

**Federal Employees
Health Benefits Program**

PLAN PERFORMANCE ASSESSMENT
Overview of the First Year

INTRODUCTION

For more than 50 years, the Office of Personnel Management (OPM) has offered Federal employees a choice of health insurance options through the Federal Employees Health Benefits (FEHB) Program. The FEHB is the nation's largest employer sponsored health insurance program, covering 8.2 million Federal employees, retirees, and their families at a combined annual premium value of \$51 billion. Federal employees regularly cite health benefits as key factors in their employment and retention decisions. The FEHB model has a successful track record for providing high quality coverage at an affordable cost, with a minimum of regulation for participating insurers.

FEHB requirements have evolved as commercial health insurance Carriers have begun “working with their provider and purchaser partners to shift incentives away from rewarding volume to a system that rewards quality and affordability.”¹ For many years, FEHB health insurance Carriers have been required to report Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) measures under their contracts with OPM. In 2014, OPM announced its Plan Performance Assessment framework to reinforce quality and value in the FEHB Program by linking these measures of health outcomes and consumer experience to health plan profit. Implementation timelines permitted Carriers to become familiar with the methodology, with 2016 representing the first year of formal scoring and payment adjustment.

DESIGN OF FEHB PLAN PERFORMANCE ASSESSMENT

In addition to traditional parameters of contract compliance, the FEHB Plan Performance Assessment relies on a carefully curated set of commonly used HEDIS and CAHPS measures that collectively represent Clinical Quality, Customer Service, and Resource Use (QCR)². OPM selected 19 QCR measures to score in 2016 and focused on measures that were:

- Scientifically valid
- Relevant to federally insured populations
- Actionable by health plans
- Auditable by independent auditors

The HEDIS and CAHPS measures used in the QCR scoring are commonly used by other health plan evaluators. Of the HEDIS and CAHPS measures used in the QCR measure set, 78% of those measures can be found in three or more performance evaluation systems utilized by state or federal government programs. Compared with other programs, the FEHB Plan Performance Assessment provides a more direct link between quality, customer service, and plan payment.

The National Committee for Quality Assurance (NCQA) oversees the collection of HEDIS and CAHPS measures used to evaluate commercial carrier performance and compiles national commercial benchmarks by plan type (HMO, PPO, etc.³). OPM scoring compares FEHB results to these national commercial benchmarks.

¹ Health Plan Leadership Driving Change Across the Delivery System, America's Health Insurance Plans, <https://www.ahip.org/health-plan-leadership-driving-change-across-the-delivery-system/>

² Carrier Letter 2015-10

³ FEHB directed Carriers to utilize the NCQA 2016 HEDIS Manual to report measurement data, which generally reflected clinical care delivered in 2015. These measures were communicated in Carrier Letter 2015-10, page 4.

OPM also ranked its measures to focus improvement efforts on high priority measures. For scoring in 2016, three measures were considered to be of the highest priority and received the strongest weight in determining carrier profit. These were:

- **Timeliness of Prenatal Care**
- **Controlling High Blood Pressure**
- **Plan All Cause Readmissions**

The full list of FEHB measures appears in Table 1 below. FEHB Carrier conference presentations, Carrier outreach, and ongoing education helped Carriers to prepare for full implementation. OPM also hosts a Best Practices Workgroup to provide a dedicated learning community where Carriers can learn from experts and each other.

Table 1: List of Clinical Quality, Customer Service and Resource Use (QCR) Measures Scored in 2016

