Detailed Business Requirements
Headache and Low Back Pain Episodes
a1.0 c03 d01

State of Ohio

June 12, 2018
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1. INTRODUCTION

1.1 Versions and revisions

Episode design is an iterative process that typically involves multiple stakeholders. Once the design is finalized and the episode implemented, experience with the new payment model may generate new insights. The insights can in turn be leveraged to modify and improve the initial episode design. To keep track of the version of an episode used at any given time, a versioning system consisting of three numbers is employed:

- The algorithm version reflects the version of the software code used to produce the outputs for a particular episode. It is indicated by a major and minor version number, e.g., a1.1. The major algorithm version does not reset. The minor algorithm version resets when the major algorithm version is incremented.

- The configuration version reflects the version of the parameter settings and medical codes used to produce the outputs for a particular episode. The configuration includes for example the dollar amounts for the gain/risk sharing thresholds and the trigger diagnoses codes. The configuration version is indicated by a two digit number, e.g., c01. It is specific to the design decisions made by the organization that is implementing an episode and it does not reset.

- The documentation version reflects the version of the Detailed Business Requirements describing a particular episode. It is indicated by a two digit number, e.g., d01, and increments when a revision is made to the documentation without making a change to the algorithm or the configuration. It resets every time the algorithm or the configuration version changes.

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>a1.0 c01 d01</td>
<td>09/19/2016</td>
<td>Initial base definition design</td>
</tr>
<tr>
<td>a1.0 c02 d01</td>
<td>12/20/2016</td>
<td>Configuration and DBR: Added an exclusion for episodes where the PAP is a federally qualified health center or rural health clinic. The changes in algorithm logic are reflected in sections 2.3.6, 3.4.1, and 4.6. The codes used to identify</td>
</tr>
<tr>
<td>Version</td>
<td>Date</td>
<td>Changes</td>
</tr>
<tr>
<td>---------</td>
<td>------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FQHC/RHCs are listed in the configuration file under ‘Business Exclusions – FQHC and RHC’</td>
</tr>
<tr>
<td></td>
<td></td>
<td>■ Configuration and DBR: Renamed the list ‘Business Exclusions – TPL FQHC and RHC’ to ‘Business Exclusions – TPL Exempt Places of Service’</td>
</tr>
<tr>
<td></td>
<td></td>
<td>■ DBR: Updated definition of the multiple payers exclusion to only exclude episodes where a patient changes enrollment between MCPs, not between FFS and an MCP. The method of identifying. The changes in algorithm logic are reflected in sections 2.3.6 and 4.6</td>
</tr>
<tr>
<td>a1.0 c03 d01</td>
<td>03/14/2018</td>
<td>■ Configuration and DBR: Updated quality metrics to include three opioid MED/day metrics for both headache and low back pain</td>
</tr>
<tr>
<td></td>
<td></td>
<td>■ Configuration only: For the low back pain episode, revised the congenital spinal cord disorder exclusion and steroid injection rate quality metric lists</td>
</tr>
<tr>
<td>a1.0 c04 d01</td>
<td>6/12/2018</td>
<td>■ Configuration: Updated the following lists: 'Comorbidities Coma And Brain Damage - Diagnoses', 'Comorbidities Multiple Sclerosis - Diagnoses', 'Risk Factor 012 - Nutritional Deficiency', 'Risk Coefficient 021 - Syncope And Presyncope', 'Comorbidities Cancer - Diagnoses';</td>
</tr>
<tr>
<td></td>
<td></td>
<td>'Comorbidities Cancer Active - Diagnoses'; 'Comorbidities Cancer Active - Procedures';</td>
</tr>
<tr>
<td></td>
<td></td>
<td>■ DBR: Added language in section 4.3 to all spend exclusions to indicate that such exclusions take priority over all other inclusion logic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>■ DBR: Added language in section 4.3 to reflect the use of ICD surgical procedure codes to identify included hospitalization</td>
</tr>
</tbody>
</table>

### 1.2 Scope of this document

The Detailed Business Requirements (DBR) document serves as a guide to understand the definition of an episode. The DBR addresses three audiences:

- The episode owner who is accountable overall for the episode design and implementation
The analytics team tasked with pressure testing the design of an episode and quality controlling the outputs from the episode algorithm

The IT team tasked with implementing the algorithm to produce outputs for an episode

Section 2 of the DBR contains a description of the episode and is aimed at the episode owner and the analytics team. It addresses the following questions:

- **Patient journey:** Which patient cases are addressed by the episode?
- **Sources of value:** At which points in the patient journey do providers have most potential to improve quality of care and outcomes?
- **Design dimensions:** What decisions underlie the design of the episode?
  - Trigger: What events trigger an episode?
  - Episode duration: What is the duration of the episode?
  - Claims included and excluded: Which claims are included in or excluded from the episode spend?
  - Episode spend: How is the spend for an episode calculated?
  - Principal Accountable Provider (PAP): Which provider is primarily held accountable for the outcomes of an episode?
  - Excluded episodes: Which episodes are excluded from a PAP’s average episode spend for the purposes of calculating any gain/risk sharing?
  - Quality metrics: Which quality metrics are employed to inform PAPs about their quality of care?
  - Risk adjustment: What approach is taken to adjust episodes for risk factors that cannot be directly influenced by the PAP?
  - Gain and risk sharing: How are the gain and risk sharing amounts for PAPs determined?

Section 3 of the DBR explains the data flow of an episode. It is aimed at the analytics team and the IT team and addresses the following questions:

- **Input data:** What inputs does the episode algorithm require to build the episode?
■ **Episode algorithm**: What is the intent of the episode design that needs to be reflected in the software code to produce the episode outputs?

■ **Episode configuration**: What parameters (e.g., dollar amounts) and medical codes (e.g., diagnoses codes) need to be specified to define the episode?

■ **Outputs**: What are the outputs of an episode algorithm?

■ **Provider reports**: What information is included in the provider reports?

The algorithm logic in section 4 of the DBR is aimed at the IT team. It may also be helpful to the analytics team in their communication with the IT team over the course of quality controlling an episode. The algorithm logic addresses the following questions:

■ What are the logical steps the episode algorithm needs to complete in order to produce the required outputs?

■ Which cases does the algorithm need to address?

■ Are there exceptions to the overall logic and, if so, how are they handled?

The DBR document does not cover the following topics:

■ Background on how episodes compare to the current payment system

■ Clinical rationale for inclusions and exclusions

■ Intermediate analyses used during design of the episode

■ Meeting materials used during design of the episode

■ Guidance on data collection/ transformation/storage

■ Guidance on the episode algorithm coding approach
2. DESCRIPTION OF THE EPISODE

2.1 Patient journey

The episodes described in this document pertain to patients who develop a headache (HA) or low back pain (LBP) for which they are treated in an outpatient or office setting. The two episodes share a similar patient journey, logic, and structure, so are covered together in this document. Functionally, they should be considered separately and treated as if they each had individual documentation. A separate configuration file is provided for HA and for LBP and providers receive separate reports for HA and LBP.

As depicted in Exhibit 1, a HA or LBP episode typically starts with an office or emergency department visit during which the symptoms of the HA, such as headache, nausea, light sensitivity and or aura symptoms, or LBP, such as non-specific or localized low back pain, mild or ongoing motor weakness or sensory abnormalities, are treated. As depicted in Exhibits 1 and 2, a HA or LBP episode may require examination, testing, and imaging in order to diagnose the condition. During the visit, the patient may be prescribed medication and other treatments. The patient may also undergo follow-up care if symptoms persist. Some patients may develop complications requiring further treatment in an inpatient or outpatient facility.
### Symptom Cycle

<table>
<thead>
<tr>
<th>Symptoms</th>
<th>Acute Care</th>
<th>Post-Acute Care</th>
<th>Chronic Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Evolution Period</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Patient presents with moderate to severe head pain, and may also have nausea, light sensitivity, and/or aura symptoms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a</td>
<td>Self-Treatment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Patient may take OTC drugs such as acetaminophen, ibuprofen, or caffeine, and/or try non-pharmacologic measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2b</td>
<td>Diagnosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Patient undergoes a complete initial evaluation including history and physical examination, and/or a neurologic exam. To rule out serious conditions and/or assess high-risk patients, providers may also obtain tests such as MRI or CT of the head, lumbar puncture, and/or lab tests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2c</td>
<td>Treatment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OTC drugs, potentially in higher doses, may be administered. Prescription drugs such as triptans, ergots, dopamine agonists, anti-emetics, or nerve injections may be provided, in addition to other supportive care. Most patients, who do not have any symptoms of serious concern, are discharged with self-management education</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Post-Acute Care

<table>
<thead>
<tr>
<th>Follow-up Care</th>
<th>Specialist Care</th>
<th>Maintenance Care</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Patient experience is reviewed, and providers offer counseling and potentially prescriptions for triptans, beta-blockers, and select other medications to prevent or abate symptoms at the onset of headache</td>
</tr>
</tbody>
</table>

### Chronic Management

<table>
<thead>
<tr>
<th>Follow-up Care</th>
<th>Specialist Care</th>
<th>Maintenance Care</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.2 Sources of value

In treating patients with a HA or LBP, providers have several opportunities to improve the quality and cost of care (see Exhibits 3 and 4) and reduce clinical variation. For example, providers may be able to administer only appropriate imaging and testing, reduce inappropriate use of opioids, and ensure patients receive necessary follow-up care in the most efficient setting. For HA and LBP the misuse of barbiturates and steroid injection respectively, is well documented but still occurs. In general, these practices could reduce the likelihood of avoidable follow-up visits and admissions, and reduce the overall cost of care for a HA or LBP.
### EXHIBIT 3 – SOURCES OF VALUE FOR THE HA EPISODE

<table>
<thead>
<tr>
<th>Symptoms</th>
<th>Acute care</th>
<th>Post-acute care</th>
<th>Chronic management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Evolution period</strong>&lt;br&gt;Outside care setting&lt;br&gt;Patient presents with moderate to severe head pain</td>
<td><strong>Improve self-management of headaches</strong>&lt;br&gt;Provides additional measures, such as triptans, beta-blockers, and select other medications to prevent or abate symptoms at onset of headache</td>
<td><strong>Follow-up care</strong>&lt;br&gt;PCP office&lt;br&gt;Additional imaging and evaluation may be performed</td>
</tr>
<tr>
<td>2a</td>
<td><strong>Avoid the onset of headaches</strong>&lt;br&gt;Aura symptoms</td>
<td><strong>Reduce unnecessary ED visits</strong>&lt;br&gt;Ensure guideline-concordant prescription of opioid medications</td>
<td><strong>Chronic management of low back pain</strong>&lt;br&gt;PCP or other&lt;br&gt;Reduce recurrent emergency department visits and inpatient admissions and potentially referred exacerbations</td>
</tr>
<tr>
<td>2b</td>
<td><strong>Decrease the use of opioids and barbiturates</strong>&lt;br&gt;Decreases, reduces, or limits use of opioids, barbiturates, anti-emetics, or nerve injections may be provided, in addition to other supportive care. Most patients who do not have any symptoms of serious concern are discharged with self-management education</td>
<td><strong>Follow-up care</strong>&lt;br&gt;PCP office&lt;br&gt;Advanced imaging may be ordered if pain clinic, prescriptions for triptans, beta-blockers, and select other medications to prevent or abate symptoms at onset of headache</td>
<td><strong>Ensure appropriate use of imaging</strong>&lt;br&gt;Provider, based on history and physical, diagnoses low back pain. If the patient presents with more serious symptoms (e.g., sudden neurologic deficits) or if the provider is unsure of the etiology, patient may undergo additional lab tests or imaging, such as CT, MRI, or x-ray</td>
</tr>
<tr>
<td>2c</td>
<td><strong>Decrease unnecessary ED visits</strong>&lt;br&gt;Patients who experience nonspecific or severe pain with moderate to severe head pain, and may also have ongoing motor weakness or sensory findings</td>
<td><strong>Reduced unnecessary ED visits</strong>&lt;br&gt;Ensure guideline-concordant prescription of opioid medications</td>
<td><strong>Chronic management of low back pain</strong>&lt;br&gt;PCP or other</td>
</tr>
<tr>
<td>3b</td>
<td><strong>Specialist care</strong>&lt;br&gt;Specialist office&lt;br&gt;Typically neurologists are consulted to confirm diagnosis, clarify etiology, evaluate warning signs, or consult on advanced treatment options</td>
<td><strong>Ensure appropriate use of imaging</strong>&lt;br&gt;Provider, based on history and physical, diagnoses low back pain. If the patient presents with more serious symptoms (e.g., sudden neurologic deficits) or if the provider is unsure of the etiology, patient may undergo additional lab tests or imaging, such as CT, MRI, or x-ray</td>
<td><strong>Chronic management of low back pain</strong>&lt;br&gt;PCP or other</td>
</tr>
</tbody>
</table>

### EXHIBIT 4 – SOURCES OF VALUE FOR THE LBP EPISODE

<table>
<thead>
<tr>
<th>Symptoms</th>
<th>Acute care</th>
<th>Post-acute care</th>
<th>Chronic management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Presentation</strong>&lt;br&gt;Outside care setting&lt;br&gt;Patient experiences nonspecific or localized low back pain with additional symptoms, which may include mild or ongoing motor weakness or sensory findings</td>
<td><strong>Ensure appropriate use of imaging</strong>&lt;br&gt;Provider, based on history and physical, diagnoses low back pain. If the patient presents with more serious symptoms (e.g., sudden neurologic deficits) or if the provider is unsure of the etiology, patient may undergo additional lab tests or imaging, such as CT, MRI, or x-ray</td>
<td><strong>Follow-up care</strong>&lt;br&gt;PCP office&lt;br&gt;Advanced imaging may be ordered if pain clinic, prescriptions for triptans, beta-blockers, and select other medications to prevent or abate symptoms at onset of headache</td>
</tr>
<tr>
<td>2b</td>
<td><strong>Ensure appropriate prescription of medications</strong>&lt;br&gt;Acetaminophen, NSAIDs, muscle relaxants</td>
<td><strong>Ensure appropriate use of imaging</strong>&lt;br&gt;Provider, based on history and physical, diagnoses low back pain. If the patient presents with more serious symptoms (e.g., sudden neurologic deficits) or if the provider is unsure of the etiology, patient may undergo additional lab tests or imaging, such as CT, MRI, or x-ray</td>
<td><strong>Chronic management of low back pain</strong>&lt;br&gt;PCP or other</td>
</tr>
<tr>
<td>2c</td>
<td><strong>Ensure appropriate use of surgical intervention</strong>&lt;br&gt;Pain, neurologic emergencies, infection, further workup (i.e., imaging, labs), antibiotics, pain or other medication, or surgery may be indicated</td>
<td><strong>Ensure appropriate use of imaging</strong>&lt;br&gt;Provider, based on history and physical, diagnoses low back pain. If the patient presents with more serious symptoms (e.g., sudden neurologic deficits) or if the provider is unsure of the etiology, patient may undergo additional lab tests or imaging, such as CT, MRI, or x-ray</td>
<td><strong>Chronic management of low back pain</strong>&lt;br&gt;PCP or other</td>
</tr>
</tbody>
</table>
2.3 Design dimensions

Designing and building a HA or LBP episode comprises nine dimensions, as depicted in Exhibit 5. Each dimension is associated with a set of data manipulations that convert the data inputs to the desired data outputs. Section 3 provides additional details on the episode data flow.

EXHIBIT 5 – EPISODE DESIGN DIMENSIONS

<table>
<thead>
<tr>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Identify episode triggers</td>
</tr>
<tr>
<td>2 Determine the episode duration</td>
</tr>
<tr>
<td>3 Identify claims included in episode spend</td>
</tr>
<tr>
<td>4 Calculate non-risk-adjusted episode spend</td>
</tr>
<tr>
<td>5 Identify Principal Accountable Providers (PAPs)</td>
</tr>
<tr>
<td>6 Identify excluded episodes</td>
</tr>
<tr>
<td>7 Identify PAPs who meet the quality metrics</td>
</tr>
<tr>
<td>8 Perform risk adjustment</td>
</tr>
<tr>
<td>9 Calculate gain/risk sharing amounts</td>
</tr>
</tbody>
</table>

2.3.1 Episode trigger

A potential trigger for a HA or LBP episode is a professional claim with an emergency department, observation room, urgent care center, or office visit for a HA or LBP. Potential triggers are identified if an emergency department, observation room, urgent care center, or office visit contains a HA or LBP-specific trigger diagnosis code in the primary diagnosis field on a professional claim.
The HA and LBP-specific trigger diagnoses codes and the procedure codes for the trigger locations emergency department, observation room, and office visit are listed in the configuration file under “Trigger Diagnoses codes” and “Trigger Location,” respectively. A potential trigger extends for the entire duration of the professional claim that triggered the episode. For LBP, the potential trigger is extended for the entire duration of the hospitalization if an overlapping hospitalization occurs. Claim types referenced throughout the DBR are defined in the glossary.

### 2.3.2 Episode duration

The duration of the HA and LBP episodes comprises the trigger window and two post-trigger windows. The overall duration of the episode is referred to as the episode window.

- **Pre-trigger window**: The HA and LBP episodes do not have a pre-trigger window.

- **Trigger window**: The trigger window begins on the first day of a potential trigger that constitutes an episode and ends on the last day of a potential trigger that constitutes an episode.

- **Post-trigger window 1**: The post-trigger window 1 begins the day after the trigger window ends and extends for 3 days for HA and LBP episodes. If a hospitalization begins on or before the 3rd day of the post-trigger window 1 and extends beyond the 3rd day (i.e., is ongoing on the 3rd day of the post-trigger window 1), then the post-trigger window 1 is extended until discharge from the hospitalization. Extending the episode in this way may only occur once per episode and does not lead to further extensions.

- **Post-trigger window 2**: The post-trigger window 2 begins the day after the post-trigger window 1 ends and ends 15 days after the end date of the trigger window for the HA episode and 30 days after the end date of the trigger window for the LBP episode. If a hospitalization extends the post-trigger window 1, then the post-trigger window 2 begins the day after the extended end date of the post-trigger window 1. Regardless of the duration of the post-trigger window 1 the post trigger window 2 always ends 15 days (for the HA episodes) or 30 days (for the LBP episodes) after the end date of the trigger
window. If a hospitalization extends the post-trigger window 1 beyond 15 days after the end date of the trigger window for the HA episode and 30 days after the end date of the trigger window for the LBP episode, the post-trigger window 2 will have a duration of 0 days. If a hospitalization begins on or before the 15th day (for HA episodes) or the 30th day (for LBP episodes) of the post-trigger window and extends beyond the 15th day (i.e., is ongoing on the 15th day of the post-trigger window) for HA episodes or the 30th day (i.e., is ongoing on the 30th day of the post-trigger window) for LBP episodes, then the post-trigger window 2 is extended until discharge from the hospitalization. Extending the episode in this way may only occur once per episode and does not lead to further extensions.

Based on the definitions of the trigger window, post-trigger window 1, and post-trigger window 2, potential triggers are divided into trigger HA or LBP and repeat HA or LBP:

- **Trigger HA or LBP**: Potential triggers that do not occur during another episode constitute the trigger window of a new episode.

- **Repeat HA or LBP**: Potential triggers that occur during post-trigger windows 1 or 2 of an episode do not constitute the trigger window for a new episode.

