



Division of  
**TennCare**

Health Care  
Innovation Initiative



# Detailed Business Requirements

Pancreatitis Episode

V9.0

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# 1 Introduction

## 1.1 VERSIONS AND REVISIONS

To keep track of the version of an episode used at any given time, a versioning system is employed:

- The versioning system is designed to discern between major and minor changes made to the DBR. Changes are reflected by the V0.0 design format.
- Major changes to the DBR will be reflected by an increase of 1.0. For example, V1.0 is the first version of the DBR. If a major change is made, version V2.0 will be released. Major changes include revisions to the algorithm, configuration file or significant content updates to the DBR.
- Minor changes to the DBR will be reflected by an increase of 0.1. For example, V1.0 is the first version of the DBR. If a minor change is made, version V1.1 will be released. Minor changes include revisions that do not impact the design or intent of the DBR (e.g., grammatical, formatting, etc.).

| Version | Date       | Changes                                                                                                                                                                                                   |
|---------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| V1.0    | 2017-06-01 | ■ First version                                                                                                                                                                                           |
| V1.1    | 2017-11-01 | ■ DBR: Updated section 2.3.6 to include DCS custody as a clinical exclusion.                                                                                                                              |
| V1.2    | 2017-12-08 | ■ DBR: Changed the “Nutritional counseling” quality metric from gain sharing to informational only. Updates were made to Sections 2.3.8 and 5.8.                                                          |
| V2.0    | 2017-11-01 | ■ DBR: Changed the “Follow-up within 14 days” quality metric to include a relevant diagnosis in “any diagnosis field” on the claim rather than “in the primary diagnosis field.” Section 5.8 was updated. |
| V2.1    | 2018-08-23 | ■ DBR: Updated sections 2.3.6 and 4.6 to include overlapping episodes as a business exclusion                                                                                                             |
| V3.0    | 2018-08-10 | ■ DBR: Updated section 2.3.6 to include overlapping episodes as a business exclusion                                                                                                                      |

|      |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |            | <ul style="list-style-type: none"> <li>■ DBR: Updated section 4.4 for adjusting pharmacy claims included in episode spend</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| V3.1 | 2019-04-30 | <ul style="list-style-type: none"> <li>■ DBR: Updated section 4.6 to remove the acute gastroenteritis episode from the overlapping exclusion hierarchy since this episode has an extended preview period for 2019.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| V4.0 | 2019-12-13 | <p>As part of the Episodes Design Feedback Session held on May 21, 2019:</p> <ul style="list-style-type: none"> <li>■ DBR: Updated section 4.7 to include episodes new to performance in 2020: acute gastroenteritis, acute kidney and ureter stones, and cystourethroscopy.</li> <li>■ Configuration file: Add additional list of global exclusions that apply to all episodes. This list will exclude patients with rate, high-cost conditions, such as paralysis and coma.</li> <li>■ DBR: Updated sections 4.1.1 and 5.4 relates to episode transfer logic that makes the receiving facility the quarterback when the patient is transferred from the transferring facility.</li> <li>■ DBR: Updates sections 2.3.8 and 5.8 to add informational quality metric (not tied to gain-sharing) for "Difference in MED/Day."</li> </ul> |
| V4.1 | 2020-04-30 | <ul style="list-style-type: none"> <li>■ Configuration File: Replace Clinical Classification Software (CCS) group code references under the 'Immunity disorders' subdimension with corresponding ICD-10 diagnosis codes under '06 - Identify Excluded Episodes' design dimension. The corresponding ICD-10 diagnosis codes are based on the update to the CCS group code methodology, known as the Clinical Classification Software Refined (CCSR).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                         |
| V5.0 | 2020-12-18 | <p>As part of the Episodes Design Feedback Session held on May 20, 2020:</p> <ul style="list-style-type: none"> <li>■ DBR: Updated Sections 2.3.6, 3.4.1, 4.6, and the Glossary to reflect that episodes for which the quarterback is an FQHC or RHC are excluded.</li> <li>■ Configuration file: Removed codes under the "Business – FQHC/RHC" subdimension since the exclusion now occurs at the quarterback level.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                       |

|      |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| V5.1 | 2021-09-03 | <ul style="list-style-type: none"> <li>■ DBR: Updated section 2.3.6 to exclude episodes that have a diagnosis of COVID-19 or pneumonia due to COVID-19.</li> <li>■ Configuration file: Add codes that define exclusion for COVID-19 and pneumonia due to COVID-19.</li> </ul>                                                                                                                                                                                                                                                                                                                         |
| V6.0 | 2021-12-17 | <p>As part of the Episodes Design Feedback Session held on May 19, 2021:</p> <ul style="list-style-type: none"> <li>■ DBR: An episode is excluded if the patient has a diagnosis related to COVID-19.</li> <li>■ DBR: Time period for the 'Follow-up Care' gain-sharing quality metric expanded from 14 days to 30 days.</li> <li>■ DBR: The 'Difference in Average MED/day' informational quality metric is updated to the percentage of valid episodes that have a difference in MED that is less than or equal to zero, as opposed to the average difference across all valid episodes.</li> </ul> |
| V7.0 | 2022-12-29 | <p>As part of the Episodes Design Feedback Session held on May 11, 2022:</p> <ul style="list-style-type: none"> <li>■ Configuration file: Removed invalidated codes and the addition of new or revised codes related to configuration file maintenance.</li> <li>■ Configuration file: Add exclusion related to malignant neoplasm of the stomach.</li> </ul>                                                                                                                                                                                                                                         |
| V8.0 | 2023-12-20 | <p>As part of the Episodes Design Feedback Session held on March 23, 2023:</p> <ul style="list-style-type: none"> <li>■ Configuration file: Removal of invalidated codes and the addition of new or revised codes related to configuration file maintenance.</li> </ul>                                                                                                                                                                                                                                                                                                                               |
| V9.0 | 2024-12-31 | <ul style="list-style-type: none"> <li>■ Configuration file and Summary reformatted for accessibility.</li> </ul> <p>As part of the Episodes Design Feedback Session held on March 28, 2024:</p> <ul style="list-style-type: none"> <li>■ Configuration file: Removal of invalidated codes and the addition of new or revised codes related to configuration file maintenance.</li> </ul>                                                                                                                                                                                                             |

## 1.2 SCOPE OF THIS DOCUMENT

The Detailed Business Requirement (DBR) document serves as a guide to understand the definition of an episode.

Section 2 addresses the following questions:

- **Typical patient journey:** Which patient cases are addressed by the episode?
- **Sources of value:** At which points in the typical patient journey do providers have most potential to improve quality of care, outcomes, and cost-effectiveness?
- **Design dimensions:** What decisions underlie the design of the episode?
  - Identify episode triggers: What events trigger an episode?
  - Attribute episodes to providers: Which provider is primarily held accountable for the outcomes of an episode, i.e., Quarterback (QB) or Principal Accountable Provider (PAP)?
  - Determine the episode duration: What is the duration of the episode?
  - Identify claims included in episode spend: Which claims are included in or excluded from the episode spend?
  - Calculate non-risk-adjusted episode spend: How is the spend for an episode calculated?
  - Perform risk adjustment: What approach is taken to adjust episodes for risk factors that cannot be influenced by the Quarterback?
  - Identify excluded episodes: Which episodes are excluded from a Quarterback's average episode spend for the purposes of calculating any gain/risk sharing?
  - Determine quality metrics performance: Which quality metrics are employed to inform Quarterbacks about their quality of care?
  - Calculating gain and risk sharing: How are the gain and risk sharing amounts for Quarterbacks determined?

Section 3 of the DBR explains the data flow of an episode. It addresses the following questions:

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

- **Configuration file:** What parameters (e.g., number of days) and medical codes (e.g., diagnosis codes) need to be specified to define the episode?
- **Output tables:** What are the recommended outputs of an episode algorithm?

Section 4 contains general elements of the episode algorithm that must be used in conjunction with section 5, as section 5 contains the specific details for the episode described in this DBR. These address the following questions:

- What are the logical steps the episode algorithm needs to complete in order to produce the required outputs?
- What cases does the algorithm need to address?
- Are there exceptions to the overall logic and how are they handled?
- Which algorithm logic is the same across episodes, and which is specific to an episode?

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 Pancreatitis episode description

### 2.1 TYPICAL PATIENT JOURNEY

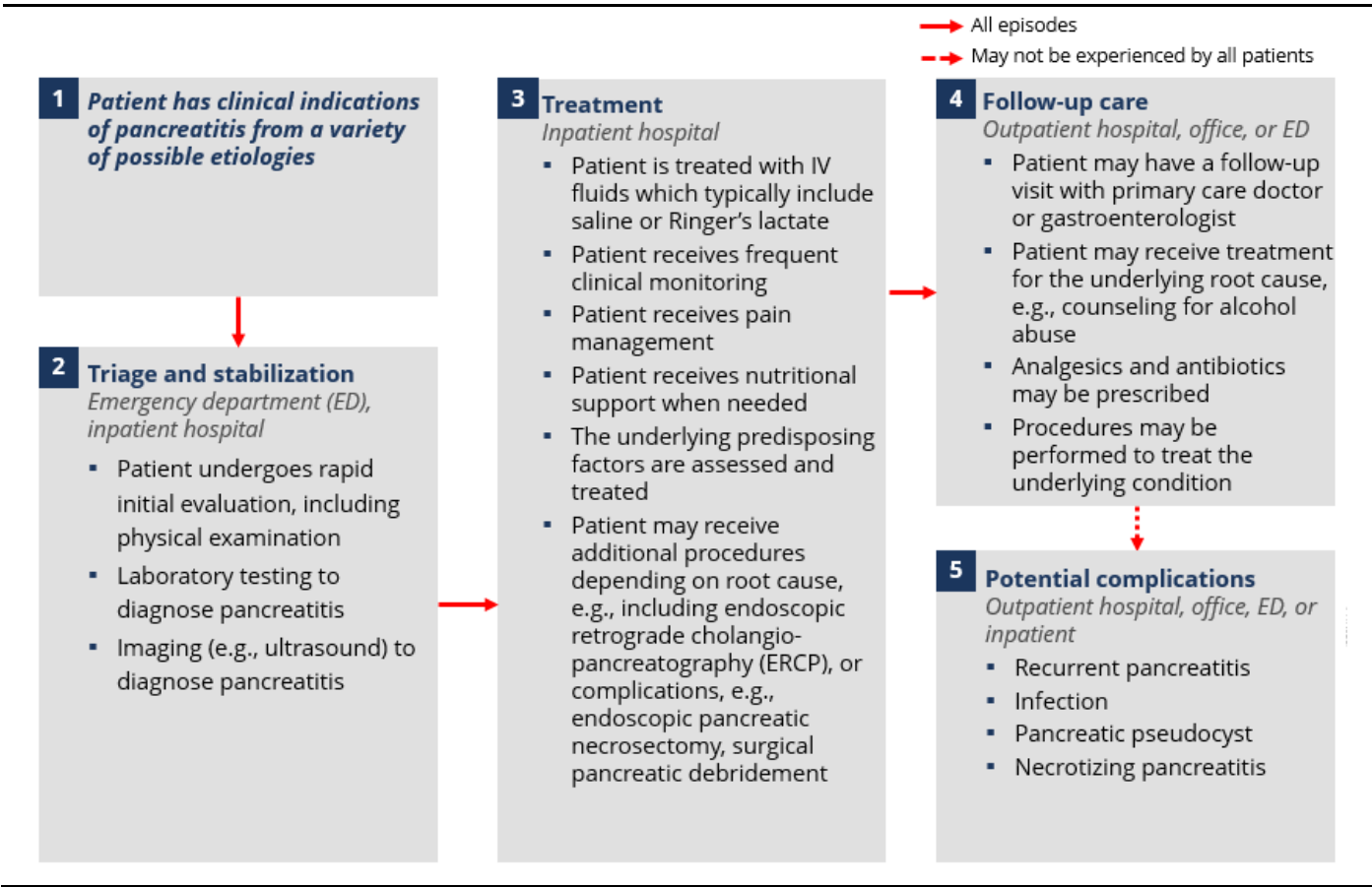
The episode described in this document pertains to patients who are cared for in an inpatient or observation setting for acute or chronic pancreatitis. As depicted in Exhibit 1, a pancreatitis episode is triggered by the diagnosis of acute or chronic pancreatitis in the inpatient or observation setting. Patients typically present to the emergency department (ED) with a sudden onset of upper abdominal pain and, often, nausea and vomiting. The ED clinician stabilizes the patient; conducts a history and physical examination; often orders an initial laboratory evaluation, including amylase and lipase levels; orders radiologic imaging that may include ultrasonography, computed tomography (CT) scan, or magnetic resonance imaging (MRI); confirms a pancreatitis diagnosis; and works up the underlying cause.

Patients are typically admitted to the inpatient facility and receive treatment including oral food restriction, fluid replacement, nutritional support, pain relief, and antibiotics. Appropriate treatment also requires monitoring the patient's hemodynamics, serum amylase levels, and volume status. Patients with critical illness may require more aggressive management, intubation, and admission to an intensive care unit (ICU). For patients with biliary tract and/or gallstone disease, early procedural treatments such as endoscopic retrograde cholangiopancreatography (ERCP) and cholecystectomy are recommended to prevent recurrent attacks and potential complications.

After acute conditions are addressed and/or resolved, the patient is discharged and receives follow-up care in the outpatient setting. Some patients may have recurrent

symptoms or develop complications (e.g., pancreatic pseudocyst, necrotizing pancreatitis) leading to additional ED visits and potential readmissions.

