HealthChoice Illinois
Illinois Department of Healthcare and Family Services

Illinois Department of Healthcare and Family Services (HFS)

Pay-for-Performance (P4P) and Pay-for-Reporting (P4R) Program Methodology for Measurement Year 2025

July 2026

HSAG HEALTH SERVICES ADVISORY GROUP

Illinois MY 2025 Pay-for-Performance (P4P) and Pay-for-Reporting (P4R) Program Methodology

Project Overview

The Illinois Department of Healthcare and Family Services (HFS) contracted with Health Services Advisory Group, Inc. (HSAG) to develop scoring mechanisms for the managed care Pay-for-Performance (P4P) and Pay-for-Reporting (P4R) Programs. For measurement year (MY) 2025, each managed care organization (MCO) will be evaluated on 10 Healthcare Effectiveness Data and Information Set (HEDIS®)[1] measures (18 measure indicators) as P4P measures and 17 HEDIS and non-HEDIS measures (39 measure indicators) as P4R measures. In addition to P4P measures, a portion of the P4P program withhold will be used to incentivize MCO reporting of some reporting-only measures. The reporting measures were chosen to expand the measures included in the P4P program in subsequent years to better align with HFS' five pillars of improvement. The reporting measures include HEDIS, Centers for Medicare & Medicaid Services (CMS) Core Set of Adult Health Care Quality Measures for Medicaid (Adult Core Set), CMS Medicaid Managed Long Term Services and Supports (MLTSS), Joint Commission National Quality Measures, and HFS-custom measures.

For the MY 2025 P4P and P4R Program, each MCO will be subject to a 2 percent withhold which may be earned back based on performance on the P4P measures (1 percent of the withhold) and accurate reporting of the P4R measures (1 percent of the withhold).

The following sections provide the P4P and P4R calculation methodology and measures for HEDIS MY 2025. The purpose of this document is to describe the mechanism through which HealthChoice Illinois MCO performance will be evaluated, scored, and final payments will be calculated.

Measure List

The P4P and P4R performance measures were selected based on alignment with HFS' five pillars of improvement and relevance to the HealthChoice Illinois managed care populations.

P4P HEDIS Performance Measures

Table 1 displays the P4P HEDIS performance measures included in the P4P program, organized by HFS pillar.

[1] HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA).

Table 1—MY 2025 P4P HEDIS Performance Measures

Measure	Specification
Pillar: Adult Behavioral Health	
Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up[2]	HEDIS
18–64 Years	
65+ Years	
Follow-Up After Hospitalization for Mental Illness—30-Day Follow-Up[2]	HEDIS
18–64 Years	
65+ Years	
Follow-Up After Emergency Department (ED) Visit for Substance Use—7-Day Follow-Up	HEDIS
18+ Years	
Follow-Up After ED Visit for Substance Use—30-Day Follow-Up	HEDIS
18+ Years	
Pharmacotherapy for Opioid Use Disorder—Total	HEDIS
Pillar: Child Behavioral Health	
Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up[2]	HEDIS
6–17 Years	
Follow-Up After Hospitalization for Mental Illness—30-Day Follow-Up[2]	HEDIS
6–17 Years	
Follow-Up After ED Visit for Mental Illness—7-Day Follow-Up[2]	HEDIS
6–17 Years	
Follow-Up After ED Visit for Mental Illness—30-Day Follow-Up[2]	HEDIS
6–17 Years	
Pillar: Maternal and Child Health	
Prenatal and Postpartum Care—Timeliness of Prenatal Care	HEDIS
Prenatal and Postpartum Care—Postpartum Care	HEDIS
Childhood Immunization Status—Combination 10	HEDIS

[2] Please note that the *Follow-Up After Hospitalization for Mental Illness* and *Follow-Up After ED Visit for Mental Illness* measures will not be eligible for an improvement score based on NCQA's recommendations for breaks in trending for MY 2025, which were released in September 2025.

Measure	Specification
Pillar: Equity	
Breast Cancer Screening	HEDIS
52–74 Years	
Cervical Cancer Screening	HEDIS
Controlling High Blood Pressure	HEDIS
Pillar: Community and Health Promotion	
Adults' Access to Preventive/Ambulatory Health Services—Total	HEDIS

P4R Performance Measures

Table 2 lists the HEDIS, CMS Adult Core Set, Joint Commission National Quality Measures, CMS MLTSS, and HFS custom P4R measures, organized by HFS pillar.

Table 2—MY 2025 P4R Measures and Specification

Measure	Specifications
Pillar: Adult Behavioral Health	
Follow-Up After High-Intensity Care for Substance Use Disorder (SUD)—7-Day Follow-Up	HEDIS
18–64 Years	
65+ Years	
Follow-Up After High-Intensity Care for SUD—30-Day Follow-Up	HEDIS
18–64 Years	
65+ Years	
Screening for Depression and Follow-Up Plan	CMS Adult Core Set
18–64 Years	
65+ Years	
Pillar: Child Behavioral Health	
Follow-Up After Mobile Crisis Response Services	HFS Custom
0–5 Years	
6–11 Years	
12–17 Years	
18–20 Years	
Screening for Depression and Follow-Up Plan	CMS Child Core Set
12–17 Years	
Initiation and Engagement of SUD Treatment	HEDIS

Measure	Specifications
Initiation of SUD Treatment—13–17 Years	
Engagement of SUD Treatment—13–17 Years	
Follow-Up Care for Children Prescribed Attention-Deficit/Hyperactivity Disorder (ADHD) Medication	HEDIS
Initiation Phase	
Continuation and Maintenance Phase	
Pillar: Maternal and Child Health	
Prenatal Depression Screening and Follow-Up	HEDIS
Depression Screening	
Follow-Up on Positive Screen	
Postpartum Depression Screening and Follow-Up	HEDIS
Depression Screening	
Follow-Up on Positive Screen	
Child and Adolescent Well-Care Visits	HEDIS
3–11 Years	
12–17 Years	
18–21 Years	
Contraceptive Care—All Women—21–44 Years	CMS Adult Core Set
Most or Moderately Effective Method of Contraception	
Long-Acting Reversible Method of Contraception	
Unexpected Complications in Term Newborns	Joint Commission National Quality Measures
Severe Complications	
Moderate Complications	
Oral Evaluation, Dental Services	HEDIS
0–2 Years	
3–5 Years	
6–14 Years	
15–20 Years	
Pillar: Equity	
Breast Cancer Screening—Disparities Focus	HEDIS
Asthma Medication Ratio	HEDIS
5–11 Years	
12–18 Years	
19–50 Years	