### 2.3.3 Claims included in episode spend

Episode spend is calculated on the basis of claims directly related to or stemming from the patient’s HA or LBP. Claims that are included in the calculation of episode spend are referred to as included claims. Claims that are not included in the calculation of episode spend are referred to as excluded claims. The criteria to identify included claims depend on the time window during which a claim occurs.

- **Pre-trigger window**: The HA and LBP episodes do not have a pre-trigger window.

- **Trigger window**: Inpatient, outpatient, professional, and pharmacy claims during the trigger window that are related to the HA or LBP are included claims. Included claims during the trigger window fall into the following groups:
Included hospitalizations: Hospitalizations are included in the calculation of episode spend if they are related to the episode. Hospitalizations that are related to the episode are identified using an included diagnosis code in the primary diagnosis field of an inpatient claim. In addition, for LBP episodes only, hospitalizations that include a surgical procedure code on an inpatient claim indicating spinal surgery are included hospitalizations. All inpatient claims that are part of an included hospitalization are included claims. Hospitalizations without an included diagnosis code in the primary diagnosis field or (for LBP episodes only) without a surgical procedure code indicating spinal surgery are considered unrelated hospitalizations and are not included in the calculation of episode spend.

Included evaluation and management (E&M) care: Outpatient and professional claim detail lines with included evaluation and management procedure codes and an included diagnosis code in the primary or secondary diagnosis field are included detail lines.

Included medical procedures: Outpatient and professional claim detail lines with included imaging, testing, and other relevant procedures are included detail lines.

Included medications: Pharmacy claims with an included medication code are included claims.

Excluded facility spend: The facility component of E&M care is not included in episode spend during the trigger window, regardless of other inclusion logic. Outpatient claim detail lines with emergency department, observation room, and urgent care center evaluation and management codes are not included.

Post-trigger window 1: Outpatient, professional, and pharmacy claims during the post-trigger window 1 that are related to a HA or LBP, or indicate potential complications are included claims. In addition, inpatient claims during the post-trigger window 1 that are related to a HA or LBP or indicate potential complications are included claims. Included claims during the post-trigger window 1 fall into the following groups:

- Included hospitalizations: Hospitalizations are included in the calculation of episode spend if they are related to the episode. Hospitalizations that are related to the episode or that are the result of a complication are
identified using an included diagnosis code in the primary diagnosis field of an inpatient claim. All inpatient claims that are part of an included hospitalization are included claims. Hospitalizations without an included diagnosis code in the primary diagnosis field are considered unrelated hospitalizations and are not included in the calculation of episode spend.

- Included complication diagnosis: Outpatient and professional claims with an included complication diagnosis code in the primary or secondary diagnosis field are included claims.

- Included E&M care: Outpatient and professional claim detail lines with included evaluation and management procedure codes and an included diagnosis code in the primary or secondary diagnosis field are included detail lines.

- Included medical procedures: Outpatient and professional claim detail lines with included imaging, testing, and other relevant procedures are included detail lines.

- Included medications: Pharmacy claims with an included medication code are included claims.

- **Post-trigger window 2**: Outpatient, professional, and pharmacy claims during the post-trigger window that are related to HA or LBP, or indicate potential complications are included claims. In addition, inpatient claims during the post-trigger window 2 that are related to a HA or LBP are included claims. Included claims during the post-trigger window 2 fall into the following groups:

  - Included hospitalizations: Hospitalizations are included in the calculation of episode spend if they are related to the episode. Hospitalizations that are related to the episode are identified using an included diagnosis code in the primary diagnosis field of an inpatient claim. All inpatient claims that are part of an included hospitalization are included claims. Hospitalizations without an included diagnosis code in the primary diagnosis field are considered unrelated hospitalizations and are not included in the calculation of episode spend.

  - Included E&M care: Outpatient and professional claim detail lines with included evaluation and management procedure codes and an included
diagnosis code in the primary or secondary diagnosis field are included detail lines.

- Included medical procedures: Outpatient and professional claim detail lines with included imaging, testing, and other relevant procedures are included detail lines.

- Included medications: Pharmacy claims with an included medication code are included claims.

The one exception to the above logic are claims related to transportation and vaccines, which are always excluded claims no matter when they occur.

The codes used to identify relevant diagnosis, included complication diagnosis, included procedures, included E&M procedures, included medications, excluded facility care, excluded transportation, and excluded vaccines are listed in the configuration file under “Included Diagnosis - All claim types,” “Included Complication Diagnoses,” “Included Procedures,” “Included E&M,” “Included Medications,” “Excluded ED Observation Room And Urgent Care Center Facility Procedures,” “Confirming Diagnoses,” “ED revenue codes,” “ED&IP Procedure codes,” “Excluded Transportation Procedures,” and “Excluded Vaccines Administered,” respectively.

### 2.3.4 Episode spend

The episode spend is the amount that reflects the totality of spend for included claims. Since the totality of spend for included claims is not risk-adjusted, it is referred to as non-risk-adjusted episode spend. Based on the available data, Ohio Medicaid calculates the non-risk-adjusted episode spend as the sum of the allowed amount for included claims from Medicaid Fee For Service (FFS) and the sum of the paid amount for included claims from Medicaid Managed Care Plans (MCPs). Given variation in data and payment practices, payers should use their judgment in determining which fields to utilize so as to best reflect the entire spend of an episode.

To remove variation in inpatient spend that is intentionally not addressed by the episode-based payment model, spend for included, DRG-paid inpatient claims is calculated by summing the APR-DRG base payment and the APR-DRG
outlier payment for each included, DRG-paid inpatient claim. Medical education and capital expenditure payments are not included in non-risk-adjusted episode spend.

The non-risk-adjusted episode spend is calculated overall and by claim type, by window during the episode, and by claim type and window during the episode.

For the purpose of risk-adjustment only, a separate measure of episode spend, referred to as normalized-non-risk-adjusted episode spend, is used. Normalized-non-risk-adjusted episode spend is calculated using normalized APR-DRG base rates for DRG-paid inpatient claims to remove variation in unit prices before performing risk adjustment. DRG-exempt inpatient, outpatient, professional, and pharmacy spend is calculated the same way for normalized-non-risk-adjusted episode spend as for non-risk-adjusted episode spend.

To calculate the DRG-paid inpatient spend component of normalized-non-risk-adjusted episode spend the APR-DRG base payment for each included DRG-paid inpatient claim is normalized using the following method: The normalized base rate is calculated as the average hospital base rate across all DRG-paid inpatient claims weighted by volume of DRG-paid inpatient claims. The DRG base payment on each DRG-paid inpatient claim is then multiplied by the ratio of the normalized base rate to the actual base rate of each hospital. Outlier payments, if present, are added unchanged. The medical education payment and the capital expenditure payment are not included in normalized-non-risk-adjusted episode spend.

2.3.5 Principal Accountable Provider

The Principal Accountable Provider (PAP) is the provider deemed to be in the best position to influence the quality and cost of care for a patient with a HA or LBP. The PAP is the physician entity diagnosing the HA or LBP. The PAP is identified using the billing provider ID on the professional claim which triggered the episode.
2.3.6 Excluded episodes

Episode exclusions ensure that the remaining episodes are comparable to each other and allow fair comparisons between patient panels. After all exclusions that identify invalid episodes have been applied, a set of valid episodes remains. The valid episodes form the basis to assess the performance of PAPs.

- **Business exclusions:**
  - Dual eligibility: An episode is excluded if a patient has dual coverage by Medicaid and Medicare at any time during the episode window. The configuration file lists the codes used to identify dual eligible beneficiaries under “Business Exclusions - Duals.”
  - FQHC/RHC: An episode is excluded if the PAP is classified as a federally qualified health center or rural health clinic. The configuration file lists the codes used to identify FQHCs and RHCs under “Business Exclusions – FQHC and RHC.”
  - Incomplete episodes: An episode is excluded if the non-risk-adjusted episode spend (not the risk-adjusted episode spend) is less than the incomplete episode threshold. Spend less than the incomplete episode threshold may be an indication that claims are miscoded or incomplete. The incomplete episode threshold was set at the cost of the minimum services required to treat an episode. The incomplete episode threshold is listed as a parameter in the configuration file under “Excluded Episodes.”
  - Inconsistent enrollment: An episode is excluded if there are gaps in full Medicaid coverage (FFS or with an MCP) of the patient during the episode window. The configuration file lists the codes used to identify beneficiaries with inconsistent enrollment under “Business Exclusions – Inconsistent Enrollment.”
  - Long hospitalization: An episode is excluded if a hospitalization longer than (> 30 days occurs during the episode window.
  - Long-term care: An episode is excluded if long-term care occurs during the episode window.
  - Missing APR-DRG: An episode is excluded if a DRG-paid inpatient claim during the episode is missing the APR-DRG and severity of illness.
Multiple payers: An episode is excluded if a patient changes enrollment between MCPs during the trigger window or the post-trigger window(s) (if applicable). The rules to attribute an episode to a payer are described in the glossary under “Payer Attribution.”

PAP out of state: An episode is excluded if the PAP’s practice address is outside Ohio.

No PAP: An episode is excluded if the billing provider number is not available.

Third-party liability: An episode is excluded if third-party liability charges are present on any claim or claim detail line during the episode window or if the patient has relevant third-party coverage at any time during the episode window.

Clinical exclusions:

- Age: Headache episodes are excluded if the patient is younger than fourteen (<14) or older than sixty-four (>64) years of age and Low back pain episodes are excluded if the patient is younger than eighteen (<18) or older than sixty-four (>64) years of age.

- Comorbidity: An episode is excluded if the patient has one or more of the following comorbidities during a specified time window. The configuration file lists the comorbidity codes and time windows under “Comorbidities <Comorbidity Name> - <Procedures or Diagnosis>.” Comorbidity codes are searched for on inpatient, outpatient, and professional claims.

The comorbidity exclusions for both the HA and LBP episodes are:

- Cancer under active management during the episode window or during the 90 days before the episode window
- Coma or brain damage during the episode window or during the 365 days before the episode window
- Cystic fibrosis during the episode window or during the 365 days before the episode window
- End stage renal disease (ESRD) during the episode window or during the 365 days before the episode window
Gender of the patient is male.

HIV infection during the episode window or during the 365 days before the episode window

Immunocompromised patient during the episode window or during the 365 days before the episode window

Multiple sclerosis during the episode window or during the 365 days before the episode window

Organ transplant during the episode window or during the 365 days before the episode window

Paralysis during the episode window or during the 365 days before the episode window

Tuberculosis during the episode or during the 365 days before the episode window

The comorbidity exclusions for **HA episodes only** are:

- Acute and chronic tonsillitis during the episode window or during the 365 days before the episode window
- Arteritis during the episode window or during the 365 days before the episode window
- Bleeding disorders during the episode window or during the 90 days before the episode window
- Cerebrovascular disease during the episode window or during the 365 days before the episode window
- CNS infections during the episode window
- Complex headache syndromes during the episode window
- Head or neck trauma – suspected or confirmed during the episode window or during the 90 days before the episode window
- Malignant hypertension during the episode window or during the 90 days before the episode window
- Neoplasm of head or neck during the episode window or during the 365 days before the episode window
- Toxins: Nutritional, alcohol, or drugs during the episode window
- Visual disturbance during the episode window
- Intracranial hypertension during the episode window or during the 365 days before the episode window

The comorbidity exclusions for LBP episodes only are:

- Aortic dissection during the episode window or during the 365 days before the episode window
- Back or neck trauma – suspected or confirmed episode window or during the 365 days before the episode window
- Cerebral or cerebrovascular disease during the episode window or during the 365 days before the episode window
- Congenital spinal cord disorder during the episode window or during the 365 days before the episode window
- Infections during the episode window or during the 30 days before the episode window
- Neoplasm during the episode window or during the 365 days before the episode window
- Neurologic signs & symptoms during the episode window
- Parkinson’s during the episode window or 365 days before the episode window
- Pregnancy & Delivery during the episode window or during the 90 days before the episode window
- Sickle cell during the episode window or during the 365 days before the episode window
- Systemic steroid therapy during the episode window or during the 365 days before the episode window
- Appendicitis and other appendiceal conditions during the episode window or during the 90 days before the episode window
- Death: An episode is excluded if the patient has a discharge status of “expired” on any inpatient or outpatient claim during the episode window or has a date of death before the end of the episode window.

- Left against medical advice: An episode is excluded if a patient has a discharge status of “left against medical advice or discontinued care” on any inpatient or outpatient claim during the episode window.

- Multiple other comorbidities: A hysterectomy episode is excluded if it is affected by too many risk factors to reliably risk adjust the episode spend. The configuration file lists the number of risk factors beyond which an episode is excluded as a parameter under “Excluded Episodes.”

**Outliers:**

- High outlier: An episode is excluded if the risk-adjusted episode spend (not the non-risk-adjusted episode spend) is greater than the high outlier threshold. The high outlier threshold was set based on analyses of episode spend distributions for episodes that ended between October 2014 and September 2015, inclusive. It was set at three standard deviations above the average risk-adjusted episode spend for otherwise valid episodes. The high outlier threshold is listed as a parameter in the configuration file under “High Outlier.”

2.3.7 Quality metrics

A PAP must pass all quality metrics tied to gain sharing to be eligible for gain sharing. PAPs also receive information on additional quality metrics that allow them to assess their performance, but do not affect their eligibility to participate in gain sharing. Quality metrics are calculated for each individual PAP across valid episodes attributed to the PAP. The quality metrics are based on information contained in the claims filed for each patient. Additional information on how the quality metrics could be tied to gain sharing is provided in section 2.3.9 (“Gain and risk sharing”).

**Quality metric tied to gain sharing for HA episodes:**

- Quality metric 1: Percent of episodes with a filled prescription for barbiturates during the episode window among patients that did not have
a filled prescription for barbiturates during the 90 days before the episode. The codes used to identify barbiturate prescriptions are listed in the configuration file under “Quality Metric 01 Barbiturates.”

- Quality metric 2: Percent of episodes with a computed tomography or magnetic resonance imaging procedure during the episode window. The codes used to identify imaging procedures are listed in the configuration file under “Quality Metric 02 Imaging.”

- Quality metric 3: Average difference in morphine equivalent dose (MED)/day during the post-trigger opioid window and the pre-trigger opioid window, across valid episodes with at least one opioid prescription. The opioid windows are defined in detail in section 4.7. The codes used to identify opioids are included in the CDC Oral Morphine Milligram Equivalents file.

**Quality metrics not tied to gain sharing (i.e., included for information only) for HA episodes:**

- Quality metric 4: Percent of episodes with a filled opioid prescription during the episode window among patients that did not have a filled opioid prescription during 90 days before the episode. The codes used to identify opioids are listed in the configuration file under “Quality Metric 04 Opioids.”

- Quality metric 5: Percent of episodes with a Headache diagnosis and an emergency department follow up visit during the post triggers windows. The codes used to identify Headaches and an emergency department follow-up are listed in the configuration file under “Quality Metric 05 HA Diagnoses Codes” and “Quality Metric 05 Location - ED.”

- Quality metric 6: Average MED/day during the opioid pre-trigger window. The opioid windows are defined in detail in section 4.7. The codes used to identify opioids are included in the CDC Oral Morphine Milligram Equivalents file.

- Quality metric 7: Average MED/day during the post-trigger opioid window. The opioid windows are defined in detail in section 4.7. The
codes used to identify opioids are included in the CDC Oral Morphine Milligram Equivalents file.

■ Quality metric tied to gain sharing for LBP episodes:

- Quality metric 1: Percent of episodes with an office visit follow-up during the 30 days after the trigger. The codes used to identify follow-up visits and the locations are listed in the configuration file under “Quality Metric 01 Follow-up visits” and “Quality Metric 01 Follow-up visits – Locations.”

- Quality metric 2: Percent of episodes with an imaging procedure during the episode window. The codes used to identify imaging procedures are listed in the configuration file under “Quality Metric 02 Back Imaging.”

- Quality metric 3: Average difference in morphine equivalent dose (MED)/day during the post-trigger opioid window and the pre-trigger opioid window, across valid episodes with at least one opioid prescription. The opioid windows are defined in detail in section 4.7. The codes used to identify opioids are included in the CDC Oral Morphine Milligram Equivalents file.

■ Quality metrics not tied to gain sharing (i.e., included for information only) for LBP episodes:

- Quality metric 4: Percent of episodes with a filled opioid prescription during the episode window among patients that did not have a filled opioid prescription during 90 days before the episode. The codes used to identify opioids are listed in the configuration file under “Quality Metric 04 Opioids.”

- Quality metric 5: Percent of episodes with steroid injection during the episode window. The codes used to identify steroid injections are listed in the configuration file under “Quality Metric 05 Steroid Injection.”

- Quality metric 6: Average MED/day during the opioid pre-trigger window. The opioid windows are defined in detail in section 4.7. The codes used to identify opioids are included in the CDC Oral Morphine Milligram Equivalents file.
Quality metric 7: Average MED/day during the post-trigger opioid window. The opioid windows are defined in detail in section 4.7. The codes used to identify opioids are included in the CDC Oral Morphine Milligram Equivalents file.

2.3.8 Risk adjustment

Principal Accountable Providers (PAPs) participating in episode-based payment models are compared based on their performance on quality metrics and based on the average spend for episodes treated by each PAP. The credibility and effectiveness of an episode-based payment model therefore rests on the comparability and fairness of the episode spend measure used in the comparisons. Risk adjustment is one of several mechanisms that episode-based payment models may use to achieve comparability in episode spend across PAPs.

Risk adjustment specifically captures the impact on episode spend of documented clinical risk factors that typically require additional care during an episode and are outside the control of the PAP. The goal of risk adjustment is to account for different levels of medical risk across patient panels and, by doing so, reduce incentives for tactical selection of patients (i.e., avoiding riskier and more costly patients) when payments are tied to episode spend performance.

Risk factors and risk coefficients are identified in an iterative process informed by medical best practice, expert opinion, and statistical testing. The risk coefficients are used to calculate a risk score for each episode given the risk factors that are present for the episode. The risk score represents the ratio of the expected episode spend when no risk factors are present to the expected episode spend given the set of risk factors present for the episode. Multiplying the observed episode spend by the risk score results in the risk-adjusted episode spend. Risk-adjusted episode spend represents how much spend would have been incurred during the episode had there been no risk factors present, all other things being equal. By minimizing the effect of clinically documented medical risk that is outside the control of the PAP on episode spend, risk-adjustment contributes to the fairness of the episode spend comparisons that underlie episode-based payment models.
For additional details on the risk adjustment process, please refer to the document “Supporting documentation on episode risk adjustment.”

This process was conducted as part of episode design by the Ohio Department of Medicaid. Risk factors and coefficients derived from this process are included in the accompanying configuration file. At this time it is not expected that individual payers run their own risk adjustment process for the Ohio Medicaid population.

Different risk factors apply for the HA and LBP episodes.