EXHIBIT 1 – TYPICAL PATIENT JOURNEY

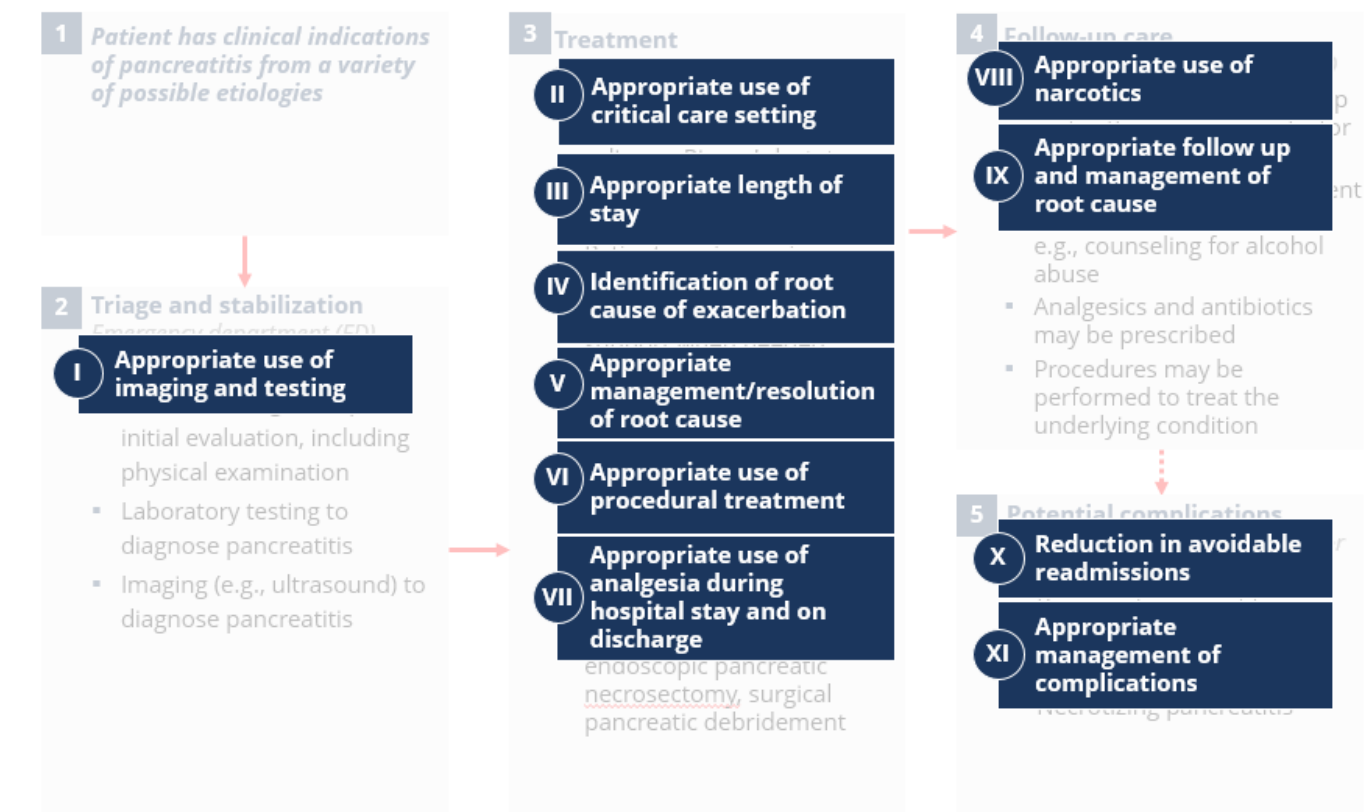


## 2.2 SOURCES OF VALUE

Within the pancreatitis episode of care, providers have several opportunities to improve the quality and cost of care, as depicted in Exhibit 2. For example, providers may be able to manage less complicated cases without utilizing the ICU, thereby limiting the resources required during inpatient management. Providers can conduct clinically appropriate workups to identify the underlying cause of the pancreatitis and limit the use of potentially unnecessary CT scans and MRI. Providers can adhere to clinical guidelines to limit complications. For example, if the underlying etiology is a gallstone blockage, interventions such as ERCP or cholecystectomy may be performed to prevent recurrence and infection. If the case is severe, enteral nutrition may be given to prevent infectious complications and parenteral nutrition should be avoided. Providers can also ensure

appropriate discharge planning and timely follow-up to decrease the likelihood of post-discharge readmissions and ED visits. By adhering to clinically appropriate care guidelines, providers have the opportunity to improve quality and decrease costs.

## EXHIBIT 2 – SOURCES OF VALUE



## 2.3 DESIGN DIMENSIONS

Designing and building a pancreatitis episode comprises nine dimensions, as shown in Exhibit 3. Section 3 provides additional details on the episode data flow.

**Purpose**

- Identify episodes of care consisting of a trigger event and all care related to the trigger event
- Design a payment mechanism that encourages providers to improve quality of care and outcomes for patients who have an episode of care in a cost effective manner

- 1 Identify episode triggers
- 2 Attribute episodes to providers
- 3 Determine the episode duration
- 4 Identify claims included in episode spend
- 5 Calculate non-risk-adjusted episode spend
- 6 Identify excluded episodes
- 7 Perform risk adjustment
- 8 Determine quality metrics performance
- 9 Calculate gain/risk sharing amounts

---

### 2.3.1 Identify episode triggers

A potential trigger for a pancreatitis episode is either an inpatient admission or observation claim where the primary diagnosis is one of the defined acute or chronic pancreatitis trigger codes. In addition, an inpatient admission or observation claim with a primary diagnosis of the defined symptoms, findings, related disorders, or potential etiologies with a secondary diagnosis code from the defined acute or chronic pancreatitis diagnosis codes is also a potential trigger. The encounter can take place in an inpatient setting, as an admission or under observation status.

To avoid an overlap of pancreatitis episodes, no potential trigger can become an episode trigger during another episode for a given patient, i.e., a potential trigger is excluded for falling within another episode window. A chronological approach is taken, and the first

potential trigger of a given patient is identified as the earliest (i.e., the furthest in the past) episode trigger. The episode starts the day of the episode trigger and extends for a time period that equals the duration of the trigger and post-trigger windows.

### 2.3.2 Attribute episodes to providers

The Quarterback (also referred to as the Principal Accountable Provider, or PAP) is the provider deemed to be in the best position to influence the quality and cost of care for a patient during a pancreatitis episode – here, the facility where the pancreatitis was diagnosed. The contracting entity or tax identification number of the facility trigger claim will be used to identify the Quarterback.

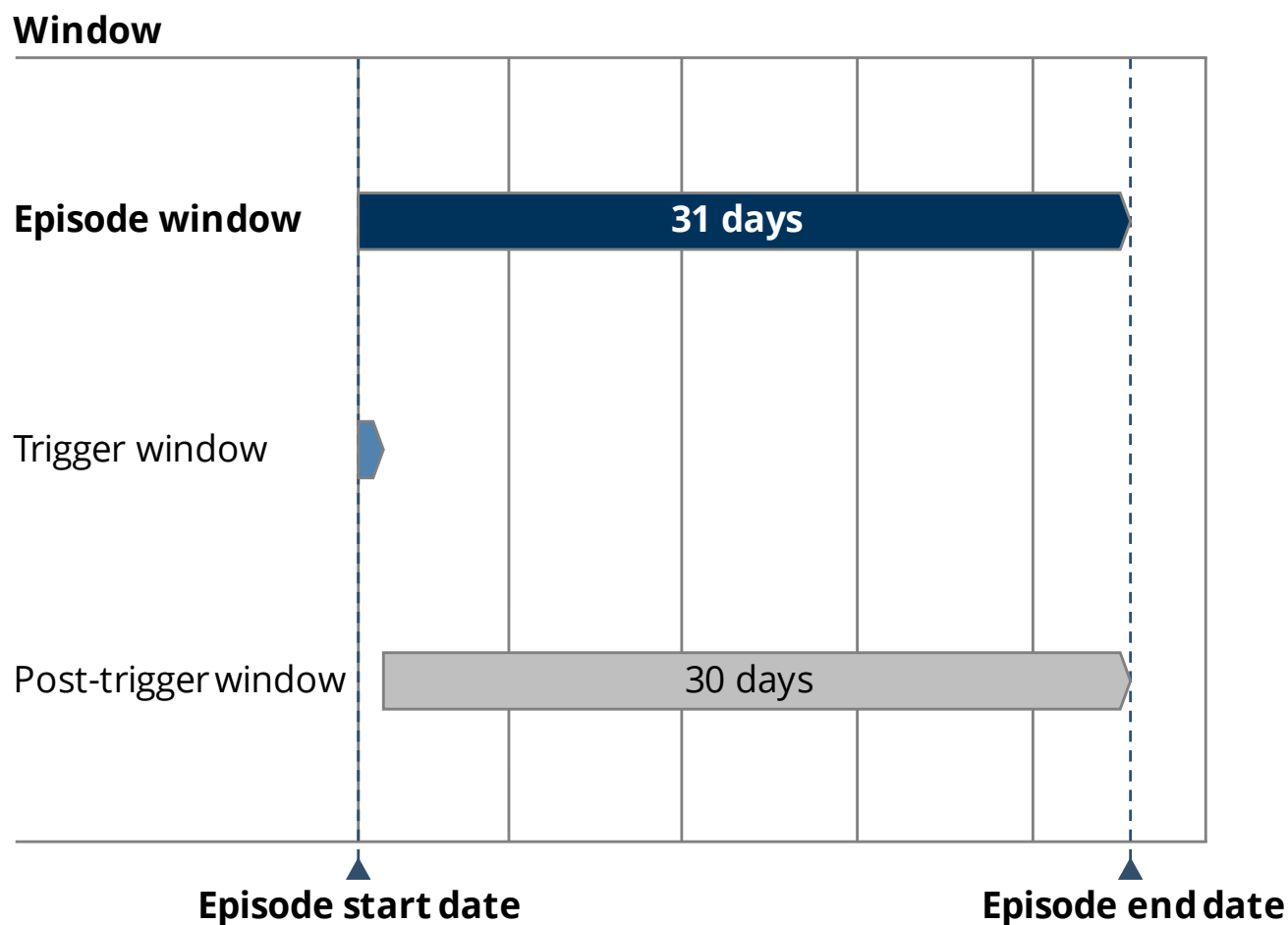
### 2.3.3 Determine the episode duration

The duration of the pancreatitis episode comprises the trigger window and the post-trigger window, as shown in Exhibit 4. Overall, the duration of the episode is referred to as the episode window.

- **Pre-trigger window:** This episode has no pre-trigger window.
- **Trigger window:** The trigger window spans the duration of the triggering encounter or stay.
- **Post-trigger window:** The post-trigger window begins the day after the trigger window and extends for 30 days.

If a hospitalization begins on or before the 30<sup>th</sup> day of the post-trigger window and extends beyond the 30<sup>th</sup> day (i.e., is ongoing on the 31<sup>st</sup> day of the post-trigger window), then the post-trigger window is extended until discharge from the hospitalization. Extending the episode in this way may only occur once per episode window and does not lead to further extensions. See section 6 for the definition of hospitalization.

EXHIBIT 4 – EXAMPLE OF DETERMINING THE EPISODE DURATION



**2.3.4 Identify claims included in episode spend**

Episode spend is calculated on the basis of claims directly related to pancreatitis. Claims or claim detail lines that are included in the calculation of the episode spend are referred to as included claims or included claim detail lines. The criteria to identify included claims or included claim detail lines depend on the type of service they belong to, as well as the time window during which a claim occurs. The following types of service are included in the episode:

**Pre-trigger window**

This episode has no pre-trigger window.

## Trigger window

For this episode, claims and claim detail lines assigned to the trigger window are included if they are also assigned to one of the following types of services:

- **All services:** All hospitalizations, outpatient, and professional claims and claim detail lines assigned to the trigger window are included.
- **Specific medications:** Pharmacy claims with HIC3 codes for specific medications related to pancreatitis (e.g., Potassium replacement, Phosphate replacement) and treatment for complications related to pancreatitis (e.g. antibiotics) are included in the trigger window.

## Post-trigger window

For this episode, claims and claim detail lines assigned to the post-trigger windows are included if they are also assigned to one of the following types of services:

- **Specific care after discharge:** Outpatient, professional, and inpatient, claims with ICD-9 or ICD-10 diagnosis codes for specific associated care directly related to a sign, symptom, or complication of pancreatitis are included in the post-trigger window.
- **Specific imaging and testing:** Outpatient and professional claim detail lines with CPT/HCPCS procedure codes, and inpatient claims with ICD-9 or ICD-10 procedure codes, for specific imaging and testing related to pancreatitis (e.g., abdominal CT imaging) are included in the post-trigger window.
- **Specific medications:** Pharmacy claims with HIC3 codes for specific medications related to pancreatitis (e.g., Potassium replacement, Phosphate replacement) and treatment for complications related to pancreatitis (e.g. antibiotics) are included in the post-trigger window.
- **Specific surgical and medical procedures:** Outpatient and professional claim detail lines with CPT/HCPCS procedure codes, and inpatient claims with ICD-9 or ICD-10 procedure codes, for specific procedures related to the pancreatitis (e.g., cholecystectomy, ERCP) are included in the post-trigger window.

### 2.3.5 Calculate non-risk-adjusted episode spend

The episode spend is the amount that reflects the totality of all costs included in the episode. The episode spend reflects the paid amount plus patient cost share 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.

### 2.3.6 Identify excluded episodes

Episode exclusions ensure that 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 Quarterbacks.

#### ■ Business exclusions

- **Inconsistent enrollment:** An episode is excluded if there are gaps in the plan coverage of the patient during the episode window.
- **Third-party liability:** An episode is excluded if an inpatient, outpatient, professional, pharmacy, or long term care claim that is assigned to the episode window (included or not included) is associated with a third-party liability amount.
- **Dual eligibility:** An episode is excluded if a patient has dual coverage by Medicaid and Medicare at any time during the episode window.
- **FQHC/RHC:** An episode for which the quarterback is an FQHC or RHC is excluded.
- **No PAP ID:** An episode is excluded if it cannot be associated with a corresponding PAP ID.
- **Incomplete episodes:** An episode is excluded if either:
  - The triggering professional claim spend is less than or equal to 0, OR
  - It is within the bottom 2.5% of all episodes with the lowest non-risk-adjusted episode spend (not the risk-adjusted episode spend), without taking into account episodes where the triggering professional claim spend is less than or equal to ( $\leq$ ) 0.
- **Overlapping episodes:** An episode **may be** excluded if its included spend overlaps with another episode during their episode windows where the same Principal

Accountable Provider is serving the same patient. The exclusion rule follows a set of conditions outlined in detail in Section 4.6.

#### ■ **Clinical exclusions**

- **Different care pathway:** An episode is excluded if the patient has one or more conditions that would lead to a different care pathway. Codes that indicate a different care pathway are searched for on inpatient, outpatient, and professional claims (included or not included) during a specified length of time, as detailed in the configuration file. The complete list of conditions that would lead to a different care pathway are:
  - COVID-19
  - Department of Children’s Services (DCS) custody
  - Cystic fibrosis
  - Immunity disorder
  - Organ transplant
- The detailed list of codes and time window is given in the configuration file under “Clinical – (*condition for exclusion*)”.

#### ■ **Patient exclusions**

- **Age:** An episode is excluded if the patient is older than 64 (>64) years of age on the day of the triggering event. See section 6 for the definition of member age.
- **Death:** An episode is excluded if the patient has a patient discharge status of “expired” on any inpatient or outpatient claim assigned to the episode window. The claim may be an included claim or not.
- **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. The claim may be an included claim or not.

