

## INCENTIVE PAYMENT METHODOLOGY

### 1 – Performance Period Results

- The total performance year Episode Costs are less than the Target Price across all episodes in which the EQIP Entity participates.
- At least three percent of savings are achieved (EQIP Entity's Performance Year savings must meet or exceed 3% of its Aggregated Target Price).
- Dissavings from prior year (if any) are offset.

### 2 – Shared Savings

- Each Care Partner's Target Price will be compared to the statewide experience and annually ranked based on relative efficiency. Lower cost practitioners will be in a higher tier and vice versa.
- The Shared Savings split with Medicare will be based on the Care Partner's Target Price rank.

Target Price Rank	% of Savings to due EQIP Entity	% of Savings retained by Medicare
Up to 33rd percentile	50 percent	50 percent
34th – 66th percentile	65 percent	35 percent
66th + percentile	80 percent	20 percent

### 3 – Clinical Quality Score

- 5% of the incentive payment achieved will be withheld for quality assessment.
- The EQIP Entity's quality performance will indicate the portion of this withholding that is 'earned back'

### 4 – Incentive Payment Cap

- The Care Partner Incentive Payment Cap is 25% of the Average Care Partner PFS Expenditures for the preceding calendar year.

### 5 – Final Incentive Payment

- Paid directly to the payment remission source indicated by the EQIP Entity\*
- Paid in full, approximately 9 – 12 months after the end of the performance year.

