

SoonerCare Choice Patient Centered Medical Home

Transitional Payment Methodology

Transitional payment program – A pool of approximately nine million dollars will be made available to qualifying providers to aid them in the transition to the Patient Centered Medical Home model. Qualifying providers will be determined by their **panel size**, whether they are in **compliance with Quality Assurance / Quality Improvement (QA / QI)** and finally whether their **utilization** is comparable to the average for their age peer group (Adults Only, Children Only, and All Ages). The definitions / qualification for these measures can be found below. Six million dollars of this pool will be used in the first quarter of 2009 to provide assistance during the initial “claim lag” period (the period of time between seeing the patient and the fee-for-service claim being filed and paid). These payments will be made monthly for a minimum of 12 months; the first payment will be made in January 2009 based on Jan – Dec 08 utilization data and January 2009 member months. Subsequent payments will be based on the current member months and a rolling 12 month utilization period.

- **Panel Size** – The first requirement for transitional payment eligibility is that the providers meet the minimum panel size. For the month being processed a midlevel provider must have a panel size of at least 200, all other providers must have a panel size of 250 or more.
- **QA / QI Compliance** – No provider will be eligible to receive a transition payment if they appear on the QA/QI Non-Compliance report. Providers on the Non-Compliance report will be notified via registered mail of their status.
- **Utilization** – Utilization will be defined as the average number of office visits per member per year. For each provider they must be within one standard deviation of the average. For the purposes of our calculations one standard deviation is approximately one office visit per year.
- **Calculations** – We anticipate a larger demand for transitional funds early in the year due to claim lag. For this reason, a larger portion of the pool will be available during the first quarter of 2009. January will receive three million, February two million and March one million. The remaining three million dollars will be dispersed evenly throughout the remainder of the year (approximately \$330,000 per month). The pool available for each month will be divided by the total number of members for all qualified providers and each provider will receive this amount multiplied by members on their roster. This amount cannot exceed 90% of a provider’s average payment per member based on data from the prior 12 month period. The chart below provides an example of the calculations; this is an example only and the actual payment will vary depending on the total number of qualified providers and their panel size.

Month	Transitional Pool	Total Qualified Member Months	Payment per Member Month	Provider's Member Months	Provider's Transitional Payment
January	3,000,000	275,000	10.91	930	10,145
February	2,000,000	275,000	7.27	930	6,764
March	1,000,000	275,000	3.64	930	3,382
April	330,000	275,000	1.20	930	1,116