#### ■ **High-cost 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 is set at three standard deviations above the average risk-adjusted episode spend

for valid episodes. Because this exclusion uses the risk-adjusted episode spend, it is the only exclusion that takes place after the risk adjustment process.

### **2.3.7 Perform risk adjustment**

Quarterbacks are compared based on their performance on quality metrics and based on the average spend for their episodes. Risk adjustment is one of the mechanisms used to achieve a fair comparison in episode spend across Quarterbacks.

Risk factors and risk coefficients are identified using a statistical model that tests for correlation between factors and episode cost. The estimated risk coefficients are used to calculate a risk score for each episode given the risk factors that are present for the episode. The non-risk-adjusted episode spend is adjusted by the risk score to arrive at the risk-adjusted episode spend.

The final risk adjustment methodology decisions will be made at the discretion of the payer after analyzing the data. Because each payer runs its own risk adjustment model based on cost and there are variations in the population covered by each payer, the significant risk factors may vary across payers.

### **2.3.8 Determine quality metrics performance**

A Quarterback must pass all quality metrics tied to gain sharing to be eligible for gain sharing payments. Quarterbacks receive information on additional quality metrics that allow them to assess their performance but that do not affect their eligibility to participate in gain sharing. The quality metrics are based on information contained in the claims filed for each patient, and some might be based on other information sources. Risk sharing is not dependent on the Quarterback meeting any quality metrics. Setting thresholds for the quality metrics is beyond the scope of this DBR; hence thresholds will be set and provided separately.

- **Quality metrics tied to gain sharing** (also referred to as threshold quality metrics):
  - Follow-up care within 30 days: Percentage of valid episodes with follow-up care in the first 30 days of the post-trigger window (higher rate indicative of better performance).
- **Quality metrics not tied to gain sharing** (i.e., included for information only):

- Nutritional counseling: Percentage of valid episodes with nutritional counseling during the episode window (higher rate indicative of better performance).
- New narcotics prescription: Percentage of valid episodes with a new narcotics prescription in the post-trigger window (lower rate indicative of better performance).
- Multiple narcotics prescription: Percentage of valid episodes with multiple narcotics prescriptions within the post-trigger window (lower rate indicative of better performance).
- Readmissions: Percentage of valid episodes with a relevant readmission in the post-trigger window (lower rate indicative of better performance).
- ED visits: Percentage of valid episodes with a relevant ED visit in the post-trigger window (lower rate indicative of better performance).
- ERCP performed: Percentage of valid episodes with an ERCP performed during the trigger window (rate provided for comparison only).
- Cholecystectomy performed: Of the valid episodes with a cholecystectomy performed, the percentage of valid episodes with the cholecystectomy performed during the trigger window (higher rate indicative of better performance).
- Relevant laboratory test: Percentage of valid episodes with a relevant laboratory test in the first 30 days of the post-trigger window (rate provided for comparison only).
- Difference in average MED/day: Percent of valid episodes where the average difference in morphine equivalent dose (MED)/day during the 1-60 days prior to the trigger window and average MED/day during the 7-30 days after the trigger window, across valid episodes, is less than or equal to zero (higher value indicative of better performance)

### **2.3.9 Calculate gain/risk sharing amounts**

During the initial implementation phase the payer will send provider reports to Quarterbacks to inform them about their performance in the episode-based payment model. At a future date, the performance period timing will be established.

The performance of Quarterbacks in the episode-based payment model will be linked to payments at the end of the annual performance period. The description below outlines

the approach of linking Quarterbacks' performances to payments. Gain/risk sharing is determined based on the comparison of the average risk-adjusted episode spend of each Quarterback over the course of the performance period in three pre-determined thresholds. The thresholds and their meaning for gain or risk sharing are:

- **Acceptable threshold:** Quarterbacks with average risk-adjusted episode spend above the acceptable threshold owe a risk sharing payment.
- **Commendable threshold:** Quarterbacks with average risk-adjusted episode spend below the commendable threshold that meet the quality metrics tied to gain sharing receive a gain sharing payment.
- **Gain sharing limit threshold:** Quarterbacks with average risk-adjusted episode spend below the gain sharing limit threshold and that pass the quality metrics tied to gain sharing receive a gain sharing payment up to a specified limit.

Quarterbacks with average risk-adjusted episode spend between the acceptable and commendable thresholds neither owe a risk sharing payment nor receive a gain sharing payment.

The gain or risk sharing payment of each Quarterback is calculated based on episodes that ended during the performance period. Quarterbacks receive reports about their performance in the episode-based payment model every quarter. Payments are made once a year. All Quarterbacks (not only those with valid episodes) receive a provider report.

The payers and providers share a portion of the losses/gains in the episode-based payment model. The calculation of the gain or risk sharing payment is as follows:

- **Risk sharing:** Quarterbacks who owe a risk sharing payment pay 50% of the difference between the acceptable threshold and the average risk-adjusted episode spend of the Quarterback, multiplied by the number of valid episodes of the Quarterback in the reporting period.
- **Gain sharing:**
  - **Quarterbacks below the commendable threshold and above the gain sharing limit:** Quarterbacks receive 50% of the difference between the commendable threshold and the average risk-adjusted episode spend of the Quarterback,

multiplied by the number of valid episodes of the Quarterback in the reporting period.

- **Quarterbacks below the gain sharing limit:** Quarterbacks receive 50% of the difference between the commendable threshold and the gain sharing limit threshold, multiplied by the number of valid episodes of the Quarterback in the reporting period.

### 3 Episode data flow

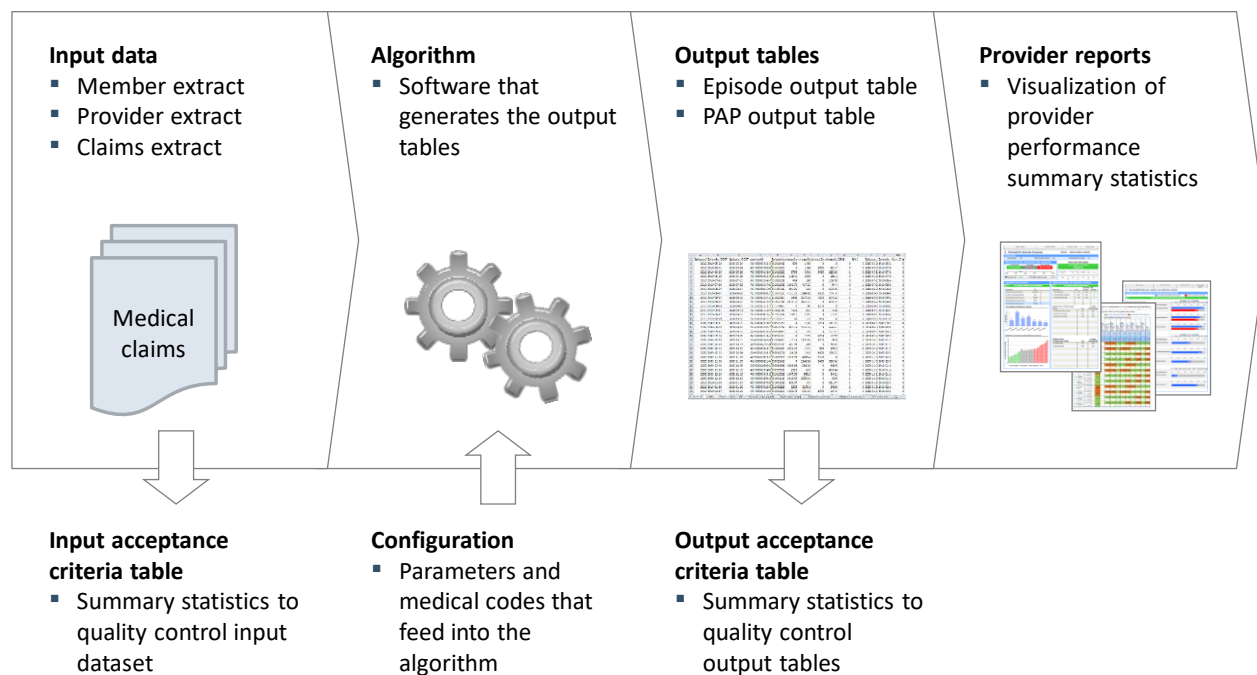
The analytics underlying an episode-based payment model are performed by an episode algorithm. The algorithm takes an input dataset, transforms the data in accordance with the intent of the episode design, and produces a set of output tables (Exhibit 5). The output tables are used to create provider 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 configuration file.

It is recommended that the episode data flow includes two elements for quality assurance: (1) An input summary table to assess the content and quality of the input dataset (2) An output summary table to assess the content and quality of the output tables.

EXHIBIT 5 – 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.

The table below lists the required input fields using the input data field names and a description of these. Sections 4 and 5 describe the use of each input field. In these sections, input fields are referred to by the “Source field name in DBR” and written in italics.

**Table – Input data fields**

| Source field name in DBR       | Description                                         |
|--------------------------------|-----------------------------------------------------|
| <b>Member Extract</b>          |                                                     |
| Member ID                      | Unique member identifier                            |
| Member Name                    | Member name                                         |
| Eligibility Start Date         | First date member is eligible for coverage by payer |
| Eligibility End Date           | Last date member is eligible for coverage by payer  |
| Date Of Birth                  | Member date of birth                                |
| <b>Provider Extract</b>        |                                                     |
| Contracting Entity Name        | Contracting entity name                             |
| Contracting Entity             | Unique identifier of provider by contracting entity |
| Provider Name                  | Provider name                                       |
| Provider ID                    | Unique identifier of provider                       |
| <b>Claims Extract</b>          |                                                     |
| Internal Control Number        | Unique claim identifier                             |
| Type Of Bill                   | Type of bill                                        |
| Member ID                      | Unique member identifier                            |
| Billing Provider ID            | Unique billing provider identifier                  |
| Detail Rendering Provider ID   | Unique detail rendering provider identifier         |
| Attending Provider NPI         | Attending provider National Provider Identifier     |
| Header From Date Of Service    | Date on which service begins on claim header        |
| Header To Date Of Service      | Date on which service ends on claim header          |
| Detail From Date Of Service    | Date on which service begins on claim detail line   |
| Detail To Date Of Service      | Date on which service ends on claim detail line     |
| Admission Date                 | Admission date                                      |
| Patient Discharge Status       | Patient discharge status                            |
| Header Diagnosis Code          | All diagnosis codes on claim header                 |
| Header Surgical Procedure Code | All surgical procedure codes on claim header        |
| Detail Procedure Code          | Procedure code on claim detail line                 |
| All Modifiers                  | All procedure code modifiers on claim detail line   |
| Place Of Service               | Place of service                                    |
| National Drug Code             | National drug code                                  |

| Source field name in DBR | Description                         |
|--------------------------|-------------------------------------|
| Header Paid Amount       | Header paid amount                  |
| Detail Paid Amount       | Detail paid amount                  |
| Header TPL Amount        | Header third party liability amount |
| Detail TPL Amount        | Detail third party liability amount |
| Revenue Code             | Revenue code                        |
| Patient Cost Share       | Patient cost share amount           |

The date range for the episode input data has to include claims which were submitted for services provided during the defined episode reporting period as well as for a predetermined period of time preceding the reporting period. The duration of this predetermined period is the length of the episode window (see section 5.3 for guidance) plus an additional 12 months. Claims from this additional period 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 has 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. Payers should use denied claims for the purpose of determining quality metrics performance.

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 AND DETAILED DESCRIPTION

The intent of the episode algorithm is detailed in the Episode agnostic algorithm logic (section 4) and pancreatitis episode detailed description (section 5) of the DBR. Section 4 contains general elements of the episode algorithm that must be used in conjunction with section 5, as section 5 contains the specific details for the episode described in this DBR.

### 3.3 CONFIGURATION FILE

The parameters and medical codes needed to define the episode are listed in the configuration file, which is provided as an attachment to the DBR. The file includes:

- **Parameters sheet:** Values for parameters used in the episode, for example the duration of the post-trigger window.
  - Episode: Name of episode, i.e., Pancreatitis
  - Design Dimension: Episode design dimension, e.g., Determine the episode duration
  - Parameter Description: Description of the parameter, e.g., Duration Of Post-trigger Window
  - Parameter Value: Value of the parameter, e.g., 30
  - Parameter Unit of Measure: Unit of measure of the parameter, e.g., Days
- **Code sheet:** Medical codes used in the episode, such as trigger diagnosis or procedure codes, and codes to identify included claims. The columns contained in the code sheet are:
  - Episode: Name of episode, i.e., Pancreatitis
  - Design Dimension: Episode design dimension, e.g., Perform Risk Adjustment
  - Subdimension: Grouping of codes used for a specific purpose within the design dimension, e.g., Contingent Trigger Diagnosis
  - Time Period: Time for which the code is relevant, e.g., With 365 days before trigger start date
  - Code Type: Code system to which the code belongs to, e.g., ICD-9 Dx
  - Code Group: Code group level classification, e.g., Cholelithiasis
  - Code Description: Code detailed description, e.g., Calculus Of Gallbladder With Acute Cholecystitis Without Obstruction
  - Code: Code number, e.g., 57400

Sections 4 and 5 of the DBR explain 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 (subdimension) 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.

The code sheet may contain CPT codes. CPT is a registered trademark of the American Medical Association (AMA). Vendor purchases one single CPT distribution license for the configuration file of each episode that is delivered to a recipient. If its recipient wishes to further distribute a configuration file, it is the recipient's responsibility to comply with AMA CPT license requirement.

### 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 Principal Accountable Provider (also referred to as PAP or Quarterback) output table. The episode agnostic algorithm logic (section 4) and pancreatitis episode detailed description (section 5) describe the definition of each output field. In these sections 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 “Episode Output Table” below lists the required output fields.

