

Attachment S.1.b
Actuarial Certification for S.1

WellCare Health Plans of Louisiana, Inc.

Actuarial Certification for Appendix OO of Section S1

This document presents the development of cost and enrollment estimates for the Appendix OO tables for WellCare Health Plans, Inc. (WellCare) for the Louisiana Department of Health and Hospitals (DHH) Medicaid Prepaid Coordinated Care Networks request for proposal (RFP # 305PUR-DHHRFP-CCN-P-MVA). The documentation for the development of the actuarially sound claim cost estimates has been prepared for the DHH for the purpose of fulfilling the requirements outlined in Appendix KK, Part II Technical Approach, Section S. This section outlines information regarding expected payments to providers that would be in excess of those paid under the defined state Medicaid plan. Appendix OO was created to report these estimated claim costs as part of the final RFP.

Limitations

The information contained in this document, including the accompanying Appendix S1-OO-1, has been prepared for DHH with the purpose of fulfilling the requirements outlined in Appendix KK, Part II Technical Approach, Section S1. It is our understanding that the information contained in this document may be utilized in a public document. To the extent that the information contained in this document is provided to third parties, the document should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

The information contained in this document was prepared as documentation of the actuarially sound claim cost estimates for the WellCare Medicaid managed care organization health plan in the State of Louisiana beginning on January 1, 2012. The information may not be appropriate for any other purpose.

Data Reliance

The information contained in this document has been developed from data and information provided to WellCare by the DHH through the RFP, the RFP Data Book, and responses to questions posed through the formal RFP question submission process. Although the data and information was reviewed for reasonableness, we have accepted the data without audit. To the extent the data provided to WellCare was not complete or accurate, the claim cost estimates presented in this document may require modification to ensure actuarial soundness.

Furthermore, due to the time requirements to file this information, certain assumptions regarding the network provider structure have not been finalized. Therefore, certain assumptions with regard to provider contracting including the location, participation level, and reimbursement level of contracts were necessary to complete this information to meet the RFP submission deadline. We have worked closely with our provider contracting teams to develop and utilize the most accurate information available. However, the estimates

contained in this memorandum are subject to variation in cases where actual contracting efforts produce assumptions that differ from those used in the claim cost development.

Estimates Shown In Appendix OO

Appendix OO contains three sets of schedules for the prospective CCN-P to report expected claim cost and enrollment in the format defined by DHH. The three schedules split reported claim cost estimates into "CCN P_ChildFam", "CCN P_SSI", and "CCN P_Other". The determination of how claims and enrollment were allocated between these three sets of schedules is discussed below.

For each of the three sets of schedules, there are ten tables, consisting of five reporting metrics that are to be completed separately for Adults and Children. Each table contains information for the nine DHH reporting regions. The five reporting metrics in the tables include:

1. Fee for Service Payment Rates – this table summarizes the estimated value of enhanced payments made to providers that exceed the standard Medicaid fee schedule structure. These values do not include any value-added benefits. Based on our current contract negotiations, there is a possibility that certain contracts will be paid at a level in excess of 100% of the Medicaid rate, but we do not anticipate that all contracts will be paid at amounts above 100% of Medicaid. Most contracts are still awaiting approval and cannot be deemed with certainty that such higher rates will be paid. Based on the instructions in Section S1 noting that "if the Medicaid rate was the base rate and anything above that rate subject to negotiation, then such amounts would not qualify for inclusion herein", possible contracted costs in excess of 100% of Medicaid are not included in the schedule. Therefore, the first schedule in each of the sheets has a \$0 PMPM claim cost estimate.
2. Sub-Capitation Payment Arrangements – this table summarizes the expected claim cost for sub-capitated vendors under contract. Since there are currently no such vendors under contract, the second schedule in each of the sheets has a \$0 PMPM claim cost estimate.
3. Bonus Payments – this table summarizes the expected claim cost for physicians that have a bonus payment as part of their contract. At this time, all of the bonus payments designed for this program are tied to performance, so the third schedule in each of the sheets has a \$0 PMPM claim cost estimate.
4. Pay for Performance Incentive Programs – this table summarizes the expected claims cost for planned physician incentive programs that are expected to improve health outcomes through improvement in access or quality. This program was developed by a cross-functional team representing WellCare's clinical, network and actuarial personnel and is explained in detail in the Section S1 RFP narrative. Documentation for the development of the expected claim costs are shown in Appendix S1-OO-1 following this certification. The claim cost estimates are shown in the fourth schedule in Appendix OO.