Measure	Specifications
51–64 Years	
Colorectal Cancer Screening	HEDIS
46–50 Years	
51–75 Years	
Pillar: Improving Community Placement	
Long-Term Services and Supports (LTSS) Successful Transition after Long-Term Facility Stay	CMS MLTSS
LTSS Minimizing Facility Length of Stay	CMS MLTSS

Population

The P4P will assess HealthChoice Illinois MCO performance based on the HealthChoice managed care population, as outlined in the Medicaid Model Contract, including Seniors, Persons with a Disability, Families and Children, Special Needs Children, and adults qualifying for the HFS Medical Program under the Affordable Care Act (ACA Adults).

Performance Period

In State Fiscal Year (SFY) 2026, the HealthChoice MCOs will be subject to withholds or payments for P4P HEDIS performance measures and P4R performance measures based on data collected for calendar year (CY) 2025 (i.e., HEDIS MY 2025/Reporting Year [RY] 2026).

Data Collection

For the P4P HEDIS performance measures, HSAG will use the auditor-locked Special Project Medicaid-only Illinois (not audited by HSAG) HEDIS Interactive Data Submission System (IDSS) files submitted by the MCOs to the National Committee for Quality Assurance (NCQA). For all P4R performance measures, HSAG will use the quarterly rate reporting templates submitted by the MCOs as part of the Performance Measure Validation (PMV) activities performed by HSAG. MCOs are required to report all P4R performance measures as outlined in the reporting guidance document provided by HSAG's PMV team in Spring 2025.

P4P Score Calculation

The following sections provide a detailed description and examples of the P4P scoring and payment model.

P4P Scoring Model

With receipt of audited HEDIS measure rates, each P4P HEDIS performance measure will be scored and weighted appropriately prior to calculating the performance withhold earn back percentages for each MCO. Measure rates with a "*Reportable (R)*" audit designation (i.e., the MCO produced a reportable rate for the measure in alignment with the technical specifications) will be analyzed using the P4P algorithm. Required measure indicators that receive a "*Biased Rate (BR)*", "*Not Reported (NR)*", "*No Benefit (NB)*", "*Unaudited (UN)*", or "*Not Required (NQ)*" audit designation (i.e., the MCO produced a rate that was materially biased; the MCO chose not to report the measure; the MCO did not offer the health benefit required by the measure; the measure was not audited; or the MCO was not required to report the measure) will automatically earn 0 percent of their eligible withhold back. Measure indicator rates with a "*Small Denominator (NA)*" status (i.e., the MCO followed the specifications, but the denominator was too small to report a valid rate) will not be included in the scoring for that MCO. MCOs that receive "*Small Denominator (NA)*" status for a majority of the P4P HEDIS performance measures rates will not be included in the P4P program calculations.

All P4P HEDIS performance measures listed in Table 1 will be scored based on comparisons to NCQA's Quality Compass® (QC) national Medicaid health maintenance organization (HMO) percentiles (referred to as "percentiles" throughout the remainder of this document).[3] All HEDIS MY 2025 rates will be compared to the MY 2025 percentiles released in Fall 2026 for the performance score and high performance bonus and all HEDIS MY 2024 rates will be compared to the MY 2024 percentiles released in Fall 2025 as part of the improvement bonus scoring and high performance bonus scoring. Rates will be rounded to the nearest hundredths place prior to comparing to the national percentiles.

P4P HEDIS Performance Measure Scoring

Table 3 presents the possible scores for each P4P HEDIS performance measure which will be based on the MCOs' current year performance, the degree of improvement from the prior year, and sustained high performance in both years. Exact percentages are used with no rounding, and no scores will be dropped.

[3] Quality Compass® is a registered trademark of NCQA.

Table 3—P4P HEDIS Performance Measure Scoring

Performance Measure Scoring Criteria	Score
Performance Score	
MCO's rate was at or above the 90th percentile	5.00
MCO's rate was at or above the 75th percentile and below the 90th percentile	4.00
MCO's rate was at or above the 50th percentile and below the 75th percentile	3.00
MCO's rate was at or above the 25th percentile and below the 50th percentile	2.00
MCO's rate was at or above the 10th percentile and below the 25th percentile	1.00
MCO's rate was below the 10th percentile	0.00
MCO's rate received an NR or BR audit status	0.00
Improvement Bonus[4]	
MCO demonstrated at or above a 25 percent degree of improvement	25.00%
MCO demonstrated at or above a 15 percent but less than a 25 percent degree of improvement	15.00%
MCO demonstrated at or above a 10 percent but less than a 15 percent degree of improvement	10.00%
MCO demonstrated at or above a 5 percent but less than a 10 percent degree of improvement	5.00%
MCO demonstrated less than a 5 percent degree of improvement	0.00%
High Performance Bonus	
MCO's rate was at or above the 75th percentile in both the current year and prior year	15.00%
MCO's rate was at or above the 66.67th percentile in both the current year and prior year	10.00%
MCO's rate was below the 66.67th percentile in either the current year or prior year	0.00%
MCO does not have a reportable rate in either the current year or prior year	0.00%

Performance scoring for the P4P HEDIS measures will be based on how current year performance compares to the national benchmarks as outlined in Table 3. For MCOs receiving a *Reportable* audit

[4] Please note that *Follow-Up After Hospitalization for Mental Illness* and *Follow-Up After ED Visit for Mental Illness* will not be eligible for an improvement score based on NCQA's recommendations for breaks in trending for MY 2025, which were released in September 2025.

