
Letter Number 2021-18

Date: November 22, 2021

Fee-for-service [15]

Experience-rated HMO [15]

Community-rated HMO [16]

**Subject: Federal Employees Health Benefits
Plan Performance Assessment
Postponement of All Lines of Business
Benchmark Implementation**

This Carrier Letter supersedes Carrier Letters [2020-15](#) and [2020-20](#) in part, by updating the Federal Employees Health Benefits (FEHB) Plan Performance Assessment (PPA) methodology guidance to postpone All Lines of Business (ALOB) benchmark implementation until the 2022 plan year (measurement year 2021).

Carrier Letter 2020-15, "Federal Employees Health Benefits (FEHB) Plan Performance Assessment Methodology" updated the PPA methodology for the 2021 plan year. In particular, Carrier Letter 2020-15 changed the applicable NCQA Quality Compass Benchmark reporting level for HEDIS and CAHPS measures from Levels 3 or 2 (i.e. product level reporting or ALOB with exception for PPO/EPO) to the ALOB Level 1 benchmark to calculate QCR measure scores for all carriers starting in plan year 2021.

Carrier Letter 2020-20, "2021 Plan Performance Assessment Procedure Manual" provided Carriers operational instructions and specific measures that must be reported to OPM.

As announced at the 2021 FEHB Carrier Conference, this change will be postponed until the 2022 scoring cycle. This Carrier Letter provides the

changes to ALOB-related guidance in Carrier Letters 2020-15 and 2020-20 which impacts the 2021 PPA scoring cycle to postpone the change in benchmarks until 2022. All other guidance in Carrier Letters 2020-15 and 2020-20 remain in effect.

Amendments to Carrier Letter 2020-15, Federal Employees Health Benefits (FEHB) Plan Performance Assessment Methodology

Page 1: The effective date of the change is updated to 2022, to read as follows:

For HEDIS and CAHPS measures, OPM will use the All Lines of Business (ALOB) Level 1 benchmark to calculate QCR measure scores for all carriers starting in plan year 2022. Using the ALOB Level 1 benchmarks means that all carriers will be compared to the same standard for each measure. This change strengthens the integrity of the PPA and allows plans that change reporting product types between years the opportunity to earn an Improvement Increment. Refer to the QCR Measure Scoring section on page 6 for additional information.

Page 6: The years referenced are amended to reflect the ALOB implementation postponement to 2022 and notes about reverting to the 2020 Benchmark designations. For additional information, please see this Carrier Letter's Procedure Manual Section for the table labeled "Table 1." (The applicable Table 1 is found in the 2020 Procedure Manual, [Carrier Letter 2020-19, Attachment 1](#) on page 8.). The update will read as follows:

QCR Measure Scoring

After adjusting for enrollment and aggregating to the contract level, OPM scores measures in comparison to the appropriate external benchmark. OPM uses the National Committee for Quality Assurance

(NCQA) Quality Compass®¹ (Quality Compass) Commercial benchmark for HEDIS and CAHPS measures. Starting in plan year 2022, OPM will use the All Lines of Business (ALOB) Level 1 benchmark for all plans. Refer to the 2020 PPA Procedure Manual for information about benchmark reporting product types for plan year 2020. For 2021 Benchmarking information, please revert to the 2020 benchmarking information in the 2020 Procedure Manual.

Page 7: Table 4’s footnote is updated to reflect the ALOB implementation postponement to 2022 as follows:

Table 4. Scoring Measure Results against Quality Compass Benchmarks

Measure result is....		Score
Greater than or equal to...	But less than....	
90 th percentile [†]	--	5
75 th percentile	90 th percentile	4 + difference
50 th percentile	75 th percentile	3 + difference
25 th percentile	50 th percentile	2 + difference
10 th percentile	25 th percentile	1 + difference
>0	10 th percentile	1.0

†: Percentile is the Quality Compass national percentile for commercial health plans for a given reporting product in 2020 and 2021 (e.g., HMO, HMO/POS, PPO and EPO), and for ALOB starting in 2022.

¹ Quality Compass® is a registered trademark of the National Committee for Quality Assurance (NCQA).