5. Other Payment Arrangements – this table summarizes the expected claim cost for any other contracted arrangements not covered in the first four schedules. Since there are no such contracts currently in place, the fifth schedule in each of the sheets has a \$0 PMPM claim cost estimate.

The claim cost estimates were developed on an actuarially sound basis using the State Fiscal Year (SFY) 2009 (service dates of July 1, 2008 through June 30, 2009) and SFY 2010 (service dates of July 1, 2009 through June 30, 2010) fee-for-service (FFS) claim experience and enrollment information provided by DHH. The claim cost estimates assume the first members enroll in the plan according to the phase-in implementation schedule proposed by DHH in the April 2011 RFP release. The claim cost estimates may require modification if the enrollment process varies considerably from this timeframe.

The claim cost estimates shown in the schedules are expressed on a per member per month (PMPM) cost basis. Total estimated annual dollars can be calculated by multiplying the applicable enrollment by the stated PMPM and then multiplying by 12. Since certain aspects of additional costs to be shown in the schedules may not be level over the three year rate period, the single PMPM for each table represents an average PMPM over the three year contract period of SFY2012-2014. The enrollment is assumed to be level over each of the three years at 75,000 per the instructions. The impact of delayed phase-in of the Geographic Service Area (GSA) B and GSA C are not explicitly adjusted as this phase-in and would have minimal impact on the overall calculation estimates. Certain phase-in aspects of Pay For Performance payments are explicitly modeled to the extent that the program design evolves over the three year period. For this case, the estimated claim cost PMPM shown represents the expected three year average PMPM. Detailed documentation of the claim cost estimates are shown in Appendix S1-OO-1.

Enrollment in Schedules

Enrollment for the Appendix OO schedules is set to 75,000 based on the instructions. Below describes additional assumptions used to allocate this level of enrollment into the requested regional and age breakdowns.

- Regional enrollment amounts are based on internal membership projections based on highest priority regions. These regions are based on preliminary information from DHH regarding the number of awarded contracts, assessment of network contracting, and an assessment of potential regional competitors. These assumptions are subject to revision based on the final contract award decisions by DHH.
- The membership by category of aid uses the SFY 2010 demographics. The final enrollment estimate of 75,000 is allocated based on this demographic basis.
- Children and Families were allocated to the Adult schedule for all members with ages above those in the Ages 14-18 rate cell categories. All other members were allocated to the Child schedule.

- SSI members were allocated to the Adult schedule for all members with ages above those in the Ages 14-18 rate cell categories. All other members were allocated to the Child schedule.
- Any anticipated costs related to maternity were fully allocated to the Family and Children Adult schedule. No attempt to allocate maternity-related costs between Adult and Child, or to “SSI” or “Other” was made, even though these populations could have maternity events. Maternity delivery counts were not allocated as “members” as it assumed that the newborns would be counted in their applicable rate cell after birth.
- Foster Children are fully allocated to the Child "Other" schedule.
- Breast and Cervical Cancer members are fully allocated to the Adult "Other" schedule.

Considerations in Claim Cost Estimates

The claim cost estimates shown in Appendix OO represent our best estimates of expected claim costs based on the current contracting status, projected membership, available information, and the design of the programs proposed in the RFP Section S1 narrative. Below are some considerations when reviewing the estimated claim costs:

