

**Frequently Asked Questions in Response to
Carrier Letter 2014-19 Federal Employees Health Benefits (FEHB)
Health Plan Performance Assessment**

Table of Contents

Topic	Pages	Questions
Overall Performance Assessment	1-3	1-10
Measures	3-8	1-22
Timeline	8	1-3
Regulations	8-9	1-5
Service Charge	9-10	1-4
Benchmarking	10-11	1-7
Misc.	11	1-3

Overall Performance Assessment

1.) Why is OPM requiring this change in performance assessment?

OPM is committed to assuring that Federal employees, annuitants and their dependents have a robust selection of demonstrably high quality health plans. Toward this end, OPM will assess performance in health plan contract administration, clinical quality, customer service, and resource use through a transparent process that is consistent across the FEHB Program. Performance-based payments build on the quality initiatives OPM implemented in recent years, such as public reporting of HEDIS scores.

2.) Will OPM consider plan results on Section 1.9 quality assurance standards in addition to CAHPS results on, for example, whether a plan processes claims quickly?

OPM is reviewing the quality assurance standards, including those on claims processing to ensure they are up to date and applied consistently across the plans. OPM expects to update these measures in a future carrier letter.

3.) Is the performance-based payment in addition to the service charge?

No, the performance-based payment replaces the service charge for experience-rated plans and the one percent premium withholding for community-rated plans.

4.) My plan is in a state where performance is lower than the national average – will that be taken into account?

The FEHB program has plans that provide benefits in all states and overseas. We expect plans to take their locality into consideration in developing integrated provider systems to meet the needs of their members. OPM encourages plans concerned about regional factors to focus on their strengths and prioritize efforts to achieve success.

5.) What's wrong with the way we were doing this before?

Currently, experience-rated and community-rated carriers are subject to different performance evaluation criteria. The FEHB Plan Performance Assessment will provide a common approach across all FEHB carriers. Also, it will better align the FEHB Program with industry standard healthcare quality initiatives and business performance benchmarks.

6.) Is OPM concerned about carriers leaving the FEHB Program because of this new initiative?

Holding health plans accountable for their performance on quality, customer service and resource use measures is common practice in the industry so we do not anticipate that plans would leave the FEHB Program because of this initiative. In fact, Qualified Health plans will report many of the same measures through the Quality Rating System developed by CMS. In fact, Qualified Health plans will report many of the same measures through the Quality Rating System developed by CMS. One of the hallmarks of the FEHB Program is choice and we want all of our enrollees to be able to choose from quality health plans that best fit their needs.

7.) Where will carriers log in to view the FEHB Performance Assessment Dashboard?

The Dashboard will be housed within the Benefits Plus system that OPM is currently building. Each carrier will log in to Benefits Plus to view the breakdown of their performance in each measure and overall. More information about Benefits Plus will be provided in the future.

8.) Will OPM provide carriers with a proposed contracting officer decision reporting the factor results and performance score?

OPM will provide carriers with the factor results and overall performance score in advance of the premium disbursement/service charge award. We are not in a position to set a specific date at this time.

9.) Will OPM establish a process by which carriers can request OPM reconsideration of the contracting officer's proposed performance score?

The Contracting Officer's decision represents the agency's final decision. However, as with any other issues regarding contract administration, there is an established contract appeal mechanism. We anticipate the process will continue as it does today.

10.) How big of a disparity in plan scores will exist?

We are currently modeling the data and will outline scoring details in a future carrier letter.

Measures

1.) We are not sure if three measures (plan information on cost, aspirin use and discussion, and advising smokers/tobacco users to quit) should be used as they typically have low member responses so the results are not statistically confident.

NCQA specifies the sampling requirements for HEDIS and CAHPS measures. Plans with member responses below these requirements receive a "no report" score and will not be penalized. More details about the scoring will be released in a subsequent carrier letter.

2.) Is it possible that FEHB carriers may have more than just HEDIS & CAHPS measures that they'll be assessed on and possibly have corrective action plans for?

OPM will provide adequate notice before new measures are added to the scored measure set. Some measures may be collected but not scored in a given year. Annual carrier letters will continue to specify measures requiring corrective action plans. We welcome carrier recommendations regarding additional measures from any source, as long as external benchmarks are available, and the measures are valid, actionable, and auditable.

3.) Will the agency continue the established practice of scoring HEDIS measures in the third year to allow time for improvement?

Yes, OPM will initially continue the practice of scoring measures in the third year of collection. As time passes, we will assess if this is still appropriate.

4.) This method proposes a lot of change during the first year—could it be phased in over time?