**Table – Episode Output Table**

| Design dimension              | Output field name             | Report template name |
|-------------------------------|-------------------------------|----------------------|
|                               | <b>Episode identification</b> |                      |
| 1 – Identify episode triggers | Facility Trigger Claim ID     | N/A                  |
| 1 – Identify episode triggers | Facility Trigger Claim Type   | N/A                  |
| 1 – Identify episode triggers | Professional Trigger Claim ID | N/A                  |
| 1 – Identify episode triggers | Member ID                     | N/A                  |

| Design dimension                    | Output field name              | Report template name |
|-------------------------------------|--------------------------------|----------------------|
| 1 – Identify episode triggers       | Member Name                    | Patient Name         |
| 1 – Identify episode triggers       | Member Age                     | N/A                  |
| 1 – Identify episode triggers       | Associated Facility Claim ID   | N/A                  |
| 1 – Identify episode triggers       | Associated Facility Claim Type | N/A                  |
| 2 – Attribute episodes to providers | PAP ID                         | Provider Code        |
| 2 – Attribute episodes to providers | Rendering Provider ID          | N/A                  |
| 2 – Attribute episodes to providers | Rendering Provider Name        | N/A                  |
| 3 – Determine the episode duration  | Episode Start Date             | Episode Start Date   |
| 3 – Determine the episode duration  | Episode End Date               | Episode End Date     |
| 3 – Determine the episode duration  | Pre-Trigger Window Start Date  | N/A                  |
| 3 – Determine the episode duration  | Pre-Trigger Window End Date    | N/A                  |
| 3 – Determine the episode duration  | Trigger Window Start Date      | N/A                  |
| 3 – Determine the episode duration  | Trigger Window End Date        | N/A                  |

| Design dimension                              | Output field name                      | Report template name                |
|-----------------------------------------------|----------------------------------------|-------------------------------------|
| 3 – Determine the episode duration            | Post-trigger Window Start Date         | N/A                                 |
| 3 – Determine the episode duration            | Post-trigger Window End Date           | N/A                                 |
| 4 – Identify claims included in episode spend | Count of Included Claims               | # Claims                            |
|                                               | <b>Episode spend</b>                   |                                     |
| 5 – Calculate non-risk-adjusted spend         | Non-risk-adjusted Episode Spend        | Non-adjusted cost                   |
| 5 – Calculate non-risk-adjusted spend         | By Pre-trigger Window                  | N/A                                 |
| 5 – Calculate non-risk-adjusted spend         | By Trigger Window                      | N/A                                 |
| 5 – Calculate non-risk-adjusted spend         | By Post-trigger Window                 | N/A                                 |
| 5 – Calculate non-risk-adjusted spend         | By Inpatient facility                  | Inpatient facility                  |
| 5 – Calculate non-risk-adjusted spend         | By Emergency department or observation | Emergency department or observation |
| 5 – Calculate non-risk-adjusted spend         | By Outpatient facility                 | Outpatient facility                 |
| 5 – Calculate non-risk-adjusted spend         | By Inpatient professional              | Inpatient professional              |
| 5 – Calculate non-risk-adjusted spend         | By Outpatient laboratory               | Outpatient laboratory               |

| Design dimension                      | Output field name                 | Report template name                                               |
|---------------------------------------|-----------------------------------|--------------------------------------------------------------------|
| 5 – Calculate non-risk-adjusted spend | By Outpatient radiology           | Outpatient radiology                                               |
| 5 – Calculate non-risk-adjusted spend | By Outpatient professional        | Outpatient professional                                            |
| 5 – Calculate non-risk-adjusted spend | By Other                          | Other                                                              |
| 5 – Calculate non-risk-adjusted spend | By Pharmacy                       | Pharmacy                                                           |
|                                       | <b>Exclusions</b>                 |                                                                    |
| 6 – Identify excluded episodes        | Any Exclusion                     | N/A                                                                |
| 6 – Identify excluded episodes        | Exclusion Inconsistent Enrollment | Patient was not continuously enrolled during episode window        |
| 6 – Identify excluded episodes        | Exclusion Third-party Liability   | Patient has third-party liability charges                          |
| 6 – Identify excluded episodes        | Exclusion Dual Eligibility        | Patient has dual coverage of primary medical services              |
| 6 – Identify excluded episodes        | Exclusion FQHC/RHC                | Episodes for which the quarterback is an FQHC or RHC are excluded. |
| 6 – Identify excluded episodes        | Exclusion No PAP ID               | N/A                                                                |
| 6 – Identify excluded episodes        | Exclusion Incomplete Episode      | Episode data was incomplete                                        |

| Design dimension               | Output field name                                     | Report template name                                                               |
|--------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------|
| 6 – Identify excluded episodes | Exclusion Left Against Medical Advice                 | Patient has a discharge status of “left against medical advice” during the episode |
| 6 – Identify excluded episodes | Exclusion Age                                         | Patients >/< [XX]                                                                  |
| 6 – Identify excluded episodes | Exclusion Death                                       | Patient died in the hospital during the episode                                    |
| 6 – Identify excluded episodes | Exclusion Different Care Pathway                      | Risk factor / co-morbidity reference found                                         |
| 6 – Identify excluded episodes | Exclusion High Outlier                                | Episode exceed the high cost outlier threshold                                     |
| 6 – Identify excluded episodes | Exclusion Overlapping Episode                         | Episode has specific overlaps with other episodes                                  |
|                                | <b>Risk adjustment</b>                                |                                                                                    |
| 7 – Perform risk adjustment    | Risk-adjusted Episode Spend                           | N/A                                                                                |
| 7 – Perform risk adjustment    | Same breakdown as for Non-risk-adjusted Episode Spend |                                                                                    |
| 7 – Perform risk adjustment    | Risk Factor <risk factor number>                      | Episode risk factor                                                                |
| 7 – Perform risk adjustment    | Episode Risk Score                                    | N/A                                                                                |
|                                | <b>Quality metrics</b>                                |                                                                                    |

| Design dimension                          | Output field name            | Report template name                     |
|-------------------------------------------|------------------------------|------------------------------------------|
| 8 – Determine quality metrics performance | Quality Metric 1 Indicator   | Follow-up care within 30 days            |
| 8 – Determine quality metrics performance | Quality Metric 2 Indicator   | Nutritional counseling                   |
| 8 – Determine quality metrics performance | Quality Metric 3 Indicator   | New narcotics prescription               |
| 8 – Determine quality metrics performance | Quality Metric 3 Denominator | New narcotics prescription (denominator) |
| 8 – Determine quality metrics performance | Quality Metric 4 Indicator   | Multiple narcotics                       |
| 8 – Determine quality metrics performance | Quality Metric 5 Indicator   | Readmissions                             |
| 8 – Determine quality metrics performance | Quality Metric 6 Indicator   | ED visits                                |
| 8 – Determine quality metrics performance | Quality Metric 7 Indicator   | ERCP performed                           |
| 8 – Determine quality metrics performance | Quality Metric 8 Indicator   | Cholecystectomy performed                |
| 8 – Determine quality metrics performance | Quality Metric 8 Denominator | Cholecystectomy performed (denominator)  |
| 8 – Determine quality metrics performance | Quality Metric 9 Indicator   | Relevant laboratory test                 |

### 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**

| Design dimension                      | Output field name                      | Report Template Name                |
|---------------------------------------|----------------------------------------|-------------------------------------|
|                                       | <b>PAP identification</b>              |                                     |
| 2 – Attribute episodes to providers   | PAP ID                                 | Provider Code                       |
| 2 – Attribute episodes to providers   | PAP Name                               |                                     |
| 2 – Attribute episodes to providers   | National Provider Identifier           | National Provider Identifier        |
| 2 – Attribute episodes to providers   | Specialty                              |                                     |
| 2 – Attribute episodes to providers   | Provider Billing ZIP Code              |                                     |
|                                       | <b>PAP spend</b>                       |                                     |
| 5 – Calculate non-risk-adjusted spend | Average Non-risk-adjusted PAP Spend    | Average episode cost (non-adjusted) |
| 5 – Calculate non-risk-adjusted spend | By Inpatient facility                  | Inpatient facility                  |
| 5 – Calculate non-risk-adjusted spend | By Emergency department or observation | Emergency department or observation |
| 5 – Calculate non-risk-adjusted spend | By Outpatient facility                 | Outpatient facility                 |

| Design dimension                      | Output field name                 | Report Template Name                 |
|---------------------------------------|-----------------------------------|--------------------------------------|
| 5 – Calculate non-risk-adjusted spend | By Inpatient professional         | Inpatient professional               |
| 5 – Calculate non-risk-adjusted spend | By Outpatient laboratory          | Outpatient laboratory                |
| 5 – Calculate non-risk-adjusted spend | By Outpatient radiology           | Outpatient radiology                 |
| 5 – Calculate non-risk-adjusted spend | By Outpatient professional        | Outpatient professional              |
| 5 – Calculate non-risk-adjusted spend | By Other                          | Other                                |
| 5 – Calculate non-risk-adjusted spend | By Pharmacy                       | Pharmacy                             |
| 5 – Calculate non-risk-adjusted spend | By Pre-trigger window             |                                      |
| 5 – Calculate non-risk-adjusted spend | By Trigger window                 |                                      |
| 5 – Calculate non-risk-adjusted spend | By Post-trigger window            |                                      |
| 5 – Calculate non-risk-adjusted spend | Total Non-risk-adjusted PAP Spend | Total cost across episodes           |
|                                       | <b>Risk adjustment</b>            |                                      |
| 7 – Perform risk adjustment           | Average Risk-adjusted PAP Spend   | Average episode cost (risk-adjusted) |
| 7 – Perform risk adjustment           | By Inpatient facility             | Inpatient facility                   |

| Design dimension                          | Output field name                      | Report Template Name                |
|-------------------------------------------|----------------------------------------|-------------------------------------|
| 7 – Perform risk adjustment               | By Emergency department or observation | Emergency department or observation |
| 7 – Perform risk adjustment               | By Outpatient facility                 | Outpatient facility                 |
| 7 – Perform risk adjustment               | By Inpatient professional              | Inpatient professional              |
| 7 – Perform risk adjustment               | By Outpatient laboratory               | Outpatient laboratory               |
| 7 – Perform risk adjustment               | By Outpatient radiology                | Outpatient radiology                |
| 7 – Perform risk adjustment               | By Outpatient professional             | Outpatient professional             |
| 7 – Perform risk adjustment               | By Other                               | Other                               |
| 7 – Perform risk adjustment               | By Pharmacy                            | Pharmacy                            |
| 7 – Perform risk adjustment               | Total Risk-adjusted PAP Spend          | N/A                                 |
|                                           | <b>Quality metrics performance</b>     |                                     |
| 8 – Determine quality metrics performance | PAP Quality Metric 1                   | Follow-up care within 30 days       |
| 8 – Determine quality metrics performance | PAP Quality Metric 2                   | Nutritional counseling              |

| Design dimension                          | Output field name                | Report Template Name            |
|-------------------------------------------|----------------------------------|---------------------------------|
| 8 – Determine quality metrics performance | PAP Quality Metric 3             | New narcotics prescription      |
| 8 – Determine quality metrics performance | PAP Quality Metric 4             | Multiple narcotics prescription |
| 8 – Determine quality metrics performance | PAP Quality Metric 5             | Readmissions                    |
| 8 – Determine quality metrics performance | PAP Quality Metric 6             | ED visits                       |
| 8 – Determine quality metrics performance | PAP Quality Metric 7             | ERCP performed                  |
| 8 – Determine quality metrics performance | PAP Quality Metric 8             | Cholecystectomy performed       |
| 8 – Determine quality metrics performance | PAP Quality Metric 9             | Relevant laboratory test        |
| 8 – Determine quality metrics performance | PAP Quality Metric 10            | Difference in Average MED/Day   |
|                                           | <b>PAP performance</b>           |                                 |
| 8 – Determine quality metrics performance | Gain Sharing Quality Metric Pass | N/A                             |
| 9 – Calculate gain/risk sharing amounts   | Gain/Risk Sharing Amount         | Total gain / risk share         |
| 9 – Calculate gain/risk sharing amounts   | PAP Sharing Level                | Share factor                    |
|                                           | <b>Episode counts</b>            |                                 |

| Design dimension                        | Output field name                                         | Report Template Name    |
|-----------------------------------------|-----------------------------------------------------------|-------------------------|
| 9 – Calculate gain/risk sharing amounts | Count Of Total Episodes Per PAP                           | Total episodes          |
| 9 – Calculate gain/risk sharing amounts | Count Of Valid Episodes Per PAP                           | Total episodes included |
| 9 – Calculate gain/risk sharing amounts | Same breakdown as for Average Non-risk-adjusted PAP Spend |                         |

## 4 Episode agnostic algorithm logic

The algorithm logic forms the basis to code an episode algorithm. Section 4 contains general elements of the episode algorithm that must be used in conjunction with section 5, as section 5 contains the specific details for the episode. Sections 4 and 5 used in conjunction explain 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 an episode is to identify triggers.

**Episode output fields created:** *Facility Trigger Claim ID, Facility Trigger Claim Type, Professional Trigger Claim ID, Member ID, Member Age, Member Name, Associated Facility Claim ID, Associated Facility Claim Type*

The episode may be triggered by a professional claim and an associated facility claim, a facility claim alone, or through custom logic. The triggering logic to be used for this episode will be laid out in section 5.1. The first step in identifying episode triggers is to identify potential triggers, then identifying which of the potential triggers become episode triggers based on clean period logic, and lastly to set the output fields.

#### 4.1.1 Identify potential triggers

##### ■ For episodes triggered by a professional claim and an associated facility claim:

A potential trigger is defined as a professional trigger claim and an associated facility (inpatient and/or outpatient dependent on the episode) claim for the same patient as identified by the same *Member ID*. Professional, inpatient, and outpatient claims are identified based on the input field *Claim Type* as defined in section 6.

The professional trigger claim for the potential trigger must have all of the following conditions:

- The claim has a procedure code for an episode-specific procedure in the input field *Detail Procedure Code* on one or more of its claim detail lines. The configuration file lists the episode-specific procedure codes under “Trigger Procedure”.

- At least one of the claim detail lines with an episode-specific procedure code does not contain a modifier for assistant surgeon, nurse, or discontinued procedure in one of the input fields *All Modifiers*. The configuration file lists the modifiers under “Assistant Surgeon”, “Nurse”, and “Discontinued”.

An associated inpatient claim must meet all of the following conditions:

- The claim has a *Header From Date Of Service* on or before the *Detail From Date Of Service* of the professional trigger claim detail line. It also has a *Header To Date Of Service* on or after the *Detail From Date of Service* of the professional trigger claim detail line.
- The claim has a confirmatory episode-specific diagnosis in the input field *Header Diagnosis Code*. The configuration file lists these diagnosis codes under “Associated Facility”.

An associated outpatient claim must meet all of the following conditions:

- The claim’s *Header From Date of Service* is within two days (i.e., as early as two days before or as late as two days after, inclusive) of the *Detail From Date of Service* of the professional trigger claim detail line.
- The claim has a confirmatory episode-specific diagnosis in the input field *Header Diagnosis Code*. The configuration file lists these diagnosis codes under “Associated Facility”.