- The provider incentive payments outlined in the Pay for Performance narrative of S1 represent WellCare’s effort to enhance provider reimbursement for proactive involvement in member care coordination and to target better health outcomes. While the levels of potential bonus payments represent a financial commitment to these initiatives, the estimation of the expected claim costs depends on the providers’ participation in this program. Since WellCare does not have detail information on current provider results related to the measures in the program, some of the pricing assumptions were developed from experience in other Medicaid markets.
- Enrollment mix can have a significant impact on the overall PMPM estimates, even within the splits of Adult /Child and eligibility categories in this Appendix. As indicated earlier, the enrollment uses demographic characteristics from the SFY2010 experience. Variation could occur to the extent that actual enrollment differs from the SFY2010 demographic assumptions.
- Member morbidity is gauged based on the experience outlined in the DHH RFP data book. The actual morbidity of enrollees could differ from the data book. In particular, DHH intends to employ risk adjustment in the rate methodology to balance CCN reimbursement against the relative morbidity of the population. While this intends to balance plan premiums and expected claim cost, certain provider reimbursement costs can vary significantly based on the population morbidity. For example, since SSI members may require more office visits to effectively manage chronic conditions, then a higher-than-average number of enrolled SSI members may translate into

more members that require more frequent office visits. This could mean that more providers see a higher percentage of members, which would have an impact on the amount of Pay for Performance dollars paid since more providers may meet the bonus criteria outlined in the plan than projected here. Therefore, certain assumptions (i.e., such as the percent of providers seeing 80% of members in a given timeframe) may be very sensitive to the overall morbidity of actual enrolled members. For the purposes of Appendix OO, the overall risk is assumed to conform to an average population (i.e., a risk score in close proximity to 1.00).

Actuarial Certification

An Actuarial Certification follows this page.

* * *


Daniel Schnur, FSA, MAAA
Director – Actuarial Services
WellCare Health Plans, Inc.
8735 Henderson Road
Tampa, FL 33634-1143
Phone: (813) 290-2740

June 15, 2011
Date

**Actuarial Certification
State of Louisiana
Department of Health and Hospitals
Proposed Medicaid CCN-P Program
Section S1**

I, Daniel B. Schnur, am a Director – Actuarial Services at WellCare Health Plans, Inc. I am a Member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the qualification standards established by the American Academy of Actuaries and have followed the practice standards established by the Actuarial Standards Board.

I further certify to the best of my knowledge and judgment that:

- The claim cost estimates represent the company's estimate of anticipated future experience;
- The claim cost estimates are for the classes of risk for which they have been computed;
- The claim cost estimates are neither inadequate nor excessive nor unfairly discriminatory;
- The benefits are reasonable in relation to the proposed claim cost estimates;
- The claim cost estimation complies with all appropriate Actuarial Standards of Practice.
- The claim cost estimates are influenced by many factors and actual experience can vary materially from expected. Potential sources of variation may include, but may not be limited to: demographic mix, ultimate network provider contracts, and member morbidity levels.



Daniel B. Schnur, FSA, MAAA
Director – Actuarial Services
WellCare Health Plans, Inc.
8735 Henderson Road
Tampa, FL 33634-1143
Phone: (813) 206-2740

June 15, 2011

Date

Appendix S1-OO-1

**Louisiana Coordinated Care Networks - Prepaid
Provider Incentive Programs**
Appendix S1-OO-1

Pay for Performance Incentive Payments

Family/Children - CHILD	<i>Region 1</i>	<i>Region 2</i>	<i>Region 3</i>	<i>Region 4</i>	<i>Region 5</i>	<i>Region 6</i>	<i>Region 7</i>	<i>Region 8</i>	<i>Region 9</i>
Year 1 Claim PMPM	\$ 0.44	\$ 0.46	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44
Year 2 Claim PMPM	\$ 0.65	\$ 0.59	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
Year 3 Claim PMPM	\$ 0.96	\$ 0.78	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96
Average Claim PMPM	\$ 0.68	\$ 0.61	\$ 0.68	\$ 0.68	\$ 0.68	\$ 0.68	\$ 0.68	\$ 0.68	\$ 0.68
Enrollment	15,435	11,719	7,515	11,591	0	0	0	0	9,393

Family/Children - ADULT	<i>Region 1</i>	<i>Region 2</i>	<i>Region 3</i>	<i>Region 4</i>	<i>Region 5</i>	<i>Region 6</i>	<i>Region 7</i>	<i>Region 8</i>	<i>Region 9</i>
Year 1 Claim PMPM	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Year 2 Claim PMPM	\$ 0.66	\$ 0.59	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66
Year 3 Claim PMPM	\$ 0.79	\$ 0.67	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79
Average Claim PMPM	\$ 0.65	\$ 0.59	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
Enrollment	2,936	1,800	1,204	1,668	0	0	0	0	1,327