The quality measures are already being reported by plans. Components currently used to determine contract compliance and plan responsiveness will be included in the Contract Oversight domain of the new performance assessment system. OPM plans to phase in the new system by weighting certain categories (such as Contract Oversight) more in the first year. Precise weighting will be determined once modeling is completed and we have reviewed plan feedback.

5.) When will we know more about how the Contract Oversight part of the new performance assessment system will be defined and scored?

OPM will publish a carrier letter with the proposed components and solicit carrier feedback, as we have done for the other performance areas (Clinical Quality, Customer Service, and Resource Use). Plans will have an opportunity to comment following publication.

6.) Why am I not getting adequate credit for member loyalty and keeping costs low?

The CAHPS measures in the Customer Service performance area capture member experience with the plan. Additional factors that relate to keeping costs low, such as innovative payment models, may be included in the Contract Oversight performance area. Carrier recommendations on this issue are invited.

7.) Will OPM take a regional or national approach in comparing carrier results on HEDIS/CAHPS?

OPM will use national benchmarks for HEDIS and CAHPS for the appropriate product type as the plan files with NCQA (HMO, PPO, etc.). These benchmarks are available by subscription through Quality Compass at <http://www.ncqa.org/HEDISQualityMeasurement/QualityMeasurementProducts/QualityCompass.aspx>.

8.) Will OPM include information as to what the OPM threshold is for each CAHPS/HEDIS measure?

OPM will provide additional information about benchmarks and the proposed methodology, including scoring and weighting, and look forward to feedback from carriers at that time. In terms of thresholds for measures and sampling, the measure steward sets these and OPM expects carriers to follow the technical specifications for HEDIS and CAHPS for the current year.

9.) How do you handle plans that don't meet the threshold for certain metrics (HEDIS)?

Carrier Letter 2014-24 Measuring Healthcare Quality in the FEHB Program outlines changes to reporting requirements. We plan to require all plans to report, even those with fewer than 500 members. That way, all FEHB plans will be expected to report HEDIS results beginning in 2015 so their performance can be included in the plan assessment system.

10.) Will there be a penalty if a plan cannot report due to an insufficient sample size?

The plan will not be penalized if the plan cannot report due to an insufficient sample size.

11.) Are there specific changes to measures for controlling blood pressure?

Carriers are expected to follow technical specifications for measures listed in NCQA's HEDIS Volume 2. Annual carrier letters will outline how any change to measure reporting will impact inclusion in the FEHB measure set. Please reference *Carrier Letter 2014-24 Measuring Healthcare Quality in the FEHB Program*.

12.) Are we required to separately report information on our FEHB population or will you all use the overall business in the measurement?

We will be using the data plans report to NCQA. This will be the whole book of business for most plans.

13.) OPM has stated that plans should be assessed on actionable measures. Please explain how plans can affect whether or not doctors advise members to stop tobacco use or take small doses of aspirin when those doctors are independent professionals, not plan employees. After all, plans already are paying for these services without member cost-sharing. For the same reason, how can plans affect patient ratings of their doctors?

OPM expects plans to contract with providers who deliver high quality services. Plans have the ability to incentivize performance in areas important to OPM.

The measures we have chosen are part of health plan surveys. Each plan should customize an approach for improvement that fits its benefit design. We offer the following as an example of how a PPO might engage providers on this issue.

Tobacco cessation is critical to improving member health. Research demonstrates that members are more likely to quit if so advised by their doctors. However, medical professionals may fail to transmit key information because they are unaware of covered benefits. All FEHB plans use established networks of providers and can reach out to health professionals who see significant numbers of their patients through the network partner or in conjunction with claims payment. Research also shows that members in treatment for substance use disorders have high rates of tobacco use. Outreach to providers through behavioral health subcontractors is another means for plans to

influence action on this important measure. Also, many plans listed outreach to providers as a way to manage patient safety.

14.) Will OPM expand the HEDIS mental health follow up visit measure to test at both 7 days and thirty days following discharge as provided by NCQA for 2015 and base the plan assessment on the more actionable 30 day measure?

Carrier Letter 2014-24 Measuring Healthcare Quality in the FEHB Program outlines the measures for 2015; we are actively considering adding this measure.

15.) Under OPM's methodology can a plan receive a negative score on a particular factor, e.g., HEDIS measure or CAHPS survey response? If so, how will the scale work?

We are currently modeling the data and will outline scoring details in a future carrier letter.

16.) Is OPM aware of any other employers that use HEDIS, CAHPS, or similar consumer-determined measures, to calculate a fee-for-service plan carrier's profit or revenues?