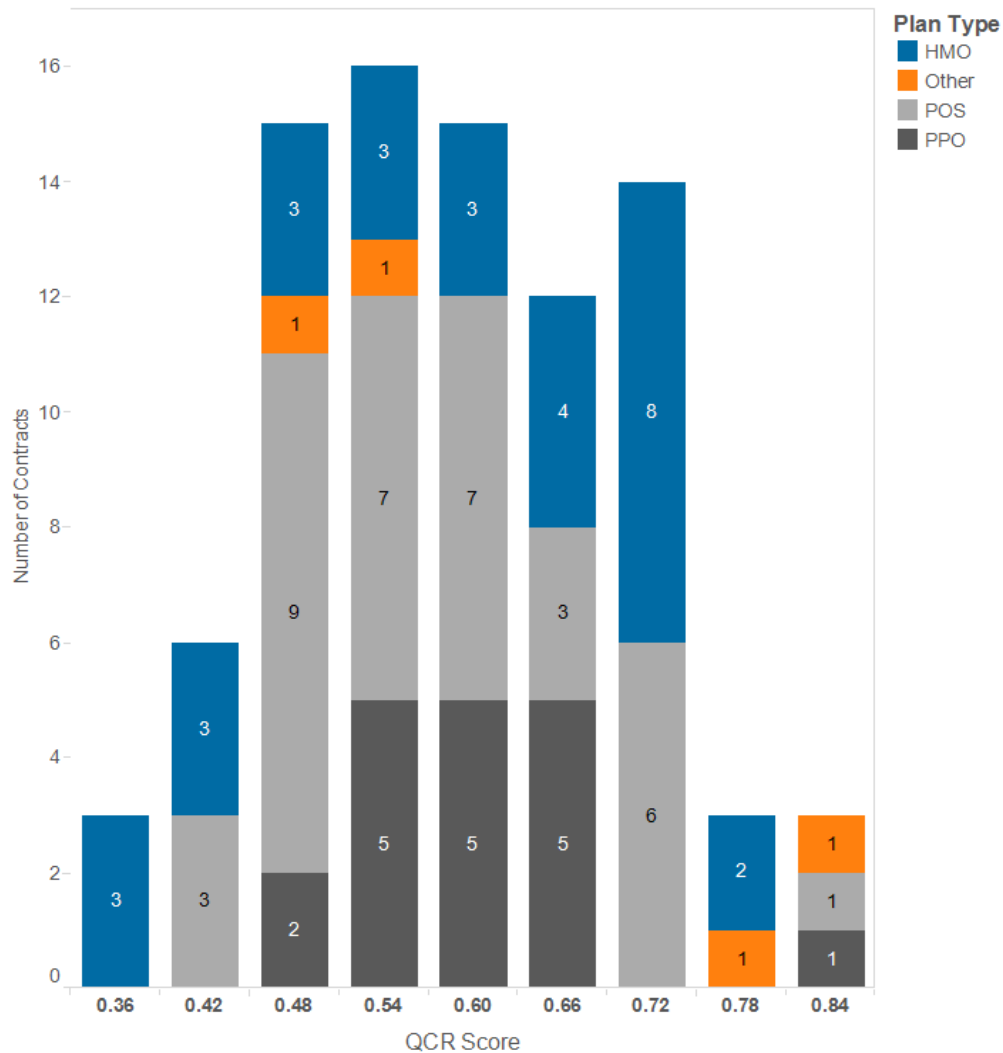


HEDIS	CAHPS
All cause readmissions	Overall health plan rating
Blood pressure control	Customer service
Timely prenatal care	Getting needed care
Well child visits in first 15 months	Getting care quickly
Comprehensive diabetes care	Plan information on costs
Asthma medication management	Claims processing
Breast cancer screening	Coordination of care
Imaging for low back pain	Overall personal doctor rating
Mental health hospitalization follow up	Flu vaccinations for adults
	Advising smokers to quit

SUMMARY OF 2016 RESULTS

All 87 Carrier contracts that were required to report HEDIS and CAHPS measures to OPM were able to do so. In October 2016, OPM provided a plan preview period for Carriers to review their QCR score calculation before the scores were finalized. The QCR methodology was transparent and reproducible, enabling Carriers to confirm their scores. Final QCR scores reflect a range of performance across all plan types, as shown in Table 2 below. Mean QCR scores for HMOs and PPOs were very close, at 0.621 and 0.628 respectively.