- Risk factors for HA:
  - Acute cerebrovascular disease
  - Age 14 to 18 years
  - Allergic reactions
  - Aortic and peripheral arterial embolism or thrombosis
  - Bacterial infection
  - Cervical disorders
  - Chronic pain
  - Conditions associated with dizziness or vertigo
  - Diabetes
  - Hereditary and degenerative NSC
  - Meningitis
  - Obesity
  - Nervous system disorders
  - Sex
  - Substance use
  - Thyroid disorders
  - Viral infection
  - Visual abnormalities

- Risk factors for LBP:
– Age 19 to 29 years
– Age 30 to 39 years
– Age 40 to 49 years
– Anxiety
– Arthritis
– Bipolar
– Bone disease and musculoskeletal deformities
– Cervical disorders
– Chronic pain
– Depression
– Epilepsy
– Hereditary and degenerative NSC
– Hypertension
– Nervous system disorders
– Nutritional deficiency
– Non-traumatic joint disorders
– Obesity
– Osteoporosis
– Scoliosis
– Substance use
– Syncope and presyncope
– Thyroid disorders

Except for the age ranges, risk factors have to be present during the episode window or during the 365 days before the episode window. Member age is defined in the glossary. The risk coefficients associated with each risk factor are listed as parameters in the configuration file under “Risk Adjustment.”
2.3.9 Gain and risk sharing

The State of Ohio and the MCPs will send provider reports to PAPs to inform them about their performance in the episode-based payment model. A detailed description of the provider reports is beyond the scope of the Detailed Business Requirements. Please refer to the “Episode of Care Payment Report Sample” provided separately as a general guide for the layout and metrics of the provider reports.

At some point after thresholds are set, provider reports will include gain/risk sharing information. Gain/risk sharing is determined based on the comparison of the average risk-adjusted episode spend for valid episodes of each PAP to three pre-determined thresholds. The thresholds and relevant calculations are detailed below. Note that, throughout this section, the average risk-adjusted episode spend for valid episodes will be referred to as the ‘average risk-adjusted spend’:

- **Acceptable threshold**: PAPs with an average risk-adjusted spend above the acceptable threshold and that also have a minimum of five valid episodes during the performance period owe a risk-sharing payment.

- **Commendable threshold**: PAPs with an average risk-adjusted spend between the commendable threshold and above the gain sharing limit threshold that also have a minimum of five valid episodes and pass the quality metrics tied to gain sharing during the performance period receive a gain sharing payment.

- **Gain sharing limit threshold**: PAPs with average risk-adjusted spend below the gain sharing limit threshold that also have a minimum of five valid episodes and pass the quality measures tied to gain sharing receive a gain sharing payment that is proportional to the difference between the commendable threshold and the gain sharing limit as a percentage of average risk-adjusted episode spend.

PAPs with average risk-adjusted episode spend between the acceptable and commendable thresholds may neither owe a risk sharing payment nor receive a gain sharing payment.
The gain or risk sharing payment of each PAP is calculated based on episodes that ended during a performance period of a certain length (e.g., 12 months). The calculation of the gain or risk sharing payment is as follows (Exhibit 6):

- **Risk sharing:** The calculation of the risk-sharing amount involves multiplying the percentage of spend subject to risk-sharing by the total non-risk-adjusted episode spend for all valid episodes of the PAP and the risk-sharing proportion (e.g., 50%). The percentage of spend subject to risk-sharing is the difference between the PAP's risk-adjusted spend and the acceptable threshold as a percentage of the PAP's risk-adjusted spend.

- **Gain sharing:** The calculation of the gain-sharing amount involves multiplying the percentage of spend subject to gain sharing by both a PAP's total non-risk-adjusted episode spend for valid episodes and the gain-sharing proportion (e.g., 50%). The calculation of the percentage of spend subject to gain sharing depends on whether the PAP’s average risk-adjusted spend is above or below the gain-sharing limit:
  
  - If a PAP’s average risk-adjusted spend is above the gain sharing limit, the percentage of spend subject to gain-sharing is the difference between the PAP’s average risk-adjusted spend and the commendable threshold as a percentage of the PAP's average risk-adjusted spend.

If the PAP’s average risk-adjusted spend is below the gain sharing limit, the percentage of spend subject to gain sharing is the difference between the gain sharing limit and the commendable threshold as a percentage of the PAP’s average risk-adjusted spend.

EXHIBIT 6 – CALCULATION OF RISK- AND GAIN-SHARING PAYMENTS
ILLUSTRATIVE EXAMPLE

<table>
<thead>
<tr>
<th>Risk-sharing example</th>
<th>Gain-sharing example</th>
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</thead>
<tbody>
<tr>
<td>$8,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>$5,400</td>
<td>$1,000</td>
</tr>
<tr>
<td>$6,000</td>
<td>$750</td>
</tr>
<tr>
<td>$600</td>
<td>$150</td>
</tr>
<tr>
<td>$8000</td>
<td>$900</td>
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<td>10%</td>
<td>50%</td>
</tr>
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<td>$600</td>
<td>$900</td>
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<tr>
<td>average</td>
<td>average</td>
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<tr>
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<td>$750</td>
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<td>Percentage of</td>
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<td>spend subject to</td>
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<td>$6,000</td>
<td>Total gain-sharing</td>
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<tr>
<td>for PAP</td>
<td>for PAP</td>
</tr>
</tbody>
</table>

Unadjusted Risk-     | Risk-adjusted        |
adjusted           | average              |

Commendable         | $900                 |
threshold           | $150                 |

Acceptable          | $900                 |
threshold           | $150                 |

ILLUSTRATIVE EXAMPLE
3. EPISODE DATA FLOW

The analytics underlying an episode-based payment model are performed by an episode algorithm. The algorithm takes an input dataset, transforms the data in accordance with the intent of the episode design, and produces a set of output tables (Exhibit 7). The output tables are used to create provider reports.

Several of the episode design dimensions require input parameters such as age ranges and medical codes such as diagnosis, procedure, and medication codes to specify the intent of the episode. The parameters and medical codes are provided in the episode configuration.

It is recommended that the episode data flow include two elements for quality assurance: (1) An input acceptance criteria table to assess the content and quality of the input dataset. (2) An output acceptance criteria table to assess the content and quality of the output tables. It is the responsibility of each payer to determine the details of appropriate quality assurance measures.

EXHIBIT 7 – EPISODE DATA FLOW
3.1 Input data

To build an episode, the following input data are needed:

- **Member Extract**: List of patients and their health insurance enrollment information.
- **Provider Extract**: List of participating providers and their addresses.
- **Claims Extract**: Institutional claims (UB-04 claim form), professional claims (CMS1500 claim form), and pharmacy claims (NCPDP claim form) at the patient level.
- **APR-DRG Base Rate Table**: Table containing the APR-DRG base rate for each DRG-paid provider.

The table below lists the required input fields using the source field abbreviations and source table names provided in the Ohio Vendor Extracts Companion Guides. The algorithm logic (section 4) describes the use of each input field. In the algorithm logic, input fields are referred to by the “Source field name in DBR” and written in italics.

### Table – Input fields

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<thead>
<tr>
<th>Source field name in DBR</th>
<th>Source field abbreviation</th>
<th>Source table names OH Medicaid</th>
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<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Header To Date Of Service</td>
<td>DTE_LAST_SVC_H</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Detail From Date Of Service</td>
<td>DTE_FIRST_SVC_D</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Detail To Date Of Service</td>
<td>DTE_LAST_SVC_D</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Admission Date</td>
<td>DTE_ADMISSION</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Discharge Date</td>
<td>DTE_DISCHARGE</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Patient Status Indicator</td>
<td>CDE_PATIENT_STATUS</td>
<td>DSS.T_CA_UB92</td>
</tr>
<tr>
<td>Header Diagnosis Code Primary</td>
<td>CDE_DIAG and CDE_DIAG_SEQ = 01</td>
<td>DSS.T_CA_DIAG</td>
</tr>
<tr>
<td>Header Diagnosis Code 2-28</td>
<td>CDE_DIAG and CDE_DIAG_SEQ = 02-28</td>
<td>DSS.T_CA_DIAG</td>
</tr>
<tr>
<td>Source field name in DBR</td>
<td>Source field abbreviation OH Medicaid</td>
<td>Source table names OH Medicaid</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Surgical Procedure Code Primary</td>
<td>CDE_PROC_ICD9 and NUM_SEQ = 01</td>
<td>DSS.T_CA_ICD9_PROC</td>
</tr>
<tr>
<td>Surgical Procedure Code 2-24</td>
<td>CDE_PROC_ICD9 and NUM_SEQ = 02-24</td>
<td>DSS.T_CA_ICD9_PROC</td>
</tr>
<tr>
<td>Detail Procedure Code</td>
<td>CDE_PROC_PRIM</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DSS.T_CA_HDR_DTL</td>
</tr>
<tr>
<td>Modifier 1-4</td>
<td>CDE_MODIFIER_X</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DSS.T_CA_HDR_DTL</td>
</tr>
<tr>
<td>Place Of Service</td>
<td>CDE_POS</td>
<td>DSS.T_CA_CLAIM_KEY</td>
</tr>
<tr>
<td>Revenue Code</td>
<td>CDE_REVENUE</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DSS.T_CA_HDR_DTL</td>
</tr>
<tr>
<td>National Drug Code</td>
<td>CDE_NDC</td>
<td>DSS.T_CA_DRUG</td>
</tr>
<tr>
<td>Header FFS Allowed Amount</td>
<td>AMT_ALWD_H</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detail FFS Allowed Amount</td>
<td>AMT_ALWD_D</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Header MCP Paid Amount</td>
<td>AMT_PAID_MCO_H</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Detail MCP Paid Amount</td>
<td>AMT_PAID_MCO_D</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Header TPL Amount</td>
<td>AMT_TPL_APPLD_H</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Detail TPL Amount</td>
<td>AMT_TPL_APPLD_D</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>APR-DRG</td>
<td>CDE_DRG</td>
<td>DSS.T_CA_ICN</td>
</tr>
<tr>
<td>Severity of Illness</td>
<td>CDE_SOI</td>
<td>DSS.T_CA_DRG</td>
</tr>
<tr>
<td>DRG Base Payment</td>
<td>AMT_BASE_DRG</td>
<td>DSS.T_CA_UB92</td>
</tr>
<tr>
<td>DRG Outlier Payment A</td>
<td>AMT_DAY_OUTLIER</td>
<td>DSS.T_CA_UB92</td>
</tr>
<tr>
<td>DRG Outlier Payment B</td>
<td>AMT_COST_OUTLIER</td>
<td>DSS.T_CA_UB92</td>
</tr>
<tr>
<td><strong>APR-DRG Base Rate Table</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provider ID</td>
<td>Medicaid Provider ID</td>
<td>APR DRG Base Rates to Plans.xlsx</td>
</tr>
<tr>
<td>Base Rate</td>
<td>Base Rate</td>
<td>APR DRG Base Rates to Plans.xlsx</td>
</tr>
</tbody>
</table>

The date range for the input data includes the 12 months duration reporting period as well as the 15 months preceding the reporting period. The 15 months preceding the reporting period are needed to allow for identification of risk factors and comorbidities as well as to provide sufficient input data to identify the episode start date for the first episodes that end during the reporting period.
The input data includes claims from the payer responsible for the episode as well as historical claims from other Medicaid payers prior to the episode trigger. Payers are provided with this claims data upon member enrollment. The inclusion of this data is particularly important in generating appropriate risk factors and exclusions.

Historical data should be treated exactly the same as claims that were submitted directly to the payer with one exception: Payers should only report on episodes for which they paid the triggering claim in order to avoid double-counting of episodes across plans.

The input data to contain only unique and paid claims. It is the responsibility of each payer to apply appropriate methods to ensure that all claims in the input data are valid, de-duplicated, and paid. For Ohio Medicaid, the methods provided by the State are used to remove duplicate and void claims. The input fields `Header Paid Status` and `Detail Paid Status` are used to determine whether a claim or claim detail line was paid.

If the value of an input field from the Claims Extract that is required to build an episode is missing or invalid, then the corresponding claim is ignored when building the episode. For example, a claim that would be a potential trigger, but is missing the `Header From Date Of Service`, cannot be a potential trigger.

### 3.2 Episode algorithm

The intent of the episode algorithm is detailed in the algorithm logic (section 4) of the DBR.

### 3.3 Episode configuration

The parameters and medical codes needed to define an episode are listed in the configuration file which is provided as an attachment to the DBR. There is one configuration file for the LBP episode and a second configuration file for the HA episode. The files include:

- **Parameters sheet**: Values for parameters used in the episode, for example the outlier thresholds and risk coefficients.
**Code sheet:** Medical codes used in the episode, for example trigger diagnosis or procedure codes and codes to identify included claims. Diagnosis and procedure codes may be provided as complete or incomplete codes. If an incomplete code is provided, the incomplete code itself as well as all complete codes that stem from it need to be taken into account when using the code.

The algorithm logic (section 4) explains the intended use of the parameters and medical codes by the episode algorithm. References to medical codes in the configuration file are made using the name for the relevant design dimension subcategory in the code sheet of the configuration file. References to parameters in the configuration file are made using the name for the relevant design dimension in the parameters sheet of the configuration file.

### 3.4 Output tables

Using the input data tables and the configuration file, an episode algorithm creates two output tables: the episode output table and the PAP output table. The algorithm logic (section 4) describes the definition of each output field. In the algorithm logic, output fields are referred to by the output field names provided in the tables below and are written in italics.

#### 3.4.1 Episode output table

The episode output table contains the set of episodes identified by the algorithm and the characteristics of each episode. The table below lists the required output fields.

**Table – Episode Output Table**

<table>
<thead>
<tr>
<th>Output field name</th>
<th>Output field abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Episode identification</strong></td>
<td></td>
</tr>
<tr>
<td>Trigger Claim ID</td>
<td>TriggerClaimID</td>
</tr>
<tr>
<td>Member ID</td>
<td>MemberID</td>
</tr>
<tr>
<td>Member Age</td>
<td>MemberAge</td>
</tr>
<tr>
<td>Member Gender</td>
<td>MemberGender</td>
</tr>
<tr>
<td>Episode Start Date</td>
<td>EpisodeStartDate</td>
</tr>
<tr>
<td>Output field name</td>
<td>Output field abbreviation</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Episode End Date</td>
<td>EpisodeEndDate</td>
</tr>
<tr>
<td>Trigger Window Start Date</td>
<td>TriggerWindowStartDate</td>
</tr>
<tr>
<td>Trigger Window End Date</td>
<td>TriggerWindowEndDate</td>
</tr>
<tr>
<td>Post-trigger Window 1 Start Date</td>
<td>PostTriggerWindow1StartDate</td>
</tr>
<tr>
<td>Post-trigger Window 1 End Date</td>
<td>PostTriggerWindow1EndDate</td>
</tr>
<tr>
<td>Post-trigger Window 2 Start Date</td>
<td>PostTriggerWindow2StartDate</td>
</tr>
<tr>
<td>Post-trigger Window 2 End Date</td>
<td>PostTriggerWindow2EndDate</td>
</tr>
<tr>
<td>PAP ID</td>
<td>PAPID</td>
</tr>
<tr>
<td>PAP Name</td>
<td>PAPName</td>
</tr>
<tr>
<td>Rendering Provider ID</td>
<td>RenderingID</td>
</tr>
<tr>
<td>Rendering Provider Name</td>
<td>RenderingName</td>
</tr>
<tr>
<td><strong>Excluded episodes</strong></td>
<td></td>
</tr>
<tr>
<td>Any Exclusion</td>
<td>EEAny</td>
</tr>
<tr>
<td>Exclusion Age</td>
<td>EEAge</td>
</tr>
<tr>
<td>Exclusion Death</td>
<td>EEDeath</td>
</tr>
<tr>
<td>Exclusion Dual Eligibility</td>
<td>EEDual</td>
</tr>
<tr>
<td>Exclusion FQHC RHC</td>
<td>EEFQHCRHC</td>
</tr>
<tr>
<td>Exclusion High Outlier</td>
<td>EEHighOutlier</td>
</tr>
<tr>
<td>Exclusion Incomplete Episode</td>
<td>EEIncomplete</td>
</tr>
<tr>
<td>Exclusion Inconsistent Enrollment</td>
<td>EENrollment</td>
</tr>
<tr>
<td>Exclusion Left Against Medical Advice</td>
<td>EEAMA</td>
</tr>
<tr>
<td>Exclusion Long Hospitalization</td>
<td>EELongAdmission</td>
</tr>
<tr>
<td>Exclusion Long-term Care</td>
<td>EELTC</td>
</tr>
<tr>
<td>Exclusion Multiple Other Comorbidities</td>
<td>EEMultiCF</td>
</tr>
<tr>
<td>Exclusion Multiple Payers</td>
<td>EEMultiPayer</td>
</tr>
<tr>
<td>Exclusion No PAP</td>
<td>EENoPAP</td>
</tr>
<tr>
<td>Exclusion PAP Out Of State</td>
<td>EEOOutOfState</td>
</tr>
<tr>
<td>Exclusion Third-party Liability</td>
<td>EETPL</td>
</tr>
<tr>
<td>Exclusion &lt;Comorbidity Name&gt;</td>
<td>EE&lt;ComorbidityName&gt;</td>
</tr>
<tr>
<td>Number of comorbidities depends on episode</td>
<td></td>
</tr>
<tr>
<td><strong>Count Of Included Claims</strong></td>
<td></td>
</tr>
<tr>
<td>Count Of Included Claims</td>
<td>EpiClaimsIncluded</td>
</tr>
<tr>
<td>By Trigger Window</td>
<td>EpiClaimsIncludedTrig</td>
</tr>
<tr>
<td>By Post-trigger Window 1</td>
<td>EpiClaimsIncludedPostTrig1</td>
</tr>
<tr>
<td>By Post-trigger Window 2</td>
<td>EpiClaimsIncludedPostTrig2</td>
</tr>
<tr>
<td>By Inpatient</td>
<td>EpiClaimsIncludedIP</td>
</tr>
<tr>
<td>By Outpatient</td>
<td>EpiClaimsIncludedOP</td>
</tr>
<tr>
<td>Output field name</td>
<td>Output field abbreviation</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>By Professional</td>
<td>EpiClaimsIncludedProf</td>
</tr>
<tr>
<td>By Pharmacy</td>
<td>EpiClaimsIncludedPharma</td>
</tr>
<tr>
<td>By Trigger Window And Inpatient</td>
<td>EpiClaimsIncludedTrigIP</td>
</tr>
<tr>
<td>By Trigger Window And Outpatient</td>
<td>EpiClaimsIncludedTrigOP</td>
</tr>
<tr>
<td>By Trigger Window And Professional</td>
<td>EpiClaimsIncludedTrigProf</td>
</tr>
<tr>
<td>By Trigger Window And Pharmacy</td>
<td>EpiClaimsIncludedTrigPharma</td>
</tr>
<tr>
<td>By Post-trigger Window 1 And Inpatient</td>
<td>EpiClaimsIncludedPostTrig1IP</td>
</tr>
<tr>
<td>By Post-trigger Window 1 And Outpatient</td>
<td>EpiClaimsIncludedPostTrig1OP</td>
</tr>
<tr>
<td>By Post-trigger Window 1 And Professional</td>
<td>EpiClaimsIncludedPostTrig1Prof</td>
</tr>
<tr>
<td>By Post-trigger Window 2 And Inpatient</td>
<td>EpiClaimsIncludedPostTrig2IP</td>
</tr>
<tr>
<td>By Post-trigger Window 2 And Outpatient</td>
<td>EpiClaimsIncludedPostTrig2OP</td>
</tr>
<tr>
<td>By Post-trigger Window 2 And Professional</td>
<td>EpiClaimsIncludedPostTrig2Prof</td>
</tr>
<tr>
<td>By Post-trigger Window 2 And Pharmacy</td>
<td>EpiClaimsIncludedPostTrig2Pharma</td>
</tr>
</tbody>
</table>

**Episode spend**

| Non-risk-adjusted Episode Spend                  | EpiSpendNonadjPerformance      |
| Same breakouts as for claim counts              |                                |
| Normalized-non-risk-adjusted Episode Spend      | EpiSpendNonAdjNorm             |
| Risk-adjusted Episode Spend                     | EpiSpendAdjPerformance         |

**Risk adjustment**

| Episode Risk Score                              | EpiRiskScore                   |
| Risk Factor 001                                 | RF001                          |
| Risk Factor 002                                 | RF002                          |
| Risk Factor 003                                 | RF003                          |
| Number of RFs depends on episode                |                                |

**Quality metrics**

| Quality Metric 01 Indicator                     | EpiQM01                        |
| Quality Metric 02 Indicator                     | EpiQM02                        |
| Quality Metric 03 Indicator                     | EpiQM03                        |
| Number of QMs depends on episode                |                                |

### 3.4.2 PAP output table

The PAP output table contains information about each PAP and their episodes. The table below lists the required output fields.