designation and performing at or above the 10th percentile but below the 90th percentile, scores will be based on a continuous scale with partial points add to an MCO's score based on how close a MCO's rate is to the next benchmark cut point. This is calculated using the following formula:

$$Partial\ Points = \left[\frac{(MCO\ Rate - lower\ cut\ point)}{(upper\ cut\ point - lower\ cut\ point\ )} \right]$$

In order to convert the performance score and partial points for each measure into the Performance Score Percentage (PSP), the following formula will be used:

$$PSP = \frac{Performance\ Score + Partial\ Points}{5}$$

Improvement Bonuses (IB) for each P4P HEDIS measure will be determined by the degree of improvement between the current year and prior year as outlined in Table 3. The Degree of Improvement is calculated based on unrounded rates. For measures where higher rates represent better performance, the degree of improvement will be calculated as:

$$Degree\ of\ Improvement = \frac{(current\ year\ rate\ -\ prior\ year\ rate)}{(90th\ Percentile\ Value - 10th\ Percentile\ Value)}$$

For measures where lower rates represent better performance, the degree of improvement will be calculated as:

$$Degree\ of\ Improvement = \frac{(current\ year\ rate\ -\ prior\ year\ rate)}{(10th\ Percentile\ Value\ -\ 90th\ Percentile\ Value)}$$

High-Performance Bonuses (HB) for each P4P HEDIS measure will be determined based on whether an MCO demonstrates consistent high performance in both the current year and prior year, as outlined in Table 3.

Once the PSP, IB, and HB values are calculated for each MCO, the Total Measure Score (TMS) is calculated by summing the PSP, IB, and HB. Please note, the TMS cannot exceed 100 percent. The formula for the TMS is represented below:

$$TMS = \text{PSP} + \text{IB} + \text{HB}$$

Table 4 presents an example of the performance scoring for three hypothetical MCOs across two P4P HEDIS performance measures (*Breast Cancer Screening* [*BCS-E*] and *Adults' Access to Preventive/Ambulatory Health Services—Total* [*AAP*]) based on MCOs' performance for the current year and improvement from the prior year.

Table 4—P4P HEDIS Performance Measure Scoring Examples
EXAMPLE—MOCK DATA

	BCS-E			AAP		
	MCO A	MCO B	MCO C	MCO A	MCO B	MCO C
MY 2024 Rate	75.23%	76.12%	75.85%	34.72%	45.27%	37.24%
MY 2025 Rate	77.45%	79.68%	71.91%	34.17%	46.99%	44.55%
Degree of Improvement	4.52%	7.24	-8.02%	-1.53%	4.79%	20.35%
MY 2025 90th Percentile	74.32%	74.32%	74.32%	70.76%	70.76%	70.76%
MY 2025 75th Percentile	64.39%	64.39%	64.39%	62.06%	62.06%	62.06%
MY 2025 66.67th Percentile	58.97%	58.97%	58.97%	59.23%	59.23%	59.23%
MY 2025 50th Percentile	50.00%	50.00%	50.00%	53.31%	53.31%	53.31%
MY 2025 25th Percentile	37.63%	37.63%	37.63%	45.00%	45.00%	45.00%
MY 2025 10th Percentile	25.17%	25.17%	25.17%	34.83%	34.83%	34.83%
MY 2024 75th Percentile	62.15%	62.15%	62.15%	60.97%	60.97%	60.97%
MY 2024 66.67th Percentile	58.03%	58.03%	58.03%	57.99%	57.99%	57.99%
PS	5.00	5.00	4.76	0.00	2.24	1.96
PSP	100.00%	100.00%	95.20%	0.00%	44.79%	39.12%

	BCS-E			AAP		
	MCO A	MCO B	MCO C	MCO A	MCO B	MCO C
IB	0.00%	5.00%	0.00%	0.00%	0.00%	15.00%
HB	15.00%	15.00%	15.00%	0.00%	0.00%	0.00%
TMS	100.00%	100.00%	100.00%	0.00%	44.79%	54.12%

P4P HEDIS Performance Measure Weighting

Each P4P HEDIS performance measure will be assigned an appropriate weight to address the State's improvement goals as outlined in the comprehensive Quality Strategy. Table 5 shows the weight for each performance measure.

Table 5—P4P HEDIS Performance Measure Weights

Measure	Weight
Pillar: Adult Behavioral Health	
Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up	
18–64 Years	3.750%
65+ Years	3.750%
Follow-Up After Hospitalization for Mental Illness—30-Day Follow-Up	
18–64 Years	2.500%
65+ Years	2.500%
Follow-Up After ED Visit for Substance Use—7-Day Follow-Up	
18+Years	5.000%
Follow-Up After ED Visit for Substance Use—30-Day Follow-Up	
18+Years	7.500%
Pharmacotherapy for Opioid Use Disorder—Total	6.250%
Pillar: Child Behavioral Health	
Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up	
6–17 Years	7.500%
Follow-Up After Hospitalization for Mental Illness—30-Day Follow-Up	
6–17 Years	5.000%
Follow-Up After ED Visit for Mental Illness—7-Day Follow-Up	
6–17 Years	5.000%
Follow-Up After ED Visit for Mental Illness—30-Day Follow-Up	
6–17 Years	7.500%

Measure	Weight
Pillar: Maternal and Child Health	
Prenatal and Postpartum Care—Timeliness of Prenatal Care	7.000%
Prenatal and Postpartum Care—Postpartum Care	7.000%
Childhood Immunization Status—Combination 10	7.000%
Pillar: Equity	
Breast Cancer Screening	
52–74 Years	5.625%
Cervical Cancer Screening	5.625%
Controlling High Blood Pressure	7.000%
Pillar: Community and Health Promotion	
Adults' Access to Preventive/Ambulatory Health Services—Total	4.500%

The Weighted Total Measure Score (WTMS) will be calculated by multiplying the TMS by the weight values for that measure as outlined in Table 5:

$$WTMS = (\text{TMS}) * (\text{Weight})$$

Once the WTMS for each measure is calculated, the sum of the WTMS for all measures will be used to derive the P4P Withhold Earned Back percentage as follows:

$$P4P\ Withhold\ Earned\ Back = WTMS_1 + WTMS_2 + \cdots + WTMS_M$$

Table 6 and Table 7 provides an example of how MCO B's TMS, WTMS, and P4P Withhold Earned Back percentage will be derived. For ease of reference, the following example table only includes one MCO and all data presented in the table below do not represent actual data or results. Additionally, please note that all numbers displayed in the tables below are rounded for display purposes. Calculations will be based off unrounded data.