Table 2: Overall QCR Scores by Plan Type⁴

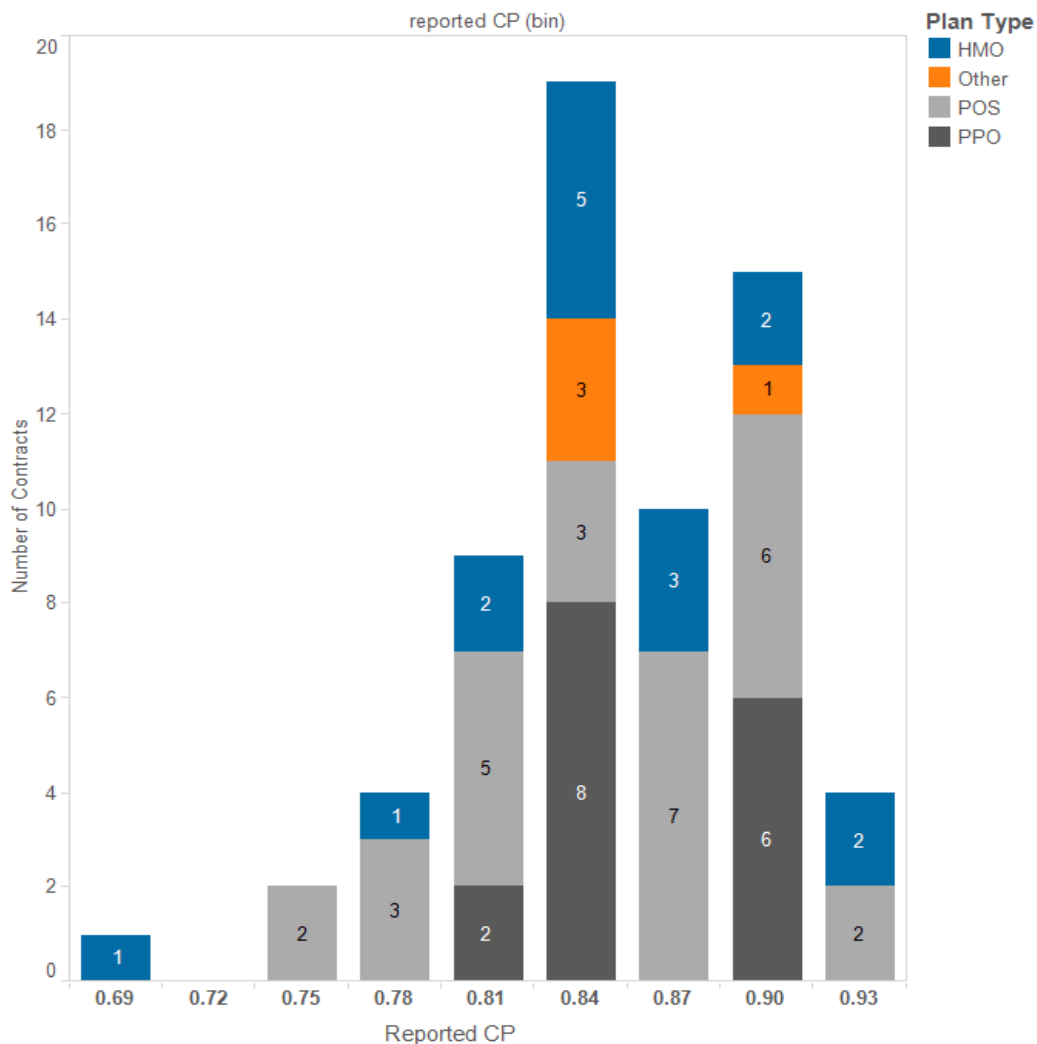


⁴ The category labeled as “Other” includes Carriers labelled as “All Lines of Business” for purposes of reporting HEDIS and CAHPS measures.

OPM created public accountability for FEHB plan performance by reporting on the three high priority measures to the Office of Management and Budget through an Agency Priority Goal (APG)⁵. APG results are expressed in terms of the percentage of FEHB plans that exceeded the 50th percentile for their plan type. In 2016, 46% of FEHB plans exceeded the national average for Timely Prenatal Care, 49.1% for Controlling Blood Pressure, and 44.5% for Plan All-Cause Readmissions. We are pleased that this represented an improvement over 2015 results for Timely Prenatal Care and Controlling Blood Pressure, but future years' data will be needed to reliably assess trends.