SSI - CHILD	<i>Region 1</i>	<i>Region 2</i>	<i>Region 3</i>	<i>Region 4</i>	<i>Region 5</i>	<i>Region 6</i>	<i>Region 7</i>	<i>Region 8</i>	<i>Region 9</i>
Year 1 Claim PMPM	\$ 0.73	\$ 0.64	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73
Year 2 Claim PMPM	\$ 0.65	\$ 0.59	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
Year 3 Claim PMPM	\$ 0.96	\$ 0.78	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96
Average Claim PMPM	\$ 0.78	\$ 0.67	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78
Enrollment	939	651	465	496	0	0	0	0	385

SSI - ADULT	<i>Region 1</i>	<i>Region 2</i>	<i>Region 3</i>	<i>Region 4</i>	<i>Region 5</i>	<i>Region 6</i>	<i>Region 7</i>	<i>Region 8</i>	<i>Region 9</i>
Year 1 Claim PMPM	\$ 0.73	\$ 0.64	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73
Year 2 Claim PMPM	\$ 0.66	\$ 0.59	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66
Year 3 Claim PMPM	\$ 0.79	\$ 0.67	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79
Average Claim PMPM	\$ 0.72	\$ 0.63	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72
Enrollment	2,058	1,218	918	1,384	0	0	0	0	1,059

Other - CHILD	<i>Region 1</i>	<i>Region 2</i>	<i>Region 3</i>	<i>Region 4</i>	<i>Region 5</i>	<i>Region 6</i>	<i>Region 7</i>	<i>Region 8</i>	<i>Region 9</i>
Year 1 Claim PMPM	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Year 2 Claim PMPM	\$ 0.65	\$ 0.59	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
Year 3 Claim PMPM	\$ 0.96	\$ 0.78	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96
Average Claim PMPM	\$ 0.70	\$ 0.62	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70
Enrollment	145	119	70	190	0	0	0	0	227

Other - ADULT	<i>Region 1</i>	<i>Region 2</i>	<i>Region 3</i>	<i>Region 4</i>	<i>Region 5</i>	<i>Region 6</i>	<i>Region 7</i>	<i>Region 8</i>	<i>Region 9</i>
Year 1 Claim PMPM	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Year 2 Claim PMPM	\$ 0.66	\$ 0.59	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66
Year 3 Claim PMPM	\$ 0.79	\$ 0.67	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79
Average Claim PMPM	\$ 0.65	\$ 0.59	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
Enrollment	24	17	12	16	0	0	0	0	22

TOTAL	<i>Region 1</i>	<i>Region 2</i>	<i>Region 3</i>	<i>Region 4</i>	<i>Region 5</i>	<i>Region 6</i>	<i>Region 7</i>	<i>Region 8</i>	<i>Region 9</i>
Year 1 Claim PMPM	\$ 0.48	\$ 0.49	\$ 0.48	\$ 0.48	\$ 0.47	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48
Year 2 Claim PMPM	\$ 0.65	\$ 0.59	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
Year 3 Claim PMPM	\$ 0.92	\$ 0.76	\$ 0.92	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93
Average Claim PMPM	\$ 0.69	\$ 0.61	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.68
Enrollment	21,536	15,524	10,182	15,345	0	0	0	0	12,413

**Louisiana Coordinated Care Networks - Prepaid
Provider Incentive Programs**

Appendix S1-OO-1

Pay for Performance Incentive Payments - Year 1

Year 1 Claim PMPM	<i>Region 1</i>	<i>Region 2</i>	<i>Region 3</i>	<i>Region 4</i>	<i>Region 5</i>	<i>Region 6</i>	<i>Region 7</i>	<i>Region 8</i>	<i>Region 9</i>
Family/Children - CHILD	\$ 0.44	\$ 0.46	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44
Family/Children - ADULT	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
SSI - CHILD	\$ 0.73	\$ 0.64	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73
SSI - ADULT	\$ 0.73	\$ 0.64	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.73
OTHER - CHILD	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
OTHER - ADULT	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50