Page 9: The year referenced is amended to reflect the ALOB implementation postponement to 2022, as follows:

I. Improvement Increment

In addition to their Standardized QCR Score, carriers may earn an Improvement Increment for substantial year-to-year improvement on eligible measures. Substantial improvement is defined as change that exceeds 1.645 times the standard deviation of year-to-year change observed in all carriers reporting a given measure nationally by reporting product type. OPM will use ALOB standard deviations of year-to-year change starting in plan year 2022. Each of the first three measures that exhibit substantial improvement will accrue one-third of the maximum value of the Improvement Increment. This means that carriers that achieve substantial improvement on one or two measures will receive a partial Improvement Increment. The Improvement Increment is worth up to 10% of the QCR score of the PPA, or 0.10 points. The maximum QCR score remains 1.00. OPM will closely monitor and assess Improvement Increment results and impact on the overall PPA. If methodology revisions are required over time, OPM will provide appropriate notice to FEHB carriers.

Page 10: The years referenced are amended to reflect the ALOB implementation postponement to 2022 as follows:

Carrier Eligibility Requirements

Carriers must meet the following requirements in order to be eligible to earn any portion of the Improvement Increment:

- In plan year 2020, a carrier must have consistent reporting product types between the two years. This requirement will no longer be relevant when ALOB benchmarks are used starting in plan year 2022;

Page 32: The ALOB definition in the glossary is updated to reflect the implementation postponement to 2022 as follows:

All Lines of Business (ALOB): The NCQA Level 1 benchmark that will be used starting in plan year 2022 to score QCR measures.

Amendment to Carrier Letter 2020-20, 2021 Plan Performance Assessment Procedure Manual

Page 2: The bullet outlining the move to ALOB benchmarks for 2021 scoring cycle is deleted.

Amendments to Carrier Letter 2020-20 Attachment 1: 2021 Plan Performance Assessment Procedure Manual

Table of Contents: Section 2, Subsection A is changed to reflect the ALOB implementation postponement to 2022, as follows:

Section 2: QCR Scoring and Calculation Procedures

Subsection A: Product Reporting Types

Page 1: Information is reinstated on how contracts with different product filing types are scored.

FEHB Carriers are expected to report on the book(s) of business in which FEHB members are enrolled. For many FEHB Carriers this will be the commercial book of business. If there are FEHB members enrolled in multiple health plan product types under one FEHB contract, OPM will use the plan product type with the highest FEHB enrollment to score all reports. Please see *Section 2: QCR Scoring and Calculation Procedures Subsection A: Product Reporting Types* for additional information.

Page 10: Section 2, Subsection A, Product Reporting Types, Product Reporting Types and Table 1 are reinstated², and new ALOB language is deleted, as follows:

Section 2: QCR Scoring and Calculation Procedures

Subsection A: Product Reporting Types

In order to compare FEHB contracts to the most appropriate benchmark, OPM aligns the health plan options data reported to NCQA with NCQA Quality Compass Benchmark Level Breakouts illustrated in Table 1, below. OPM will normally compare measure results to the Level 3 benchmark that corresponds to the reporting product selected by the contract when submitting data to NCQA. In the event that NCQA does not issue a complete set of Level 3 benchmarks, OPM will use the Level 2 benchmarks. For example, if NCQA does not have a Point of Service (POS) benchmark for each QCR measure, a contract with a POS Reporting Product would be scored against the All LOBs (Excluding PPO and EPO) benchmark. In the event that NCQA does not issue a complete set of Level 2 benchmarks, OPM will use the Level 1 benchmarks. This situation could occur if NCQA determines that not enough health plans submitted data for particular reporting products to generate valid benchmarks at Level 3 or Level 2. Additional information can be found in [Carrier Letter 2018-02](#).

² Please see the [2020 Procedure Manual Carrier Letter, Attachment 1, page 8](#).

Table 1:

Reporting Product	Quality Compass Benchmark Level 3	Quality Compass Benchmark Level 2	Quality Compass Benchmark Level 1
HMO	HMO	All LOBs (Excluding PPO and EPO)	All LOBs
HMO/PPO Combined			
HMO/EPO Combined			
HMO/PPO/EPO Combined			
HMO/POS Combined	HMO/POS		
HMO/POS/PPO Combined			
HMO/POS/EPO Combined			
HMO/PPO/POS/EPO Combined			
POS	POS		
POS/PPO Combined			
PPO/POS/EPO Combined			
POS/EPO Combined			
PPO	PPO and EPO	PPO and EPO	
PPO/EPO Combined			
EPO			

If you have questions on this Carrier Letter or other aspects of the FEHB Plan Performance Assessment process, please contact FEHBPerformance@opm.gov and copy your Health Insurance Specialist (Contracts).

Sincerely,

Laurie E. Bodenheimer
 Associate Director
 Healthcare and Insurance