

## 314 – AUTO-ASSIGNMENT ALGORITHM

EFFECTIVE DATE: 10/01/13, 11/01/15, 10/01/18<sup>1</sup>

REVISION DATE: 10/24/13, 07/30/15, 11/02/17<sup>2</sup>

~~STAFF RESPONSIBLE FOR POLICY: DHCM FINANCE~~<sup>3</sup>

### I. PURPOSE

This Policy applies to ~~Acute Care~~ AHCCCS Complete Care (ACC) Contractors ~~e~~ Excluding RBHA-AHCCCS Complete Care Contractors. ~~those with a capped contract.~~ The purpose of this Policy is to describe the factors and methodology used to calculate the auto-assignment algorithm. The auto-assignment algorithm is a mathematical formula used to distribute ~~all~~ members who have a choice of Contractors but who do not exercise their right to choose a Contractor and do not have family continuity<sub>2</sub> within the prescribed time limits. Assignment to Contractors occurs in a manner consistent with AHCCCS goals.

### II. DEFINITIONS

**GEOGRAPHICAL SERVICE AREA (GSA)** An area designated by AHCCCS within which a Contractor of record provides, directly or through subcontract, covered health care service to a member enrolled with that Contractor of record, as defined in 9 A.A.C. 22, Article 1.

~~**OPERATIONAL REVIEW (OR)**~~<sup>4</sup> ~~In accordance with CMS requirements [42 CFR 434.6(a)(5)] and Arizona Administrative Code [Title 9, A.A.C. Chapter 22 Article 5], AHCCCS, or an independent agent, will conduct periodic Operational Reviews of the Contractor to ensure program compliance and identify best practices [42 CFR 438.204].~~

**RBHA-AHCCCS COMPLETE CARE CONTRACTOR (RBHA-ACC)**<sup>5</sup> A Regional Behavioral Health Authority Contractor that is not awarded a YH19-0001 Contract through the AHCCCS Complete Care Contractor RFP process that subsequently elects and successfully becomes an AHCCCS Complete Care Contractor effective October 1, 2018.

**TARGET PERCENTAGES** The proportion of members calculated using an AHCCCS defined methodology which is used to distribute members to

<sup>1</sup> Date changes are effective

<sup>2</sup> Date published to RFP Bidders' Library

<sup>3</sup> Removing adds no substance to Policy

<sup>4</sup> Factor removed therefore definition is no longer needed

<sup>5</sup> RBHA-AHCCCS Complete Care Contractors are not subject to this policy

each Contractor.

### III. POLICY

#### A. COMPONENTS OF THE AUTO-ASSIGNMENT ALGORITHM

##### 1. Overview:

The auto-assignment algorithm uses the weighting established for a combination of pre-determined factors to assign points to Contractors, which are then used to establish calculate target percentages. The target percentages are loaded into a data table and a formula is used to assign cases to Contractors. A case may be a member or a household of members. The algorithm data table consists of all the Geographical Service Areas and Pima County (hereafter GSAs) ~~in the state~~, all Contractors serving each GSA, and the target percentages established by risk group. The equation used is:

$$(t/T) - P = d$$

- t = The total members assigned to the GSA, per risk group category, for the Contractor
- T = The total members assigned to the GSA, per risk group category, all Contractors combined
- P = The target percentage of members per risk group for the Contractor
- d = The difference

All ~~non-capped~~ Contractors, within a given GSA and for each risk group, will have a placement in the algorithm and will receive members accordingly. A Contractor with a more favorable target percentage in the algorithm will receive proportionally more members. Conversely, a Contractor with a lower target percentage in the algorithm will receive proportionally fewer members.

The Contractor furthest from its target percentage within a GSA and risk group, i.e. the largest negative difference, is assigned the next case for that GSA. The algorithm is calculated after each assignment to give a new difference for each Contractor. When multiple Contractors have the same largest negative difference, the Contractor with the lowest Health Plan I-D- Number will be assigned the case.