Use of HEDIS and CAHPS to assess the quality of PPO/FFS, HMO and hybrid health plans is found in numerous places. Public employers, large private employers, purchasing cooperatives, Medicare, Medicaid Programs, state regulatory bodies, and (soon) state exchanges are some examples of entities that use quality indicators to influence plan payment and consumer choice. In recognition of the differences between HMOs and PPOs, there have been specific measures and benchmarks developed for plans that fall into these categories or a hybrid category. OPM uses these measures and benchmarks in its current quality strategy. The exact way that the FEHB program determines profits for fee for service plans is grounded in law and regulation and is therefore unique to the FEHB program as a purchaser of health plan services. However, it is not uncommon for large employers and purchasers to use similar quality indicators to determine or influence payments to fee for service and HMO plans.

17.) Will OPM consider limiting the weight given to HEDIS/CAHPS results in service charge calculations to a level that corresponds to the degree to which enrollees actually consider such results when selecting their health plan (as established through valid market research)? If enrollees select plans primarily based on premiums, cost-sharing and which providers are in-network, and quality measures are a relatively small influence on the enrollee's choice of plan, it would seem that such quality measures should then only be a relatively small portion of the overall factors determining service charge.

As a purchaser of health insurance, OPM works to ensure that both the government and enrollees receive quality and value with their premium dollars. OPM encourages consumers to evaluate all aspects of a health plan to make the best choice for themselves and their families. We are

currently modeling the data and will communicate the weighting scheme to plans as soon as it is available.

18). Will there be some way to account for differences in carrier delivery models (e.g. is OPM expecting the same results for a PPO with a large provider network as a staff model HMO)?

As is the current practice for HEDIS scoring, plans will be compared to the national benchmark appropriate for the plan type as they designate with NCQA.

19). How will OPM appropriately account for small changes in HEDIS or CAHPS rates that can drive a significant performance categorization (e.g., a 1% change in a performance measure moving a carrier from the 50th percentile to the 75th percentile or vice versa within a category)?

We are currently modeling the data, including the impact of small changes on overall scores. We welcome any feedback from plans on how to fairly address this concern.

20.) Will OPM combine CAHPS survey results with other factors over which the carrier has direct control?

We do not plan to modify existing CAHPS measures, and will consider additional information submitted by the carrier in the Contract Oversight category. Additional measures may be added to the Customer Service performance in future years if they meet the criteria outlined on page 2 of [Carrier Letter 2014-19 Initial Guidance on FEHB Plan Performance Assessment](#).

21.) Will OPM remove the Preventive Care and Customer Service domains that the plan has no direct control of, or significant indirect influence?

One of OPM's strategic goals is "Healthier Americans", and we want FEHB to support that goal by providing high quality health plan choices and high quality health care to our enrollees. Providing preventive care is part of the plan's responsibility, and we are measuring this provision in a similar manner to the Quality Rating System that will be used in markets across the country. The upcoming teleconferences will provide an opportunity to discuss specific measures in more detail.

22.) My population is significantly different from other populations, how will that be incorporated?

Some HEDIS measures are risk-adjusted to account for variation across plan populations. In addition, NCQA specifies denominators for each measure such that a metric will not be reported if a plan has too few members in the measure age range or with the specific condition. All FEHB plans are compared to national benchmarks (including commercial benchmarks, where

appropriate) for scoring purposes. We want to reinforce that all Federal employees and families should receive the same high standard of care and responsive customer service, regardless of plan, location, or individual characteristics. In the Contractor Oversight component of the Plan Assessment framework, Contracting Officers will be able to take into account a broad range of factors in evaluating how the Plan meets the needs of its members and OPM.

Timeline

1.) What HEDIS & CAHPS measures will FEHB carriers be scored on in 2015?

The measures OPM is collecting in 2015 are outlined in *Carrier Letter 2014-24 Measuring Healthcare Quality in the FEHB Program*. Plans will receive a scorecard for these measures as they did in 2013 and will in 2014.

2.) Can you tell us what measures will be scored in 2016?

The HEDIS and CAHPS measures that will be scored in 2016 are listed in [Carrier Letter 2014-19 Federal Employees Health Benefits \(FEHB\) Health Plan Performance Assessment, Attachment I](#). OPM will continue to notify carriers of annual HEDIS and CAHPS reporting requirements through annual carrier letters.

3.) In looking at the timeline, it appears that 2016 data sets the reimbursement for 2017. What timeframe will be used for the data used?

We are using the same reporting cycle as the HEDIS and CAHPS data. More information about this will be outlined in future carrier letters.

Regulation

1.) When is OPM planning to issue the proposed regulation mentioned in the carrier letter?

