



Re: Notification of Withholds, Incentive Payments, and Quality Metrics for Healthy Opportunities Pilots VBP Period 3 Implementation

Dear Provider,

As stated in the *Healthy Opportunities Pilot: Standard Plan Value-Based Payment Guide*, revised October 25, 2023, the State will provide Standard Plans with formal written notice of CMS approval and the start date of the VBP Period 3 performance period. The VBP Period 3 Performance Period will consist of 3 separate programs each with target metrics and/or goals. The programs are described further below. Within 15 calendar days of receipt of notice from the State, the PHP Standard Plans must notify its Tier 3 AMH and CIN Delegated Pilot Care Management Entities (Delegated Pilot CMEs) of the start date of the VBP Period 3 performance period, the withhold and incentive performance target(s), and the date that the Department will begin withholding funds. In addition, during Period 3, the State will collect quality data for baseline measures from the Pilot regions.

WellCare of North Carolina received formal notification on [NOTIFICATION DATE] from the Department for the Healthy Opportunities Pilot (HOP) Value-based Payment (VBP) Period performance period of April 1, 2024, to October 31, 2024, with associated performance period for incentives and withholds implemented effective **April 1, 2024**.

VBP Period 3 Performance Period Measurements are described below:

- VBP Incentives – The Standard Plan and AMH/CIN, working in collaboration, may receive additional incentive payments for meeting performance targets. The targets address promoting Pilot enrollment, increasing referrals to Pilot services within underutilized pilot domains, and reassessing Pilot enrollees for their ongoing Pilot eligibility and service needs within 6 months of Pilot enrollment. Refer to Table 1 below for description of each of the 3 measures.
- Care Management Capitation Withhold - the state will apply withholds to Standard Plan PHPs and Tier 3 AMH/CIN Designated Pilot CMEs by withholding 1% of the monthly capitation payment for each effective April 1, 2024. The Standard Plan will reflect the 1% withhold in payments to the Pilot CMEs Care Management Monthly Payment. The withhold is tied to meeting targets related to the percentage of Pilot enrollees that received a service to address an unmet resource need. Refer to Table 2 below for a measure description.
- Quality Measures – The State has selected several quality measures. A baseline will be established utilizing CY2022 results. The State will share baseline findings with the Standard Plans and AMH/CIN Designated Pilot CMEs prior to the end of Period 3. There will be no targets or value-based payments tied to the baseline measures during Period 3. Refer to Table 3 for baseline quality metrics.

The State will be responsible for calculating performance targets for the Incentive and withhold programs. The State will inform the PHP the outcomes of all measures. If the Incentive measures are met, the PHP will submit an invoice to the State for payment and distribute funds to the AMH/CIN

Designated Pilot CMEs. If the measure is met for the withhold, the State will payout the withhold to the PHP and the AMH/CIN Designated Pilot CMEs.

If you have any questions, please respond with your concerns to the link to receive a response from our Provider Relations team: [ncproviderrelations@wellcare.com](mailto:ncproviderrelations@wellcare.com)

We look forward to working with you.

Sincerely,

WellCare of North Carolina

Table 1: Pilot VBP Period 3 Standard Plan Incentive Payment Performance Targets

Performance Target	Measurement Period	Measurement Rationale
Meet or exceed a total Pilot enrollment target for the performance period, as set by the Department for each Standard Plan for at least 3 consecutive months (months do not have to be consecutive) during VBP Period 3. Target for WellCare: 1,840	4/1/2024 to 10/31/2024	To incentivize Standard Plans and Designated Pilot CMEs to enroll and maintain the minimum number of qualifying members in the Pilot needed for Pilot evaluation.
20% increase in service referrals generated and sent within non-food domains from a baseline period of 7/1/2022 – 6/30/2023.	4/1/2024 to 10/31/2024	To incentivize Standard Plans and Designated Pilot CMEs to increase referrals to Pilot services within underutilized Pilot domains.
90% of Pilot enrollees are re-assessed for their ongoing Pilot eligibility and service needs within 6 months of Pilot enrollment.	4/1/2024 to 10/31/2024	To incentivize Standard Plans and Designated Pilot CMEs to conduct Pilot enrollee re-assessments in a timely manner and to support Pilot evaluation.

Reference from *Healthy Opportunities Pilot: Standard Plan Value-Based Payment Guide*, revised October 25, 2023

Table 2: Pilot VBP Period 3 Standard Plan Withhold

Performance Target	Measurement Period	Measurement Rationale
Increase by 5% the overall percentage of Pilot enrollees that received at least one Pilot service to address an unmet resource need from a baseline period of 7/1/2022 – 6/30/2023.	4/1/2024 to 10/31/2024	To incentivize Standard Plans and Designated Pilot CMEs to address enrollees’ unmet health-related resource needs. The Department will determine if this withhold performance target is met by Standard Plans and their Designated Pilot CMEs as Standard Plans do not have access to the necessary data to calculate this measure. If the withhold performance target is met, the Department will distribute retained payments to Standard Plans and their Designated Pilot CMEs as outlined in the Department-Standard Plan contract.

Reference from *Healthy Opportunities Pilot: Standard Plan Value-Based Payment Guide*, revised October 25, 2023

Table 3: Pilot VBP Period 3 Baseline Healthcare Quality Measures

Measure	Baseline Period of Performance	Data Source
<u>Child and Adolescent Well-Care Visits:</u> The percentage of Pilot enrollees 3–21 years of age who had at least one comprehensive well-care visit with a primary care provider (PCP) or an obstetrician/gynecologist (OB/GYN) practitioner during the measurement year.	1/1/2022 to 12/31/2022	NCQA
<u>Asthma Medication Ratio Ages 5 to 18 years:</u> The percentage of Pilot enrollees 5–18 years of age who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year.	1/1/2022 to 12/31/2022	NCQA
<u>Rate of Screening for Unmet Resource Needs:</u> The percentage of enrollees who received a screening for unmet health-related resource needs. Two rates are reported: <ul style="list-style-type: none"> <li>• Successful screening within 90 days of enrollment</li> <li>• Successful screening within the calendar year</li> </ul>	1/1/2022 to 12/31/2022	Quarterly report submitted by Standard Plans
<u>Ambulatory Care: Emergency Department Visits:</u> Rate of emergency department (ED) visits per 1,000 beneficiary months among pilot members	1/1/2022 to 12/31/2022	NCQA

Reference from *Healthy Opportunities Pilot: Standard Plan Value-Based Payment Guide*, revised October 25, 2023.