Table 6—P4P HEDIS Performance Measure WTMS Calculation

EXAMPLE USING MOCK DATA

Measure	Weight	MCO B TMS	MCO B WTMS
Pillar: Adult Behavioral Health			
Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up			
18–64 Years	3.750%	46.16%	1.73%
65+ Years	3.750%	48.75%	1.83%

Measure	Weight	MCO B TMS	MCO B WTMS
Follow-Up After Hospitalization for Mental Illness—30-Day Follow-Up			
18–64 Years	2.500%	39.06%	0.98%
65+ Years	2.500%	29.78%	0.74%
Follow-Up After ED Visit for Substance Use—7-Day Follow-Up			
18+Years	5.000%	98.61%	4.93%
Follow-Up After ED Visit for Substance Use—30-Day Follow-Up			
18+Years	7.500%	100.00%	7.50%
Pharmacotherapy for Opioid Use Disorder—Total	6.250%	62.64%	3.92%
Pillar: Child Behavioral Health			
Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up			
6–17 Years	7.500%	61.82%	4.64%
Follow-Up After Hospitalization for Mental Illness—30-Day Follow-Up			
6–17 Years	5.000%	67.96%	3.40%
Follow-Up After ED Visit for Mental Illness—7-Day Follow-Up			
6–17 Years	5.000%	100.00%	5.00%
Follow-Up After ED Visit for Mental Illness—30-Day Follow-Up			
6–17 Years	7.500%	100.00%	7.50%
Pillar: Maternal and Child Health			
Prenatal and Postpartum Care—Timeliness of Prenatal Care	7.000%	41.16%	2.88%
Prenatal and Postpartum Care—Postpartum Care	7.000%	85.00%	5.95%
Childhood Immunization Status—Combination 10	7.000%	0.00%	0.00%
Pillar: Equity			
Breast Cancer Screening			
52–74 Years	5.625%	100.0%	5.625%
Cervical Cancer Screening	5.625%	49.32%	2.77%
Controlling High Blood Pressure	7.000%	53.06%	3.71%
Pillar: Community and Health Promotion			
Adults' Access to Preventive/Ambulatory Health Services—Total	4.500%	44.79%	2.02%
Total WTMS for MCO B			**65.12%**

Table 7—P4P Mock Total Score

MCO	P4P Withhold Earned Back
MCO B	65.12%

P4P HEDIS Weight Redistribution

To ensure that MCOs that report indicator rates with an NA measure status still have an opportunity to earn back 100 percent of their eligible withhold, measure weights will need to be redistributed based on NA rates. When an MCO reports a measure indicator with an NA measure status, the weights will first be redistributed evenly to the other reportable indicators within the same measure that are within the same pillar. If an MCO reports a measure indicator with an NA measure status and there are no other reportable indicators within the same measure within the same pillar, then the weights will be redistributed evenly to all other reportable measures within the same pillar (for measures with more than one indicator within the same pillar, the redistributed weights will be distributed evenly to all reportable indicators within that same pillar for that MCO). Lastly, if an MCO reports a measure indicator with an NA measure status and there are no other reportable measure indicators within the same pillar, then the measure weight will be redistributed evenly to all reported measures across all pillars (for measures with more than one indicator within the same pillar, the redistributed weights will be distributed evenly to all reportable indicators within the same pillar for that MCO). Table 8 displays an example of redistributing measure indicator weights for three MCOs with NA measures statuses.

Table 8—P4P HEDIS Performance Measure Indicator Weight Distribution

EXAMPLE USING MOCK DATA

Measure	Original Weight	MCO D Measure Status	MCO D Re-distributed Weight	MCO E Measure Status	MCO E Re-distributed Weight	MCO F Measure Status	MCO F Re-distributed Weight
Pillar: Adult Behavioral Health							
Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up							
18–64 Years	3.750%	R	7.500%	R	3.750%	R	3.900%
65+ Years	3.750%	NA	0.000%	R	3.750%	R	3.900%
Follow-Up After Hospitalization for Mental Illness—30-Day Follow-Up							
18–64 Years	2.500%	R	5.000%	R	2.500%	R	2.650%
65+ Years	2.500%	NA	0.000%	R	2.500%	R	2.650%
Follow-Up After ED Visit for Substance Use—7-Day Follow-Up							
18+Years	5.000%	R	5.000%	R	5.000%	R	5.300%
Follow-Up After ED Visit for Substance Use—30-Day Follow-Up							
18+Years	7.500%	R	7.500%	R	7.500%	R	7.800%
Pharmacotherapy for Opioid Use Disorder—Total	6.250%	R	6.250%	R	6.250%	R	6.550%

Measure	Original Weight	MCO D Measure Status	MCO D Re-distributed Weight	MCO E Measure Status	MCO E Re-distributed Weight	MCO F Measure Status	MCO F Re-distributed Weight
Pillar: Child Behavioral Health							
Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up							
6–17 Years	7.500%	R	7.500%	R	7.500%	R	7.800%
Follow-Up After Hospitalization for Mental Illness—30-Day Follow-Up							
6–17 Years	5.000%	R	5.000%	R	5.000%	R	5.300%
Follow-Up After ED Visit for Mental Illness—7-Day Follow-Up							
6–17 Years	5.000%	R	5.000%	R	5.000%	R	5.300%
Follow-Up After ED Visit for Mental Illness—30-Day Follow-Up							
6–17 Years	7.500%	R	7.500%	R	7.500%	R	7.800%
Pillar: Maternal and Child Health							
Prenatal and Postpartum Care—Timeliness of Prenatal Care	7.000%	R	7.000%	R	10.500%	R	7.300%
Prenatal and Postpartum Care—Postpartum Care	7.000%	R	7.000%	R	10.500%	R	7.300%
Childhood Immunization Status—Combination 10	7.000%	R	7.000%	NA	0.000%	R	7.300%
Pillar: Equity							
Breast Cancer Screening							
52–74 Years	5.625%	R	5.625%	R	5.625%	R	5.925%
Cervical Cancer Screening	5.625%	R	5.625%	R	5.625%	R	5.925%
Controlling High Blood Pressure	7.000%	R	7.000%	R	7.000%	R	7.300%
Pillar: Community and Health Promotion							
Adults' Access to Preventive/Ambulatory Health Services—Total	4.500%	R	4.500%	R	4.500%	NA	0.000%