To address cases where a professional trigger claim detail line is associated with two or more inpatient or outpatient claims, the following hierarchy is used such that each professional trigger claim detail line is unambiguously associated with one inpatient or outpatient claim. Only the inpatient or outpatient claim that has the highest priority is associated with the potential trigger. The inpatient or outpatient claims that are lower in the hierarchy are treated like any other claims during a potential trigger, not like an associated inpatient or outpatient claim.

- An associated inpatient claim and one of the episode-specific ICD-9 or ICD-10 procedure codes that are listed in the configuration file under “Trigger Procedure” in the input field *Header Surgical Procedure Code* has highest priority.
- An associated inpatient claim without an episode-specific procedure code has second priority.

- An associated outpatient claim and one of the episode-specific CPT procedure codes that are listed in the configuration file under “Trigger Procedure” in the input field *Detail Procedure Code* of one of its claim detail lines has third priority.
- An associated outpatient claim without an episode-specific procedure code has fourth priority.

Throughout the hierarchy the following rules apply:

- At each step of the hierarchy, if two or more associated inpatient claims meet the required criteria, the inpatient claim with the earliest *Header From Date Of Service* is chosen. If two or more associated inpatient claims meet the required criteria and have the same *Header From Date Of Service*, the inpatient claim belonging to the hospitalization with the latest *Header To Date Of Service* is chosen. If the *Header To Date Of Service* is the same, the inpatient claim with the lower *Internal Control Number* is chosen.
- At each step of the hierarchy, if two or more associated outpatient claims meet the required criteria, the outpatient claim with the earliest minimum *Header From Date Of Service* is chosen. If two or more associated outpatient claims meet the required criteria and have the same minimum *Header From Date Of Service*, the claim with the greater duration is chosen. See section 6 for the definition of duration. If the duration is the same, the outpatient claim with the lower *Internal Control Number* is chosen.

The start date of a potential trigger is the earlier of the *Detail From Date Of Service* of the professional trigger claim detail line or the *Header From Date Of Service/Detail From Date Of Service* of the associated inpatient/outpatient claim. If the professional trigger claim detail line is associated with an inpatient claim, use the *Header From Date of Service*. If the professional trigger claim detail line is associated with an outpatient claim, use the *Detail From Date of Service*. The end date of a potential trigger is the later of the *Detail To Date Of Service* of the professional trigger claim detail line or the *Header To Date Of Service/Detail To Date of Service* of the associated inpatient/outpatient claim. If the professional trigger claim detail line is associated with an inpatient claim, use the *Header To Date of Service*. If the professional trigger claim detail line is associated with an outpatient claim, use the *Detail To Date of Service*.

A specific rule applies for potential triggers where the associated inpatient claim is part of a hospitalization consisting of two or more inpatient claims. See section 6 for the definition of hospitalization. If an associated inpatient claim is part of a

hospitalization consisting of two or more inpatient claims, the potential trigger starts on the earlier of the *Detail From Date Of Service* of the professional trigger claim detail line or the *Header From Date Of Service* of the hospitalization that the associated inpatient claim is a part of. The potential trigger ends on the later of the *Detail To Date Of Service* of the professional trigger claim detail line or the *Header To Date Of Service* of the hospitalization of which the associated inpatient claim is a part.

■ **For episodes triggered by a facility claim:**

A potential trigger is defined as a facility trigger claim. A facility trigger claim can be either an inpatient claim or an outpatient claim that meets the conditions below. Inpatient and outpatient claims are identified based on the input field *Claim Type* as defined in section 6.

The facility trigger claim must meet one of the following conditions:

- The claim has, in the primary diagnosis field, an episode-specific trigger diagnosis code in the input field *Header Diagnosis Code* and does not have transfer discharge status in the input field *Patient Discharge Status*. The configuration file lists the episode-specific trigger diagnosis codes under “Trigger Diagnosis” and the transfer discharge status codes under “Hospitalization – Transfer”.
- The claim has an episode-specific contingent trigger diagnosis code in the primary diagnosis field, as well as an episode-specific trigger diagnosis code in any of the secondary diagnosis fields and does not have transfer discharge status in the input field *Patient Discharge Status*. The configuration file lists the contingent trigger diagnosis codes under “Contingent Trigger Diagnosis”, the trigger diagnosis codes under “Trigger Diagnosis”, and the transfer discharge status codes under “Hospitalization – Transfer”. In addition, an outpatient claim must also meet the following condition to be a facility trigger claim:
- The claim has an episode-specific trigger revenue code in the input field *Revenue Code* and does not have an interim billing, reserved/missing, or transfer discharge status in the input field *Patient Discharge Status*. The configuration file lists the trigger revenue codes under “Trigger Revenue”, the interim billing discharge status codes under “Hospitalization – Interim Billing”, the reserved/missing discharge status codes under “Hospitalization – Reserved”, and the transfer discharge status codes under “Hospitalization – Transfer”.

The start date of a potential trigger is the *Header From Date Of Service* of the facility trigger claim (if the trigger claim is an inpatient claim) or the earliest *Detail From Date*

*Of Service* of the facility trigger detail lines (if the trigger claim is an outpatient claim). The end date of a potential trigger is the *Header To Date Of Service* of the facility trigger claim (if the trigger claim is an inpatient claim) or the latest *Detail To Date Of Service* of the facility trigger detail lines (if the trigger claim is an outpatient claim).

A specific rule applies for potential triggers where the inpatient claim is part of a hospitalization consisting of two or more inpatient claims. See section 6 for the definition of hospitalization. If an inpatient claim is part of a hospitalization consisting of two or more inpatient claims, the potential trigger starts on the *Header From Date Of Service* of the hospitalization of which the trigger inpatient claim is a part. The potential trigger ends on the *Header To Date Of Service* of the hospitalization of which the inpatient trigger claim is a part.

#### **4.1.2 Identify episode triggers based on clean period**

For a potential trigger (potential professional trigger claim or potential facility trigger claim) to become an episode trigger, its start date cannot fall into the clean period of another potential trigger for the same patient. A chronological approach is taken, and the first potential trigger of a given patient is identified as the earliest (i.e., the furthest in the past) episode trigger. The clean period starts the day after the potential trigger end date and extends for the entirety of the post trigger window plus the number of days equal to the maximum time window allowed for the pre-trigger window (i.e., if fixed, the fixed length, if flexible, the maximum possible number of days). For example:

- If an episode has a flexible pre-trigger window that may be as long as 90 days, and a post-trigger window of 30 days, the clean period for this episode will be 120 days.
- However, if an episode has a fixed pre-trigger window of 30 days, and a post-trigger window of 30 days, the clean period for this episode will be 60 days.

The chronological process continues, and the next potential trigger for that patient that falls after the clean period (i.e., the furthest in the past but after the clean period) constitutes the second trigger.

This process of setting episode windows continues for each patient until the last episode window that ends during the input data date range is defined. The lengths of the pre-trigger and post-trigger windows are listed as parameters in the configuration file under “03 – Determine 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 an episode trigger. The following hierarchy is applied to identify the one potential trigger out of two or more overlapping potential triggers that is assigned as episode trigger:

■ **For episodes triggered by a professional claim and an associated facility claim:**

- The potential trigger with the earliest start date has highest priority.
- 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 earliest *Detail From Date Of Service* for the professional trigger claim detail line with the episode-specific procedure is selected.
- If there is still a tie, the potential trigger with the lowest *Internal Control Number* on the professional trigger claim with the episode-specific procedure is selected.

■ **For episodes triggered by a facility claim:**

- A potential trigger with an inpatient facility trigger claim has highest priority and takes precedence over an outpatient facility trigger claim.
- If two or more potential triggers with inpatient facility trigger claims overlap, the potential trigger with the earliest start date has highest priority. 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 *Internal Control Number* on the inpatient trigger claim is chosen.
- If two or more potential triggers with outpatient facility trigger claims overlap, the potential trigger with the earliest start date has highest priority. 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 *Internal Control Number* on the outpatient trigger claim is chosen.

Apply clean period logic after the associated facility is assigned but before any episode-specific logic regarding the associated facility. For example, for the percutaneous coronary intervention (PCI) episodes, apply clean period logic before identifying an episode as acute or non-acute. This means that acute and non-acute potential triggers can disqualify each other as part of the clean period logic. See section 2.3.1 for guidance on the clean period.

#### 4.1.3 Setting output fields

■ **For episodes triggered by a professional claim and an associated facility claim:**

The output field *Professional Trigger Claim ID* is set to the input field *Internal Control Number* of the professional claim that identifies the episode trigger. The output field *Associated Facility Claim ID* is the input field *Internal Control Number* of the associated facility claim that identifies the episode trigger. The output field *Associated Facility Claim Type* is the input field *Claim Type*, as defined in section 6, of that associated facility claim.

■ **For episodes triggered by a facility claim:**

The output field *Facility Trigger Claim ID* is set to the input field *Internal Control Number* of the episode trigger. The output field *Facility Trigger Claim Type* is the input field *Claim Type*, as defined in section 6, of the episode trigger.

For both episodes triggered by either a professional claim and an associated facility claim or a facility claim, the output field *Member ID* is set to the input field *Member ID* of the episode trigger. The output field *Member Name* is set to the input field *Member Name* from the Member Extract. The output field *Member Age* is set using the definition for Member Age provided in section 6.

Not all output fields are created for all episodes, e.g., the output field *Associated Facility Claim* is not set for episodes triggered by a facility claim.

## 4.2 ATTRIBUTE EPISODES TO PROVIDERS

The second design dimension in building an episode is to attribute each episode to a Principal Accountable Provider (also referred to as PAP or Quarterback).

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

**PAP output fields created:** *PAP ID, PAP Name*

■ **For episodes attributed to providers based on the triggering claim:**

The PAP may be a clinician or a facility:

- **Clinician PAP:** If the PAP is the clinician who performed the procedure or made the triggering diagnosis, the output field *PAP ID* is set using the input field *Contracting Entity* of the Provider Extract associated to the *Billing Provider ID* on the *Trigger Professional Claim ID*.

- **Facility PAP:** If the PAP is the facility where the procedure was performed or where the triggering diagnosis was made, the output field *PAP ID* is set using the input field *Contracting Entity* of the Provider Extract associated to the *Billing Provider ID* on the *Trigger Facility Claim ID*.

The output field *Rendering Provider ID* is set differently depending on whether there is a clinician or facility PAP. If the PAP is a facility, it also differs based on being outpatient or inpatient.

- **Clinician PAP:** If the PAP is a clinician, the output field *Rendering Provider ID* is set using the input field *Detail Rendering Provider ID* of the professional trigger claim detail line that is used to set the *Trigger Professional Claim ID*. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name*.
- **Outpatient Facility PAP:** If the PAP is an outpatient facility, the output field *Rendering Provider ID* is set using the input field *Detail Rendering Provider ID* of the facility trigger claim that is used to set the *Trigger Facility Claim ID*. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name*.
- **Inpatient Facility PAP:** If the PAP is an inpatient facility, the output field *Rendering Provider ID* is set using the input field *Attending Provider NPI* of the facility trigger claim that is used to set the *Trigger Facility Claim ID*. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name*.

#### ■ **For episodes attributed based on plurality of visits:**

The PAP may be a clinician or a facility with the highest number of visits included in episode spend. The definition of visit is provided in section 6:

- **Clinician PAP:** If the PAP is the clinician with the highest number of visits, the output field *PAP ID* is set using the input field *Contracting Entity* of the Provider Extract associated to the *Billing Provider ID* with the highest number of visits included in the episode spend.
- **Facility PAP:** If the PAP is the facility with the highest number of visits, the output field *PAP ID* is set using the input field *Contracting Entity* of the Provider Extract

associated to the *Billing Provider ID* with the highest number of visits included in the episode spend.

The output field *Rendering Provider ID* is set differently depending on whether there is a clinician or facility PAP. If the PAP is a facility, it also differs based on being outpatient or inpatient.

- **Clinician PAP:** If the PAP is a clinician, the output field *Rendering Provider ID* is set using the input field *Detail Rendering Provider ID* with the highest number of visits included in episode spend. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name*.
- **Outpatient Facility PAP:** If the PAP is an outpatient facility, the output field *Rendering Provider ID* is set using the input field *Detail Rendering Provider ID* with the highest number of visits included in episode spend. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name*.
- **Inpatient Facility PAP:** If the PAP is an inpatient facility, the output field *Rendering Provider ID* is set using the input field *Attending Provider NPI* with the highest number of visits included in episode spend. The output field *Rendering Provider Name* is added from the Provider Extract using the input field *Provider Name*. The output field *PAP Name* is added from the Provider Extract using the input field *Contracting Entity Name*.

If two or more contracting entities are tied based on the number of visits, the following hierarchy is applied:

- Among contracting entities that are tied, the *Contracting Entity* with the highest amount of spend across included claims is the PAP.
- Among contracting entities that are still tied, the *Contracting Entity* with the visit that starts closest to the *Episode End Date* is the PAP. The visit must be included in episode spend.
- Among contracting entities that are still tied, the PAP is the provider with the lowest *Contracting Entity*.

### 4.3 DETERMINE THE EPISODE DURATION

The third design dimension of building an episode is to define the duration of the episode.

**Episode output fields created:** *Pre-Trigger Window Start Date, Pre-Trigger Window End Date, Trigger Window Start Date, Trigger Window End Date, Post-Trigger Window Start Date, Post-Trigger Window End Date, Episode Start Date, Episode End Date*

The following time windows are of relevance in determining the episode duration:

- **Pre-trigger window:** As specified in section 5.3, the pre-trigger window may be flexible or fixed:
  - **Flexible pre-trigger window:** For episodes with a flexible pre-trigger window, the duration of the pre-trigger window is dependent on when the patient had his/her first interaction with the PAP within a specified number of days (x days) prior to the trigger.

If there are no professional claims with a *Header From Date of Service* between the x<sup>th</sup> day prior (inclusive) and one (1) day before the *Trigger Window Start Date*, where the input field *Contracting Entity* of the associated *Billing Provider ID* on the claim is the same as the episode output field *PAP ID*, then the *Pre-Trigger Window Start Date* is left blank and the *Pre-Trigger Window End Date* is left blank, hence there is no pre-trigger window. See sections 4.2 and 5.2 for determining the output field *PAP ID*.

If there is only one professional claim with a *Header From Date of Service* between the x<sup>th</sup> day prior (inclusive) and one (1) day before the *Trigger Window Start Date*, where the input field *Contracting Entity* associated to the *Billing Provider ID* on the claim is the same as the episode output field *PAP ID*, then the *Pre-Trigger Window Start Date* is set to the *Header From Date of Service* of that claim.

