



Rationale for Changes in Pay for Performance (P4P) Model

LCHP is making changes to the current P4P funds flow model to correct the inconsistencies found in the model that did not reward partial credit for partner efforts. The intent of the proposed changes is to reward partial efforts of partners towards improving overall PPS performance measures.

- To achieve this, Attribution is valued at 40% (previously 25%), Outcomes at 40% (no change) and Improvement at 20% (previously 35%). We believe this equitably rewards our partners for all of their successes and efforts. This also values attribution more fairly that was required to support total funding available for our entire PPS.
- The category in attribution, previously available to only passing partners, is now available to all partners irrespective of passing/failing. This category will reward partners based on the number of their passing patients.
- A new category has been added under outcomes to incentivize partial credit to partners irrespective of passing/failing. Specifically, this category incentivizes partner by how close they are to the goal.

Pay for Performance Funds Flow Model

	Attribution		Outcome			Improvement	
	40%		40%			20%	
	Measure Denominator per Partner		Partner Result Vs. PPS Goal			Partner Result vs Previous Year Partner Result	
Category	Denominator - All Contributing Partners	Denominator - All Passing Patients	Partner Result of % Goal Met	Partner Result Above Goal	Partner Result Above Annual Goal Weighted by Patients	Partner Improvement - Result	Partner Improvement - Weighted by Patients
Category Allocation	20%	20%	20%	10%	10%	5%	15%
Does Partner Needs to Pass?	No	No	No	Yes	Yes	No	No

Attribution: 40%

Denominator- All Contributing Partners: Partners are incentivized for the attribution they bring in to the performance measure. This is irrespective of passing/failing the measure.

Denominator- All Passing Patients: Partners are incentivized for all patients attributed to the measure and have passed. This is irrespective of passing/failing this measure.

Outcome: 40%

Partner Result of % Goal Met: Partners are incentivized for the % of their goal that is met. This is irrespective of the partner passing/failing the measure.

Partner Result Above Goal: Partners are incentivized for the extent to which they are going above and beyond their set goal for this performance measure. For this, partners need to pass their set goal.

Partner Result Above Annual Goal Weighted by Patients: Partners are incentivized for the extent to which they are going above and beyond their set goal weighted with patient for this performance measure. For this, partners need to pass their set goal.

Improvement: 20%

Partner Improvement Result: Partners are incentivized for showing an improvement in measure result compared to previous measurement year. This is irrespective of the partner passing/failing the measure.

Partner Improvement- Weighted by Patients: Partners are incentivized for showing an improvement in measure result compared to previous measurement year weighted by patients. This is irrespective of the partner passing/failing the measure.