##### 2. Factors:

Target percentages will be developed ~~based on~~ using the following factors:

FACTOR <sup>6</sup>		WEIGHTING
1.	The Contractor's <u>ranking on the AHCCCS Complete Care RFP awarded Capitation – Non-Benefit Costs bidscapitation rate.</u>	<del>50%</del> <u>25%</u>
2.	The Contractor's overall <u>score earned on the Acute Care ACC Operational Review (OR) as a percentage of total score available ranking on the AHCCCS Complete Care RFP contract award.</u>	<del>25%</del> <u>50%</u>
3.	The Contractor's <u>twelve month average of monthly total approved encounters per member month (mm) ranking from the IT Demo completed as part of the readiness review.</u>	<del>25%</del> <u>25%</u>

These are listed as Factor #1, Factor #2 and Factor #3 in the example under “4. Target Percentages” below.

**3. Points:**

Each Contractor will be assigned a number of points for each of the above three factors ~~indicated factors separately~~ using the following table:

NUMBER OF AWARDS IN GSA FOR EACH FACTOR <sup>7</sup>	1ST PLACE	2ND PLACE	3RD PLACE	4TH PLACE
2	60	40		
3	44	33	23	
4	35	28	22	15
<del>5</del>	<del>30</del>	<del>25</del>	<del>20</del>	<del>15</del>
<del>6</del>	<del>27</del>	<del>23</del>	<del>19</del>	<del>15</del>
<del>7</del>	<del>24</del>	<del>21</del>	<del>18</del>	<del>14</del>

Points are assigned based on the number of Contractors in each GSA:

- North
- Central

<sup>6</sup> New factors added.

<sup>7</sup> Maximum number of awards amended to coincide with ACC RFP

- South (excluding Pima County)
- Pima County

–Points will be weighted as indicated above to determine each Contractor’s target percentage by risk group by GSA.

If two or more contractors have equal ranking for one of the factors, each contractor is given an equal share of the total points that are assigned for each of the places they occupy.<sup>8</sup>

#### 4. **Target Percentages:**

By weighting the points assigned to each factor, the target percentages are determined.

~~For Contractors in all GSAs except Maricopa (GSA 12) and Pima/Santa Cruz (GSA 10), these percentages will be evaluated annually. For Contractors in the Maricopa and Pima GSAs, the target percentages will be evaluated quarterly.~~<sup>9</sup>

The following example, using four awards, illustrates the relationship of the factors, points and target percentages.

<sup>8</sup> Clarification added.

<sup>9</sup> Information discussed elsewhere.

**EXAMPLE<sup>10</sup>: TANF\_AGE1-13MF20**

CONTRACTOR	FACTOR #1 ( <u>NON-BENEFIT COSTS BIDS CAP RATE RANK</u> ) 250% WEIGHT		FACTOR #2 ( <u>OR SCORE %ACC RFP AWARD RANK</u> ) 250% WEIGHT		FACTOR #3 ( <u>12-MONTH AVG. OF TOTAL APPROVED ENCOUNTERS/MMI T DEMO RANK</u> ) 25% WEIGHT		TARGET %
	<u>RATE RANK</u>	POINTS	<u>RANKS CORES</u>	POINTS	<u>RANKS CORES</u>	POINTS	
CONTRACTOR A	Lowest (Best 1 <sup>st</sup> Place)	3035.0 0	2 <sup>nd</sup> Place 2 <sup>nd</sup> & Highest	2528.0 0	3 <sup>rd</sup> Place 4 <sup>th</sup> Highest	1522.0 0	2528.250 0%
CONTRACTOR B	3 <sup>rd</sup> Lowest Place	2022.0 0	1 <sup>st</sup> Place Highest (Best)	3035.0 0	2 <sup>nd</sup> Place 3 <sup>rd</sup> Highest	2028.0 0	2230.500 0%
CONTRACTOR C	2 <sup>nd</sup> Lowest Place	2528.0 0	3 <sup>rd</sup> Place Lowest (Worst)	1022.0 0	4 <sup>th</sup> Place Lowest (Worst)	1015.0 0	1721.750 %
CONTRACTOR D	Highest (Worst 4 <sup>th</sup> Place)	1015.0 0	4 <sup>th</sup> Place 4 <sup>th</sup> Highest	15.00	1 <sup>st</sup> Place Highest (Best)	3035.0 0	1620.250 00%
CONTRACTOR E	4 <sup>th</sup> Lowest	15.00	3 <sup>rd</sup> Highest	20.00	2 <sup>nd</sup> Highest	25.00	18.750%
		100.00		100.00		100.00	100.00%

Factor 1 is the Contractor’s awarded cap rate and thus the “Lowest” awarded rate (best rate) receives the greatest number of points. The “Highest” awarded rate (worst rate) receives the least number of points.