As shown in Table 8, MCO D received an NA measure status for the *Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up—65+ Years* and *Follow-Up After Hospitalization for Mental Illness—30-Day Follow-Up—65+ Years* measure indicators. For both of these indicators, MCO D had a reportable rate for the 18–64 Years indicators, so the weights for the 65+ Years measure indicators were added to the weights for the 18–64 Years measures indicators for the same measure. MCO E received an NA measure status for the *Childhood Immunization Status—Combination 10* measure indicator. Because this measure does not have any additional indicators, the weight was evenly split between the two other measures in the Maternal and Child Health pillar (*Prenatal and Postpartum Care—Timeliness of Prenatal Care* and *Prenatal and Postpartum Care—Postpartum Care*). Lastly, MCO F received an NA

measure status for the *Adults' Access to Preventive/Ambulatory Health Services—Total* measure indicator. Because this measure does not have any additional indicators included in P4P and this is the only measure in the Community and Health Promotion pillar, the weight was evenly distributed between the 15 reportable measures within the Adult Behavioral Health, Child Behavioral Health, Maternal and Child Health, and Equity Pillars, with each measures receiving an additional 0.300 percent weight. Please note that for measures like *Follow-Up After Hospitalization for Mental Illness—7-Day Follow-Up* that have two separate measure indicators (18–64 Years and 65+ Years), each indicator received an additional 0.150 percent weight.

P4P Funds Allocation Model

The P4P funds allocation model uses the MCOs' Withhold Earn Back Percentages to determine the final amount of P4P funds earned back. Table 9 demonstrates an example of the P4P funds allocation model using three example MCOs.

Table 9—P4P Funds Allocation
EXAMPLE USING MOCK DATA

MCO Name (A)	Total Capitation Payment (B)	Withhold Amount (Total Capitation Payment × 2%) (C)	P4P Withhold Amount (Withhold Amount x 50%) (D)	P4P Withhold Earn Back Percentage (E)	P4P Withhold Amount Earned Back (F)
MCO A	$621,795,000.00	$12,435,900.00	$6,217,950.00	58.23%	$3,620,712.29
MCO B	$475,800,000.00	$9,516,000.00	$4,758,000.00	65.12%	$3,098,409.60
MCO C	$415,140,000.00	$8,302,800.00	$4,151,400.00	75.41%	$3,130,570.74
Sum		**$30,254,700.00**	**$15,127,350.00**		**$9,849,692.63**

According to the example in Table 9, MCO A earned back 58.23 percent of its withhold (column E in Table 9), which would be a total earned back amount of $3,620,712.29 (column F in Table 9).

P4R Scoring Model

With receipt of validated P4R performance measure rates, each P4R performance measure will be scored and weighted appropriately prior to calculating reporting penalties for each MCO. Table 10 provides the PMV measure designations that will be eligible or ineligible to receive points for the P4R performance measures.

Table 10—P4R PMV Measure Designations

PMV Measure Designation
Eligible for Points
Reportable (R)
Ineligible for Points
Do Not Report (DNR)
Not Applicable (NA)
No Benefit (NR)

As indicated in Table 10, only measure rates with a "*Reportable (R)*" PMV measure designation (i.e., the MCO produced a reportable rate for the measure that was compliant with the technical specifications) will earn back the percentage of withhold associated with that rate. MCOs will not earn back any of the withhold associated with the rate if the rate has any of the following PMV measure designations:

- "*Do Not Report (DNR)*" PMV measure designation (i.e., the calculated rate was materially biased)
- "*Not Applicable (NA)*" PMV measure designation (i.e., the MCO was not required to report the measure)
- "*No Benefit (NR)*" PMV measure designation (i.e., the measure was not reported because the MCO did not offer the required benefit)

P4R Performance Measure Weighting

Table 11 shows the measure weight (MW) for each P4R performance measure. If an MCO receives an ineligible PMV measure designation for a stratification for any MY 2025 quarter, the MCO will not earn back any of the withhold associated with that rate stratification.

Table 11—P4R Performance Measure Weights

Measure†	Weighting*
Pillar: Adult Behavioral Health	
Follow-Up After High-Intensity Care for SUD	5.88%
Screening for Depression and Follow-Up Plan	5.88%
Pillar: Child Behavioral Health	
Follow-Up After Mobile Crisis Response Services	5.88%
Screening for Depression and Follow-Up Plan	5.88%
Initiation and Engagement of SUD Treatment	5.88%
Follow-Up Care for Children Prescribed ADHD Medication	5.88%
Pillar: Maternal and Child Health	
Prenatal Depression Screening and Follow-Up	5.88%

Measure†	Weighting*
Postpartum Depression Screening and Follow-Up	5.88%
Child and Adolescent Well-Care Visits	5.88%
Contraceptive Care—All Women—21–44 Years	5.88%
Unexpected Complications in Term Newborns	5.88%
Oral Evaluation, Dental Services	5.88%
Pillar: Equity	
Breast Cancer Screening—Disparities Focus	5.88%
Asthma Medication Ratio	5.88%
Colorectal Cancer Screening	5.88%
Pillar: Improving Community Placement	
LTSS Successful Transition after Long-Term Facility Stay	5.88%
LTSS Minimizing Facility Length of Stay	5.88%

†MCOs are required to report on all indicators and stratifications indicated in the reporting guidance document provided by HSAG's PMV team. The measure weight will be distributed evenly across all indicators and stratifications (i.e., age, race, gender, county, county designation, disparity areas).
*Please note, the weights listed in the table are rounded values. The exact weights are calculated as 100%/17.

