



THE KEYSTONE MERCY HEALTH PLAN
PRIMARY CARE PROVIDER
BASE COMPENSATION MANUAL

Excellent Care Deserves Excellent Compensation

JUNE 2011

KEYSTONE MERCY

A Program of Keystone First and Mercy Health Plan



www.keystonemercy.com

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Dear Keystone Mercy Primary Care Provider:

Keystone Mercy is pleased to introduce a new program called “The Primary Care Provider Base Compensation Program.” This program will provide Primary Care Providers (PCPs) with a roadmap for how to maximize their base compensation.

Keystone Mercy believes that PCPs who provide excellent service to our members want (and deserve) the best available compensation. To that end, we have developed a program that will evaluate PCP practices on certain metrics that are important to the delivery of high-quality, cost-effective primary care to our members.

Your base compensation will be tied to your performance on those metrics. The performance metrics are divided into three categories:

- Operational Requirements
- Quality Requirements
- Resource Utilization Requirements

Program details can be found in subsequent pages of this manual. We hope you will agree that this program does provide an opportunity for your practice to receive the best available compensation for providing the best care to our members.

Thank you for your participation in our network and your commitment to our members.

Sincerely,



William C. Morsell
*Senior Vice President
Provider Network Management*



Eric J. Berman, DO, MS
Chief Medical Officer



PERFORMANCE METRICS

A PCP practice's base compensation is determined by its performance on the following metrics*:

Operational Requirements

- ✓ Encounter Submission Rate
- ✓ Utilization of Assigned Laboratory
- ✓ Compliance with Appointment Accessibility Standards
- ✓ Compliance with After-Hours Accessibility Standards

Quality Requirements

- ✓ Quality Performance
- ✓ Non-Emergent ER Utilization
- ✓ Cost Efficiency Index

Resource Utilization Requirements

- ✓ Intensive Case Management Program

* For a definition of each of the metrics, refer to the glossary included in this manual on pages 8 and 9.



PERFORMANCE METRIC SCORING SYSTEM

The PCP practice score is determined by using a point system.

Metric Scoring System		
Operational Requirements	Performance	Points
Encounter Submission Rate	0.00 to 0.99 PM/PY	0
	1.00 to 1.99 PM/PY	2
	2.00 to 2.99 PM/PY	4
	3.00+ PM/PY	6
Utilization of Assigned Lab	Less than 25%	0
	25% - 49%	1
	50% - 74%	2
	75% - 100%	3
Compliance with Appointment Accessibility Standards	Pass	3
	Fail	0
Compliance with After-Hours Accessibility Standards	Pass	3
	Fail	0
Quality Requirements	Performance	Points
Quality Performance	0% - 49%	0
	50% - 74%	1
	75% - 89%	2
	90% - 100%	3
Non-Emergent ER Utilization	0% - 5%	3
	6% - 10%	2
	11% - 25%	1
	26% - 100%	0
Cost Efficiency Index	Greater than 1.05	0
	.95 - 1.05	1
	.87 - .94	2
	Less than .87	3
Resource Utilization Requirements	Performance	Points
Intensive Case Management Program	0% - 24%	0
	25% - 49%	1
	50% - 74%	2
	75% - 100%	3

HOW BASE COMPENSATION MODELS ARE ASSIGNED

Each PCP practice is assigned a raw score for each metric, which is then translated to a performance score. That performance score is compared to the potential score for that metric. The overall practice score is determined by comparing the performance score to the potential score.

A PCP practice's base compensation is tied to performance (i.e., its practice score) and consequently assigned to one of three compensation models.

BASE COMPENSATION MODELS

There are three base compensation models that a PCP practice can be assigned to, based upon its overall practice score:

- Capitation with certain services paid above capitation
- Fee-for-Service schedule with management fee
- Fee-for-Service schedule

Performance scores/base compensation schedules are as follows:

Performance Score	Base Compensation Model
60% or higher	Capitation with certain services paid above capitation
59% to 40%	Fee-for-Service schedule with management fee
39% to 0%	Fee-for-Service schedule*

* **Special Note:** PCP practices that average less than 75 members over a rolling 12 month period are only eligible for a Fee-for-Service schedule.

SAMPLE BASE COMPENSATION SCORE

00005 SMITH, HENRY
 555 MAIN STREET
 ANYTOWN, PA 19000

Specialty: INT

CATEGORIES	RAW SCORE	PERFORMANCE SCORE	POTENTIAL SCORE	PRACTICE SCORE
OPERATIONAL REQUIREMENTS				
1. Encounter Submission Rate	4.06	6	6	100%
2. Utilization of Assigned Laboratory	25%	1	3	33%
3. Compliance with Appointment Accessibility Standards	Pass	3	3	100%
4. Compliance with After-Hours Accessibility Standards	Pass	3	3	100%
QUALITY REQUIREMENTS				
1. Quality Performance	20%	0	3	0%
2. Non-Emergent ER Utilization	9%	2	3	66%
3. Cost Efficiency Index	.85	3	3	100%
RESOURCE UTILIZATION REQUIREMENTS				
1. Intensive Case Management Program 75%		3	3	100%
TOTAL		21	27	77%

