

Attachment 2: FAQs for the Improvement Increment Methodology

1. If OPM revises the QCR Measure Set, will those changes affect the Improvement Increment?

In order to receive an Improvement Increment, a carrier must report on a measure for two consecutive years and demonstrate “substantial improvement.” If OPM adds a measure to the QCR, that measure is not eligible for the Improvement Increment until the second year that it is scored. If we drop a QCR measure, carriers are eligible to earn an Improvement Increment for as long as two consecutive years of scoring remain.

2. OPM defines “substantial Improvement” as a plan difference (increase) in year-to-year measure results greater than 1.645 times the standard deviation of year-to-year change in overall results for each measure. How does OPM calculate the standard deviation?

NCQA reports HEDIS and CAHPS measure results for all commercial plans in the Quality Compass. OPM uses this data to calculate the difference between every plan’s results for the reporting year and the prior year. The standard deviation of those differences is then computed and used to compare against specific FEHB plan year-to-year differences. We repeat this process for each measure scored in the Plan Performance Assessment to calculate the Improvement Increment.

3. Why is the standard deviation multiplied by 1.645 to establish substantial improvement?

The number 1.645 represents the multiple of the standard deviation of change that provides 95% confidence of meaningful change using a one-tail test. This acknowledges that a carrier has made a substantial improvement in their performance. The number is significant because smaller degrees of improvement may be due to random variation and may not actually reflect plan performance.

4. Why are some QCR measures not eligible for the Improvement Increment calculation?

Measures that are new to QCR scoring, and those for which NCQA revised the measure specification have no appropriate prior-year result to establish a year-to-year difference.

The list of measures OPM will score in 2016 and 2017 that meet all criteria for inclusion in the 2017 Improvement Increment in 2017 are as follows:¹

- Breast Cancer Screening
- Controlling High Blood Pressure
- Coordination of Care
- Customer Service
- Claims Processing
- Flu Vaccinations for Adults
- Follow-up After Hospitalization for Mental Illness (7-day or 30-day)
- Getting Care Quickly
- Getting Needed Care
- Use of Imaging Studies for Low Back Pain
- Medication Management for People with Asthma
- Overall Health Plan Rating
- Overall Personal Doctor Rating
- Plan All Cause Readmissions
- Plan Information on Costs
- Timeliness of Prenatal Care
- Well-Child Visits in the First 15 Months of Life

5. Are there other circumstances when OPM may exclude a measure from my plan's Improvement Increment calculation?

Yes. Examples include:

- Specific carriers may not be eligible for the Improvement Increment calculation *on a given measure* if NA (Not Available), NR (Not Reported) or Biased Rate (BR) is reported for that measure in either of the relevant reporting years. They would be eligible, however, for the Improvement Increment on other QCR measures.
- If an NR or BR is reported among a carrier's results that are combined to create a QCR score at the contract level, that measure is not eligible for an Improvement Increment. The carrier would be eligible, however, for the Improvement Increment on other QCR measures.

¹ Assumes technical specifications remain the same over this two year period. If significant changes are made to a measure's technical specifications, that measure will not be eligible for the Improvement Increment until the second year that the new specifications are in effect.

- If *more than one* NR or BR is reported by a given plan in the current year, that plan is not eligible for **any** Improvement Increment.

6. Why is the Improvement Increment calculation limited to carrier results that are below the 50th percentile benchmark in the prior year?

The Improvement Increment is designed to provide additional incentive for carriers performing below the 50th percentile. This threshold recognizes the investment required to initiate system changes. As an Agency Priority Goal, OPM reports the proportion of carriers exceeding the 50th percentile annually for each high priority measure on the Performance.gov website.

7. What if my NCQA product filing type changes over the course of the two years? Will we be eligible for an Improvement Increment for the measures where we show substantial improvement?

The Improvement Increment is intended as an award for year-to-year improvement. OPM will require stability in the contract between the two years being evaluated so a change in product filing type would make a carrier ineligible for the Improvement Increment.

8. What if my plan is new to FEHB? Am I eligible for the Improvement Increment in my second year?

Per CL2015-19, “[p]lans that are new to FEHB must begin reporting HEDIS results no later than their second full year of participation in the program.” Accordingly, new plans will be eligible for an Improvement Increment in their third year in the FEHB program.