P4R Funds Allocation Model

As discussed above, MCOs that successfully report the required stratifications will earn back the percentage of withhold associated with that rate. Otherwise, the MCOs will not earn back any of the withhold associated with the rate. Table 12 demonstrates an example of the P4R funds allocation model using the same three example MCOs. Please note, only a subset of P4R performance measures are used in the example.

Table 12—P4R Performance Measure Calculations
EXAMPLE USING MOCK DATA

Measure	MW	MCO A			MCO B			MCO C		
		PMV Measure Designation*	Rate Withhold Earned Back	Total Measure Withhold Earned	PMV Measure Designation*	Rate Withhold Earned Back	Total Measure Withhold Earned	PMV Measure Designation*	Rate Withhold Earned Back	Total Measure Withhold Earned
Adult Behavioral Health										
Follow-Up After High-Intensity Care for SUD										
7-Day Follow-Up—18–64 Years	5.88%	DNR	0.00%	0.00%	R	1.47%	5.88%	NR	0.00%	0.00%
7-Day Follow-Up—65+ Years		DNR	0.00%		R	1.47%		NR	0.00%	
30-Day Follow-Up—18–64 Years		DNR	0.00%		R	1.47%		NR	0.00%	
30-Day Follow-Up—65+ Years		DNR	0.00%		R	1.47%		NR	0.00%	

Measure	MW	MCO A			MCO B			MCO C		
		PMV Measure Designation*	Rate Withhold Earned Back	Total Measure Withhold Earned	PMV Measure Designation*	Rate Withhold Earned Back	Total Measure Withhold Earned	PMV Measure Designation*	Rate Withhold Earned Back	Total Measure Withhold Earned
Screening for Depression and Follow-Up Plan										
18–64 Years	5.88%	R	1.96%	5.88%	R	1.96%	5.88%	R	1.96%	5.88%
65+ Years		R	1.96%		R	1.96%		R	1.96%	
Total		R	1.96%		R	1.96%		R	1.96%	
Improving Community Placement										
LTSS Successful Transition after Long-Term Facility Stay										
Age	0.84%	DNR	0.00%	0.00%	R	0.84%	5.88%	R	0.84%	5.88%
Race	0.84%	DNR	0.00%		R	0.84%		R	0.84%	
Gender	0.84%	DNR	0.00%		R	0.84%		R	0.84%	
County	0.84%	DNR	0.00%		R	0.84%		R	0.84%	
County Designation	0.84%	DNR	0.00%		R	0.84%		R	0.84%	
Disparity Area	0.84%	DNR	0.00%		R	0.84%		R	0.84%	
Total	0.84%	DNR	0.00%		R	0.84%		R	0.84%	
LTSS Minimizing Facility Length of Stay										
Age	0.84%	DNR	0.00%	0.00%	R	0.84%	5.88%	NR	0.00%	0.00%
Race	0.84%	DNR	0.00%		R	0.84%		NR	0.00%	
Gender	0.84%	DNR	0.00%		R	0.84%		NR	0.00%	
County	0.84%	DNR	0.00%		R	0.84%		NR	0.00%	
County Designation	0.84%	DNR	0.00%		R	0.84%		NR	0.00%	
Disparity Area	0.84%	DNR	0.00%		R	0.84%		NR	0.00%	
Total	0.84%	DNR	0.00%		R	0.84%		NR	0.00%	

Note: The weights listed in the table are rounded values.
**PMV measure designations include: Reportable (R); Do Not Report (DNR); Not Applicable (NA); No Benefit (NR).*

Table 13 displays an example of the total measure withhold earned for each P4R performance measure using the same three example MCOs.

Table 13—P4R Performance Measure Calculations
EXAMPLE USING MOCK DATA

Measure†	Measure Weight	Total Measure Withhold Earned		
		MCO A	MCO B	MCO C
Pillar: Adult Behavioral Health				
Follow-Up After High-Intensity Care for SUD	5.88%	0.00%	5.88%	0.00%
Screening for Depression and Follow-Up Plan	5.88%	5.88%	5.88%	5.88%

Measure†	Measure Weight	Total Measure Withhold Earned		
		MCO A	MCO B	MCO C
Pillar: Child Behavioral Health				
Follow-Up After Mobile Crisis Response Services	5.88%	0.00%	5.88%	5.88%
Screening for Depression and Follow-Up Plan	5.88%	0.00%	5.88%	5.88%
Initiation and Engagement of SUD Treatment	5.88%	0.00%	5.88%	5.88%
Follow-Up Care for Children Prescribed ADHD Medication	5.88%	0.00%	5.88%	5.88%
Pillar: Maternal and Child Health				
Prenatal Depression Screening and Follow-Up	5.88%	0.00%	5.88%	5.88%
Postpartum Depression Screening and Follow-Up	5.88%	0.00%	5.88%	5.88%
Child and Adolescent Well-Care Visits	5.88%	0.00%	5.88%	5.88%
Contraceptive Care—All Women—21–44 Years	5.88%	0.00%	5.88%	5.88%
Unexpected Complications in Term Newborns	5.88%	0.00%	5.88%	5.88%
Oral Evaluation, Dental Services	5.88%	0.00%	5.88%	5.88%
Pillar: Equity				
Breast Cancer Screening—Disparities Focus	5.88%	5.88%	5.88%	5.88%
Asthma Medication Ratio	5.88%	5.88%	5.88%	5.88%
Colorectal Cancer Screening	5.88%	5.88%	5.88%	5.88%
Pillar: Improving Community Placement				
LTSS Successful Transition after Long-Term Facility Stay	5.88%	5.88%	5.88%	0.00%
LTSS Minimizing Facility Length of Stay	5.88%	5.88%	5.88%	0.00%
Overall Withhold Earned		**35.29%**	**100.00%**	**82.35%**

*Please note, the weights listed in the table are rounded values.

Table 14 demonstrates an example of the P4R funds allocation model using the same three MCOs presented in Table 12 and Table 13. Any P4R withhold amount that is not earned back represents the P4R measure penalty. The data presented in the table below do not represent actual data or results.