If there are two or more professional claims with a *Header From Date of Service* between the x<sup>th</sup> day prior (inclusive) and one (1) day before the *Trigger Window Start Date*, where the input field *Contracting Entity* associated to the *Billing Provider ID* on the claim is the same as the episode output field *PAP ID*, then the *Pre-Trigger Window Start Date* is set to the earliest *Header From Date of Service* of those claims.

The maximum length of the flexible pre-trigger window (x days) is given as a parameter in the configuration file under “03 – Determine The Episode Duration”

- **Fixed pre-trigger window:** For episodes with a fixed pre-trigger window, the duration of the pre-trigger window is fixed at a specified number of days prior (inclusive) to one (1) day before the *Trigger Window Start Date*. The specific number

of days is given as a parameter in the configuration file under “03 – Determine The Episode Duration”. The output field *Pre-Trigger Window End Date* is set to one (1) day before the *Trigger Window Start Date*. The *Pre-Trigger Window Start Date* is also the *Episode Start Date*.

- **Trigger window:** The output fields *Trigger Window Start Date* and *Trigger Window End Date* are set using the episode trigger start and end dates, which are defined in section 4.1.
- **Post-trigger window:** The output field *Post-Trigger Window Start Date* is set to the day after the *Trigger Window End Date*. The output field *Post-trigger Window End Date* is set to the  $x^{\text{th}}$  day after the *Trigger Window End Date* (for a post-trigger window of  $x$  days duration). The value for the post-trigger window duration ( $x$  days) is provided as a parameter in the configuration file under “03 – Determine The Episode Duration”. The duration for the post-trigger window is provided relative to the *Trigger Window End Date*. The *Post-trigger Window End Date* is also the *Episode End Date*.

If a hospitalization is ongoing on the  $x^{\text{th}}$  day of the post-trigger window, the *Post-Trigger Window End Date* is set to the *Header End Date* of the hospitalization. A hospitalization is ongoing on the  $x^{\text{th}}$  day of the post-trigger window if the hospitalization has a *Header Start Date* during the first  $x$  days of the post-trigger window and a *Header End Date* beyond the first  $x$  days of the post-trigger window. If more than one hospitalization is ongoing on the  $x^{\text{th}}$  day of the post-trigger window, the latest *Header End Date* present on one of the hospitalizations sets the *Post-trigger Window End Date*. The extension of the post-trigger window due to a hospitalization may not lead to further extensions, i.e., if the post-trigger window is set based on the *Header To Date Of Service* 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. See section 6 for the definition of hospitalization.

The combined duration of the pre-trigger window, trigger window, and post-trigger window is the episode window. All time windows are inclusive of their first and last date. See section 6 for the definition of duration.

To determine which claims and claim detail lines occur during 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 pre-trigger window, trigger window, post-trigger window, and hospitalizations):

■ **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 one day before the *Episode Start Date*, 90 days to one day before the *Episode Start Date*) if the *Header From Date Of Service* of the hospitalization occurs during the specified time window before the *Episode Start Date*.
- Pharmacy claims and all their claim detail lines are assigned to a window before the episode if the *Header From Date Of Service* occurs during the specified time window before the *Episode Start Date*.
- For the purpose of counting unique claims, outpatient and professional claims are assigned to the window before the episode if all their claim detail lines are assigned to the window before the episode. For the purpose of calculating spend, outpatient and professional claim detail lines are assigned to the window before the episode if the *Detail From Date Of Service* occurs during the specified time window before the *Episode Start Date*.

■ **Assignment to the episode window:**

- Hospitalizations and all inpatient claims within them are assigned to the episode window if the *Header From Date Of Service* occurs during the episode window.
- Pharmacy claims are assigned to the episode window if both the *Header From Date Of Service* and the *Header To Date Of Service* occur during the episode window.
- For the purpose of counting unique claims, outpatient, professional, and long-term care claims are assigned to the episode window if at least one of their claim detail lines is assigned to the episode window. For the purpose of calculating spend, outpatient, professional, and long-term care claim detail lines are assigned to the episode window if both the *Detail From Date Of Service* and the *Detail To Date Of Service* occur during the episode window.

■ **Assignment to the pre-trigger window:**

- Hospitalizations and all inpatient claims within them are assigned to the pre-trigger window if the hospitalization is assigned to the episode window and also has a *Header From Date Of Service* during the pre-trigger window.

- Pharmacy claims are assigned to the pre-trigger window if they are assigned to the episode window and also have a *Header From Date Of Service* during the pre-trigger window.
- For the purpose of counting unique claims, outpatient, professional, and long-term care claims are assigned to the pre-trigger window if at least one of their claim detail lines is assigned to the pre-trigger window. For the purpose of calculating spend, outpatient, professional, and long-term claim detail lines are assigned to the pre-trigger window if they are assigned to the episode window and also have a *Detail From Date Of Service* during the pre-trigger window.

■ **Assignment to the trigger window:**

- Hospitalizations and all inpatient claims within them are assigned to the trigger window if the *Header From Date Of Service* of the hospitalization occurs during the trigger window.
- Pharmacy claims are assigned to the trigger window if both the *Header From Date Of Service* and the *Header To Date Of Service* occur during the trigger window.
- For the purpose of counting unique claims, outpatient and professional, and long-term care claims are assigned to the trigger window if all their claim detail lines are assigned to the trigger window. For the purpose of calculating spend, outpatient, professional, and long-term care claim detail lines are assigned to the trigger window if both the *Detail From Date Of Service* and the *Detail To Date Of Service* occur during the trigger window.

■ **Assignment to the post-trigger window:**

- Hospitalizations and all inpatient claims are assigned to the post-trigger window if the hospitalization is assigned to the episode window and also has a *Header From Date Of Service* during the post-trigger window.
- Pharmacy claims are assigned to the post-trigger window if they are assigned to the episode window and also have a *Header To Date of Service* during the post-trigger window.
- For the purpose of counting unique claims, outpatient, professional, and long-term care claims are assigned to the post-trigger window if at least one of their claim detail lines is assigned to the post-trigger window. For the purpose of calculating spend, outpatient, professional, and long-term care claim detail lines are assigned to

the post-trigger window if they are assigned to the episode window and also have a *Detail To Date of Service* during the post-trigger window.

■ **Assignment to hospitalizations:**

- Outpatient and professional claims are assigned to a hospitalization if they are not assigned to the trigger window and all their claim detail lines are assigned to the hospitalization. Outpatient and professional claim detail lines are assigned to a hospitalization if the *Detail From Date Of Service* and the *Detail To Date Of Service* occur during the hospitalization.

#### 4.4 IDENTIFY CLAIMS INCLUDED IN EPISODE SPEND

The fourth design dimension of building an 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.

**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 different types of services and windows. The breakdown for how to count included claims and claim detail lines by care category is defined in section 6. How different types of services are defined is detailed below. Which type of services are included in the episode, and in which window, are episode specific and detailed in section 5.4. See section 4.3 for how claim and claim detail lines are assigned to different windows during the episode.

**The following rules for types of service apply:**

- **Specific care after discharge:** Hospitalizations, outpatient, professional, and long-term care claims with ICD-9 or ICD-10 diagnosis codes for specific care after discharge in the input field *Header Diagnosis Code*. See the configuration file under “Care After Discharge” for the list of codes. The code needs to be in the primary diagnosis code field. A special rule applies whenever a hospitalization is included. All professional and outpatient claims assigned to an included hospitalization are included. See section 4.3 for how professional and outpatient claims are assigned to hospitalizations.
- **Specific anesthesia:** Outpatient and professional claim detail lines with CPT/HCPCS procedure codes for specific anesthesia in the input field *Detail Procedure Code*. See the configuration file under “Anesthesia” for the list of codes.

- **Specific evaluation and management encounters:** Outpatient and professional claim detail lines with CPT/HCPCS procedure codes for specific E&M encounters in the input field *Detail Procedure Code*. See the configuration file under “E&M Visits” for the list of codes. If only office encounters with the PAP are included, the input field *Contracting Entity* associated to the *Billing Provider ID* of the claim for the office encounter must match the *PAP ID* for the episode. To determine if this is the case see section 5.4. If only office encounters with a related diagnosis code are included, there must be an episode-specific relevant ICD-9 or ICD-10 diagnosis code in the primary diagnosis code field. See the configuration file under “Relevant Diagnosis” for the list of codes. To determine if this is the case see section 5.4.
- **Specific imaging and testing:** Inpatient claims, and outpatient and professional claim detail lines with ICD-9/ICD-10/CPT/HCPCS procedure codes for specific imaging and testing in the input field *Header Surgical Procedure Code* or *Detail Procedure Code*. See the configuration file under “Imaging and Testing” for the list of codes. The ICD-9 or ICD-10 procedure codes can be in any field.
- **Specific medications:** Pharmacy claims with HIC3 codes for specific medications. Pharmacy claims with HIC3 codes (Hierarchical Ingredient Code Level 3 identifiers provided by First Databank) for specific medications are identified by the presence of a National Drug Code (NDC) in the input field *National Drug Code*. See the configuration file under “Medications” for the list of codes. To identify specific medications, the HIC3 codes must be cross-walked to NDCs. Since NDCs change over time, an updated crosswalk including current and historical NDCs must be used for each reporting period.
  - **Note:** - If a pharmacy claim contains a medication that is a preferred brand or preferred generic as identified on the TennCare Preferred Drug List (PDL), the included spend of that medication for episodes will be set at \$10. This adjustment will be made at the national drug code (NDC) level. If a pharmacy claim contains a medication that is not listed as a preferred brand or preferred generic on the PDL, there will be no adjustment to the included spend of that medication.
- **Specific pathology:** Outpatient and professional claim detail lines with CPT/HCPCS procedure codes for specific pathology in the input field *Detail Procedure Code*. See the configuration file under “Pathology” for the list of codes.
- **Specific surgical and medical procedures:** Inpatient claims, and outpatient and professional claim detail lines with ICD-9/ICD-10/CPT/HCPCS procedure codes for specific procedures in the input field *Header Surgical Procedure Code* or *Detail*

*Procedure Code*. See the configuration file under “Surgical and Medical Procedures” for the list of codes. The ICD-9 or ICD-10 procedure codes can be in any field.

- **Specific excluded surgical and medical procedures:** Inpatient claims, and outpatient and professional claim detail lines with ICD-9/ICD-10/CPT/HCPCS procedure codes for specific excluded procedures in the input field *Header Surgical Procedure Code* or *Detail Procedure Code*. See the configuration file under “Excluded Surgical and Medical Procedures” for the list of codes. This exclusion of claims or claim detail lines takes precedence over any other inclusion logic.

The output field *Count of Included Claims* is the total number of claims included in the episode. See section 6 for details on counts of claims by care category.

#### 4.5 CALCULATE NON-RISK-ADJUSTED EPISODE SPEND

The fifth design dimension of building an episode is to calculate the non-risk-adjusted spend for each episode.

**Episode output fields created:** *Non-risk-adjusted Episode Spend*

**PAP output fields created:** *Average Non-risk-adjusted PAP Spend, Average Non-risk-adjusted PAP Spend by <Care Category X>, Average Non-risk-adjusted PAP Spend by <Window X>, Total Non-risk-adjusted PAP Spend*

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

- The *Detail Paid Amount* for included claim detail lines for detail-paid claim types (e.g., outpatient and professional). If a claim detail line is included for two or more reasons (e.g., due to an included procedure), its *Detail Paid Amount* counts only once towards the *Non-risk-adjusted Episode Spend*.
- The *Header Paid Amount* for included claims for header-paid claim types (e.g., inpatient and pharmacy).
- The *Patient Cost Share* for included claims.

The output field *Non-risk-adjusted Episode Spend* is calculated overall, by window during the episode, and by reporting care category. See section 6 for the definition of the reporting care categories.

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 ID*. *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. The output field *Average Non-risk-adjusted PAP Spend* is calculated overall and by reporting care category. See sections 4.2 and 5.2 for the identification of *PAP IDs* and section 4.6 and 5.6 for the definition of valid episodes. See section 6 for the definition of the reporting care categories.

## 4.6 IDENTIFY EXCLUDED EPISODES

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

**Episode output fields created:** *Any Exclusion, Exclusion Inconsistent Enrollment, Exclusion Third-party Liability, Exclusion Dual Eligibility, Exclusion FQHC/RHC, Exclusion No PAP ID, Exclusion Incomplete Episode, Exclusion Different Care Pathway, Exclusion Age, Exclusion Death, Exclusion Left Against Medical Advice, Exclusion High Outlier*

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, clinical reasons, non-clinical patient-specific reasons, or because they are high outliers.

After all exclusions have been applied, a set of valid episodes remains.

### Business exclusions

- **Inconsistent enrollment:** An episode is excluded if the patient was not continuously enrolled in the plan during the episode window. Enrollment is verified using the *Eligibility Start Date* and *Eligibility End Date* from the Member Extract.

A patient is considered continuously enrolled if the patient's *Eligibility Start Date* for the plan falls before or on ( $\leq$ ) the *Episode Start Date* and the *Eligibility End Date* for the plan falls on or after ( $\geq$ ) the *Episode End Date*. The output field *Member ID* of the episode table is linked to the input field *Member ID* of 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 enrollment in the plan 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 the plan, enrollment is considered to be ongoing through the last date of the input data.

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

- **Third-party liability:** An episode is excluded if an inpatient, outpatient, professional, pharmacy, or long-term care 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.

If a patient has a claim associated with a third-party liability amount before or after the episode window, but not during the episode window, the episode is not excluded.

- **Dual eligibility:** An episode is excluded if the patient had dual coverage by Medicare and Medicaid during the episode window. See the configuration file under "Business – Dual Eligibility".

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

- **Federally Qualified Health Center/Rural Health Clinic:**

- **Exclude FQHCs and RHCs:** Episodes for which the quarterback is an FQHC or RHC are excluded. If the quarterback is included in the list of known FQHCs and RHCs, either freestanding or part of a larger group or health system, their episodes will be excluded.

- **No PAP ID:** An episode is excluded if the *PAP ID* cannot be identified.

- **Incomplete episodes:** An episode is excluded if either:

- The triggering professional claim spend is less than or equal to 0.
- It is within the bottom 2.5% of all episodes with the lowest *Non-risk-adjusted Episode Spend* (not the *Risk-adjusted Episode Spend*), without taking into account

episodes where the triggering professional claim spend is less than or equal to ( $\leq$ ) 0.