**Table – PAP Output Table**
<table>
<thead>
<tr>
<th>Output field name</th>
<th>Output field abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PAP identification</strong></td>
<td></td>
</tr>
<tr>
<td>PAP ID</td>
<td>PAPID</td>
</tr>
<tr>
<td>PAP Name</td>
<td>PAPName</td>
</tr>
<tr>
<td>PAP Address Line 1</td>
<td>PAPAddress1</td>
</tr>
<tr>
<td>PAP Address Line 2</td>
<td>PAPAddress2</td>
</tr>
<tr>
<td>PAP City</td>
<td>PAPCity</td>
</tr>
<tr>
<td>PAP State</td>
<td>PAPState</td>
</tr>
<tr>
<td>PAP Zip Code</td>
<td>PAPZip</td>
</tr>
<tr>
<td><strong>Episode counts</strong></td>
<td></td>
</tr>
<tr>
<td>Count Of Total Episodes Per PAP</td>
<td>PAPEpisodesTotal</td>
</tr>
<tr>
<td>Count Of Valid Episodes Per PAP</td>
<td>PAPEpisodesValid</td>
</tr>
<tr>
<td>With Inpatient</td>
<td>PAPEpiWithIP</td>
</tr>
<tr>
<td>With Outpatient</td>
<td>PAPEpiWithOP</td>
</tr>
<tr>
<td>With Professional</td>
<td>PAPEpiWithProf</td>
</tr>
<tr>
<td>With Pharmacy</td>
<td>PAPEpiWithPharma</td>
</tr>
<tr>
<td><strong>PAP performance</strong></td>
<td></td>
</tr>
<tr>
<td>Gain Sharing Quality Metric Pass</td>
<td>PAPQMPassOverall</td>
</tr>
<tr>
<td>Gain/Risk Sharing Amount</td>
<td>PAPGainRiskShare</td>
</tr>
<tr>
<td>PAP Sharing Level</td>
<td>PAPSharingLevel</td>
</tr>
<tr>
<td>Minimum Episode Volume Pass</td>
<td>MinEpiPass</td>
</tr>
<tr>
<td><strong>PAP spend</strong></td>
<td></td>
</tr>
<tr>
<td>Average Non-risk-adjusted PAP Spend</td>
<td>PAPSpendNonadjPerformanceAvg</td>
</tr>
<tr>
<td>Inpatient A/B</td>
<td>PAPSpendNonadjPerformanceAvgIP A/B</td>
</tr>
<tr>
<td>Outpatient A/B</td>
<td>PAPSpendNonadjPerformanceAvgOP A/B</td>
</tr>
<tr>
<td>Professional A/B</td>
<td>PAPSpendNonadjPerformanceAvgProf A/B</td>
</tr>
<tr>
<td>Pharmacy A/B</td>
<td>PAPSpendNonadjPerformanceAvgPharma A/B</td>
</tr>
<tr>
<td>Total Non-risk-adjusted PAP Spend</td>
<td>PAPSpendNonadjPerformanceTotal</td>
</tr>
<tr>
<td>PAP Risk Adjustment Ratio</td>
<td>PAPRiskAdjRatioPerformance</td>
</tr>
<tr>
<td>Average Risk-adjusted PAP Spend</td>
<td>PAPSpendAdjPerformanceAvg</td>
</tr>
<tr>
<td>Total Risk-adjusted PAP Spend</td>
<td>PAPSpendAdjPerformanceTotal</td>
</tr>
<tr>
<td><strong>Quality metrics performance</strong></td>
<td></td>
</tr>
<tr>
<td>PAP Quality Metric 01 Performance</td>
<td>PAPQM01</td>
</tr>
<tr>
<td>PAP Quality Metric 02 Performance</td>
<td>PAPQM02</td>
</tr>
<tr>
<td>PAP Quality Metric 03 Performance</td>
<td>PAPQM03</td>
</tr>
<tr>
<td>Number of QMs depends on episode</td>
<td></td>
</tr>
</tbody>
</table>
3.5 Provider reports

During the initial implementation phase, each PAP receives a report to inform them about their performance in the episode-based payment model. The information shown in the provider report is based on the episode and PAP output tables. The reports show episodes with an episode end date during the reporting period. A detailed description of the provider report is beyond the scope of the Detailed Business Requirements. Please refer to the “Episode of Care Payment Report Sample” provided separately as a general guide for the layout and metrics of the provider report.

4. ALGORITHM LOGIC

The algorithm logic forms the basis to code an episode algorithm. It explains the intent of the episode design at a level of granularity that will allow an IT implementation team to create an algorithm that matches the episode design.

4.1 Identify episode triggers

The first design dimension of building a HA or LBP episode is to identify potential triggers.

**Episode output fields created:** *Trigger Claim ID, Member ID*

Potential triggers are identified over the entire date range of the input data. For the HA and LBP episodes, a potential trigger is defined as a professional claim with a diagnosis indicating a HA or LBP that also contains a procedure code confirming that it originates from one of the trigger locations emergency department, observation room, urgent care center, or office. Claim types (inpatient, outpatient, professional, and pharmacy) are identified based on the input field *Claim Type*. For the definition of claim type see the glossary.

One approach is used to identify the potential triggers for HA and another distinct approach is used to identify the potential triggers for LBP episodes:
- **HA-specific approach:** A professional claim that contains a HA-specific trigger diagnosis code in the input field *Header Diagnosis Code Primary* is a potential trigger if it does not overlap with a hospitalization and it originates from one of the trigger locations emergency department, observation room, urgent care center, or office.

- **LBP-specific approach:** A professional claim that contains a LBP-specific trigger diagnosis code in the input field *Header Diagnosis Code Primary* is a potential trigger if it originates from one of the trigger locations emergency department, observation room, urgent care center, or office.

The HA- and LBP-specific diagnoses codes are listed in the configuration file under “Trigger Diagnoses codes.” The trigger location is based on the presence on the triggering professional claim of one or more of the procedure codes listed in the configuration file under “Trigger Location.”

The output field *Trigger Claim ID* is set to the input field *Internal Control Number* of the professional claim that identifies a potential trigger. The output field *Member ID* is set to the input field *Member ID* of the professional claim that identifies a potential trigger.

Potential triggers start on the input field *Detail From Date Of Service* and end on the input field *Detail To Date Of Service* of the triggering professional claim detail line with one of the procedure codes listed under “Trigger Location.” If more than one claim detail lines contain a procedure code listed under “Trigger Location,” the potential trigger starts on the earliest *Detail From Date Of Service* and ends on the latest *Detail To Date Of Service* of the detail lines with one of the procedure codes listed under “Trigger Location.”

For LBP a specific rule applies for potential triggers that have one or more overlapping hospitalizations. A potential trigger has an overlapping hospitalization if both of the following are true:

- The hospitalization has a *Header From Date Of Service* on or before (≤) the input field *Detail To Date Of Service* of the triggering professional claim detail line with one of the procedure codes listed under “Trigger Location.”

- The hospitalization has a *Discharge Date* on or after (≥) the input field *Detail From Date Of Service* of the triggering professional claim detail line with one of the procedure codes listed under “Trigger Location.”
For LBP potential triggers start on the minimum of either the Detail From Date Of Service of the professional claim or the Header From Date of Service on the first inpatient claim of an overlapping hospitalization and end on the maximum of either the Detail To Date Of Service of the professional claim or the Discharge Date of the last inpatient claim of an overlapping hospitalization. A hospitalization overlaps with the professional claim detail line if all of the following are true:

- The *Header From Date Of Service* on the first inpatient claim of a hospitalization is on or before (≤) the input field *Detail From Date Of Service* of the triggering professional claim detail line(s).
- The *Discharge Date* of the last inpatient claim of a hospitalization is on or after (≥) the input field *Detail To Date Of Service* of the triggering professional claim detail line.

The output field Trigger Claim ID is set to the input field Internal Control Number of the professional claim that identifies a potential trigger. The output field Member ID is set to the input field Member ID of the professional claim that identifies a potential trigger.

**4.2 Determine the episode duration**

The second design dimension of building a HA or LBP episode is to define the duration of the episode and to assign claims and claim detail lines to each episode.

**Episode output fields created**: Trigger Window Start Date, Trigger Window End Date, Post-trigger Window 1 Start Date, Post-trigger Window 1 End Date, Post-trigger Window 2 Start Date, Post-trigger Window 2 End Date, Episode Start Date, Episode End Date

Three time windows are of relevance in determining the episode duration (see Exhibit 8 & 9).
EXHIBIT 8 – HA EPISODE DURATION

March

1 2 5 17

HA Trigger

Start of episode

End of episode

X Potential trigger
Trigger window
Post-trigger window 1
Post-trigger window 2
**EXHIBIT 9 – LBP EPISODE DURATION**

- **Pre-trigger window**: The HA and LBP episodes do not have a pre-trigger window.

- **Trigger window**: The output fields *Trigger Window Start Date* and *Trigger Window End Date* are set using the potential trigger start and end dates which are defined in section 4.1. The output field *Trigger Window Start Date* is also the output field *Episode Start Date*. Only potential triggers that constitute a trigger HA or LBP can set the duration of a trigger window. The approach to determine whether a potential trigger is a trigger HA or LBP is described below.

- **Post-trigger window 1**: The output field *Post-trigger Window 1 Start Date*, is set to the day after the output field *Trigger Window End Date*. The output field *Post-trigger Window 1 End Date* is set to the 3rd day, after the output field *Trigger Window End Date* (for a post-trigger window of 3 days duration). If a hospitalization is ongoing on what would be the final day of the post-trigger window 1, the output field *Post-Trigger Window 1 End Date*
is instead set to the input field *Discharge Date* of the hospitalization. A hospitalization is ongoing on the final day of the post-trigger window 1 if the hospitalization has an input field *Header From Date Of Service* during the trigger window or during the first 3 days of the post-trigger window 1 and a *Discharge Date* beyond the first 3 days of the post-trigger window. If more than one hospitalization is ongoing on the 3rd day of the post-trigger window 1, the latest *Discharge Date* present on a hospitalization sets the end date of the post-trigger window 1. Hospitalizations are defined in the glossary.

- **Post-trigger window 2:** The output field *Post-trigger Window 2 Start Date*, is set to the day after the output field *Post-trigger Window 1 End Date*. The output field *Post-trigger Window 2 End Date* is set to the 15th day (for HA episodes) or the 30th day (for LBP episodes) after the output field *Trigger Window End Date*. If a hospitalization is ongoing on what would be the final day of the post-trigger window 2, the output field *Post-Trigger Window 2 End Date* is instead set to the input field *Discharge Date* of the hospitalization. A hospitalization is ongoing on the final day of the post-trigger window 2 if the hospitalization has an input field *Header From Date Of Service* during the post-trigger window 2 and a *Discharge Date* beyond the first 12 days (for HA episodes) or 27 days (for LBP episodes) of the post-trigger window 2. If more than one hospitalization is ongoing on the 12th day (for HA episodes) or the 27th day (for LBP episodes) of the post-trigger window 2, the latest *Discharge Date* present on a hospitalization(s) sets the end date of the post-trigger window 2. If a hospitalization is ongoing on what would be the final day of the post-trigger window 1 and the same hospitalization is also ongoing on what would be the final day of the post-trigger window 2 (i.e., the hospitalization starts during post-trigger window 1 and ends on or after what would be the last day of post-trigger window 2), then there is only a post-trigger window 1 and there is no post-trigger window 2. Hospitalizations are defined in the glossary.

The extension of an episode due to a hospitalization may not lead to further extensions of the episode, i.e., if the post-trigger window is set based on the input field *Discharge Date* of a hospitalization and a different hospitalization starts during the extension of the post-trigger window and ends beyond it the episode is not extended a second time (Exhibit 10).

- **Clean period:** The HA and LBP episodes do not have a clean period.
The combined duration of the trigger window, the post-trigger window 1, and the post-trigger window 2 is the episode window. All time windows are inclusive of their first and last date. For the definition of how the duration of time windows is calculated see the glossary.

The logic that determines the duration of the episode window assigns potential triggers to one of two groups:

- **Trigger HA or LBP**: Potential triggers that do not occur during another episode constitute the trigger window of a new episode.

- **Repeat HA or LBP**: Potential triggers that occur during the post-trigger window 1 or the post-trigger window 2 of an episode do not constitute the trigger window for a new episode.

To define episode windows for each patient a chronological approach is taken. The first trigger HA or LBP of a given patient is identified as the earliest (i.e., furthest in the past) potential trigger in the input data. Once the first trigger HA or LBP for a patient has been identified, the trigger window and the post-trigger...
windows 1 and 2 are set. Any potential triggers that fall into post-trigger windows 1 or 2 are classified as repeat HA or LBP. The next potential trigger that starts outside of the post-trigger windows 1 and 2 constitutes the second trigger HA or LBP for a given patient. The process of setting episode windows continues for each patient until the last episode window that ends during the input data date range is defined. Note that the input data begins 15 months prior to the reporting window, so potential triggers may be repeat HA or LBP, and thus not trigger a HA or LBP episode, due to a HA or LBP that occurred prior to the reporting period.

Note that HA and LBP are separate episodes that share similar logic and structure. As such, episode windows are defined separately for HA and LBP. A HA potential trigger will never become a repeat HA because it occurs during post-trigger windows 1 or 2 of a LBP episode, neither will a LBP potential trigger ever become a repeat LBP because it occurs during post-trigger windows 1 or 2 of a HA episode. The two episodes do not impact each other.

The following special cases may occur when determining the episode duration:

- If two or more potential triggers of the same patient overlap, i.e., the start date of one potential trigger falls between the start date and the end date (inclusive) of one or more other potential triggers of the same patient, then only one of the overlapping potential triggers is chosen as a trigger HA or LBP or repeat HA or LBP. The other overlapping potential triggers do not count as trigger HA or LBP or repeat HA or LBP, but are treated like any other claims. The following hierarchy is applied to identify the one potential trigger out of two or more overlapping potential triggers that is assigned as a trigger HA or LBP or repeat HA or LBP:
  - The potential trigger with the earliest input field *Detail From Date Of Service* for the professional claim detail line with the triggering procedure is selected.
  - If there is a tie, the potential trigger with the latest end date is selected.
  - If there is still a tie, the potential trigger with the lowest value for the output field *Trigger Claim ID* is selected.

- If the start date of a potential trigger occurs during post-trigger windows 1 or 2 of an episode but its end date is outside of post-trigger windows 1 and 2
of the episode, the potential trigger is neither a repeat HA or LBP nor a trigger HA or LBP, and the claim detail lines in the potential trigger are treated like any other claims.

To determine which claims and claim detail lines occur during an episode and before an episode the following assignment rules are used. In addition, specific rules apply to assign claims and claim detail lines to windows during the episode (the trigger window, the post-trigger windows 1 and 2, and hospitalizations).

- **Assignment to the episode window:**
  - Hospitalizations, all inpatient claims within them, and all claim detail lines of the inpatient claims are assigned to the episode window if both the input field *Header From Date Of Service* and the input field *Discharge Date* of the hospitalization occur during the episode window.
  
  - Outpatient, and professional claims are assigned to the episode window if at least one of their claim detail lines is assigned to the episode window. Outpatient, and professional claim detail lines are assigned to the episode window if both the input field *Detail From Date Of Service* and the *Detail To Date Of Service* occur during the episode window.
  
  - Pharmacy claims and all their claim detail lines are assigned to the episode window if both input fields *Header From Date Of Service* and *Header To Date Of Service* occur during the episode window.

- **Assignment to a window before the episode:**
  - Hospitalizations, all inpatient claims within them, and all claim detail lines of the inpatient claims are assigned to a window before the episode (e.g., 365 days to 1 day before the output field *Episode Start Date*, 90 days to 1 day before the *Episode Start Date*) if the input field *Header From Date Of Service* of the hospitalization occurs during the specified time window before the output field *Episode Start Date*.
  
  - Outpatient, and professional claims are assigned to a window before the episode if all their claim detail lines are assigned to the window before the episode. Outpatient, and professional claim detail lines are assigned to a window before the episode if the input field *Detail From Date Of Service* occurs during the specified time window before the output field *Episode Start Date*. 
Pharmacy claims and all their claim detail lines are assigned to a window before the episode if the input field *Header From Date Of Service* occurs during the specified time window before the *Episode Start Date*.

**Assignment to the trigger window:**
- Hospitalizations, all inpatient claims within them, and all claim detail lines of the inpatient claims are assigned to the trigger window if both the input field *Header From Date Of Service* and the input field *Discharge Date* of the hospitalization occur during the trigger window.
- Outpatient and professional claims are assigned to the trigger window if all their claim detail lines are assigned to the trigger window. Outpatient and professional claim detail lines are assigned to the trigger window if both the input fields *Detail From Date Of Service* and the *Detail To Date Of Service* occur during the trigger window.
- Pharmacy claims and all their claim detail lines are assigned to the trigger window if both the input fields *Header From Date Of Service* and the *Header To Date Of Service* occur during the trigger window.

**Assignment to the post-trigger window 1:**
- Hospitalizations, all inpatient claims within them, and all claim detail lines of the inpatient claims are assigned to the post-trigger window 1 if the hospitalization is assigned to the episode window and also has an input field *Discharge Date* during the post-trigger window 1.
- Outpatient and professional claims are assigned to the post-trigger window 1 if at least one of their claim detail lines is assigned to the post-trigger window 1. Outpatient and professional claim detail lines are assigned to the post-trigger window 1 if they are assigned to the episode window and also have an input field *Detail To Date Of Service* during the post-trigger window 1.
- Pharmacy claims and all their claim detail lines are assigned to the post-trigger window 1 if they are assigned to the episode window and also have an input field *Header To Date Of Service* during the post-trigger window 1.

**Assignment to the post-trigger window 2:**
- Hospitalizations, all inpatient claims within them, and all claim detail lines of the inpatient claims are assigned to the post-trigger window 2 if the hospitalization is assigned to the episode window and also has an input field Discharge Date during the post-trigger window 2.

- Outpatient and professional claims are assigned to the post-trigger window 2 if at least one of their claim detail lines is assigned to the post-trigger window 2. Outpatient and professional claim detail lines are assigned to the post-trigger window 2 if they are assigned to the episode window and also have an input field Detail To Date Of Service during the post-trigger window 2.

- Pharmacy claims and all their claim detail lines are assigned to the post-trigger window 2 if they are assigned to the episode window and also have an input field Header To Date Of Service during the post-trigger window 2.

4.3 Identify claims included in episode spend

The third design dimension of building a HA or LBP episode is to identify which claims and claim detail lines are included in the calculation of episode spend. For short, such claims or claim detail lines are referred to as included claims or included claim detail lines. Claims or claim detail lines that are excluded from the calculation of episode spend are referred to as excluded claims or excluded claim detail lines.