Table 14—P4R Measure Funds Allocation
EXAMPLE USING MOCK DATA

MCO Name (A)	Total Capitation Payment (B)	Withhold Amount (Total Capitation Payment × 2%) (C)	P4R Withhold Amount (Withhold Amount x 50%) (J)	P4R Withhold Earn Back Percentage (K)	P4R Withhold Amount Earned Back (L)
MCO A	$621,795,000.00	$12,435,900.00	$6,217,950.00	35.29%	$2,194,570.59
MCO B	$475,800,000.00	$9,516,000.00	$4,758,000.00	100.00%	$4,758,000.00
MCO C	$415,140,000.00	$8,302,800.00	$4,151,400.00	82.35%	$3,418,800.00
Sum		**$30,254,700.00**	**$15,127,350.00**		**$10,371,370.59**

According to the example in Table 13, MCO A has an eligible PMV measure designation for six of the P4R performance measures. This means that MCO A earns back 35.29 percent of the P4R withhold amount (column K in Table 14). MCO B earns an eligible PMV measure designation for all of the P4R performance measures and MCO C earns an eligible PMV measure designation for 14 of the P4R performance measures, thus MCO B earns back 100.00 percent of the P4R withhold (column K in Table 14) and MCO C earns back 82.35 percent of the P4R withhold (column K in Table 14).

Final Payment Determinations

To calculate the final payment determinations, the P4P withhold earned back will be combined with the P4R withhold earned back to determine the total amount of withhold earned back. Table 15 provides an example of the Total Withhold Earned back based on the P4P and P4R withhold earned back amounts for the three example MCOs.

Table 15—Overall Withhold Earned Back
EXAMPLE USING MOCK DATA

MCO Name (A)	Total Capitation Payment (B)	Withhold Amount (Total Capitation Payment × 2%) (C)	P4P Withhold Amount Earned Back (F)	P4R Withhold Amount Earned Back (L)	Total Withhold Earned Back (N)
MCO A	$621,795,000.00	$12,435,900.00	$3,620,712.29	$2,194,570.59	$5,815,282.88
MCO B	$475,800,000.00	$9,516,000.00	$3,098,409.60	$4,758,000.00	$7,856,409.60
MCO C	$415,140,000.00	$8,302,800.00	$3,130,570.74	$3,418,800.00	$6,549,370.74
Sum		**$30,254,700.00**	**$9,849,692.63**	**$10,371,370.59**	**$20,221,063.22**

Unearned Funds Reallocation Model

For the MY 2025 P4P and P4R program, MCOs will be eligible to earn back unearned funds based on performance and improvement on the P4P measures in the Maternal and Child Health pillar (*Childhood Immunization Status—Combination 10* [CIS-E], *Prenatal and Postpartum Care—Timeliness of Prenatal Care* [PPC-Pre], and *Prenatal and Postpartum Care—Postpartum Care* [PPC-Pst]). To be eligible to earn back unearned funds, MCOs must complete the Maternal Child Health (MCH) quality and equity improvement project evaluation report (see HCI Unearned Quality Withhold Funds Reporting Template and Timeline, April 2025). Please note, the MCH quality and equity improvement project evaluation report is for quality improvement program oversight purposes and will not be evaluated against other MCO plans; however, if an MCO does not complete a MCH quality and equity improvement project evaluation report as prescribed in the HCI Unearned Quality Withhold Funds Reporting Template and Timeline, it will not earn back any unearned funds and that the MCO will be excluded from the percentage of unearned funds calculations used to determine the weighting. This will ensure that 100 percent of the unearned funds is redistributed to the MCOs that did complete a MCH quality and equity improvement project evaluation report.

The unearned funds reallocation model provides equal weighting for performance and improvement by awarding MCOs points for each separately, and then using the higher of the two for scoring.

Methodology

The unearned funds incentive pool will be split evenly across the three measures. Achievement and Improvement will be assessed separately, with the MCOs being awarded the higher of the two scores. Incentive funds will then be distributed to the MCOs by measure based on the number of points earned for that measure and weighted by each MCO's contribution to the total unearned funds incentive pool.

Achievement Points

Achievement points will be earned based on a comparison of each MCO's rate for each measure to the NCQA QC percentiles based on MY 2025 performance released in Fall 2026. Table 16 presents the possible achievement scores for each HEDIS incentive pool measure.

Table 16—Incentive Pool Achievement Scoring

Achievement Scoring Criteria	Score
MCO's rate was at or above the 95th percentile	10.00
MCO's rate was at or above the 90th percentile and below the 95th percentile	9.00
MCO's rate was at or above the 75th percentile and below the 90th percentile	8.00
MCO's rate was at or above the 66.67th percentile and below the 75th percentile	7.00
MCO's rate was at or above the 50th percentile and below the 66.67th percentile	6.00
MCO's rate was at or above the 33.33rd percentile and below the 50th percentile	5.00
MCO's rate was at or above the 25th percentile and below the 33.33rd percentile	4.00
MCO's rate was at or above the 10th percentile and below the 25th percentile	3.00
MCO's rate was at or above the 5th percentile and below the 10th percentile	2.00
MCO's rate was below the 5th percentile	1.00
MCO's rate received an NR, BR, NQ, NB, or UN audit status	0.00

Improvement Points

Improvement points are earned by assessing the percentage of gap closure achieved by comparing the gap between each MCO's MY 2025 rate and the MY 2025 QC 95th percentile to the gap between the MCO's MY 2024 rate and the MY 2024 QC 95th percentile. Gap closure will be calculated by dividing the MY 2025 gap by the MY 2024 gap and subtracting the result from 100 percent, with a larger percentage representing more gap closure. The equation to calculate gap closure is:

$$MCO\ Gap\ Closure\ Percentage = 100\% - \frac{MY\ 2025\ QC\ 95th\ Percentile - MY\ 2025\ MCO\ Rate}{MY\ 2024\ QC\ 95th\ Percentile - MY\ 2024\ MCO\ Rate}$$

MCOs will earn more points for a larger percentage of gap closure. Table 17 presents the possible improvement scores for each HEDIS incentive pool measure.

