

**ACOM 318 CYE15
ALTCS EPD Program Payment Reform Initiative
Attachment D**

**Arizona Long Term Care System Elderly and Physically Disabled Payment Reform Initiative Reconciliation Example
For the Contract Year Ending 9/30/XX**

	<u>Scenario 1</u> ⁽³⁾	Plan A <u>Scenario 2</u> ⁽⁴⁾	<u>Scenario 3</u> ⁽⁵⁾
Prospective Gross Capitation ^{(1) (2)}	\$ 250,000,000	\$ 250,000,000	\$ 250,000,000
1% Quality Contribution	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Adjustments, if necessary, to Quality Contribution:			
Elimination of measures from PRI			
Elimination of Contractor from measure due to insufficient population			
Net Quality Contribution	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Contractor meets 5% value of total payments for ALTCS EPD and 1.5% for DSNP criteria	No	Yes	Yes
Quality Distributions by Quality Management Performance Measures (QMPMs):			
QMPM 1: Readmissions within 30 days	\$ -	\$ 940,773	\$ 310,845
QMPM 2: ED Utilization	\$ -	\$ 155,823	\$ 155,823
QMPM 3: Diabetes Management - HbA1c Testing	\$ -	\$ 866,667	\$ 280,000
QMPM 4: Diabetes Management - LDL-C Screening	\$ -	\$ 886,800	\$ 267,120
QMPM 5: Flu Shots - Age 65+	\$ -	\$ 153,970	\$ 1,109,088
Total Quality Distributions	\$ -	\$ 3,004,033	\$ 2,122,876
Amount of Quality Distributions over Quality Contributions -- Due to/(Due From) Contractor	\$ (2,500,000)	\$ 504,033	\$ (377,124)
Premium Tax	\$ (51,020)	\$ 10,286	\$ (7,696)
Total Amount Due To/(Due From) Contractor	\$ (2,551,020)	\$ 514,319	\$ (384,820)
Test for Federal limit ⁽⁶⁾		0.21%	

Notes:

- 1.) Prospective Gross Capitation is calculated based on paid capitation member months for the measurement period multiplied by the cap rates in effect for the same time period. Member months will be pulled from the Agency's data warehouse using a standard member months report.
- 2.) Prospective gross capitation is capitation prior to the adjustment for the Nursing Facility Enhanced payment.
- 3.) Scenario 1 illustrates the situation in which the Contractor does not meet the 5% value of total payment for ALTCS EPD and 1.5% for DSNP criteria and their entire contribution is recouped by AHCCCS.
- 4.) Scenario 2 illustrates the situation in which the Contractor's quality distribution exceeds the amount of the quality contribution and the amounts are due to the Contractor.
- 5.) Scenario 3 illustrates the situation in which the Contractor's quality distribution is less than the amount of the quality contribution and the amounts are recouped from the Contractor by AHCCCS.
- 6.) Due to Federal requirements, the maximum distribution across all QMPMs made to any Contractor will be limited to 5 percent of annual prospective gross capitation (total payments by AHCCCS for the ALTCS EPD line of business).