- **Overlapping episodes:** Two valid episodes are considered overlapping if the following four conditions are satisfied:
  - The included spend of one valid episode shares at least one claim detail line with the included spend of another valid episode, AND
  - Both episodes have the same Tax Identification Number in the field *Billing Provider ID* assigned to the quarterback, AND
  - Both episodes have the same *Member ID* for the patient, AND
  - Both episodes are listed in **Table – Episode Hierarchy by Exclusion Condition**

This exclusion is applied after business, clinical, patient and high-cost outlier exclusions have been applied.

If there is an overlap between two episodes, priority is assigned to the higher-ranking episode. Rank is provided in **Table – Episode Hierarchy by Exclusion Condition** where 1 is the highest rank. Episode with the lower rank is excluded; episode with the higher rank is not excluded.

If there is an overlap between three or more episodes, priority is assigned to the highest-ranking episode. All other episodes that are lower in the hierarchy will be excluded.

**Table – Episode Hierarchy by Exclusion Condition**

| Episodes in 2020 Performance period  | Episode Type Shortname | Rank |
|--------------------------------------|------------------------|------|
| Perinatal                            | PERI                   | 1    |
| HIV                                  | HIV                    | 2    |
| Valve Repair and Replacement         | VALVE                  | 3    |
| Coronary Artery Bypass Graft (CABG)  | CABG                   | 4    |
| Spinal Fusion                        | SPIFU                  | 5    |
| Total Joint Replacement (Hip & Knee) | TJR                    | 6    |

| Episodes in 2020 Performance period                   | Episode Type Shortname | Rank |
|-------------------------------------------------------|------------------------|------|
| Femur/pelvic fracture                                 | HIPFRA                 | 7    |
| Non-acute Percutaneous Coronary Intervention (PCI)    | PCI-N                  | 8    |
| Acute Percutaneous Coronary Intervention (PCI)        | PCI-A                  | 9    |
| Bariatric surgery                                     | BARI                   | 10   |
| Spinal decompression (without spinal fusion)          | DCOMP                  | 11   |
| Hysterectomy                                          | HYST                   | 12   |
| Outpatient and Non-Acute Inpatient Cholecystectomy    | CHOLE                  | 13   |
| Appendectomy                                          | APP                    | 14   |
| Hernia Repair                                         | HERNIA                 | 15   |
| Knee Arthroscopy                                      | KNARTH                 | 16   |
| Tonsillectomy                                         | TNSL                   | 17   |
| Breast biopsy                                         | BCBX                   | 18   |
| Screening and Surveillance Colonoscopy                | COLO                   | 19   |
| Upper GI Endoscopy (Esophagogastroduodenoscopy (EGD)) | EGD                    | 20   |
| Colposcopy                                            | COLPO                  | 21   |
| Oppositional Defiant Disorder (ODD)                   | ODD                    | 22   |
| Attention Deficit and Hyperactivity Disorder (ADHD)   | ADHD                   | 23   |
| Gastrointestinal (GI) Obstruction                     | GIOBS                  | 24   |
| Pancreatitis                                          | PANC                   | 25   |
| Congestive Heart Failure (CHF) Acute Exacerbation     | CHF                    | 26   |

| Episodes in 2020 Performance period                             | Episode Type Shortname | Rank |
|-----------------------------------------------------------------|------------------------|------|
| Diabetes Acute Exacerbation                                     | DIAB                   | 27   |
| Urinary Tract Infection (UTI) – Inpatient                       | UTI-I                  | 28   |
| Gastrointestinal Hemorrhage (GIH)                               | GIH                    | 29   |
| Chronic Obstructive Pulmonary Disease (COPD) Acute Exacerbation | COPD                   | 30   |
| Acute Seizure                                                   | SEIZE                  | 31   |
| Pneumonia (PNA)                                                 | PNA                    | 32   |
| Bronchiolitis                                                   | BRONC                  | 33   |
| Pediatric Pneumonia                                             | PEDPNM                 | 34   |
| Asthma Acute Exacerbation                                       | ASTH                   | 35   |
| Cystourethroscopy                                               | CYSTO                  | 36   |
| Acute Kidney & Ureter Stones                                    | STONES                 | 37   |
| Acute Gastroenteritis                                           | GASTRO                 | 38   |
| Back / Neck pain                                                | BNP                    | 39   |
| Syncope                                                         | SYNC                   | 40   |
| Shoulder non-operative injuries                                 | SHOUSP                 | 41   |
| Knee non-operative injuries                                     | KNEESP                 | 42   |
| Ankle non-operative injuries                                    | AKLSP                  | 43   |
| Wrist non-operative injuries                                    | WRISP                  | 44   |
| Skin and Soft Tissue Infection                                  | SSTI                   | 45   |
| Otitis media                                                    | OTITIS                 | 46   |
| Urinary Tract Infection (UTI) – Outpatient                      | UTI-O                  | 47   |
| Respiratory infection                                           | RI                     | 48   |

## Clinical exclusions

- **Different care pathway:** An episode is excluded if the patient has a medical code that indicates a different care pathway during a specified time window on any inpatient, outpatient, or professional claim in the input field *Header Diagnosis Code* (any field), *Header Surgical Procedure Code*, or *Detail Procedure Code*. The detailed list of codes and time windows is given in the configuration file under “Clinical – (condition for exclusion)”.

The claims and claim detail lines that are searched for different care pathways do not have to be included claims or included claim detail lines. In addition, if a patient lacked continuous eligibility during the year before the episode or during the episode window, codes for different care pathways are checked in the data available.

## Patient exclusions

- **Age:** An episode is excluded if the member age does not fall into the valid age range or if it is invalid. The valid age range is listed as parameters in the configuration file under “06 – Identify Excluded Episodes”. See section 6 for how member age is defined.
- **Death:** An episode is excluded if the patient has a *Patient Discharge Status* 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 Discharge Status* used to identify whether the patient expired are listed in the configuration file under “Patient – Death”.
- **Left against medical advice:** An episode is excluded if the patient has a *Patient Discharge Status* of “Left Against Medical Advice or Discontinued Care” on any inpatient or outpatient claim during the episode window. The claim may be an included claim or not. The value of the *Patient Discharge Status* used to identify whether the patient left against medical advice is listed in the configuration file under “Patient – LAMA”.

## High-cost outliers

An episode is excluded if the *Risk-adjusted Episode Spend* (not the *Non-risk-adjusted Episode Spend*) is 3 standard deviations above (>) the mean *Risk-adjusted Episode Spend* of all episodes not otherwise excluded. Because this exclusion uses the risk-adjusted episode spend, it is the only exclusion that takes place after the risk adjustment process.

A hierarchy is used to present the exclusions in the provider report. See section 6 for the hierarchy of exclusions.

## 4.7 PERFORM RISK ADJUSTMENT

The seventh design dimension of building an 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 and are outside of the PAP's control.

**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, Average Risk-adjusted PAP Spend by <Care Category X>, Total Risk-adjusted PAP Spend*

Risk adjustment first requires identification of the risk factors that affect each episode. Once risk factors have been determined, each payer calculates the *Episode Risk Score* and the *Risk-adjusted Episode Spend*. Each *Risk Factor (risk factor number)* output field indicates whether an episode's spend is risk-adjusted for a given risk factor. The relevant codes are identified only on claims with *Header From Date of Service* (for header-paid claims) or *Detail From Date of Service* (for detail-paid claims) falling during the time period specified for the given risk factor in the configuration file. When a risk factor is based on the presence of a diagnosis, the output field *Risk Factor (risk factor number)* indicates if a claim exists with a diagnosis in any diagnosis field for the referenced risk factor in the input field *Header Diagnosis Code*.

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

## 4.8 DETERMINE QUALITY METRICS PERFORMANCE

The eighth design dimension of building an episode is the calculation of the quality metrics and the identification of *PAP IDs* who pass the quality metrics performance requirement. Quality metrics are calculated by each payer on an aggregated basis across

all episodes with the same *PAP ID*. Denied claims should be used in the calculation of quality metrics.

**Episode output fields created:** *Quality Metric (quality metric number) Indicator*

**PAP output fields created:** *PAP Quality Metric (quality metric number), Gain Sharing Quality Metric Pass*

The number of *Quality Metric Indicator* episode output fields and *PAP Quality Metric* output fields will match the total number of quality metrics for each episode.

For most quality metrics the following logic applies. If there are any exceptions these will be detailed in section 5.8. The *Quality Metric (n) Indicator* marks episodes that complied with quality metric (n). The *PAP Quality Metric (n)* is expressed as a percentage for each PAP based on the following ratio:

- Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric (n) Indicator*
- Denominator: Number of valid episodes of the *PAP ID*

Section 5.8 will provide detail on what the *Quality Metric (n) Indicators* are for this episode.

There are two types of quality metrics: those tied to gain sharing and those that are informational (i.e., not tied to gain sharing). These may be calculated including valid or total episodes of the *PAP ID*. These details are specified in section 5.8.

The output field *Gain Sharing Quality Metric Pass* is set based on the performance of the *PAP ID* on the quality metrics that are tied to gain sharing. The output field *Gain Sharing Quality Metric Pass* indicates if the percentage of valid episodes of the *PAP ID* that comply with quality metrics tied to gain sharing met the required thresholds for gain sharing. Setting thresholds for the quality metrics is beyond the scope of this DBR, hence thresholds will be set and provided separately.

## 4.9 CALCULATE GAIN/RISK SHARING AMOUNTS

The ninth and final design dimension of building an episode is to calculate the gain or risk sharing amount for each *PAP ID*. Gain and risk sharing are calculated by each payer on an aggregated basis across all of *PAP ID*'s episodes covered by that payer.

**PAP output fields created:** *Count Of Total Episodes Per PAP, Count Of Valid Episodes Per PAP, Gain/Risk Sharing Amount, PAP Sharing Level*

Gain and risk sharing amounts are calculated based on the episodes of each *PAP ID* that ended during the reporting period. To calculate the gain or risk sharing amount paid to/by each *PAP ID* the following pieces of information are used:

- Commendable threshold, acceptable threshold, and gain sharing limit threshold. Setting these thresholds is beyond the scope of this DBR.
- Number of episodes of each *PAP ID*: The output field *Count Of Total Episodes Per PAP ID* is defined as the number of total episodes of each *PAP ID* during the reporting period. The output field *Count Of Valid Episodes Per PAP ID* is defined as the number of valid episodes of each *PAP ID* during the reporting period. *Count Of Valid Episodes Per PAP ID* is calculated overall and by reporting care category. Episodes are counted separately by each payer.
- Performance of each *PAP ID* on quality metrics tied to gain sharing: Only *PAP IDs* that pass the quality metrics tied to gain sharing are eligible for gain sharing. Setting thresholds for the quality metrics is beyond the scope of this DBR. See section 4.8 for the calculation of the output field *Gain Sharing Quality Metric Pass*, which indicates whether a *PAP ID* passes the quality metrics tied to gain sharing.
- Gain share proportion and risk share proportion: The gain share proportion is set at 50% and the risk share proportion is set at 50%.

**Gain sharing payment:** A *PAP* identified by *PAP ID* receives a gain sharing payment if two criteria are met: (1) it passes the quality metrics tied to gain sharing, and (2) the *Average Risk-adjusted PAP ID Spend* is below (<) the *Commendable Threshold*. Two cases exist:

- If the *Average Risk-adjusted PAP ID Spend* is below (<) the *Commendable Threshold* and at or above (≥) the *Gain Sharing Limit Threshold*, the *Gain/Risk Sharing Amount* is:

*Gain Sharing Amount* =

$((\text{Commendable Threshold} - \text{Average Risk-adjusted PAP ID Spend}) * \text{Count of Valid Episodes Per PAP ID} * 50\%)$

- If the *Average Risk-adjusted PAP ID Spend* is below (<) the *Commendable Threshold* and below (<) the *Gain Sharing Limit Threshold*, the *Gain/Risk Sharing Amount* is:

*Gain Sharing Amount* =

$((\text{Commendable Threshold} - \text{Gain Sharing Limit Threshold}) * \text{Count of Valid Episodes Per PAP ID} * 50\%)$

**Risk sharing payment:** A PAP identified by *PAP ID* owes a risk sharing payment if its *Average Risk-adjusted PAP ID Spend* is at or above ( $\geq$ ) the *Acceptable Threshold*. The risk sharing payment applies irrespective of the performance of the *PAP ID* on the quality metrics. The *Risk Sharing Amount* is calculated as:

*Risk Sharing Amount* =

$((\text{Average Risk-adjusted PAP ID Spend} - \text{Acceptable Threshold}) * \text{Count of Valid Episodes Per PAP ID} * 50\%)$

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

- "1" if *Average Risk-adjusted PAP ID Spend* < *Gain Sharing Limit Threshold*
- "2" if *Average Risk-adjusted PAP ID Spend* < *Commendable Threshold* and also  $\geq$  *Gain Sharing Limit Threshold*
- "3" if *Average Risk-adjusted PAP ID Spend* < *Acceptable Threshold* and also  $\geq$  *Commendable Threshold*
- "4" if *Average Risk-adjusted PAP ID Spend*  $\geq$  *Acceptable Threshold*

## 5 Pancreatitis episode detailed description

This section provides pancreatitis episode-specific details for building the pancreatitis episode, and must be used in conjunction with section 4, as section 4 contains general elements of the episode algorithm. Sections 4 and 5 used in conjunction explain 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.

### 5.1 IDENTIFY EPISODE TRIGGERS

The pancreatitis episode is triggered by a facility claim as described in section 4.1.

### 5.2 ATTRIBUTE EPISODES TO PROVIDERS

This episode has a facility PAP and follows the process described in section 4.2.

### 5.3 DETERMINE THE EPISODE DURATION

For this episode there are two windows:

- **Pre-trigger window:** This episode has no pre-trigger window.
- **Trigger window:** Refer to section 4.3 for guidance.
- **Post-trigger window:** Refer to section 4.3 for guidance.

### 5.4 IDENTIFY CLAIMS INCLUDED IN EPISODE SPEND

For this episode services are included as defined in section 4.4, with the following specifications:

#### **Pre-trigger window**

This episode has no pre-trigger window.

#### **Trigger window**

For this episode, claims and claim detail lines assigned to the trigger window are included if they are also assigned to one of the following types of services:

- **All services:** All hospitalizations, outpatient, and professional claims and claim detail lines assigned to the trigger window are included.
- **Specific medications:** Refer to section 4.4 for guidance.

For this episode, claims and claim detail lines assigned to the trigger window are excluded if they are also assigned to one of the following types of services:

- **Excluded transfer spend:** Inpatient and outpatient claims assigned to the trigger window with a transfer discharge status in the input field Patient Discharge Status. Only the spend for that particular claim is excluded. If the claim is part of a hospitalization that is included in spend, the remaining spend for that hospitalization is still included in spend. See the configuration file under “Hospitalization - Transfer” for the list of discharge status codes. This exclusion of claims takes precedence over any other inclusion logic.
- **Specific medications:** Follow the process described in section 4.4 for guidance.