1. Availability of after-hours and / or weekend coverage

Criteria: PCP operates and has posted office hours after 6 p.m. on any weekday or at anytime on a Saturday or Sunday – at least 4 hours per week

Composite ER Cost PMPM	\$ 13.76
Assume 1 in 7 ER diverted = 14%,	\$ 1.97
Share 50% with PCP	\$ 1.00
Assumed percent of physicians offering after-hours	30%
Final PMPM	\$ 0.30 PMPM

2. Foreign language speaking clinical staff

Criteria: At least one member of clinical (member facing) staff (nurse practitioner, physician assistant and / or physician) that practices and is listed in WellCare’s provider directory as speaking a language other than English.

Assume savings based on enhanced communication for instructions and guidance that will improve outcomes and reduce potential inpatient and ER visits	\$ 0.50 PMPM
Assumed percent of physicians meeting language req.	25%
Final PMPM	\$ 0.13 PMPM

**Louisiana Coordinated Care Networks - Prepaid
Provider Incentive Programs**

Appendix S1-OO-1

Pay for Performance Incentive Payments - Year 1

3. Access to preventive services

Criteria: Physician sees 80% of its newly assigned members within the first 120 days of assignment
(or if unsuccessful, then by December 31, 2012)

Assume savings based on early identification of chronic or high cost conditions.

	<u>% Achieving</u>	<u>Bonus Payment</u>
Pct Physicians Seeing 80% of members in 120 days	4.0%	\$ 1.00 PMPM
Pct Physicians Seeing 80% of members between	<u>6.0%</u>	<u>\$ 0.25 PMPM</u>
120 days and 12/31/2012	10.0%	\$ 0.06

Allocated by Eligibility and Age Group*

	<u>PMPM</u>
Family Children Child	\$ 0.01
Family Children Adult	\$ 0.07
SSI Child	\$ 0.30
SSI Adult	\$ 0.30
Other Child	\$ 0.07
Other Adult	\$ 0.07

* - This allocation assumes that members with chronic conditions (i.e. SSI) and pregnant women are likely to see physicians earlier and more frequently than other members. Therefore, the relative cost for bonuses is allocated more toward members that are more likely to have earlier or more frequent visits, generating higher percentages.

#1 - #3 above applies to an estimated 60% of providers in Region 2 and 100% of providers in other regions; the remaining 40% of providers in Region 2 would receive payment based on #4 below.

4. Pay For Performance payment for Organized Contracting Entities (Currently in Region 2 Only)

Bonus Payment PMPM	\$ 0.50
Estimated Pct of Region 2 Providers Under Contract	40%
Final PMPM	\$ 0.20 PMPM

**Louisiana Coordinated Care Networks - Prepaid
Provider Incentive Programs**

Appendix S1-OO-1

Pay for Performance Incentive Payments - Year 2

Year 2 Claim PMPM	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Family/Children - CHILD	\$ 0.65	\$ 0.59	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
Family/Children - ADULT	\$ 0.66	\$ 0.59	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66
SSI - CHILD	\$ 0.65	\$ 0.59	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
SSI - ADULT	\$ 0.66	\$ 0.59	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66
OTHER - CHILD	\$ 0.65	\$ 0.59	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65	\$ 0.65
OTHER - ADULT	\$ 0.66	\$ 0.59	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66

1. Availability of after-hours and / or weekend coverage

Criteria: PCP operates and has posted office hours after 6 p.m. on any weekday or at anytime on a Saturday or Sunday – at least 4 hours per week

Composite ER Cost PMPM	\$ 13.76
Assume 1 in 7 ER diverted = 14%,	\$ 1.97
Share 50% with PCP	\$ 1.00
Assumed percent of physicians offering after-hours	30%
Final PMPM	\$ 0.30 PMPM

2. Foreign language speaking clinical staff

Criteria: At least one member of clinical (member facing) staff (nurse practitioner, physician assistant and / or physician) that practices and is listed in WellCare’s provider directory as speaking a language other than English.

