

314 – AUTO-ASSIGNMENT ALGORITHM

EFFECTIVE DATE: 10/01/13, 11/01/15

REVISION DATE: 10/24/13, 07/30/15

STAFF RESPONSIBLE FOR POLICY: DHCM FINANCE

I. PURPOSE

This Policy applies to Acute Care Contractors excluding 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 do not exercise their right to choose a Contractor and do not have family continuity within the prescribed time limits. Assignment to Contractors occurs in a manner consistent with AHCCCS goals.

II. DEFINITIONS

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

III. POLICY

A. COMPONENTS OF THE AUTO-ASSIGNMENT ALGORITHM

1. Overview:

The auto-assignment algorithm uses a combination of pre-determined factors to assign points to Contractors, which are then used to establish 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 (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 the following factors:

FACTOR		WEIGHTING
1.	The Contractor’s awarded capitation rate.	50%
2.	The Contractor’s overall score earned on the Acute Care Operational Review (OR) as a percentage of total score available.	25%
3.	The Contractor’s twelve month average of monthly total approved encounters per member month (mm).	25%

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 indicated factors **separately** using the following table:

NUMBER OF AWARDS IN GSA FOR EACH FACTOR	1ST PLACE	2ND PLACE	3RD PLACE	4TH PLACE	5TH PLACE	6TH PLACE	7TH PLACE
2	60	40					
3	44	33	23				
4	35	28	22	15			
5	30	25	20	15	10		
6	27	23	19	15	10	6	
7	24	21	18	14	11	8	4

Points are assigned based on the number of Contractors in each GSA. Points will be weighted as indicated above to determine each Contractor’s target percentage by risk group by GSA.

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.

In the event of a tie in the target percentage, the plan with the smaller enrollment will receive the higher placement in the auto-assignment algorithm among those in the tie.

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

EXAMPLE: TANF 1-13MF

CONTRACTOR	FACTOR #1 (CAP RATE) 50% WEIGHT		FACTOR #2 (OR SCORE %) 25% WEIGHT		FACTOR #3 (12 MONTH AVG. OF TOTAL APPROVED ENCOUNTERS/MM) 25% WEIGHT		TARGET %
	RATE	POINTS	SCORES	POINTS	SCORES	POINTS	
CONTRACTOR A	Lowest (Best)	30.00	2nd Highest	25.00	4th Highest	15.00	25.00%
CONTRACTOR B	3rd Lowest	20.00	Highest (Best)	30.00	3rd Highest	20.00	22.50%
CONTRACTOR C	2nd Lowest	25.00	Lowest (Worst)	10.00	Lowest (Worst)	10.00	17.50%
CONTRACTOR D	Highest (Worst)	10.00	4th Highest	15.00	Highest (Best)	30.00	16.250%
CONTRACTOR E	4th Lowest	15.00	3rd Highest	20.00	2nd 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 Operational Review (OR) as a percentage of total score available to a specific Contractor. Converting the score to a percentage normalizes the scores over a Contractor-specific denominator. . The overall score 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 "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 January 1, April 1, July 1, and October 1, those Contractors in Pima (GSA 10) and Maricopa (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. 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 December 1, March 1, June 1, and September 1.
3. Once a Contractor in GSA 10 (using only the Pima County membership) or 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.

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. 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. Clinical performance measures
 - b. Encounter submission measures
 - c. Claims processing performance measures
 - d. Other administrative measures (e.g. measures related to grievances/hearings)
 - e. Operational Reviews or other performance assessments

IV. REFERENCES

- Acute Care Contract, Section D