**Operational
Requirements**

**Quality
Requirements**

**Resource Utilization
Requirements**

- 1) Encounter Submission Rate
 0 = 0.00 to 0.99 encounters PMPY
 2 = 1.00 to 1.99 encounters PMPY
 4 = 2.00 to 2.99 encounters PMPY
 6 = 3.00 + encounters PMPY

- 1) Quality Performance
 0 = 0% - 49%
 1 = 50% - 74%
 2 = 75% - 89%
 3 = 90% - 100%

- 1) Intensive Case Management
Participation
 0 = 0% - 24%
 1 = 25% - 49%
 2 = 50% - 74%
 3 = 75% - 100%

- 2) Utilization of Assigned Laboratory
 0 = Less than 25%
 1 = 25% - 49%
 2 = 50% - 74%
 3 = 75% - 100%

- 2) Non-Emergent ER Utilization
 3 = 0% - 5%
 2 = 6% - 10%
 1 = 11% - 25%
 0 = 26% - 100%

- 3) Compliance with Appointment
Accessibility Standards
 0 = Fail
 3 = Pass
- 4) Compliance with After-Hours
Accessibility Standards
 0 = Fail
 3 = Pass

- 3) Cost Efficiency Index
 0 = Greater than 1.05
 1 = .95-1.05
 2 = .87 - .94
 3 = Less than .87

PERFORMANCE EXPECTATION

Keystone Mercy supports participating primary care providers who are striving to deliver high-quality, cost-effective care to our members. However, Keystone Mercy does reserve the right to implement a “performance action plan” for practices that consistently perform poorly on metrics in the PCP Base Compensation Program. This performance action plan can include temporary closure of your panel and can ultimately lead to termination of your participation in our network.

DISPUTE PROCESS

- If a provider wishes to dispute their base compensation performance score, this dispute must be in writing.
- The written dispute must be addressed to the Senior Vice President of Provider Network Management.
- The written dispute must specify the basis for the dispute (including any applicable supporting documentation).
- The dispute must be submitted within 30 days of receiving their base compensation performance score.
- Keystone Mercy will notify provider of the decision within 30 days from receipt of the written dispute.

Send the dispute to:

Keystone Mercy Health Plan
PCP Base Compensation Program Dispute
200 Stevens Drive
Philadelphia, PA 19113

Attn: Senior Vice President
Provider Network Management

CHANGES TO THE PCP BASE COMPENSATION PROGRAM

The PCP Base Compensation Program may be further revised, enhanced or discontinued. Keystone Mercy reserves the right to modify the program at any time and shall provide written notification of any changes.

INCENTIVE PROGRAMS

In addition to the Base Compensation Program, primary care providers can earn additional revenue from our incentive programs. Brief program descriptions are noted below:

BONUS CAMPAIGN

From time to time, Keystone Mercy will target certain preventive services (e.g., adolescent well-care visits and lead screenings). Primary care providers who perform the applicable service(s) on the targeted members are eligible for an incentive.

INTENSIVE CASE MANAGEMENT REIMBURSEMENT PROGRAM

This program provides an incentive for PCPs who treat members with chronic and/or complex medical needs.

QUALITY CARE COMPENSATION PROGRAM

The Quality Care Compensation Program (QCCP) is intended to be a fair and open system that provides incentives for high-quality and cost-effective care, member service and convenience, and submission of accurate and complete health data. Incentive payment amounts are calculated based on how well a PCP practice scores in each bonus component relative to other qualifying Keystone Mercy participating PCP practices. There are four performance components:

- Quality Performance
- Severity of Illness
- Medical Cost Management
- Emergency Room Utilization

In addition, an incentive is paid for the submission of capitated encounters.

For complete and detailed information on any of these programs contact your Provider Account Executive.

PCP BASE COMPENSATION PROGRAM GLOSSARY

After-Hours Accessibility Standards – Keystone Mercy has established standards to assure after-hours accessibility of medical services. PCPs are expected to adhere to those standards. Please refer to the Provider Manual on the Provider Center at www.keystonemercy.com for the specific standards.

Appointment Accessibility Standards – Keystone Mercy has established standards to assure accessibility of appointments for medical care services. PCPs are expected to adhere to those standards. Please refer to the Provider Manual on the Provider Center at www.keystonemercy.com for the specific standards.

Capitation with Certain Services Paid Above Capitation – Monthly payment based on the age and gender of members assigned to the panel. Certain services are reimbursed above capitation. Encounters are required to be submitted for every visit whether or not the encounter contains a billable service. Contact your Provider Account Executive for specific fee schedule information.

Cost Efficiency Index – Measures the PCP practice effectiveness in managing patient medical costs in relation to their peers, based on actual to expected costs. The Cost Efficiency Index is risk-adjusted based on the patient's severity of illness.

Encounter Submission – An encounter is defined as any health care service provided to a Keystone Mercy member. Encounters, whether reimbursed through capitation, fee-for-service, or any other method of compensation, must result in the creation and submission of an accurate and complete encounter record (CMS-1500 form or electronic submission) to Keystone Mercy.

