

MQISSP SHARED SAVINGS PAYMENT PRINCIPLES

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Draft and Subject to Revision

Background

The State of Connecticut Department of Social Services (DSS) launched a planning process to develop a new, upside-only shared savings initiative as part of the Medicaid Quality Improvement and Shared Savings Program. The working design on the shared savings approach incorporates individual savings pools (one for each Participating Entity) 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. Maintaining and improving quality 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.

Creating a Hybrid Savings Pool

The current working assumption is that DSS will 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 pool that will aggregate all savings not realized individually.

Individual Savings Pool

The calculation to determine shared savings will be separate for each Participating Entity and based on quality measurement thresholds and scores, including measures of under-service. The individual savings pool will be distributed in three parts:

1. A Participating Entity will be measured against its prior year's quality score to determine that its prior year quality scores did not decrease.
2. A Participating Entity will have its quality improvement measured against the quality improvement trend of the comparison group.
3. A Participating Entity's quality scores will be measured against benchmarks derived from the comparison group.

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The three quality measure components will inform each Participating Entity's payment from the first savings pool. All savings not claimed in the individual savings pool will be distributed to the challenge pool.

Challenge Pool

The challenge pool will consist of the remaining savings not awarded from the individual savings pool. The remaining savings will be distributed based on performance on a set of challenge measures that have been selected. For each challenge measure only the Participating Entities who achieve quality above the median of all Participating Entities will share in the challenge pool savings. The challenge pool savings will be member weighted and will be fully distributed to qualifying Participating Entities.

Draft Shared Savings Payment Diagram