Assume savings based on enhanced communication for instructions and guidance that will improve outcomes and reduce potential inpatient and ER visits	\$ 0.50
Assumed percent of physicians meeting language req.	25%
Final PMPM	\$ 0.13 PMPM

3. Adult access to preventive / ambulatory services (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.50
Expected % physicians meeting 75th percentile in year 2	15%
Final PMPM	\$ 0.08 PMPM

4. Adolescent Well Care Visits (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.50
Expected % physicians meeting 75th percentile in year 2	15%
Final PMPM	\$ 0.08 PMPM

**Louisiana Coordinated Care Networks - Prepaid
Provider Incentive Programs**

Appendix S1-OO-1

Pay for Performance Incentive Payments - Year 2

5. Well Child Visits (ages 3 – 6) (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.50
Expected % physicians meeting 75th percentile in year 2	15%
Final PMPM	\$ 0.08 PMPM

6. Weight Assessment in Children (BMI)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.50
Expected % physicians meeting 75th percentile in year 2	15%
Final PMPM	\$ 0.08 PMPM

7. Comprehensive Diabetes Care – Eye Exam (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.35
Expected % physicians meeting 75th percentile in year 2	15%
Final PMPM	\$ 0.05 PMPM

8. Comprehensive Diabetes Care – HbA1C Testing (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.35
Expected % physicians meeting 75th percentile in year 2	15%
Final PMPM	\$ 0.05 PMPM

9. Comprehensive Diabetes Care – LDL-C Screenings (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.35
Expected % physicians meeting 75th percentile in year 2	15%
Final PMPM	\$ 0.05 PMPM

#1 - #9 above applies to an estimated 60% of providers in Region 2 and 100% of providers in other regions; the remaining 40% of providers in Region 2 would receive payment based on #4 below.

10. Pay For Performance payment for Organized Contracting Entities (Currently in Region 2 Only)

Bonus Payment PMPM	\$ 0.50
Estimated Pct of Region 2 Providers Under Contract	40%
Final PMPM	\$ 0.20 PMPM

**Louisiana Coordinated Care Networks - Prepaid
Provider Incentive Programs**

Appendix S1-OO-1

Pay for Performance Incentive Payments - Year 3

Year 3 Claim PMPM	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Family/Children - CHILD	\$ 0.96	\$ 0.78	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96
Family/Children - ADULT	\$ 0.79	\$ 0.67	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79
SSI - CHILD	\$ 0.96	\$ 0.78	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96
SSI - ADULT	\$ 0.79	\$ 0.67	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79
OTHER - CHILD	\$ 0.96	\$ 0.78	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96
OTHER - ADULT	\$ 0.79	\$ 0.67	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79

1. Availability of after-hours and / or weekend coverage

Criteria: PCP operates and has posted office hours after 6 p.m. on any weekday or at anytime on a Saturday or Sunday – at least 4 hours per week

Composite ER Cost PMPM	\$ 13.76
Assume 1 in 7 ER diverted = 14%,	\$ 1.97
Share 50% with PCP	\$ 1.00
Assumed percent of physicians offering after-hours	30%
Final PMPM	\$ 0.30 PMPM

2. Foreign language speaking clinical staff

Criteria: At least one member of clinical (member facing) staff (nurse practitioner, physician assistant and / or physician) that practices and is listed in WellCare’s provider directory as speaking a language other than English.

Assume savings based on enhanced communication for instructions and guidance that will improve outcomes and reduce potential inpatient and ER visits	\$ 0.50
Assumed percent of physicians meeting language req.	25%
Final PMPM	\$ 0.13 PMPM

3. Adult access to preventive / ambulatory services (HEDIS measure)

Criteria: NCQA Medicaid national 75th or 90th percentile for current year

	<u>Total</u>	<u>75th</u>	<u>90th</u>
Funded through improved health results from enhanced care management and access.	\$ 0.38	\$ 0.25	\$ 0.50
		split 75/90th as 50% in each	
Expected % physicians meeting percentile in year 3		20%	
Final PMPM	\$ 0.08	PMPM	

4. Adolescent Well Care Visits (HEDIS measure)

Criteria: NCQA Medicaid national 75th or 90th percentile for current year

	<u>Total</u>	<u>75th</u>	<u>90th</u>
Funded through improved health results from enhanced care management and access.	\$ 0.38	\$ 0.25	\$ 0.50
		split 75/90th as 50% in each	
Expected % physicians meeting percentile in year 3		20%	
Final PMPM	\$ 0.08	PMPM	