**Episode output fields created:** Count Of Included Claims

Different rules for the inclusion of claims and claim detail lines apply to claims and claim detail lines assigned to the trigger window, the post-trigger window 1 and the post-trigger window 2. The assignment of claims and claim detail lines to windows during the episode is detailed in section 4.2.

- **Trigger window:** For claims and claim detail lines assigned to the trigger window, a hierarchy is applied to identify included claims and included claim detail lines:

  - First, included hospitalizations are identified. If an inpatient claim assigned to the trigger window includes a relevant diagnosis code in the
input field *Header Diagnosis Code Primary* or a relevant surgical procedure code in the input field *Surgical Procedure Code Primary* or *Surgical Procedure Code 2-24*, then all claim detail lines of all inpatient claims in the entire hospitalization are included claim detail lines. The configuration file lists the diagnoses codes under “Included Diagnosis - All Claim Types,” “Included Complication Diagnoses,” and surgical procedure codes under “Included Procedures”.

- Second, outpatient, professional, and pharmacy claims that are assigned to the trigger window are checked for included diagnosis, included complications, included procedures, and included medications. Specific inclusion rules apply depending on the code type and location.

  □ Included diagnosis in location ED or IP: If an outpatient or professional claim contains an included diagnosis code or an included complication diagnosis code in the input field *Header Diagnosis Code Primary* and one or more of the following statements is true, then all claim detail lines that are assigned to the trigger window and not assigned to a hospitalization are included claim detail lines:

  - One or more of the outpatient or professional claim detail lines contain a procedure code in the input field *Detail Procedure Code* corresponding to the location Emergency Department or Inpatient facility.

  - One or more of the outpatient claim detail lines contain a revenue code in the input field *Revenue Code* corresponding to the location Emergency Department.

  The configuration file lists included diagnoses codes under “Included Diagnosis,” included complication diagnoses codes under “Included Complication Diagnoses,” ED and IP location procedure codes under “ED&IP Procedure Codes,” and revenue codes under “ED Revenue Codes.”

  □ Included diagnosis not in location ED or IP: If an outpatient or professional claim contains an included diagnosis code or an included complication diagnosis code in any of the input fields *Header Diagnosis Code Primary* or *Header Diagnosis Code 2-28* and one or more of the following statements is true, then all claim detail lines
that are assigned to the trigger window and not assigned to a hospitalization are included claim detail lines:

- None of the outpatient or professional claim detail lines include a detail procedure code in the input field \textit{Detail Procedure Code} corresponding to the location Emergency Department or Inpatient facility.

- None of the outpatient claim detail lines include a revenue code corresponding to the location Emergency Department.

The configuration file lists included diagnoses codes under “Included Diagnosis,” included complication diagnoses codes under “Included Complication Diagnoses,” ED and IP location procedure codes under “ED&IP Procedure Codes,” and revenue codes under “ED Revenue Codes.”

- Excluded secondary diagnosis in the ED or IP: If an outpatient or professional claim contains an included diagnosis code or an included complication diagnosis code in any of the input fields \textit{Header Diagnosis Code 2-28} but does not contain an included diagnosis code or an included complication diagnosis code in the input field \textit{Header Diagnosis Code Primary}, and one or more of the following statements is true, then all claim detail lines that are assigned to the trigger window are excluded claim detail lines:

  - One or more of the outpatient or professional claim detail lines contain a procedure code in the input field \textit{Detail Procedure Code} corresponding to the location Emergency Department or Inpatient facility.

  - One or more of the outpatient claim detail lines contain a revenue code in the input field \textit{Revenue Code} corresponding to the location Emergency Department.

The configuration file lists included diagnoses codes under “Included Diagnosis,” included complication diagnoses codes under “Included Complication Diagnoses,” ED and IP location procedure codes under “ED&IP Procedure Codes,” and revenue codes under “ED Revenue Codes.”
Codes.” This exclusion of claim detail lines takes precedence over any other inclusion logic.

- **Included procedures:** If an outpatient or professional claim detail line that is assigned to the trigger window contains an included anesthesia, imaging, testing, pathology, or other procedure in the input field *Detail Procedure Code*, then the claim detail line is an included claim detail line. The configuration file lists included procedure codes under “Included Procedures.” For outpatient claims, all other claim detail lines on the same claim with the same *Detail From Date Of Service* and *Detail To Date Of Service* as the included claim detail line are also included claim detail lines.

- **Included E&M care:** If an outpatient or professional claim detail line that is assigned to the trigger window contains an included E&M procedure in the input field *Detail Procedure Code* and a confirming diagnosis code in any of the input fields *Header Diagnosis Code Primary* or *Header Diagnosis Code 2-28*, then the claim detail line is an included claim detail line. For outpatient claims only a special rule applies: all other claim detail lines on the same claim with the same *Detail From Date Of Service* and *Detail To Date Of Service* as the included claim detail line are also included claim detail lines. The configuration file lists included E&M codes and confirming diagnoses codes under “Included E&M” and “Confirming Diagnoses,” respectively.

- **Included medications:** If a pharmacy claim that is assigned to the trigger window contains an included medication code found in the input field *National Drug Code*, then the claim is an included claim. The configuration file lists included medications under “Included Medications” using Hierarchical Ingredient Code Level 3 (HIC3) identifiers provided by First Databank. To search for included medications, the HIC3 codes must be cross-walked to National Drug Codes (NDCs). Since NDCs change over time an updated crosswalk including current and historical NDCs must be used for each reporting period.
Post-trigger window 1: For claims and claim detail lines assigned to the post-trigger window 1, a hierarchy is applied to identify included claims and included claim detail lines:

- First, included hospitalizations are identified. If an inpatient claim assigned to the post-trigger 1 window includes a relevant diagnosis code in the input field *Header Diagnosis Code Primary* or a relevant surgical procedure code in the input field *Surgical Procedure Code Primary* or *Surgical Procedure Code 2-24*, then all claim detail lines of all inpatient claims in the entire hospitalization are included claim detail lines. The configuration file lists the diagnoses codes under “Included Diagnosis - All Claim Types,” “Included Complication Diagnoses,” and surgical procedure codes under “Included Procedures”.

- Second, outpatient, professional, and pharmacy claims that are assigned to the post-trigger window 1 are checked for included diagnosis, included complications, included procedures, and included medications. Specific inclusion rules apply depending on the code type and location.

  □ Included diagnosis in location ED or IP: If an outpatient or professional claim contains an included diagnosis code or an included complication diagnosis code in the input field *Header Diagnosis Code Primary* and one or more of the following statements is true, then all claim detail lines that are assigned to the post-trigger window 1 and not assigned to a hospitalization are included claim detail lines:

  - One or more of the outpatient or professional claim detail lines contain a procedure code in the input field *Detail Procedure Code* corresponding to the location Emergency Department or Inpatient facility.

  - One or more of the outpatient claim detail lines contain a revenue code in the input field *Revenue Code* corresponding to the location Emergency Department.

The configuration file lists included diagnoses codes under “Included Diagnosis,” included complication diagnoses codes under “Included Complication Diagnoses,” ED and IP location procedure codes under “ED&IP Procedure Codes,” and revenue codes under “ED Revenue Codes.”
Included diagnosis not in location ED or IP: If an outpatient or professional claim contains an included diagnosis code or an included complication diagnosis code in any of the input fields Header Diagnosis Code Primary or Header Diagnosis Code 2-28 and one or more of the following statements is true, then all claim detail lines that are assigned to the post-trigger window 1 and not assigned to a hospitalization are included claim detail lines:

- None of the outpatient or professional claim detail lines include a detail procedure code in the input field Detail Procedure Code corresponding to the location Emergency Department or Inpatient facility.

- None of the outpatient claim detail lines include a revenue code corresponding to the location Emergency Department.

The configuration file lists included diagnoses codes under “Included Diagnosis,” included complication diagnoses codes under “Included Complication Diagnoses,” ED and IP location procedure codes under “ED&IP Procedure Codes,” and revenue codes under “ED Revenue Codes.”

Excluded secondary diagnosis in the ED or IP: If an outpatient or professional claim contains an included diagnosis code or an included complication diagnosis code in any of the input fields Header Diagnosis Code 2-28 but does not contain an included diagnosis code or an included complication diagnosis code in the input field Header Diagnosis Code Primary, and one or more of the following statements is true, then all claim detail lines that are assigned to the post-trigger window 1 are excluded claim detail lines:

- One or more of the outpatient or professional claim detail lines contain a procedure code in the input field Detail Procedure Code corresponding to the location Emergency Department or Inpatient facility.

- One or more of the outpatient claim detail lines contain a revenue code in the input field Revenue Code corresponding to the location Emergency Department.
The configuration file lists included diagnoses codes under “Included Diagnosis,” included complication diagnosis codes under “Included Complication Diagnoses,” ED and IP location procedure codes under “ED&IP Procedure Codes,” and revenue codes under “ED Revenue Codes.” This exclusion of claim detail lines takes precedence over any other inclusion logic.

- Included procedures: If an outpatient or professional claim detail line that is assigned to the post-trigger window 1 contains an included anesthesia, imaging, testing, pathology, or other procedure in the input field *Detail Procedure Code*, then the claim detail line is an included claim detail line. The configuration file lists included procedure codes under “Included Procedures.” For outpatient claims, all other claim detail lines on the same claim with the same *Detail From Date Of Service* and *Detail To Date Of Service* as the included claim detail line are also included claim detail lines.

- Included E&M care: If an outpatient or professional claim detail line that is assigned to the post-trigger window 1 contains an included E&M procedure in the input field *Detail Procedure Code* and a confirming diagnosis code in any of the input fields *Header Diagnosis Code Primary* or *Header Diagnosis Code 2-28*, then the claim detail line is an included claim detail line. For outpatient claims only a special rule applies: all other claim detail lines on the same claim with the same *Detail From Date Of Service* and *Detail To Date Of Service* as the included claim detail line are also included claim detail lines. The configuration file lists included E&M codes and confirming diagnoses codes under “Included E&M” and “Confirming Diagnoses,” respectively.

- Included medications: If a pharmacy claim that is assigned to the post-trigger window 1 contains an included medication code found in the input field *National Drug Code*, then the claim is an included claim. The configuration file lists included medications under “Included Medications” using Hierarchical Ingredient Code Level 3 (HIC3) identifiers provided by First Databank. To search for included medications, the HIC3 codes must be cross-walked to National Drug Codes (NDCs). Since NDCs change over time an updated crosswalk
including current and historical NDCs must be used for each reporting period.

- **Post-trigger window 2:** For claims and claim detail lines assigned to the post-trigger window 2, a hierarchy is applied to identify included claims and included claim detail lines:

  - First, included hospitalizations are identified. If an inpatient claim assigned to the post-trigger 2 window includes a relevant diagnosis code in the input field *Header Diagnosis Code Primary* or a relevant surgical procedure code in the input field *Surgical Procedure Code Primary* or *Surgical Procedure Code 2-24*, then all claim detail lines of all inpatient claims in the entire hospitalization are included claim detail lines. The configuration file lists the diagnoses codes under “Included Diagnosis - All Claim Types,” “Included Complication Diagnoses,” and surgical procedure codes under “Included Procedures”.

  - Second, outpatient, professional, and pharmacy claims that are assigned to the post-trigger window 2 are checked for included diagnosis, included procedures, and included medications. Specific inclusion rules apply depending on the code type and location.

    - **Included diagnosis in location ED or IP:** If an outpatient or professional claim contains an included diagnosis code in the input field *Header Diagnosis Code Primary* and one or more of the following statements is true, then all claim detail lines that are assigned to the post-trigger window 2 and not assigned to a hospitalization are included claim detail lines:

      - One or more of the outpatient or professional claim detail lines contain a procedure code in the input field *Detail Procedure Code* corresponding to the location Emergency Department or Inpatient facility.

      - One or more of the outpatient claim detail lines contain a revenue code in the input field *Revenue Code* corresponding to the location Emergency Department.
The configuration file lists included diagnosis codes under “Included Diagnosis,” ED and IP location procedure codes under “ED&IP Procedure Codes,” and revenue codes under “ED Revenue Codes.”

Included diagnosis not in location ED or IP: If an outpatient or professional claim contains an included diagnosis code in any of the input fields Header Diagnosis Code Primary or Header Diagnosis Code 2-28 and one or more of the following statements is true, then all claim detail lines that are assigned to the post-trigger window 2 and not assigned to a hospitalization are included claim detail lines:

- None of the outpatient or professional claim detail lines include a detail procedure code in the input field Detail Procedure Code corresponding to the location Emergency Department or Inpatient facility.

- None of the outpatient claim detail lines include a revenue code corresponding to the location Emergency Department.

The configuration file lists included diagnoses codes under “Included Diagnosis,” ED and IP location procedure codes under “ED&IP Procedure Codes,” and revenue codes under “ED Revenue Codes.”

□ Excluded secondary diagnosis in the ED or IP: If an outpatient or professional claim contains an included diagnosis code in any of the input fields Header Diagnosis Code 2-28 but does not contain an included diagnosis code or an included complication diagnosis code in the input field Header Diagnosis Code Primary, and one or more of the following statements is true, then all claim detail lines that are assigned to the post-trigger window 2 are excluded claim detail lines:

- One or more of the outpatient or professional claim detail lines contain a procedure code in the input field Detail Procedure Code corresponding to the location Emergency Department or Inpatient facility.

- One or more of the outpatient claim detail lines contain a revenue code in the input field Revenue Code corresponding to the location Emergency Department.
The configuration file lists included diagnoses codes under “Included Diagnosis,” ED and IP location procedure codes under “ED&IP Procedure Codes,” and revenue codes under “ED Revenue Codes.” This exclusion of claim detail lines takes precedence over any other inclusion logic.

- **Included procedures:** If an outpatient or professional claim detail line that is assigned to the post-trigger window 2 contains an included anesthesia, imaging, testing, pathology, or other procedure in the input field *Detail Procedure Code*, then the claim detail line is an included claim detail line. The configuration file lists included procedure codes under “Included Procedures.” For outpatient claims, all other claim detail lines on the same claim with the same *Detail From Date Of Service* and *Detail To Date Of Service* as the included claim detail line are also included claim detail lines.

- **Included E&M care:** If an outpatient or professional claim detail line that is assigned to the post-trigger window 2 contains an included E&M procedure in the input field *Detail Procedure Code* and a confirming diagnosis code in any of the input fields *Header Diagnosis Code Primary* or *Header Diagnosis Code 2-28*, then the claim detail line is an included claim detail line. For outpatient claims only a special rule applies: all other claim detail lines on the same claim with the same *Detail From Date Of Service* and *Detail To Date Of Service* as the included claim detail line are also included claim detail lines. The configuration file lists included E&M codes and confirming diagnoses codes under “Included E&M” and “Confirming Diagnoses,” respectively.

- **Included medications:** If a pharmacy claim that is assigned to the post-trigger window 2 contains an included medication code found in the input field *National Drug Code*, then the claim is an included claim. The configuration file lists included medications under “Included Medications” using Hierarchical Ingredient Code Level 3 (HIC3) identifiers provided by First Databank. To search for included medications, the HIC3 codes must be cross-walked to National Drug Codes (NDCs). Since NDCs change over time an updated crosswalk
including current and historical NDCs must be used for each reporting period.

■ **Episode window**: Outpatient and professional claim detail lines that are assigned to the episode window are checked for excluded procedures. These exclusions supersede any other reason a claim detail line might be included.

  - Excluded transportation: If an outpatient or professional claim detail line that is assigned to the episode window contains an excluded transportation procedure code in the input field *Detail Procedure Code*, then the claim detail line is an excluded claim detail line. The configuration file lists the codes under “Excluded Transportation Procedures.” This exclusion of claim detail lines takes precedence over any other inclusion logic.

  - Excluded vaccinations: If an outpatient or professional claim detail line that is assigned to the episode window contains an excluded vaccination procedure code in the input field *Detail Procedure Code*, then the claim detail line is an excluded claim detail line. The configuration file lists excluded vaccination procedure codes under “Excluded Vaccination Procedures.” This exclusion of claim detail lines takes precedence over any other inclusion logic.

  - Excluded facility spend: If an outpatient claim detail line that is assigned to the trigger window contains an excluded facility procedure code in the input field *Detail Procedure Code*, then the claim detail line is an excluded claim detail line. The configuration file lists excluded facility procedure codes under “Excluded ED Observation Room and Urgent Care Center Facility Procedures.” This exclusion of claim detail lines takes precedence over any other inclusion logic.

  - Not included claims: Any claim or claim detail line not explicitly included during the episode window is an excluded claim or excluded claim detail line.

The output field *Count Of Included Claims* is defined as the number of unique claims that contribute to episode spend. For the purpose of calculating counts of claims, a claim is counted as contributing to episode spend if it is an included claim or if one or more of its claim detail lines are included claim detail lines. The output field *Count Of Included Claims* is calculated overall as well as broken out by claim type, by window during the episode, and by claim type and
window during the episode. Breakouts by window are calculated based on the
window to which each claim is assigned.

4.4 Calculate non-risk adjusted episode spend

The fourth design dimension of building a HA or LBP episode is to
calculate the non-risk-adjusted spend for each episode.

**Episode output fields created:** Non-risk-adjusted Episode Spend, Normalized-
non-risk-adjusted Episode Spend

**PAP output fields created:** Average Non-risk-adjusted PAP Spend, Total Non-
risk-adjusted PAP Spend

The Non-risk-adjusted Episode Spend is defined as the sum of:

- The spend for included, header-paid inpatient claims. The spend for each
  included, header-paid inpatient claim is calculated as the value in the input
  field DRG Base Payment plus the values in the input fields DRG Outlier
  Payment A and DRG Outlier Payment B. Header-paid inpatient claims are
  identified based on an input field Header Or Detail Indicator of ‘H’. Other
  components of the DRG payment are not taken into account.

- The spend for included, detail-paid inpatient claims. The spend for each
  included, detail-paid inpatient claim is calculated as the sum of the input
  fields Detail Paid Amount for claims from MCPs and the sum of the inputs
  fields Detail Allowed Amount for claims from FFS.

- The Header Paid Amount of included pharmacy claims from MCPs.

- The Header Allowed Amount of included pharmacy claims from FFS.

- The Detail Paid Amount for included outpatient and professional claim detail
  lines from MCPs.

- The Detail Allowed Amount for included outpatient and professional claim
detail lines from FFS.

Claims from MCPs and FFS are distinguished based on the input field FFS Or
MCP Indicator. A value of ‘E’ in the input field FFS Or MCP Indicator
indicates an MCP claim; a value of ‘F’ indicates a FFS claim. The output field
Non-risk-adjusted Episode Spend is calculated overall and broken out by claim type, by window during the episode, and by claim type and window during the episode.

The Normalized-non-risk-adjusted Episode Spend is defined as the sum of:

- The normalized spend for included, header-paid inpatient claims. The normalized spend for each included, header-paid inpatient claim is calculated as the value in the input field DRG Base Payment multiplied by the ratio of the Normalized Base Rate to the Base Rate plus the values in the input fields DRG Outlier Payment A and DRG Outlier Payment B. The configuration file lists the Normalized Base Rate as a parameter under “Episode Spend.” The Base Rate is determined by looking up the appropriate value in the input field Base Rate from the APR-DRG Base Rate Table using the input field Provider ID to link to the Billing Provider ID of each included, header-paid inpatient claim. Header-paid inpatient claims are identified based on a Header Or Detail Indicator of ‘H’. Other components of the DRG payment are not taken into account.