Factor 2 is the Contractor’s overall score earned on the Acute Care ACC Operational Review (OR) as a percentage of total score available to the specific Contractor. Converting the score to a percentage normalizes the scores over a Contractor specific denominator. The overall score earned is calculated by adding the total percentage earned for each standard assessed. The total score available per Contractor is calculated by adding the total number of standards assessed for that Contractor from the OR. For CYE 16, the OR results from CYE 14 will be utilized. The “Highest” combined OR score percentage is the best score and receives the greatest number of points. The

<sup>10</sup> Example modified for changes in factors, number of contracts awarded, and contract changes

~~“Lowest” combined OR score percentage is the worst score and receives the least number of points.~~

~~Factor 3 is the Contractor’s twelve month average of monthly total approved encounters per member month (mm). The monthly total approved encounters per mm is calculated by adding all encounters approved during the month for both monthly encounter cycles divided by the total number of monthly member months. For CYE 16, the approved encounters during CYE 14 will be utilized. The “Highest” average approved encounter/mm is the best score and receives the greatest number of points. The “Lowest” average approved encounter/mm is the worst score and receives the least number of points.~~

## **B. MAXIMUM ENROLLMENT**

1. On ~~October 1, January 1, April 1, and July 1, and October 1,~~ those Contractors in Pima ~~(GSA 10)County~~ and ~~Maricopa the Central (GSA 12)~~ that have enrolled membership equal to or greater than 45% of the GSA total will have their target percentages set to zero. The points removed will be redistributed based on the existing distribution to all the remaining Contractors in that GSA that have not reached the 45% maximum enrollment threshold. Maximum enrollment will be re-tested in the following quarter to determine if the Contractor is equal to or greater than 45% of the GSA. If yes, the target percentages will remain at zero. If no, the target percentages will be returned to the original distribution prior to being set to zero.<sup>11</sup> ~~In GSA 10, only the Pima County membership will be included in the analysis of Contractor enrollment; Santa Cruz members will be excluded from the computations.~~
2. AHCCCS will use a standard enrolled membership report run out of the Agency’s data warehouse to determine the enrolled membership used in the calculation. This report will be run effective September 1, December 1, March 1, and June 1, ~~and September 1.~~
3. Once a Contractor in ~~GSA 10 (using only the Pima County membership) or the Central GSA 12~~ is determined to reach the 45% threshold, the Contractor will be notified before the auto-assign algorithm is changed.

## **C. ANNUAL ADJUSTMENTS**

1. The auto-assignment algorithm will be reviewed annually by AHCCCS. The target percentages assigned to each Contractor may be recalculated based on the combination of factors used. If new factors are being incorporated into the auto-assignment algorithm, AHCCCS will notify the Contractor no less than three months prior to October 1 or the effective date. Updating an existing factor with more recent

<sup>11</sup> Further clarification added.

data is not considered a new factor requiring no less than three months prior notification.<sup>12</sup>

1.2. Each Contractor will receive from DHCM Finance the updated auto-assignment algorithm with updated target percentages once they are changed.

#### **D. MEDICARE ALIGNMENT**

AHCCCS may address assignment of dual eligible members in a unique manner for improved care coordination opportunities.

#### **E. FUTURE AUTO-ASSIGNMENT FACTORS FOR CYE 17 AND BEYOND**

1. AHCCCS may change the algorithm at any time during the term of the Contract in response to Contractor-specific issues (e.g. imposition of an enrollment cap) or in the best interest of the AHCCCS Program and/or the State. AHCCCS may change the algorithm factor methodology for subsequent years to recognize and reward Contractor performance across a variety of factors of importance to AHCCCS.
2. Factors may be based on a combination of capitation rates and one or more of the following types of performance measures:
  - a. Capitation Rates
  - ~~a.~~ b. Clinical performance measures
  - ~~b.~~ c. Encounter submission measures
  - ~~c.~~ d. Claims processing performance measures
  - ~~d.~~ e. Other administrative measures (e.g. measures related to grievances/hearings)
  - ~~e.~~ f. Operational Reviews or other performance assessments

#### **IV. REFERENCES**

- ~~• Acute Care Contract, Section D~~<sup>13</sup>

<sup>12</sup> Further clarification added.

<sup>13</sup> Removed reference list- applicable references are included in the policy