CAHPS results are important indicators of enrollee experience that complement objective measures of clinical quality. OPM notes that 57% of FEHB Carriers performed at or above the 50th percentile on four or more CAHPS measures when compared to all commercial Carriers. This reflects a continued area of strength in the FEHB Program. Table 3 below shows FEHB Carrier performance on the CAHPS measure of Claims Processing, a traditional business competency.

Table 3: Results of CAHPS Measure: Claims Processing by Plan Type^{6,7}



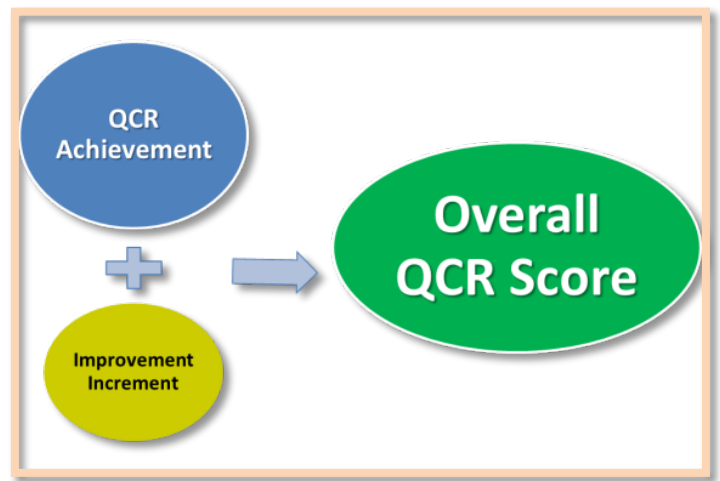
⁵ www.Performance.gov; OPM Agency Priority Goal: FEHB Plan Performance

⁶ IBID

⁷ X axis represents the average percentage of respondents who indicated their Carrier “usually” or “always” processed claims in a timely fashion.

UPDATES FOR 2017

1. In response to FEHB Carrier feedback, OPM announced a new method through which a Carrier can add value to their overall QCR Score. This calculation, known as the “Improvement Increment” relies on a comparison of eligible measures over a two-year period. Carriers performing below the 50th percentile in the first year and improving at a rate greater than the national average improvement by similar plan types⁸ can earn additional credit toward their overall QCR score, as illustrated.



2. As previously announced:

- Two 2016 measures will not be included in the 2017 Plan Performance Assessment⁹:
 - Medical Assistance with Smoking and Tobacco Use Cessation: Many FEHB Carriers can no longer report this measure because too few of their FEHB enrollees use tobacco. Congratulations to plans and enrollees on this positive health step!
 - Comprehensive Diabetes Care—Testing: This measure will be replaced with Comprehensive Diabetes Care – Control (Hemoglobin A1c <8%).
- Three new HEDIS measures will be collected,¹⁰ but not scored in 2017:
 - Follow-up after Discharge from the Emergency Department for Mental Health
 - Follow-up after Discharge from the Emergency Department for Alcohol or Substance Abuse
 - Statin Therapy for Patients with Cardiovascular Disease

The Overall QCR Score will account for 50% of each plan’s Overall Performance Score for 2017, an increase from the 35% in 2016¹¹.

CONCLUSION

The 2016 FEHB contract cycle demonstrated successful implementation of OPM’s Plan Performance Assessment QCR scoring methodology. All FEHB Carriers were able to report both HEDIS and CAHPS measures. As FEHB Carriers reported during the preview, the QCR calculation methodology was transparent and reproducible. OPM combined QCR data with contract oversight information to calculate profit or payment adjustments for each contract. We look forward to additional reporting cycles to streamline data submission processes, as well as to assess trends in health care quality, customer satisfaction, and resource use.

⁸ [Carrier Letter 2016-11](#)

⁹ [Carrier Letter 2016-02](#); [Carrier Letter 2015-15](#)

¹⁰ [Carrier Letter 2016-14](#)

¹¹ [Carrier Letter 2015-10](#)