

# STATE OF CONNECTICUT SHARED SAVINGS PAYMENT PRINCIPLES

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Draft and Subject to Revision

## Background

The Connecticut Department of Social Services (DSS) is launching a planning process to develop a new, upside-only shared savings initiative. The working design on the shared savings approach incorporates individual savings pools (one for each Federally Qualified Health Center and Advanced Network) for those entities meeting quality thresholds and a second aggregate pool available to all participating entities.

## Guiding Principles

1. Only participating entities that meet identified benchmarks on quality standards and measures of under-service will be eligible to participate in shared savings.
2. Quality improvement (not just absolute quality ranking) will factor into the calculation of shared savings.
3. Higher quality scores will allow a Participating Entity to receive more shared savings.
4. Participating Entities that demonstrate losses will not be required to share in losses.
5. Participating Entities will be benchmarked for quality and cost against a comparison group devised from in-State, non-participating Entities as well as national benchmarks.

## Working Assumptions

1. The calculation to determine shared savings for a Participating Entity will be separate for each entity and based on quality measurement thresholds and scores, including measures of under-service.
2. Quality measures used to determine savings distribution in the first performance year will be limited to claims-based measures that are currently being reported.

## Creating a Hybrid Savings Pools

It is proposed that the DSS create a hybrid savings pool consisting of both an individual savings pool (where savings are pooled separately and accessible individually for each Participating Entity) and a secondary savings pool that will aggregate all savings not realized individually due to failing to meet identified benchmarks on quality standards and measures of under-service.

Participating Entities will first be measured against quality thresholds established using local as well as national benchmark standards. Once thresholds have been met, entities will be benchmarked against the comparison group to yield a percentile among peers, which will inform their payment from the first savings pool.

Participating Entities that do not reach quality thresholds and those that do not reach their savings cap in the first savings pool will be able to participate in the second savings pool and will be tiered among participants in that pool. This pool may have specific aspirational targets or reach goals.

### Draft Shared Savings Payment Diagram v1