**Louisiana Coordinated Care Networks - Prepaid
Provider Incentive Programs**

Appendix S1-OO-1

Pay for Performance Incentive Payments - Year 3

5. Well Child Visits (ages 3 – 6) (HEDIS measure)

Criteria: NCQA Medicaid national 75th or 90th percentile for current year

	<u>Total</u>	<u>75th</u>	<u>90th</u>
Funded through improved health results from enhanced care management and access.	\$ 0.38	\$ 0.25	\$ 0.50
		split 75/90th as 50% in each	
Expected % physicians meeting percentile in year 3	20%		
Final PMPM	\$ 0.08	PMPM	

6. Weight Assessment in Children (BMI)

Criteria: NCQA Medicaid national 75th or 90th percentile for current year

	<u>Total</u>	<u>75th</u>	<u>90th</u>
Funded through improved health results from enhanced care management and access.	\$ 0.38	\$ 0.25	\$ 0.50
		split 75/90th as 50% in each	
Expected % physicians meeting percentile in year 3	20%		
Final PMPM	\$ 0.08	PMPM	

7. Comprehensive Diabetes Care – Eye Exam (HEDIS measure)

Criteria: NCQA Medicaid national 75th or 90th percentile for current year

	<u>Total</u>	<u>75th</u>	<u>90th</u>
Funded through improved health results from enhanced care management and access.	\$ 0.25	\$ 0.15	\$ 0.35
		split 75/90th as 50% in each	
Expected % physicians meeting percentile in year 3	20%		
Final PMPM	\$ 0.05	PMPM	

8. Comprehensive Diabetes Care – HbA1C Testing (HEDIS measure)

Criteria: NCQA Medicaid national 75th or 90th percentile for current year

	<u>Total</u>	<u>75th</u>	<u>90th</u>
Funded through improved health results from enhanced care management and access.	\$ 0.25	\$ 0.15	\$ 0.35
		split 75/90th as 50% in each	
Expected % physicians meeting percentile in year 3	20%		
Final PMPM	\$ 0.05	PMPM	

9. Comprehensive Diabetes Care – LDL-C Screenings (HEDIS measure)

Criteria: NCQA Medicaid national 75th or 90th percentile for current year

	<u>Total</u>	<u>75th</u>	<u>90th</u>
Funded through improved health results from enhanced care management and access.	\$ 0.25	\$ 0.15	\$ 0.35
		split 75/90th as 50% in each	
Expected % physicians meeting percentile in year 3	20%		
Final PMPM	\$ 0.05	PMPM	

10. Cervical Cancer Screening (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.35
Expected % physicians meeting 75th percentile in year 3	20%
Final PMPM	\$ 0.07 PMPM

**Louisiana Coordinated Care Networks - Prepaid
Provider Incentive Programs**

Appendix S1-OO-1

Pay for Performance Incentive Payments - Year 3

11. Lead Screening for Children (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.35
Expected % physicians meeting 75th percentile in year 3	20%
Final PMPM	\$ 0.07 PMPM

12. Childhood Immunizations (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.35
Expected % physicians meeting 75th percentile in year 3	20%
Final PMPM	\$ 0.07 PMPM

13. Use of Appropriate Medications for People with Asthma (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.35
Expected % physicians meeting 75th percentile in year 3	20%
Final PMPM	\$ 0.07 PMPM

14. Well Child Visits (15 months, 6 visits) (HEDIS measure)

Criteria: NCQA Medicaid national 75th percentile for current year

	<u>Total</u>
Funded through improved health results from enhanced care management and access.	\$ 0.50
Expected % physicians meeting 75th percentile in year 3	20%
Final PMPM	\$ 0.10 PMPM

#1 - #14 above applies to an estimated 60% of providers in Region 2 and 100% of providers in other regions; the remaining 40% of providers in Region 2 would receive payment based on #4 below.

15. Pay For Performance payment for Organized Contracting Entities (Currently in Region 2 Only)

Bonus Payment PMPM	\$ 0.50
Estimated Pct of Region 2 Providers Under Contract	40%
Final PMPM	\$ 0.20 PMPM