed after the measurement period will not receive the high performance network designation. It is necessary that a period of evaluation occur for new physician groups in order to demonstrate the group meets the criteria. During the next phase of evaluation, this group will be evaluated using the standard criteria.
- Note: Existing physicians forming a new group with AvMed after the measurement period will be evaluated at both the group and individual level for a designation determination.

#### **Notes:**

- The above referenced scenarios apply to physicians with both single and multiple active affiliations. Each active affiliation will be evaluated according to the current policies regarding changes to physician network for HPN designation.
- The above-referenced scenarios may apply to either solo practitioners, or group practices. Group practices may be single or multi-specialty.