Encounter Submission Rate – The rate at which encounters are submitted expressed in terms of an average number of encounters per member per year (PMPY).

Fee-for-Service Schedule – Covered services that are reimbursed on a fee-for-service basis. Contact your Provider Account Executive for specific fee schedule information.

Fee-for-Service Schedule with Management Fee – Fixed monthly payment (i.e., management fee) regardless of member age and gender, for each member assigned to the panel. In addition, covered services are reimbursed on a fee-for-service basis. Contact your Provider Account Executive for specific fee schedule information.

GLOSSARY *(continued)*

Intensive Case Management Reimbursement Score – The Intensive Case Management Score is based on a PCP practice’s participation rate in the Intensive Case Management Reimbursement Program described on page 7 of this manual. Contact your Provider Account Executive for detailed information.

Non-Emergent ER Utilization Score – The Non-Emergent ER Utilization Score is determined by the non-emergent ER utilization by members assigned to the PCP practice panel. The list of non-emergent diagnoses used to calculate the score is the same list used for the Quality Care Compensation Program (QCCP). For a complete list of these diagnoses, go to the Provider Center at www.keystonemercy.com.

Performance Action Plan – A collaborative agreement between Keystone Mercy and a primary care provider focused on initiating steps to improve a specific area(s) of performance.

Quality Performance Score – The Quality Performance score is determined by the PCP practice’s performance on HEDIS measures from the Quality Care Compensation Program (QCCP). The eight HEDIS measures are:

- ✓ Adolescent Well-Care Visit
- ✓ Use of Appropriate Medications for People with Asthma
- ✓ Breast Cancer Screening
- ✓ Cervical Cancer Screening
- ✓ Diabetes Care (HbA1C Test)
- ✓ Diabetes Care (HbA1C Poor Control >9%)
- ✓ Diabetes Care (LDL-C Control <100 mg/dl)
- ✓ Patients with Cardiovascular Conditions (LDL-C Control <100 mg/dl)

For a complete and detailed description of the QCCP Program and scoring system, go to the Provider Center at www.keystonemercy.com.

Utilization of Assigned Laboratory – Keystone Mercy requires that providers utilize their assigned laboratory when outpatient laboratory studies are required for their Keystone Mercy Members. Failure to utilize the assigned laboratory, also known as lab leakage, results in unnecessary payments by Keystone Mercy.

KEYSTONE MERCY PCP BASE COMPENSATION PROGRAM

QUESTIONS & ANSWERS

1. Why are you changing the way I am paid?

Keystone Mercy's goal was to implement a program that would tie a Primary Care Provider's compensation to their performance on metrics that are important to the delivery of high-quality, cost-effective primary care to our members. Practices performing at a high level on these metrics will be rewarded with the best available base compensation.

2. What if I don't agree with my practice score?

For Providers who disagree with their practice score, there is a formal dispute process. The dispute process can be found in the PCP Base Compensation Program manual on page 6.

3. How often is the practice score calculated?

The practice score is calculated once every 12 months. That score is then used to determine the provider's base compensation for the subsequent 12-month period.

4. My practice score is low – what happens?

A low practice score will impact your base compensation. Your Provider Account Executive will work with you to develop an action plan to improve your practice score during the next 12 month measurement period.

5. My practice score has caused a change in my base compensation. When does this become effective?

Changes to your base compensation will be effective January 1, 2011. In December 2011, we will calculate a new practice score. That score will determine your base compensation effective January 2012.

QUESTIONS AND ANSWERS (continued)

6. What if I do not wish to participate in the PCP Base Compensation Program?

Practices that do not wish to participate in Keystone Mercy's PCP Base Compensation Program will be terminated from our provider network in accordance with the terms and conditions of their Primary Care Provider Agreement.

7. Do I get updated practice score data on a regular basis?

Upon request, your Provider Account Executive can provide you with updated information on your performance on a semi-annual basis.

8. Is my practice being compared to other practices?

What is the standard or average score?

The Keystone Mercy PCP Base Compensation Program does not compare your practice to other practices. This program evaluates your practice on certain performance metrics. Your base compensation is directly tied to your performance on those metrics.



IMPORTANT NUMBERS AND INFORMATION

- Check member eligibility and status of claims, submit and retrieve referrals, receive Care Gap alerts and member clinical summary reports via NaviNet. (www.navinet.net)
- Call **Provider Services** at **1-800-521-6007**
(available 24 hours a day/7 days a week)
- Visit us at www.keystone Mercy.com for valuable tools and information. Some services available are:
 - Searchable Provider Directory
 - Provider Manual
 - Pharmacy Services including Searchable and Printable Formulary
 - Current News and Information
 - Provider Letters and *Messenger* Newsletters
 - Forms and Documents
- Have questions, comments, or suggestions? E-mail us at **Provider. Communications@kmhp.com**



NOTES

OUR MISSION

We help people:

- *Get care*
- *Stay well*
- *Build healthy communities*

We have a special concern for those who are poor.

OUR VALUES

Advocacy • Care of the Poor • Compassion

Competence • Dignity • Diversity

Hospitality • Stewardship



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