- The spend for included, detail-paid inpatient claims. The spend for each included, detail-paid inpatient claim is calculated as the sum of the input fields Detail Paid Amount for claims from MCPs and the sum of the inputs fields Detail Allowed Amount for claims from FFS.

- The Header Paid Amount of included pharmacy claims from MCPs.

- The Header Allowed Amount of included pharmacy claims from FFS.

- The Detail Paid Amount for included outpatient and professional claim detail lines from MCPs.

- The Detail Allowed Amount for included outpatient and professional claim detail lines from FFS.

If a claim detail line is included for two or more reasons (e.g., due to an included diagnosis and an included procedure), its Detail Allowed Amount or Detail Paid Amount counts only once towards the Non-risk-adjusted Episode Spend or the Normalized-non-risk-adjusted Episode Spend.

For the provider reports, the fields Average Non-risk-adjusted PAP Spend and Total Non-risk-adjusted PAP Spend are added to the PAP output table. Average
Non-risk-adjusted PAP Spend is calculated as the average of the Non-risk-adjusted Episode Spend across valid episodes for a given PAP. Total Non-risk-adjusted PAP Spend is calculated as the sum of the Non-risk-adjusted Episode Spend across valid episodes for a given PAP. See section 4.5 for the identification of PAPs and section 4.6 for the definition of valid episodes.

The Average Non-risk-adjusted PAP Spend is shown overall as well as broken out by claim type, by window during the episode, and by claim type and window during the episode. The breakouts of Average Non-risk-adjusted PAP Spend are calculated in two ways:

- **Breakout A**: The averages are calculated across all valid episodes of a PAP.
- **Breakout B**: The averages are calculated across valid episodes of a PAP that have spent greater zero dollars (>0) in the category that is broken out.

For example, a PAP has 100 valid episodes and 80 of the episodes have any inpatient spend, the remaining 20 do not have any inpatient spend. To calculate breakout A for Average Non-risk-adjusted PAP Spend Inpatient, the denominator is 100 valid episodes. To calculate breakout B for Average Non-risk-adjusted PAP Spend Inpatient the denominator is 80 valid episodes with any inpatient spend.

### 4.5 Identify Principal Accountable Providers

The fifth design dimension of building a HA or LBP episode is to assign each episode to a Principal Accountable Provider (PAP).

**Episode output fields created**: PAP ID, PAP Name, Rendering Provider ID, Rendering Provider Name

**PAP output fields created**: PAP ID, PAP Name, PAP Address Line 1, PAP Address Line 2, PAP City, PAP State, PAP Zip Code

The output field PAP ID is set using the input field Billing Provider ID on the professional claim that is used to set the output field Trigger Claim ID.

The output field Rendering Provider ID is set using the input field Rendering Provider ID of the claim that is used to set the output field Trigger Claim ID.
The output fields *PAP Name*, *PAP Address Line 1*, *PAP Address Line 2*, *PAP City*, *PAP State*, and *PAP Zip Code* are set based on the Provider Extract input fields *Provider Name*, *Practice Address Line 1*, *Practice Address Line 2*, *Practice City*, *Practice State*, and *Practice Zip Code*, respectively. The output fields are linked to the Provider Extract by matching the output field *PAP ID* to the input field *Provider ID* of the Provider Extract.

The output field *Rendering Provider Name* is set based on the Provider Extract input field *Provider Name*. The output field is linked to the Provider Extract by matching the output field *Rendering Provider ID* to the input field *Provider ID* of the Provider Extract.

### 4.6 Identify excluded episodes

The sixth design dimension of building a HA or LBP episode is to identify episodes that are excluded from the episode-based payment model.

**Episode output fields created:** Any Exclusion, Exclusion Inconsistent Enrollment, Exclusion Multiple Payers, Exclusion Third-party Liability, Exclusion Dual Eligibility, Exclusion PAP Out Of State, Exclusion No PAP, Exclusion Long Hospitalization, Exclusion Long-term Care, Exclusion Missing DRG, Exclusion Incomplete Episode, Exclusion FQHC RHC, Exclusion Age, Exclusion Left Against Medical Advice, Exclusion Death, Exclusion \(<\text{Comorbidity Name}>\), Exclusion Multiple Other Comorbidities, Exclusion High Outlier, Exclusion FQHC

Each *Exclusion <name of exclusion>* output field indicates whether an episode is excluded for a given reason and therefore invalid for the purpose of the episode-based payment model. If an episode is excluded for more than one reason each exclusion is indicated. The output field *Any Exclusion* indicates whether an episode contains any exclusion. Episodes may be excluded for business reasons, for clinical reasons, or because they are outliers. After all exclusions have been applied, a set of valid episodes remains.

**Business exclusions**

- **Dual eligibility:** An episode is excluded if the patient had dual coverage by Medicare and Medicaid during the episode window. Dual coverage is
determined using the *Eligibility Start Date* and *Eligibility End Date* from the Member Extract where the *Aid Category* indicates dual coverage. *Aid Category* codes that indicate dual coverage are listed in the configuration file under “Business Exclusions – Duals.” Note that only the first digit of the *Aid Category* code is used for this purpose.

A patient is considered to have dual coverage during the episode window if the patient’s *Eligibility Start Date* for dual coverage falls before or on (≤) the *Episode End Date* and the *Eligibility End Date* for dual coverage falls on or after (≥) the *Episode Start Date*. The input field *Member ID* is linked to the output field *Member ID* from the Member Extract to identify the enrollment information for each patient.

If a patient has an *Eligibility Start Date* without a corresponding *Eligibility End Date* for dual coverage, the dual coverage is considered to be ongoing through the last date of the input data.

If a patient had dual coverage before or after the episode window, but not during the episode window, the episode is not excluded.

- **FQHC/RHC:** An episode is excluded if the PAP is classified as a federally qualified health center or rural health clinic. The codes used to identify them are listed in the configuration file under “Business Exclusions – FQHC and RHC.”

- **Incomplete episodes:** An episode is excluded if the *Non-risk-adjusted Episode Spend* (not the *Risk-adjusted Episode Spend*) is less than (<) the incomplete episode threshold. The incomplete episode threshold is listed as a parameter in the configuration file under “Excluded Episodes.”

- **Inconsistent enrollment:** An episode is excluded if the patient was not continuously enrolled in Ohio Medicaid during the episode window. Enrollment is verified using the input fields *Eligibility Start Date* and *Eligibility End Date* from the Member Extract where the input field *Aid Category* indicates full Medicaid enrollment. *Aid Category* codes that indicate full Medicaid enrollment are listed in the configuration file under “Business Exclusions – Inconsistent Enrollment.” Note that only the first digit of the *Aid Category* code is used for this purpose.
A patient is considered continuously enrolled if the patient’s *Eligibility Start Date* for full Medicaid falls before or on (≤) the *Episode Start Date* and the *Eligibility End Date* for full Medicaid falls on or after (≥) the *Episode End Date*. The output field *Member ID* is linked to the input field *Member ID* from the Member Extract to identify the enrollment information for each patient.

A patient may have multiple entries for *Eligibility Start Date* and *Eligibility End Date* for full Medicaid and some of the dates may be overlapping. In such cases, continuous, non-overlapping records of a patient’s enrollment are created before confirming whether the patient was continuously enrolled during an episode. If a patient has an *Eligibility Start Date* without a corresponding *Eligibility End Date* for full Medicaid, enrollment is considered to be ongoing through the last date of the input data.

If a patient was not continuously enrolled in Ohio Medicaid before or after the episode window, but was continuously enrolled during the episode window, the episode is not excluded.

- **Long hospitalization:** An episode is excluded if a hospitalization that is assigned to the episode window has a duration greater than the threshold for long hospitalizations. The hospitalization may or may not be included in the episode spend. The long hospitalization threshold is listed as a parameter in the configuration file under “Excluded Episodes.”

- **Long-term care:** An episode is excluded if the patient has one or more long-term care claim detail lines which overlap the episode window. A long-term care claim detail line which overlaps the episode window is defined as one with both a *Detail From Date Of Service* on or prior to (≤) the *Episode End Date* and a *Detail To Date Of Service* on or after (≥) the *Episode Start Date*. The long-term care claim detail line may or may not be included in the episode spend.

- **Missing APR-DRG:** An episode is excluded if a header-paid inpatient claim assigned to the episode window has an invalid or missing value in the input fields *APR-DRG* or *Severity Of Illness*. Header-paid inpatient claims are identified based on a *Header Or Detail Indicator* of ‘H’.

- **Multiple payers:** An episode is excluded if a patient changes enrollment between MCPs during the trigger window or during the post-trigger
window(s) (if applicable). Episodes are identified as having multiple payers if there is an inpatient, outpatient, professional, or pharmacy claim that meets all of the following conditions:

- The claim is assigned to the trigger window or the post-trigger window of the episode (if applicable)
- The input field FFS Or MCP Indicator of the claim is not "FFS"
- The input field MCP ID on the claim is not null and does not equal the MCP that the episode is attributed to

If a patient changes enrollment between MCPs during the pre-trigger window (if any) or before the episode window, it is the responsibility of the payer to whom the episode is attributed to utilize the claims history of the patient with the prior payer to build the episode. Attribution of an episode to a payer is defined in the glossary under “Payer Attribution.”

- **No PAP**: An episode is excluded if the PAP cannot be identified. A PAP cannot be identified if the Billing Provider ID is not available.
- **PAP out of state**: An episode is excluded if the PAP has a practice address outside of Ohio. The state of the practice address is determined using the output field PAP State. The code used to identify the state of Ohio is listed in the configuration file under “Business Exclusions – PAP Out Of State.”
- **Third-party liability**: An episode is excluded if either:
  - An inpatient, outpatient, or professional claim that is assigned to the episode window is associated with a third-party liability amount. A claim is considered to be associated with a third-party liability amount if either the input field Header TPL Amount or any of the input fields Detail TPL Amount have a value greater than (>) zero. The claim with a positive TPL amount may or may not be included in the calculation of episode spend. As an exception, a third party liability amount in the input field Header TPL Amount or the input field Detail TPL Amount of a professional FFS claim from an FQHC or RHC does not lead to exclusion of the episode if the episode is attributed to an MCP. Professional claims from FQHC or RHC are identified based on one or more detail lines that are assigned to the episode window and also have a Place Of Service of FQHC or RHC. The relevant values for Place Of Service are listed in the configuration.
file under “Business Exclusions – TPL Exempt Places of Service”. Claims from FFS are identified based on the input field FFS Or MCP Indicator having a value of ‘F’. Attribution of an episode to a payer is defined in the glossary under “Payer attribution”.

- A patient was enrolled with a relevant source of third party liability during the episode window. Enrollment is verified using the TPL Effective Date and TPL End Date from the Member Extract where the Coverage Type indicates relevant TPL coverage. Coverage Type codes that indicate relevant TPL are listed in the configuration file under “Business Exclusions – TPL Relevant Coverage”.

A patient is considered enrolled with a relevant source of TPL if the patient’s TPL Effective Date falls before or on (\(\leq\)) the Episode End Date and the TPL End Date falls on or after (\(\geq\)) the Episode Start Date. The output field Member ID is linked to the input field Member ID from the Member Extract to identify the enrollment information for each patient.

If a patient has a TPL Effective Date without a corresponding TPL End Date the enrollment with a relevant source of TPL is considered to be ongoing through the last date of the input data.

If a patient was enrolled with a relevant TPL source before or after the episode window, but was not enrolled during the episode window, the episode is not excluded.

**Clinical exclusions**

- **Age**: An episode is excluded if the output field Member Age does not fall into the valid age range or if it is invalid. See the glossary for the definition of Member Age. The valid age ranges for HA and LBP episodes are listed as parameters in the configuration file under “Excluded Episodes.”

- **Comorbidity**: An episode is excluded if the patient has a comorbidity code during a specified time window. Each comorbidity exclusion listed in the configuration file sets a separate output field named Exclusion <Name Of Comorbidity>. For example, the HIV comorbidity exclusion sets the output field Exclusion HIV for all those episodes with evidence of HIV during the specified time period. The following approaches are used to identify comorbidities:
Comorbidity diagnoses codes are searched for in the input fields *Header Diagnosis Code Primary* or *Header Diagnosis Code 2-28* of inpatient, outpatient, and professional claims that are assigned to the specified time windows. The configuration file lists the codes and time windows under “Comorbidities <name of comorbidity> – Diagnosis.”

Comorbidity CPT and HCPCS procedure codes are searched for in the input field *Detail Procedure Code* of outpatient and professional claim detail lines that are assigned to the specified time windows. The configuration file lists the codes and time windows used under “Comorbidities <name of comorbidity> – Procedures.”

Comorbidity ICD-9 procedure codes are searched for in the input fields *Surgical Procedure Code Primary* and *Surgical Procedure Code 2-24* of inpatient claims that are assigned to the specified time windows. The configuration file lists the codes and time windows used under “Comorbidities <name of comorbidity> – Procedures.”

Comorbidity contingent cancer codes require both the presence of a cancer diagnosis code and also an indicator of active cancer treatment during the specified time window:

- Cancer diagnoses codes are searched for in the input fields *Header Diagnosis Code Primary* or *Header Diagnosis Code 2-28* of inpatient, outpatient, and professional claims assigned to the specified time window. The configuration file lists the codes and time windows used under “Comorbidities Cancer – Diagnosis.”

- An indicator of active cancer treatment is the presence of either a diagnosis or procedure code for active cancer treatment during the specified time window. The indicator may occur on the same claim as a cancer diagnosis code or on a different claim. The following approaches are taken to identify active cancer treatment:

  - Diagnoses codes for active cancer treatment are searched for in the input fields *Header Diagnosis Code Primary* or *Header Diagnosis Code 2-28* of inpatient, outpatient, and professional claims that are assigned to the specified time window. The configuration file lists the codes and time windows used under “Comorbidities Cancer Active – Diagnosis.”
- CPT and HCPCS codes for active cancer treatment are searched for in the input field *Detail Procedure Code* of outpatient and professional claim detail lines that are assigned to the specified time window. The configuration file lists the codes and time windows used under “Comorbidities Cancer Active – Procedures.”

- ICD-9 procedure codes for active cancer treatment are searched for in the input fields *Surgical Procedure Code Primary* and *Surgical Procedure Code 2-24* of inpatient claims that are assigned to the specified time window. The configuration file lists the codes and time windows used under “Comorbidities Cancer Active – Procedures.”

The claims and claim detail lines that are searched for comorbidities do not have to be included claims or included claim detail lines. If a patient lacked continuous eligibility during the year before the episode or during the episode window, comorbidities are checked in the data available.

**Death:** An episode is excluded if either:

- The patient has a *Patient Status Indicator* of “Expired” on any inpatient or outpatient claim assigned to the episode window. The claim may be an included claim or not. The values of the *Patient Status Indicator* used to identify whether the patient expired are listed in the configuration file under “Clinical Exclusions – Death.”

- The input field *Date Of Death* in the Member Extract contains a date before or equal to the *Episode End Date*. The output field *Member ID* is linked to the input field *Member ID* from the Member Extract to identify the *Date Of Death* for each patient.

**Left against medical advice:** An episode is excluded if the patient has an input field *Patient Status Indicator* of “Left Against Medical Advice or Discontinued Care” on any inpatient or outpatient claim assigned to the episode window. The claim may be an included claim or not. The value of the *Patient Status Indicator* used to identify whether the patient left against medical advice is listed in the configuration file under “Clinical Exclusions – Left Against Medical Advice.”
Multiple other comorbidities: An episode is excluded if it is affected by too many risk factors to reliably risk adjust the episode spend. The output fields Risk Factor <risk factor number> as defined in section 4.8 are used to identify how many risk factors affect an episode. Each output field Risk Factor <risk factor number> indicates whether an episode is affected by one risk factor. If an episode is affected by more (> ) risk factors than the value listed as a parameter in the configuration file under “Excluded Episodes,” the episode is excluded.

Outliers

High outlier: An episode is excluded if the output field Risk-adjusted Episode Spend (not the Non-risk-adjusted Episode Spend) is above (> ) the high outlier threshold. The high outlier thresholds for the HA and LBP episodes are listed as parameters in the configuration file under “Excluded Episodes.” See section 4.8 for the definition of Risk-adjusted Episode Spend.

4.7 Identify Principal Accountable Providers who pass the quality metrics

The seventh design dimension of building a HA or LBP episode is the calculation of the quality metrics and the identification of PAPs who meet the quality metrics performance requirement.

HA episode output fields created: Quality Metric 01a Indicator, Quality Metric 01b Indicator, Quality Metric 02 Indicator, Quality Metric 03a Indicator, Quality Metric 03b Indicator, Quality Metric 04a Indicator, Quality Metric 04b, Indicator, Quality Metric 05 Indicator, Quality Metric 06a Indicator, Quality Metric 06b Indicator, Quality Metric 07a Indicator, Quality Metric 07b Indicator

HA PAP output fields created: PAP Quality Metric 01 Performance, PAP Quality Metric 02 Performance, PAP Quality Metric 03 Performance, PAP Quality Metric 04 Performance, Quality Metric 05 Performance, Quality Metric 06 Performance, Quality Metric 07 Performance

LBP episode output fields created: Quality Metric 01 Indicator, Quality Metric 02 Indicator, Quality Metric 03a Indicator, Quality Metric 03b
Indicator, Quality Metric 04a Indicator, Quality Metric 04b Indicator, Quality Metric 05 Indicator, Quality Metric 06a Indicator, Quality Metric 06b Indicator, Quality Metric 07a Indicator, Quality Metric 07b Indicator

**LBP PAP output fields created:** PAP Quality Metric 01 Performance, PAP Quality Metric 02 Performance, PAP Quality Metric 03 Performance, PAP Quality Metric 04 Performance, Quality Metric 05 Performance, Quality Metric 06 Performance, Quality Metric 07 Performance,

HA episodes have three quality metrics that are tied to gain sharing and four informational quality metrics. LBP episodes has three quality metrics that are tied to gain sharing and four informational quality metrics. Informational quality metrics are not tied to gain sharing.

Quality metrics 4, 6, and 7 utilize several terms that are defined in advance in order to simplify the logic when those metrics are presented below:

- **Opioid Pharmacy Claim:** Opioid Pharmacy Claims are identified by matching pharmacy claims to the CDC Oral Morphine Milligram Equivalents Table after completing all data manipulations described in section 3.1 A pharmacy claim is considered an Opioid Pharmacy Claim if the input field *National Drug Code* is equal to the input field *NDC (MME)*.

- **Prescription End Date:** For each Opioid Pharmacy Claim the Prescription End Date is set to the $x^{th}$ day after the *Header From Date Of Service* minus one day. The value of the $x^{th}$ day is provided by the input field *Days Supply* on the Opioid Pharmacy Claim.

- **Pre-trigger Opioid Window:** The period prior to the *Trigger Window Start Date* during which the average morphine equivalent dose (MED) per day metric is calculated. The relevant duration ranges are listed as parameters in the configuration file under “Quality Metrics” and are inclusive of the minimum (\(\geq\)) and maximum (\(\leq\)) values. Opioid Pharmacy Claims in this time period are identified by having either a *Header From Date Of Service* in the Pre-trigger Opioid Window, a Prescription End Date in the Pre-trigger Opioid Window, or a *Header From Date of Service* prior to the Pre-Trigger Opioid Window and a Prescription End Date after the Pre-Trigger Opioid Window. All three scenarios are inclusive of first and last days of the Pre-
trigger Opioid Window. The duration and timing of the Pre-trigger Opioid Window is specific to a given episode and therefore will not be the same across episodes.