Table 17—Incentive Pool Improvement Scoring

Achievement Scoring Criteria	Score
MCO demonstrated at or above a 22.50 percent gap closure	10.00
MCO demonstrated at or above a 20.00 percent but less than a 22.50 percent gap closure	9.00
MCO demonstrated at or above a 17.50 percent but less than a 20.00 percent gap closure	8.00
MCO demonstrated at or above a 15.00 percent but less than a 17.50 percent gap closure	7.00
MCO demonstrated at or above a 12.50 percent but less than a 15.00 percent gap closure	6.00
MCO demonstrated at or above a 10.00 percent but less than a 12.50 percent gap closure	5.00
MCO demonstrated at or above a 7.50 percent but less than a 10.00 percent gap closure	4.00
MCO demonstrated at or above a 5.00 percent but less than a 7.50 percent gap closure	3.00
MCO demonstrated at or above a 2.50 percent but less than a 5.00 percent gap closure	2.00
MCO demonstrated above a 0.00 percent but less than a 2.50 percent gap closure	1.00
MCO demonstrated at or below a 0.00 percent gap closure	0.00
MCO's rate received an NR, BR, NQ, NB, or UN audit status in either year	0.00

Awarding Points

Once both achievement and improvement points have been awarded. MCOs will receive the higher of the two points earned. Table 18 shows an example of how MCOs would earn points using mock data for the PPC-Pre and CIS-E measures.

Table 18—Incentive Pool Scoring Examples
EXAMPLE—MOCK DATA

	PPC-Pre			CIS-E		
	MCO A	MCO B	MCO C	MCO A	MCO B	MCO C
MY 2024 Rate	83.70%	87.83%	82.16%	34.78%	26.45%	23.36%
MY 2025 Rate	81.51%	89.78%	84.23%	32.63%	24.33%	21.17%
MY 2024 95th Percentile	93.27%	93.27%	93.27%	63.24%	63.24%	63.24%
MY 2025 95th Percentile	92.35%	92.35%	92.35%	62.06%	62.06%	62.06%
MY 2024 Gap	9.57%	5.44%	11.11%	28.46%	36.79%	39.88%
MY 2025 Gap	10.84%	2.57%	8.12%	29.43%	37.73%	40.89%
QC Benchmark Tier Achieved	At or above the 33.33rd and below the 50th	At or above the 66.67th and below the 75th	At or above the 25th and below the 33.33rd	At or above the 50th and below the 66.67th	At or above the 10th and below the 25th	At or above the 10th and below the 25th
Gap Closure Percentage	-13.27	52.76	26.91%	3.41%	2.56%	2.53%
Achievement Points Earned	5	7	4	6	3	3
Improvement Points Earned	0	10	10	0	0	0
Points Earned	5	10	10	6	3	3

Calculating Incentive Pool Funds Earned

To calculate the amount of incentive pool points each MCO earns for each measure, the following steps will be followed:

1. Weight the points earned by each MCO by the percentage of each MCO's contribution to the total unearned funds incentive pool.
2. Sum the weighted points earned across all MCOs for that measure to get the total weighted points for the measure.
3. Divide the incentive pool amount for the measure by the total weighted points for the measure to get the dollar amount per point.

4. Multiply each MCO's total weighted points earned for the measure by the dollar amount per point to get the incentive pool funds earned for that measure.

Tables 19a-c show an example of how the incentive pool funds earned amounts will be calculated based on mock data.

Table 19a—Incentive Pool Funds Earned Calculations
EXAMPLE—MOCK DATA

MCO Name (A)	Total Capitation Payment (B)	Withhold Amount (Total Capitation Payment × 2%) (C)	Withhold Amount Earned Back (N)	Withhold Amount Not Earned Back (O)	Percentage of Total Unearned Funds Contributed to Incentive Pool (P)
MCO A	$621,795,000.00	$12,435,900.00	$5,815,282.88	$4,124,228.75	41.10%
MCO B	$475,800,000.00	$9,516,000.00	$7,856,409.60	$3,155,876.20	31.45%
MCO C	$415,140,000.00	$8,302,800.00	$6,549,370.74	$2,753,531.83	27.44%
Sum		**$30,254,700.00**	**$20,221,063.22**	**$10,033,636.78**	**100.00%**

Table 19b—Incentive Pool Funds Earned Calculations
EXAMPLE—MOCK DATA

Measure	Incentive Pool Amount	MCO A Points Earned		MCO B Points Earned		MCO C Points Earned		Total Weighted Points Earned (Sum of Weighted Points Earned for Each MCO (R+T+V) (W)
		Points Earned (Q)	Weighted Points Earned (Table 19a[P] x [Q]) (R)	Points Earned (S)	Weighted Points Earned (Table 19a[P] x [S]) (T)	Points Earned (U)	Weighted Points Earned (Table 19a[P] x [U]) (V)	
PPC-Pre	$3,344,545.59	5	2.055	10	3.145	10	2.744	7.945
PPC-Pst	$3,344,545.59	10	4.110	5	1.573	5	1.372	7.055
CIS-E	$3,344,545.59	6	2.466	3	0.944	3	0.823	4.233
Total	**$10,033,636.78**	**21**	**8.632**	**18**	**5.662**	**18**	**4.940**	**19.233**

Table 19c—Incentive Pool Funds Earned Calculations

EXAMPLE—MOCK DATA

Measure	Total Weighted Points Earned (Table 19b [W])	Dollar Amount Per Point	MCO A Earn-Back Amount	MCO B Earn-Back Amount	MCO C Earn-Back Amount
PPC-Pre	7.945	$420,972.98	$865,184.24	$1,324,084.82	$1,155,276.53
PPC-Pst	7.055	$474,053.88	$1,948,552.35	$745,519.99	$650,473.25
CIS-E	4.233	$790,089.80	$1,948,552.35	$745,519.99	$650,473.25
Total			**$4,762,288.94**	**$2,815,124.81**	**$2,456,223.02**