



**CENTERS FOR MEDICARE & MEDICAID SERVICES**

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**DATE:** April 29, 2016

**TO:** Medicare-Medicaid Plans

**FROM:** Lindsay Barnette  
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Medicare-Medicaid Coordination Office

**SUBJECT:** Final Medicare-Medicaid Capitated Financial Alignment Model Quality Withhold Technical Notes for Demonstration Years 2 and 3

The purpose of this memorandum is to announce the release of the final Medicare-Medicaid Capitated Financial Alignment Model Quality Withhold Technical Notes for Demonstration Years (DY) 2 and 3. The document outlines the methodology associated with the quality withhold payments for Medicare-Medicaid Plans (MMPs), and also provides the benchmarks for the CMS core quality withhold measures. Benchmarks for state-specific quality withhold measures will be released in supplementary guidance in the future.

Note that a draft version of the Quality Withhold Technical Notes for DY 2 and 3 was previously released for public comment in November 2015. Please see below for a high-level summary of the changes that were made based on the feedback CMS received from a variety of stakeholders, including states, trade organizations, and MMPs.

Should you have any questions, please contact the Medicare-Medicaid Coordination Office at [mmcocapsmodel@cms.hhs.gov](mailto:mmcocapsmodel@cms.hhs.gov).

## **SUMMARY OF CHANGES**

### **Introduction**

- Clarified that the quality withhold analysis will be conducted separately for DY 2 and 3 (i.e., an MMP will be evaluated to determine whether it has met quality withhold requirements for each year and the withheld amounts will be repaid separately).

### **Methodology**

- Added a footnote to indicate that the gap closure target methodology does not apply to CMS core measure CW13.

- Clarified that any required performance measure validation would only apply to measures that do not already have a data accuracy process incorporated into the reporting protocol (e.g., HEDIS and CAHPS measures are not subject to additional validation beyond existing requirements).
- Clarified that there is no distinction between measures that earned a “pass” by meeting the benchmark and measures that earned a “pass” by meeting the gap closure target. In other words, all measures are weighted equally, regardless of the way in which the MMP passed the measure.
- Added a reference to a new policy regarding the inclusion of alternative withhold measures if an MMP is unable to report at least three of the standard quality withhold measures for a given year.

### **Minimum Number of Measures**

- Added this new section, which further explains the policy regarding the minimum number of measures in the quality withhold analysis. Specifically, if an MMP is unable to report at least three quality withhold measures (either CMS core or state-specific) for a given year due to low enrollment or inability to meet other reporting criteria, alternative measures will be used in the quality withhold analysis.

### **Attachment A**

- Added a note to measure CW7 to indicate that if an MMP’s score for the measure has very low reliability, it will be removed from the quality withhold analysis.
- Clarified that measure CW9 will not be included in the quality withhold analysis since it is currently suspended from MMP reporting.
- Added a note to measure CW10 regarding the potential for future updates given that the National Committee for Quality Assurance is currently re-evaluating this measure.
- For measure CW13, added a footnote to indicate that the CY 2016 encounter analysis will not include the 180-day timeliness requirement for submission of encounters with dates of service on or before September 30, 2015 (per the HPMS memorandum dated March 25, 2016); updated the benchmark section to indicate that completeness of the encounter submissions may be factored into the analysis for DY 3; and added a note to indicate that the gap closure target methodology is not applicable to this measure.

### **Attachment B**

- Added this new attachment, which provides the details and benchmarks for the alternative withhold measures. Note that the alternative withhold measures are only applicable if an MMP is unable to report at least three of the standard quality withhold measures (either CMS core or state-specific) for a given year.