- **Post-trigger Opioid Window**: The period after the *Trigger Window Start Date* during which the average MED/day metric is calculated. The relevant duration ranges are listed as parameters in the configuration file under “Quality Metrics” and are inclusive of the minimum (≥) and maximum (≤) values. Opioid Pharmacy Claims in this time period are identified by having either a *Header From Date Of Service* in the Post-trigger Opioid Window, a Prescription End Date in the Post-trigger Opioid Window, or a *Header From Date of Service* prior to the Post-Trigger Opioid Window and a Prescription End Date after the Post-trigger Opioid Window. All three scenarios are inclusive of first and last days of the Post-trigger Opioid Window. The duration and timing of the Post-trigger Opioid Window is specific to a given episode and therefore will not be the same across episodes.

- **Pre-trigger Opioid Fill Duration**: the number of days in the Pre-trigger Opioid Window for which there is an opioid filled. The Pre-trigger Opioid Fill Duration is less than or equal to the Pre-trigger Opioid Window. It is calculated as the difference between the following dates plus one day:

  - The later of the following two dates: the start of the Pre-trigger Opioid Window and the *Header From Date Of Service* of the chronologically first Opioid Pharmacy Claim identified in the Pre-trigger Opioid Window as defined above.

  - The earlier of the following two dates: the end of the Pre-trigger Opioid Window and the latest Prescription End Date of Opioid Pharmacy Claims identified in the Pre-trigger Opioid Window as defined above.

- **Post-trigger Opioid Fill Duration**: the number of days in the Post-trigger Opioid Window for which there is an opioid filled. The Post-trigger Opioid Fill Duration is less than or equal to the Post-trigger Opioid Window. It is calculated as the difference between the following dates plus one day:
- The later of the following two dates: the start of the Post-trigger Opioid Window and the *Header From Date Of Service* of the chronologically first Opioid Pharmacy Claim identified in the Post-trigger Opioid Window as defined above.

- The earlier of the following two dates: the end of the Post-trigger Opioid Window and the latest Prescription End Date of Opioid Pharmacy Claims identified in the Post-trigger Opioid Window as defined above.

**Quality metric tied to gain-sharing for HA episodes:**

- **Quality metric 1: New Barbiturate prescription (fill) rate**
  - The output field *Quality Metric 01a Indicator* marks episodes where the patient receives a barbiturate during the episode window and no barbiturate 90 days before the episode.
  - The output field *Quality Metric 01b Indicator* marks episodes where the patient has not received a barbiturate 90 days before the episode window.
  - Barbiturates are identified based on pharmacy claims that are assigned to the episode window and have a code indicating a barbiturate prescription in the input field *National Drug Code*. Codes indicating an antibiotic prescription are identified based on the Hierarchical Ingredient Code Level 3 (HIC3) identifiers provided by First Databank listed in the configuration file under “Quality Metric 01 Barbiturates.” To search for included medications, the HIC3 codes must be cross-walked to National Drug Codes (NDCs). Since NDCs change over time an updated crosswalk including current and historical NDCs must be used for each reporting period.
  - The output field *PAP Quality Metric 01 Performance* is expressed as a percentage for each PAP based on the following ratio:
    - Numerator: Number of valid episodes of the PAP with a barbiturate filled during the episode and no barbiturates filled 90 days before the episode window, as indicated by the *Quality Metric 01a Indicator*
    - Denominator: Number of valid episodes of the PAP with no barbiturates filled 90 days before the episode window, as indicated by the *Quality Metric 01b Indicator*
Quality metric 2: Imaging rate (CT scans and MRIs)

- The output field *Quality Metric 02 Indicator* marks episodes with imaging (CT scans and MRIs) during the episode window. Imaging is identified based on an outpatient or professional claim detail line assigned to the episode window and containing one of the procedure codes listed in the configuration file under “Quality metric 02 Imaging” in the input field *Detail Procedure Code*.

- The output field *PAP Quality Metric 02 Performance* is expressed as a percentage for each PAP based on the following ratio:
  - Numerator: Number of valid episodes of the PAP with imaging performed, as indicated by the *Quality Metric 02 Indicator*
  - Denominator: Number of valid episodes of the PAP

Quality metric 3: Difference in Average MED/day

- The output field *Quality Metric 03a Indicator* is set for each episode as the average of the differences between MED/day for the Post-trigger Opioid Window (minuend) minus the average MED/day for the Pre-trigger Opioid Window (subtrahend). The value is calculated only for valid episodes with an Opioid Pharmacy Claim assigned to the episode window. Assignment to the episode window is detailed in section 4.2.

- The minuend represents the average MED/day for the Post-trigger Opioid Window. The calculation is determined in a series of steps:
  - First, Opioid Pharmacy Claims in the Post-trigger Opioid Window are identified as previously stated in the Post-trigger Opioid Window definition.
  - Second, the total MED is calculated for each individual Opioid Pharmacy Claim identified in the previous step. For each claim, the total MED is calculated based on the formula below:

\[
[\text{Total MED}] = [\text{Strength}] \times [\text{Conversion Factor}] \times [\text{Quantity}].
\]
The **Strength** and **Conversion Factor** are retrieved from the CDC Oral Morphine Milligram Equivalents table while the input field **Quantity** is identified on the Opioid Pharmacy Claim.

Third, for each Opioid Pharmacy Claim, the Total MED value must be prorated if the **Header From Date Of Service** and/or Prescription End Date of the Opioid Pharmacy Claim falls outside the Post-trigger Opioid Window. Specifically, proration occurs when:

- The **Header From Date Of Service** for the Opioid Pharmacy Claim is before the start of the Post-trigger Opioid Window and/or
- The Prescription End Date extends beyond the end of the Post-Trigger Opioid Window.

Proration is done as follows:

- Prorated total MED: Total MED * percent of an Opioid Pharmacy Claim’s **Days Supply** that falls within the Post-trigger Opioid Window. The percent of an Opioid Pharmacy Claim’s duration within the Post-trigger Opioid Window is calculated as follows:

  (a) Case 1: the Opioid Pharmacy Claim’s **Header From Date Of Service** is prior to the start of the Post-trigger Opioid Window and the Prescription End Date is within the Post- trigger Opioid Window. The percent of the Opioid Pharmacy Claim’s **Days Supply** within the Post-trigger Opioid Window is calculated as the difference between the Prescription End Date and the start of the Post-trigger Opioid Window, plus one day. The result of this is divided by the Opioid Pharmacy Claim’s **Days Supply** to yield the percent of the Opioid Pharmacy Claim’s **Days Supply** that falls within the Post-trigger Opioid Window.

  (b) Case 2: the Opioid Pharmacy Claim’s **Header From Date Of Service** is within the Post-trigger Opioid Window and its Prescription End Date is after the end of the Post-trigger
Opioid Window. The percent of the Opioid Pharmacy Claim’s *Days Supply* within the Post-trigger Opioid Window is calculated as the difference between the end of the Post-trigger Opioid Window and the Opioid Pharmacy Claim’s *Header From Date Of Service*, plus one day. The result is divided by the Opioid Pharmacy Claim’s *Days Supply* to yield the percent of the Opioid Pharmacy Claim’s *Days Supply* that falls within the Post-trigger Opioid Window.

(c) Case 3: the Opioid Pharmacy Claim’s *Header From Date Of Service* is prior to the start of the Post-trigger Opioid Window and the Prescription End Date is after the Post-trigger Opioid Window. The percent of the Opioid Pharmacy Claim’s *Days Supply* within the Post-trigger Opioid Window is calculated as the Post-trigger Opioid Window (inclusive of the first and last days) divided by the Opioid Pharmacy Claim’s *Days Supply*.

□ Fourth, the average MED/day for the Post-Trigger Opioid Window is calculated by summing the total MED or prorated total MED for each Opioid Pharmacy Claim in the Post-trigger Opioid Window and dividing by the Post-trigger Opioid Fill Duration.

– The subtrahend represents the average morphine equivalent dose (MED) per day for the Pre-trigger Opioid Window. The calculation is determined using the same methodology as that for the minuend except the Pre-trigger Opioid Window is used in place of the Post-trigger Opioid Window.

– The output field *Quality Metric 03b Indicator* marks episodes with at least one Opioid Pharmacy Claim assigned to the episode window. Assignment to the episode window is detailed in section 4.2.

– The output field *PAP Quality Metric 03 Performance* is expressed in units of MEDs for each Quarterback based on the following ratio:

□ Numerator: Sum of all MED/day values as calculated in *Quality Metric 04a Indicator* across valid episodes of the *PAP ID* with at least one Opioid Pharmacy Claim during the episode window
- Denominator: Number of valid episodes of the PAP ID with at least one Opioid Pharmacy Claim during the episode window as indicated by the Quality Metric 03b Indicator

Quality metrics not tied to gain sharing for HA episodes (i.e., included for information only):

- Quality metric 4: New opioids prescription (fill) rate
  - The output field Quality Metric 04a Indicator marks episodes where the patient receives opioids during the episode window and no opioids 90 days before the episode.
  - The output field Quality Metric 04b Indicator marks episodes where the patient has not received an opioid 90 days before the episode window.
  - Opioids are identified based on pharmacy claims that are assigned to the episode window and have a code indicating an opioid prescription in the input field National Drug Code. Codes indicating an antibiotic prescription are identified based on the Hierarchical Ingredient Code Level 3 (HIC3) identifiers provided by First Databank listed in the configuration file under “Quality Metric 04 Opioids.” To search for included medications, the HIC3 codes must be cross-walked to National Drug Codes (NDCs). Since NDCs change over time an updated crosswalk including current and historical NDCs must be used for each reporting period.
  - The output field PAP Quality Metric 04 Performance is expressed as a percentage for each PAP based on the following ratio:
    - Numerator: Number of valid episodes of the PAP with an opioid filled during the episode and no opioid filled 90 days before the episode window, as indicated by the Quality Metric 04a Indicator
    - Denominator: Number of valid episodes of the PAP with no opioid filled 90 days before the episode window, as indicated by the Quality Metric 04b Indicator

- Quality metric 5: 15-day ED follow-up visit rate
  - The output field Quality Metric 05 Indicator marks episodes with ED follow up visit during the post-trigger window with a headache diagnosis
code. The emergency room, observation room, or urgent care center visits are identified based on an outpatient or professional claim detail line that is assigned to the post-trigger window and also contains one of the revenue codes listed in the configuration file under “Quality Metric 05 Location - ED” in the input field *Detail Procedure Code* and “Quality Metric 05 Location - ED.” The headache diagnoses codes are listed in the configuration file under “Quality Metric 05 HA Diagnoses codes” in input field *Diagnosis Code Primary* and “Quality Metric 05 HA Diagnoses codes.”

- The output field *PAP Quality Metric 05 Performance* is expressed as a percentage for each PAP based on the following ratio:
  - **Numerator:** Number of valid episodes of the PAP with one or more emergency department visits during the post-trigger window, as indicated by the *Quality Metric 05 Indicator*
  - **Denominator:** Number of valid episodes of the PAP

**Quality metric 6: Average MED/day during the pre-trigger opioid window**

- The output field *Quality Metric 06a Indicator* is set for each episode as the average MED/day for the Pre-trigger Opioid Window among valid episodes with an Opioid Pharmacy Claim assigned to the episode window. The calculation for *Quality Metric 06a Indicator* is the same as that for the subtrahend of *Quality Metric 03a Indicator.*

- The output field *Quality Metric 06b Indicator* marks episodes with at least one Opioid Pharmacy Claim assigned to the episode window. Assignment to the episode window is detailed in section 4.2.

- The output field *PAP Quality Metric 06 Performance* is expressed in units of MEDs for each Quarterback based on the following ratio:
  - **Numerator:** Sum of *Quality Metric 06a Indicator* (average MED/day/episode during the Pre-trigger Opioid Window) across valid episodes of the *PAP ID* with at least one Opioid Pharmacy Claim during the episode window.
Denominator: Number of valid episodes of the PAP ID with at least one Opioid Pharmacy Claim during the episode window as indicated by the Quality Metric 06b Indicator

- **Quality metric 7: Average MED/day during the post-trigger opioid window**
  - The output field *Quality Metric 07a Indicator* is set for each episode as the average MED/day for the Post-trigger Opioid Window among valid episodes with an Opioid Pharmacy Claim assigned to the episode window. The calculation for *Quality Metric 07a Indicator* is the same as that for the minuend of *Quality Metric 03a Indicator*.
  - The output field *Quality Metric 07b Indicator* marks episodes with at least one Opioid Pharmacy Claim assigned to the episode window. Assignment to the episode window is detailed in section 4.2.
  - The output field *PAP Quality Metric 07 Performance* is expressed in units of MEDs for each Quarterback based on the following ratio:
    - **Numerator**: Sum of *Quality Metric 07a Indicator* (average MED/day/episode during the Post-trigger Opioid Window) across valid episodes of the PAP ID with at least one Opioid Pharmacy Claim during the episode window
    - **Denominator**: Number of valid episodes of the PAP ID with at least one Opioid Pharmacy Claim during the episode window as indicated by the *Quality Metric 07b Indicator*

**Quality metric tied to gain-sharing for LBP episodes:**

- **Quality metric 1: 30-day physician follow-up visit rate**
  - The output field *Quality Metric 01 Indicator* marks episodes with a physician follow up visit during the post-trigger window with a headache diagnosis code in an office. The office location is identified based on a professional claim detail line that is assigned to the post-trigger window and also contains one of the CPT codes listed in the configuration file under “Quality Metric 01 Follow-up visits - Locations” in the input field *Detail Procedure Code and “Quality Metric 01 Follow-up visits - Locations.”* The low back pain diagnoses codes are listed in the configuration file under “Quality Metric 01 Follow-up Visits” in the input...
field Diagnosis Code Primary and “Quality Metric 01 Follow-up Visits” in the input field Detail Procedure Code.

- The output field PAP Quality Metric 01 Performance is expressed as a percentage for each PAP based on the following ratio:
  - Numerator: Number of valid episodes of the PAP with one or more physicians follow-up visits during the post-trigger window, as indicated by the Quality Metric 01 Indicator
  - Denominator: Number of valid episodes of the PAP

■ Quality metric 2: Imaging rate (CT scans and MRIs)

- The output field Quality Metric 02 Indicator marks episodes with imaging (CT scans and MRIs) during the episode window. Imaging is identified based on an outpatient or professional claim detail line assigned to the episode window and containing one of the procedure codes listed in the configuration file under “Quality metric 02 Back Imaging” in the input field Detail Procedure Code.

- The output field PAP Quality Metric 02 Performance is expressed as a percentage for each PAP based on the following ratio:
  - Numerator: Number of valid episodes of the PAP with imaging performed, as indicated by the Quality Metric 02 Indicator
  - Numerator: Number of valid episodes of the PAP

■ Quality metric 3: Difference in Average MED/day

- The output field Quality Metric 03a Indicator is set for each episode as the average of the differences between MED/day for the Post-trigger Opioid Window (minuend) minus the average MED/day for the Pre-trigger Opioid Window (subtrahend). The value is calculated only for valid episodes with an Opioid Pharmacy Claim assigned to the episode window. Assignment to the episode window is detailed in section 4.2.

- The minuend represents the average MED/day for the Post-trigger Opioid Window. The calculation is determined in a series of steps:
  - First, Opioid Pharmacy Claims in the Post-trigger Opioid Window are identified as previously stated in the Post-trigger Opioid Window
Second, the total MED is calculated for each individual Opioid Pharmacy Claim identified in the previous step. For each claim, the total MED is calculated based on the formula below:

\[ \text{[Total MED]} = \text{[Strength]} \times \text{[Conversion Factor]} \times \text{[Quantity]} \]

The *Strength* and *Conversion Factor* are retrieved from the CDC Oral Morphine Milligram Equivalents table while the input field *Quantity* is identified on the Opioid Pharmacy Claim.

Third, for each Opioid Pharmacy Claim, the Total MED value must be prorated if the *Header From Date Of Service* and/or Prescription End Date of the Opioid Pharmacy Claim falls outside the Post-trigger Opioid Window. Specifically, proration occurs when:

- The *Header From Date Of Service* for the Opioid Pharmacy Claim is before the start of the Post-trigger Opioid Window and/or

- The Prescription End Date extends beyond the end of the Post-Trigger Opioid Window.

Proration is done as follows:

- Prorated total MED: Total MED * percent of an Opioid Pharmacy Claim’s *Days Supply* that falls within the Post-trigger Opioid Window. The percent of an Opioid Pharmacy Claim’s duration within the Post-trigger Opioid Window is calculated as follows:

  (d) Case 1: the Opioid Pharmacy Claim’s *Header From Date Of Service* is prior to the start of the Post-trigger Opioid Window and the Prescription End Date is within the Post-trigger Opioid Window. The percent of the Opioid Pharmacy Claim’s *Days Supply* within the Post-trigger Opioid Window is calculated as the difference between the Prescription End Date and the start of the Post-trigger Opioid Window, plus one day. The result of this is divided by the Opioid Pharmacy Claim’s...
Days Supply to yield the percent of the Opioid Pharmacy Claim’s Days Supply that falls within the Post-trigger Opioid Window.

(e) Case 2: the Opioid Pharmacy Claim’s Header From Date Of Service is within the Post-trigger Opioid Window and its Prescription End Date is after the end of the Post-trigger Opioid Window. The percent of the Opioid Pharmacy Claim’s Days Supply within the Post-trigger Opioid Window is calculated as the difference between the end of the Post-trigger Opioid Window and the Opioid Pharmacy Claim’s Header From Date Of Service, plus one day. The result is divided by the Opioid Pharmacy Claim’s Days Supply to yield the percent of the Opioid Pharmacy Claim’s Days Supply that falls within the Post-trigger Opioid Window.

(f) Case 3: the Opioid Pharmacy Claim’s Header From Date Of Service is prior to the start of the Post-trigger Opioid Window and the Prescription End Date is after the Post-trigger Opioid Window. The percent of the Opioid Pharmacy Claim’s Days Supply within the Post-trigger Opioid Window is calculated as the Post-trigger Opioid Window (inclusive of the first and last days) divided by the Opioid Pharmacy Claim’s Days Supply.

Fourth, the average MED/day for the Post-Trigger Opioid Window is calculated by summing the total MED or prorated total MED for each Opioid Pharmacy Claim in the Post-trigger Opioid Window and dividing by the Post-trigger Opioid Fill Duration.

- The subtrahend represents the average morphine equivalent dose (MED) per day for the Pre-trigger Opioid Window. The calculation is determined using the same methodology as that for the minuend except the Pre-trigger Opioid Window is used in place of the Post-trigger Opioid Window.

- The output field Quality Metric 03b Indicator marks episodes with at least one Opioid Pharmacy Claim assigned to the episode window. Assignment
to the episode window is detailed in section 4.2.

- The output field *PAP Quality Metric 03 Performance* is expressed in units of MEDs for each Quarterback based on the following ratio:

  - Numerator: Sum of all MED/day values as calculated in *Quality Metric 03a Indicator* across valid episodes of the PAP ID with at least one Opioid Pharmacy Claim during the episode window

  - Denominator: Number of valid episodes of the PAP ID with at least one Opioid Pharmacy Claim during the episode window as indicated by the *Quality Metric 03b Indicator*

**Quality metrics not tied to gain sharing for LBP episodes (i.e., included for information only):**

- **Quality metric 4: New opioids prescription (fill) rate**

  - The output field *Quality Metric 04a Indicator* marks episodes where the patient receives opioids during the episode window.