We are early in the regulatory process. We expect our proposed regulations would be issued within the next 4-6 months.

2.) When will the regulation become effective?

The effective date of final regulation will be dependent on the timing of the proposed regulation, the volume and nature of the comments we receive and the publication date of the final regulation.

3.) How specific will the regulation be?

The proposed regulation will describe the new profit analysis factors and show the changes to the FEHBAR. The regulation however will provide the framework for the Plan Assessment system and will not include details such as scoring or specific measures. Those will continue to be provided as guidance in carrier letters.

4.) What more can you tell us about the new profit analysis factors that will be proposed in the new regulation?

The FEHBAR profit analysis factors will continue to be guided by the profit analysis factors listed in the FAR. One important change is that OPM proposes that experience-rated and community-rated plans use the same measures to determine plan performance.

5.) Will carriers have input into the proposed regulation?

Yes, OPM plans to issue a proposed rule with a public comment period. Any member of the public can submit comments and instructions for commenting will be included in the proposed rule.

Service Charge

1.) Has OPM considered increasing the service charge ceiling?

We are not planning to propose an increase to the service charge. We understand the numerous pressures on healthcare premiums and believe that the increase is not necessary to accomplish our objectives.

2.) Will OPM's updated service charge formula take into account the factors in FAR §15.404-4(b)?

Yes, OPM will be in compliance with the FAR. The FAR provides flexibility in establishing a framework of common factors. Carriers may submit comments on the proposed regulation once it is published.

3.) Will the agency continue to follow the long standing practice of multiplying the sum of the factors against the estimated benefit and administrative expenses for experienced-rated carriers in order to calculate the experienced- rated carrier's service charge?

Yes, OPM will follow the same process in translating the performance score into premium disbursements (community-rated plans) and the service charge (experience-rated plans).

4.) Will OPM confirm the carrier’s understanding that the preceding year factor results would be used to establish the new following years’ service charge, e.g. 2015 factor results would be used to establish the 2017 service charge?

The results reported in 2016 will be used for the premium disbursement/service charge payment in 2017.

Benchmarking

1.) How will OPM provide carriers with a process for clarifying the factors, benchmarks, and weightings?

OPM invites discussion and comments on the factors, benchmarks, and weightings. OPM will reach out to carriers in various ways including carrier letters, frequently asked questions, and teleconferences.

2.) Will carriers be provided with an annual opportunity to offer unique plan factors and related benchmarks?

Yes, plans will have the opportunity to provide input during the annual negotiation process. Contract officer discretion will continue to account for unique factors and special circumstances that a plan may face.

3.) Please identify which benchmarks OPM proposes to use for the CAHPS survey based factors.

OPM will use the appropriate NCQA national commercial benchmark for each plan type. These benchmarks are available by subscription through Quality Compass at <http://www.ncqa.org/HEDISQualityMeasurement/QualityMeasurementProducts/QualityCompass.aspx>.

4.) Why is OPM not disclosing the scoring formula at this time?

OPM is modeling the data. We anticipate sharing the results with plans and will invite plans to comment at that time. In the meantime, plans are invited to submit their recommendations in writing.

5.) Will prospective enrollees see my score?

Financial information, including assessments that impact performance-based payments, will be kept confidential. HEDIS and CAHPS scores are, and will remain, publicly available.

6.) Why are we scoring CAHPS results when this has not been done in the past?

We want to emphasize the importance of patient-centered care and customer service that meet enrollee needs. The authority for benchmarking FEHB plan performance against industry standards is described in 48 CFR 1646.270 Subpart 2 (Contract Quality Requirements).

7.) Will there be restrictions on who can view my plan information in the Dashboard?

Yes. There will be restrictions that allow only certain users (i.e. the carrier and certain people from OPM) access to all of your plan's Dashboard information. There will also be a separate view for public information, such as selected HEDIS and CAHPS scores.

Miscellaneous

1.) My plan will incur costs to implement and report.

Many of the costs associated with the performance assessment framework, such as HEDIS and CAHPS reporting, are already being incurred by plans. Any additional investments in measurement or quality improvement should yield positive results, such as avoidable readmissions.

2.) Has OPM considered that small plans may incur costs disproportionate to enrollment?

Small plans generally report on their entire book of business, and the performance assessment measures align with CMS and state programs in which many small plans already participate.

3.) Will carriers be able to provide additional questions and feedback after this phone call?

Yes, carriers are welcome to submit questions and feedback to fehbp@opm.gov and we will respond to your email as soon as possible. OPM also plans to distribute questions and feedback that we receive through the mailbox to all plans as frequently as needed.