  - The output field *Quality Metric 04b Indicator* marks episodes where the patient has not received an opioid 90 days before the episode window.

  - Opioids are identified based on pharmacy claims that are assigned to the episode window and have a code indicating an opioid prescription in the input field *National Drug Code*. Codes indicating an opioid prescription are identified based on the Hierarchical Ingredient Code Level 3 (HIC3) identifiers provided by First Databank listed in the configuration file under “Quality Metric 03 Opioids.” To search for included medications, the HIC3 codes must be cross-walked to National Drug Codes (NDCs). Since NDCs change over time an updated crosswalk including current and historical NDCs must be used for each reporting period.

  - The output field *PAP Quality Metric 04 Performance* is expressed as a percentage for each PAP based on the following ratio:

    - Numerator: Number of valid episodes of the PAP with opioid filled and no opioid filled 90 days before the episode window, as indicated by the *Quality Metric 04a Indicator*
Denominator: Number of valid episodes of the PAP with no opioid filled 90 days before the episode window, as indicated by the Quality Metric 04b Indicator

**Quality metric 5: Steroid injection rate**

- The output field Quality Metric 05 Indicator marks episodes with a steroid injection during the episode window. Steroid injections are identified based on an outpatient or professional claim detail line assigned to the episode window and containing one of the procedure codes listed in the configuration file under “Quality Metric 05 Steroid Injection” in the input field Detail Procedure Code.
- The output field PAP Quality Metric 05 Performance is expressed as a percentage for each PAP based on the following ratio:
  - Numerator: Number of valid episodes of the PAP with a steroid injection, as indicated by the Quality Metric 05 Indicator
  - Denominator: Number of valid episodes of the PAP

**Quality metric 6: Average MED/day during the pre-trigger opioid window**

- The output field Quality Metric 06a Indicator is set for each episode as the average MED/day for the Pre-trigger Opioid Window among valid episodes with an Opioid Pharmacy Claim assigned to the episode window. The calculation for Quality Metric 06a Indicator is the same as that for the subtrahend of Quality Metric 03a Indicator.
- The output field Quality Metric 06b Indicator marks episodes with at least one Opioid Pharmacy Claim assigned to the episode window. Assignment to the episode window is detailed in section 4.2.
- The output field PAP Quality Metric 06 Performance is expressed in units of MEDs for each Quarterback based on the following ratio:
  - Numerator: Sum of Quality Metric 06a Indicator (average MED/day/episode during the Pre-trigger Opioid Window) across valid episodes of the PAP ID with at least one Opioid Pharmacy Claim during the episode window
- Denominator: Number of valid episodes of the *PAP ID* with at least one Opioid Pharmacy Claim during the episode window as indicated by the *Quality Metric 06b Indicator*

**Quality metric 7: Average MED/day during the post-trigger opioid window**

- The output field *Quality Metric 07a Indicator* is set for each episode as the average MED/day for the Post-trigger Opioid Window among valid episodes with an Opioid Pharmacy Claim assigned to the episode window. The calculation for *Quality Metric 07a Indicator* is the same as that for the minuend of *Quality Metric 03a Indicator*.

- The output field *Quality Metric 07b Indicator* marks episodes with at least one Opioid Pharmacy Claim assigned to the episode window. Assignment to the episode window is detailed in section 4.2.

- The output field *PAP Quality Metric 07 Performance* is expressed in units of MEDs for each Quarterback based on the following ratio:

  - Numerator: Sum of *Quality Metric 07a Indicator* (average MED/day/episode during the Post-trigger Opioid Window) across valid episodes of the *PAP ID* with at least one Opioid Pharmacy Claim during the episode window

  - Denominator: Number of valid episodes of the *PAP ID* with at least one Opioid Pharmacy Claim during the episode window as indicated by the *Quality Metric 07b Indicator*

**4.8 Perform risk adjustment**

The eighth design dimension of building a HA or LBP episode is to risk adjust the non-risk-adjusted episode spend for risk factors that may contribute to higher episode spend given the characteristics of a patient.

**Episode output fields created:** *Risk Factor <risk factor number>, Episode Risk Score, Risk-adjusted Episode Spend*
PAP output fields created: Average Risk-adjusted PAP Spend, Total Risk-adjusted PAP Spend

Risk adjustment first requires identification of the risk factors that affect each episode. Then the Non-risk-adjusted Episode Spend is multiplied by the risk score that applies to the episode given its risk factors. The derivation of the risk factors and their coefficients is not part of the algorithm to produce an episode and is therefore not described in the DBR.

Flag episodes that are affected by risk factors: The following types of risk factors apply:

- Age-based risk factors: The output fields Risk Factor <risk factor number> for age-based risk factors indicate whether the Member Age of the patient falls into the age range specified for the risk factor. The relevant age ranges are listed as parameters in the configuration file under “Risk Adjustment.” For the definition of Member Age see the glossary.

- Diagnosis-based risk factors: The output fields Risk Factor <risk factor number> for diagnosis-based risk factors indicate whether an inpatient, outpatient, or professional claim that is assigned to the specified time window contains a risk factor diagnosis code in any of the input fields Header Diagnosis Code Primary or Header Diagnosis Code 2-28. The risk factor diagnoses codes and the time windows are listed in the configuration file under “Risk Factors <risk factor number and name>.”

- CCS category-based risk factors: The output fields Risk Factor <risk factor number> for CCS category-based risk factors indicate whether an inpatient, outpatient, or professional claim that is assigned to the specified time window contains a risk factor diagnosis code associated with the CCS code(s) in any of the input fields Header Diagnosis Code Primary or Header Diagnosis Code 2-28. CCS codes are converted into ICD-9 diagnoses codes using the definition of the single/multi-level CCS categories (as indicated in the configuration file) for ICD-9 diagnoses codes available from AHRQ (http://www.hcup-us.ahrq.gov/toolssoftware/ccs/ccs.jsp). The configuration file lists the codes and time windows used under “Risk Factors <risk factor number and name>.”
CCS category, Diagnosis, and age-based risk factors: The output fields Risk Factor <risk factor number> for CCS category, diagnosis, and age-based risk factors indicate whether both of the following are true:

- The Member Age of the patient falls into the age range specified for the risk factor. The relevant age ranges are listed as parameters in the configuration file under “Risk Adjustment.” For the definition of Member Age see the glossary.
- There is evidence for the risk factor diagnosis in the specified time window, as identified by either:
  - An inpatient, outpatient, or professional claim that is assigned to the specified time window and contains a risk factor diagnosis code associated with the CCS code(s) in any of the input fields Header Diagnosis Code Primary or Header Diagnosis Code 2-28. CCS codes are converted into ICD-9 diagnoses codes using the definition of the multi-level CCS categories for ICD-9 diagnoses codes as described above. The configuration file lists the codes and time windows used under “Risk Factors <risk factor number and name>.”
  - An inpatient, outpatient, or professional claim that is assigned to the specified time window and contains a risk factor diagnosis code in any of the input fields Header Diagnosis Code Primary or Header Diagnosis Code 2-28. The risk factor diagnoses codes and the time windows are listed in the configuration file under “Risk Factors <risk factor number and name>.”

The claims that are searched for risk factors do not have to be included claims. If a patient was not continuously enrolled during the year before the episode window or during the episode window, risk factors are searched for in the claims available.

**Calculate the episode risk score:** Each risk factor is associated with a risk coefficient, the values for which are listed as parameters in the configuration file under “Risk Adjustment.” The sum of all the risk coefficients for factors present in a given episode plus the Average Risk Neutral Episode Spend is the predicted spend of the episode. The configuration file lists the Average Risk Neutral Episode Spend as a parameter under “Risk Adjustment.” For the episode, the
Episode Risk Score for an episode is the ratio of the Average Risk Neutral Episode Spend to the predicted spend of the episode. For example, if an episode is affected by two risk factors, Risk Factor 001 and Risk Factor 002, the Episode Risk Score is:

\[
\text{Episode Risk Score} = \frac{\text{Average Risk Neutral Episode Spend}}{\text{Average Risk Neutral Episode Spend} + \text{Risk Coefficient 001} + \text{Risk Coefficient 002}}
\]

If an episode is not affected by any risk factors, the Episode Risk Score is equal to one (1).

Calculate risk-adjusted episode spend: To calculate the episode output field Risk-adjusted Episode Spend, the Non-risk-adjusted Episode Spend is multiplied by the Episode Risk Score.

\[
\text{Risk-adjusted Episode Spend} = \text{Non-risk-adjusted Episode Spend} \times \text{Episode Risk Score}
\]

The PAP output field Average Risk-adjusted PAP Spend is calculated as the average of the Risk-adjusted Episode Spend across valid episodes of each PAP. The Total Risk-adjusted PAP Spend is calculated as the sum of the Risk-adjusted Episode Spend across valid episodes of each PAP.

4.9 Calculate gain/risk sharing amounts

The ninth and final design dimension of building HA or LBP episode is to calculate the gain or risk sharing amount for each PAP. The description below outlines one possible approach of linking PAP performance to payments. The State of Ohio may choose to provide further guidance at a future point in time when gain/risk sharing payments will be implemented.

PAP output fields created: Count Of Total Episodes Per PAP, Count Of Valid Episodes Per PAP, Minimum Episode Volume Pass, Gain Sharing Quality Metric Pass, Gain/Risk Sharing Amount, PAP Sharing Level
Gain and risk sharing amounts are calculated based on the episodes of each PAP that end during the reporting period. The State’s proposed approach to calculating the gain or risk sharing amount paid to/by each PAP uses the following pieces of information:

- **Number of episodes of each PAP:** The output field *Count Of Total Episodes Per PAP* is defined as the number of total episodes each PAP treats during the reporting period. The output field *Count Of Valid Episodes Per PAP* is defined as the number of valid episodes each PAP treats during the reporting period. Episodes are counted separately by each payer. For the provider reports the field *Count Of Valid Episodes Per PAP* is also shown broken out by the number of valid episodes with spend of each claim type (e.g., *Count Of Valid Episodes Per PAP With Inpatient/With Outpatient/With Professional/With Pharmacy*). To calculate the breakouts, the number of valid episodes of each PAP are counted that have greater than zero dollars ($>0$) in *Non-risk-adjusted Episode Spend* for a given claim type.

- **Minimum episode requirement:** Only PAPs who pass the minimum episode requirement of five or more (≥5) valid episodes receive a provider report and are eligible for gain and risk sharing. The output field *Minimum Episode Volume Pass* is set to indicate whether a PAP has five or more valid episodes during the reporting period. Whether a PAP passes the minimum episode requirement is determined independently by each payer based on the episodes a PAP has for patients enrolled with the payer. The assignment of episodes to a payer is detailed in the glossary under payer attribution.

- **Performance of each PAP on quality metrics tied to gain sharing:** Only PAPs who pass the quality metrics tied to gain sharing are eligible for gain sharing. The thresholds to pass the quality metrics are set in accordance with the definition of each quality metric and are provided as input parameters for the episode algorithm. The output field *Gain Sharing Quality Metric Pass* indicates whether a PAP passes all quality metrics tied to gain sharing.

- **Commendable Threshold, Acceptable Threshold, and Gain Sharing Limit Threshold:** The thresholds are set based on the historical performance of PAPs with five or more episodes. The values for the thresholds are provided as input parameters for the episode algorithm.
- **Gain Share Proportion** and **Risk Share Proportion**: The split of the gains and losses in the episode-based payment model between payer and provider is at the discretion of each payer. The proportions are provided as input parameters for the episode algorithm.

**Gain sharing payment**: To receive a gain sharing payment, a PAP must meet all of the following three criteria:

- Pass the quality metrics thresholds tied to gain sharing
- Pass the minimum episode requirement,
- Have an Average Risk-adjusted PAP Spend below (<) the **Commendable Threshold** and have an Average Risk-adjusted PAP Spend above or equal to (>=) the **Gain sharing limit**.

If the three conditions are met, the **Gain/Risk Sharing Amount** is set based on the following formula:

\[
\text{[Gain/Risk Sharing Amount]} = \\
[\text{Total Non-risk-adjusted PAP Spend}] \times [\text{Gain Share Proportion}] \\
\times \left( \frac{[\text{Commendable Threshold}] - [\text{Average Risk-adjusted PAP Spend}]}{[\text{Average Risk-adjusted PAP Spend}]} \right)
\]

**Risk sharing payment**: To owe a risk-sharing payment, a PAP must meet both of the following criteria:

- Pass the minimum episode requirement
- Have an Average Risk-adjusted PAP Spend above or equal to (>=) the **Acceptable Threshold**.

The risk-sharing payment applies irrespective of the performance of the PAP on the quality metrics. If the above two conditions are met, the **Gain/Risk Sharing Amount** is set based on the following formula:

\[
\text{[Gain/Risk Sharing Amount]} = \\
[\text{Total Non-risk-adjusted PAP Spend}] \times [\text{Risk Share Proportion}] \\
\times \left( \frac{[\text{Acceptable Threshold}] - [\text{Average Risk-adjusted PAP Spend}]}{[\text{Average Risk-adjusted PAP Spend}]} \right)
\]
If neither the conditions for a gain sharing payment nor a risk sharing payment are met, the output field *Gain/Risk Sharing Amount* is set to zero dollars (‘$0’).

To summarize the performance of each PAP in the episode-based payment model the output field *PAP Sharing Level* is set to

- “1” if *Average Risk-adjusted PAP Spend* < *Gain Sharing Limit Threshold*
- “2” if *Average Risk-adjusted PAP Spend* < *Commendable Threshold* and also ≥ *Gain Sharing Limit Threshold*
- “3” if *Average Risk-adjusted PAP Spend* <= *Acceptable Threshold* and also ≥ *Commendable Threshold*
- “4” if *Average Risk-adjusted PAP Spend* > *Acceptable Threshold*

*** End of algorithm ***
5. GLOSSARY

- **Claim types:** The claim types used in the HA and LBP episodes are based on the input field *Claim Type*. The required claim types are:
  - Inpatient (I)
  - Outpatient (O)
  - Long-term care (L)
  - Pharmacy (P)
  - Professional (M)

Note that the State of Ohio Department of Medicaid defines long-term care claims based on the input field *Type of Bill* values beginning with 21, 22, 23, 28, 65, and 66.

- **Clean period:** See section 2.3.1

- **CPT:** Current Procedural Terminology

- **DBR:** Detailed Business Requirements

- **Duration of time windows:** The duration of a time window (e.g., the episode window, the trigger window), the duration of a claim or claim detail line, and the length of stay for inpatient stays is calculated as the last date minus the first date plus one (1). For example:
  - A trigger window with a *Trigger Window Start Date* of January 1, 2014 and a *Trigger Window End Date* of January 1, 2014 has a duration of one (1) day.
  - A trigger window with a *Trigger Window Start Date* of January 1, 2014 and a *Trigger Window End Date* of January 3, 2014 has a duration of three (3) days.
  - A claim with a *Header From Date Of Service* of January 1, 2014 and a *Header To Date of Service* of January 2, 2014 has a duration of two (2) days.

- **ED:** Emergency Department

- **E&M:** Evaluation and Management
- **Episode window**: See section 4.2
- **FFS**: Fee For Service
- **HA**: Headache
- **HCPCS**: Healthcare Common Procedure Coding System
- **HIC3**: Hierarchical Ingredient Code at the third level based on the classification system by First Databank
- **Hospitalization**: A hospitalization is defined as all the inpatient claims a patient incurs while being continuously hospitalized in one inpatient facility. A hospitalization may include more than one inpatient claim because the inpatient facility may file interim inpatient claims. A hospitalization consisting of just one inpatient claim starts on the *Header From Date Of Service* and ends on the *Discharge Date* of the inpatient claim. A hospitalization where two or more inpatient claims are linked together starts on the *Header From Date Of Service* of the first inpatient claim and ends on the *Discharge Date* of the last inpatient claim in the hospitalization. Within the DBR, the start of a hospitalization is referred to as the *Header From Date Of Service* for that hospitalization and the end of the hospitalization is referred to as the *Discharge Date* of that hospitalization.

Inpatient claims are linked together into one hospitalization consisting of two or more inpatient claims if any of the following conditions apply:

- Interim billing or reserved/missing discharge status: An inpatient claim with a *Patient Status Indicator* that indicates interim billing (see the configuration file under “Hospitalization – Interim Billing” for the codes used), that is reserved (see the configuration file under “Hospitalization – Reserved” for the codes used), or that is missing is linked with a second inpatient claim into one hospitalization if either of the following conditions apply:
  - There is a second inpatient claim with a *Header From Date Of Service* on the same day as or the day after the *Discharge Date* of the first inpatient claim
  - There is a second inpatient claim with an *Admission Date* on the same day as the *Admit Date* of the first inpatient claim and also a *Header
From Date Of Service on the same day as or within thirty (≤ 30) days after the Discharge Date of the first inpatient claim

- If the second inpatient claim (and potentially third, fourth, etc.) also has a Patient Status Indicator indicating interim billing, reserved, missing, or transfer the hospitalization is extended further until an inpatient claim with a discharge status other than interim billing, reserved, missing, or transfer occurs, or until the inpatient claim that follows does not satisfy the required conditions.

- Transfer: An inpatient claim with a Patient Status Indicator indicating a transfer (see the configuration file under “Hospitalization – Transfer” for the codes used) is not linked with the second inpatient claim. The second inpatient claim yields a separate hospitalization with a Header From Date Of Service on the same day as or the day after the Discharge Date of the first inpatient claim.

- ICD-9: International Classification of Diseases, Ninth Revision
- ICD-10: International Classification of Diseases, Tenth Revision
- ICN: Internal Control Number
- Invalid episodes: See section 4.6
- LBP: Low back pain
- Length of stay: See glossary entry Duration of time windows.
- MCP: Managed Care Plan

- Member Age: The output field Member Age reflects the patient’s age in years at the episode trigger. Member Age is calculated as the difference in years between the start of the claim that is used to set the Trigger Claim ID and the date of birth of the patient. The start of the claim is determined using the input field Header From Date Of Service for inpatient claims and the earliest Detail From Date Of Service across all claim detail lines for outpatient and professional claims. The date of birth of the patient is identified by linking the Member ID of the patient in the episode output table to the Member ID of the patient in the Member Extract and looking up the date in the input field Date of Birth. Member Age is always rounded down to the full year. For example, if a patient is 20 years and 11-months old at the
start of the episode, the Member Age is set to 20 years. If the Date of Birth is missing, greater than (> 100 years, or less than (<) 0 years, then the output field Member Age is treated as invalid.

- NDC: National Drug Code
- PAP: Principal Accountable Provider
- Patient: An individual with a HA or LBP episode
- Payer attribution: Patients may be enrolled with Ohio Medicaid Fee For Service or with a Managed Care Plan. An episode is assigned to the payer that paid for the claim that is used to set the Trigger Claim ID. The payer that paid for a claim is identified using the input data field MCP ID.

- Post-trigger window 1: See section 4.2
- Post-trigger window 2: See section 4.2
- Pre-trigger window: See section 4.2
- Trigger window: See section 4.2
- Total episodes: All episodes, valid plus invalid.
- Valid episodes: See section 4.6