### Post-trigger window

For this episode, claims and claim detail lines assigned to the post-trigger window are included if they are also assigned to one of the following types of services:

- **Specific care after discharge:** Follow the process described in section 4.4 for guidance.
- **Specific imaging and testing:** Follow the process described in section 4.4 for guidance.
- **Specific medications:** Follow the process described in section 4.4 for guidance.
- **Specific surgical and medical procedures:** Follow the process described in section 4.4 for guidance.

## 5.5 CALCULATE NON-RISK-ADJUSTED SPEND

This episode follows the process described in section 4.5.

## 5.6 IDENTIFY EXCLUDED EPISODES

This episode follows the process described in section 4.6, with one exception:

- The component of the incomplete episodes exclusion regarding professional triggering claims is not applicable.

## 5.7 PERFORM RISK ADJUSTMENT

This episode follows the process described in section 4.7.

## 5.8 DETERMINE QUALITY METRICS PERFORMANCE

This episode has two quality metric that are tied to gain sharing and seven informational (i.e., not tied to gain sharing) quality metrics. An overview of how to determine quality metric performance is provided in section 4.8. Additionally, the output field *Gain Sharing Quality Metric Pass* is set based on the logic described in section 4.8.

**Episode output fields created:** *Quality Metric 1 Indicator, Quality Metric 2 Indicator, Quality Metric 3 Indicator, Quality Metric 3 Denominator, Quality Metric 4 Indicator, Quality Metric 5 Indicator, Quality Metric 6 Indicator, Quality Metric 7 Indicator, Quality Metric 8 Indicator, Quality Metric 8 Denominator, Quality Metric 9 Indicator*

**PAP output fields created:** *PAP Quality Metric 1, PAP Quality Metric 2, PAP Quality Metric 3, PAP Quality Metric 4, PAP Quality Metric 5, PAP Quality Metric 6, PAP Quality Metric 7, PAP Quality Metric 8, PAP Quality Metric 9, Gain Sharing Quality Metric Pass*

Due to the complexity of the opioid morphine equivalent dose (MED) quality metrics, we define the following terms in advance so they can be referenced in multiple metrics:

- Opioid Pharmacy Claim: Opioid Pharmacy Claims are identified through *Generic Sequence Numbers* (GSNs) as specified in a separate opioid file. Pharmacy claims with an opioid GSN are identified by the presence of a NDC in the input field *National Drug Code* (NDC). To identify specific medications, the NDCs must be cross-walked to GSNs because NDCs change over time. An updated crosswalk including current and historical NDCs must be used for each reporting period.
- Pre-trigger Opioid Window: The period prior to the *Trigger Window Start Date* for which the average morphine equivalent dose (MED) per day metric is calculated. For the pancreatitis episode, the Pre-trigger Opioid Window is the days 1-60 prior to the *Trigger Window Start Date*. Opioid Pharmacy Claims in this time period are identified by having a *Header From Date Of Service* in the Pre-trigger Opioid Window, inclusive of

the 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 may not be the same across episodes. Further, the Pre-trigger Opioid window may or may not align with the windows in section 2.3.3.

- **Post-trigger Opioid Window:** The period after the *Trigger Window End Date* for which the average MED/day metric is calculated. For the pancreatitis episode, the post-trigger Opioid Window is the days 7-30 after the *Trigger Window End Date*. Opioid Pharmacy Claims in this time period are identified by having a *Header From Date Of Service* in the Post-trigger Opioid Window, 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 may not be the same across episodes. Further, the Post-trigger Opioid window may or may not align with the windows in section 2.3.3.

### Quality metrics tied to gain sharing

- **Follow-up care within 30 days (Quality Metric 1 – higher rate indicative of better performance):**
  - *Quality Metric 1 Indicator* marks episodes that have a professional or outpatient claim detail line with a CPT/HCPCS code for follow-up care in the input field *Detail Procedure Code*, as listed in the configuration file under “Follow-Up Visits”. The claim detail line must also have a *Detail From Date Of Service* falling on the day of the output field *Post-trigger Window Start Date* or up to 29 days after. In addition, the same claim must have, in any diagnosis field, an episode-specific relevant ICD-9 or ICD-10 diagnosis code in the input field *Header Diagnosis Code*, as listed in the configuration file under “Specific Care After Discharge”.
  - *PAP Quality Metric 1* is expressed as a percentage for each Quarterback based on the following ratio:
    - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 1 Indicator*
    - Denominator: Number of valid episodes of the *PAP ID*

### Informational quality metrics (i.e., included for information only):

- **Nutritional counseling (Quality Metric 2 – higher rate indicative of better performance):**
  - *Quality Metric 2 Indicator* marks episodes that have an outpatient or professional claim assigned to any episode window with a CPT/HCPCS code for nutritional

counseling in the input field *Detail Procedure Code*, as listed in the configuration file under “Nutritional counseling”.

- *PAP Quality Metric 2* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 2 Indicator*
  - Denominator: Number of valid episodes of the *PAP ID*

■ **New narcotics prescription (Quality Metric 3 – lower rate indicative of better performance):**

- *Quality Metric 3 Indicator* marks episodes that have both of the following conditions:
  - A pharmacy claim with a HIC3 code for a narcotic assigned to any episode window. Pharmacy claims with HIC3 codes for specific medications are identified by the presence of an NDC in the input field *National Drug Code*. To identify specific medications, the HIC3 codes must be cross-walked to NDCs. Since NDCs change over time, an updated crosswalk including current and historical NDCs must be used for each reporting period. The configuration file lists the narcotics medication codes under “Narcotics”. AND
  - No pharmacy claims with a HIC3 code for a narcotic during the 90 days prior to the episode. If there is a pharmacy claim with a *Header From Date Of Service* within 90 days before the *Episode Start Date* through one day before the *Episode Start Date* with a HIC3 code for a narcotic, *Quality Metric Indicator 3* is not marked. Otherwise, *Quality Metric 3 Indicator* is marked if the first condition is met. Pharmacy claims with HIC3 codes for specific medications are identified by the presence of an NDC in the input field *National Drug Code*. The configuration file lists the narcotics medication codes under “Narcotics”.
- *Quality Metric 3 Denominator* marks episodes with no pharmacy claims with a HIC3 code for a narcotic during the 90 days prior to the episode. If there is a pharmacy claim with a *Header From Date Of Service* within 90 days before the *Episode Start Date* through one day before the *Episode Start Date* with a HIC3 code for a narcotic, *Quality Metric Indicator 3* is not marked. Otherwise, *Quality Metric 3 Denominator* is marked. Pharmacy claims with HIC3 codes for specific medications are identified by the presence of an NDC in the input field *National Drug Code*. The configuration file lists the narcotics medication codes under “Narcotics”.
- *PAP Quality Metric 3* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 3 Indicator*

- Denominator: Number of valid episodes of the *PAP ID* with *Quality Metric 3 Denominator*

■ **Multiple narcotics prescription (Quality Metric 4 – lower rate indicative of better performance):**

- *Quality Metric 4 Indicator* marks episodes that have more than one (>1) pharmacy claim assigned to any episode window that contains a HIC3 code for narcotics. Pharmacy claims with HIC3 codes for specific medications are identified by the presence of an NDC in the input field *National Drug Code*. To identify specific medications, the HIC3 codes must be cross-walked to NDCs. Since NDCs change over time, an updated crosswalk including current and historical NDCs must be used for each reporting period. The configuration file lists the narcotics medication codes under “Narcotics”.
- *PAP Quality Metric 4* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 4 Indicator*
  - Denominator: Number of valid episodes of the *PAP ID*

■ **Readmissions (Quality Metric 5 – lower rate indicative of better performance):**

- *Quality Metric 5 Indicator* marks episodes that have at least one hospitalization or observation care assigned to the post-trigger window and included in episode spend according to section 4.4. The definition of hospitalization is provided in section 6. Observation care is identified based on an outpatient claim detail line with an observation care revenue code in the input field *Revenue Code*. The configuration file lists the observation care revenue codes under “Observation Indicator”.
- *PAP Quality Metric 5* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 5 Indicator*
  - Denominator: Number of valid episodes of the *PAP ID*

■ **ED visits (Quality Metric 6 – lower rate indicative of better performance):**

- *Quality Metric 6 Indicator* marks episodes that have at least one ED visit assigned to the post-trigger window and included in episode spend according to section 4.4. ED visits are identified based on an outpatient claim detail line with an ED revenue

code in the input field Revenue Code. The configuration file lists the ED revenue codes under “ED Indicator”.

- *PAP Quality Metric 6* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 6 Indicator*
  - Denominator: Number of valid episodes of the *PAP ID*

■ **ERCP performed (Quality Metric 7 – rate provided for comparison only):**

- *Quality Metric 7 Indicator* marks episodes that have an inpatient claim, an outpatient claim detail line, or a professional claim detail line with an ICD-9/ICD-10/CPT/HCPCS procedure code for ERCP in the input field *Header Surgical Procedure Code* or *Detail Procedure Code* assigned to the trigger window. See the configuration file under “ERCP procedures” for the list of codes. The ICD-9 or ICD-10 procedure code can be in any field.
- *PAP Quality Metric 7* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 7 Indicator*
  - Denominator: Number of valid episodes of the *PAP ID*

■ **Cholecystectomy performed (Quality Metric 8 – higher rate indicative of better performance):**

- *Quality Metric 8 Indicator* marks episodes that have an inpatient claim, an outpatient claim detail line, or a professional claim detail line with an ICD-9/ICD-10/CPT/HCPCS procedure code for cholecystectomy in the input field *Header Surgical Procedure Code* or *Detail Procedure Code* assigned to the trigger window. See the configuration file under “Cholecystectomy procedures” for the list of codes. The ICD-9 or ICD-10 procedure code can be in any field.
- *Quality Metric 8 Denominator* marks episodes that have an inpatient claim, an outpatient claim detail line, or a professional claim detail line with an ICD-9/ICD-10/CPT/HCPCS procedure code for cholecystectomy in the input field *Header Surgical Procedure Code* or *Detail Procedure Code* assigned to any episode window. See the configuration file under “Cholecystectomy procedures” for the list of codes. The ICD-9 or ICD-10 procedure code can be in any field.
- *PAP Quality Metric 8* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 8 Indicator*

- Denominator: Number of valid episodes of the *PAP ID* with *Quality Metric 8 Denominator*

■ **Relevant laboratory test (Quality Metric 9 – rate provided for comparison only ):**

- *Quality Metric 9 Indicator* marks episodes that have a professional or outpatient claim detail line with a CPT/HCPCS code for a relevant laboratory test in the input field *Detail Procedure Code*, as listed in the configuration file under “Relevant laboratory test”. The claim detail line must also have a *Detail From Date Of Service* falling on the day of the output field *Post-trigger Window Start Date* or up to 13 days after.
- *PAP Quality Metric 9* is expressed as a percentage for each Quarterback based on the following ratio:
  - Numerator: Number of valid episodes of the *PAP ID* with *Quality Metric 9 Indicator*
  - Denominator: Number of valid episodes of the *PAP ID*

■ **Difference in Average MED/day (Quality Metric 10 – higher value indicative of better performance):**

- *Quality Metric Indicator 10* marks episodes where the difference between the average MED/day for the Post-trigger Opioid Window (minuend) and the average MED/day for the Pre-trigger Opioid Window (subtrahend) is less than or equal to zero.
- 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:

$$[\text{Total MED}] = [\text{MEQ/unit}] \times [\text{Quantity}].$$

The *MEQ/unit* is retrieved from an external opioid GSN conversion table (details to be provided by the State on how to access table) while the input field *Quantity* is identified on the Opioid Pharmacy Claim.

- Third, the average MED/day for the Post-Trigger Opioid Window is calculated by summing the total MED for each Opioid Pharmacy Claim in the Post-trigger Opioid Window and dividing by the number of days in the Post-trigger Opioid Window.
- The subtrahend represents the average MED/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.
- Once both values are calculated the subtrahend is subtracted from the minuend.
- *PAP Quality Metric 10* is expressed as the number of valid episodes where the average difference in MED/day for each Quarterback is less than or equal to zero:
  - Numerator: Sum of *Quality Metric Indicator 10* across valid episodes of the *PAP ID*.
  - Denominator: Number of valid episodes of the *PAP ID*.

## 5.9 CALCULATE GAIN/RISK SHARING AMOUNTS

This episode follows the process described in section 4.9.

## 6 Glossary

- **Claim types:** Claim type is defined as follows:

| Claim type                        | Claim form | Type of Bill                              | HCPCS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------|------------|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Long-term care</b>             | UB-04      | 21x, 66x, 89x                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Home Health</b>                | UB-04      | 32x, 33x, 34x                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Inpatient</b>                  | UB-04      | 11x, 12x, 18x, 41x, 86x                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Outpatient</b>                 | UB-04      | 13x, 14x, 22x, 23x, 71x-77x, 79x, 83x-85x |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Transportation<sup>1</sup></b> | CMS-1500   |                                           | A0000 - A0999, G0240, G0241, P9603, P9604, Q0186, Q3017, Q3020, R0070, R0075, R0076, S0209, S0215, S9381, S9975, S9992, T2001 - T2007, T2049                                                                                                                                                                                                                                                                                                                                            |
| <b>DME<sup>2</sup></b>            | CMS-1500   |                                           | A4206 - B9999, C1000 - C9899, E0100 - E8002, G0025, J7341 - J7344, K0001 - K0899, P9044, Q0132, Q0160, Q0161, Q0182 - Q0188, Q0480 - Q0506, Q2004, Q3000 - Q3012, Q4001 - Q4051, Q4080, Q4100 - Q4116, Q9945 - Q9954, Q9958 - Q9968, S0155, S0196, S1001 - S1040, S3600, S4989, S5002, S5010 - S5025, S5160 - S5165, S5560 - S5571, S8002, S8003, S8060, S8095 - S8490, S8999, S9001, S9007, S9035, S9055, S9434, S9435, T1500, T1999, T2028, T2029, T2039, T2101, T4521 - T5999, V5336 |
| <b>Professional<sup>3</sup></b>   | CMS-1500   |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Pharmacy</b>                   | NCPDP      |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

1. The entire claim is defined as transportation if one or more of the detail lines has one of these HCPCS codes.
2. The entire claim is defined as DME if one or more of the detail lines has one of these HCPCS codes.
3. Professional claims are defined as CMS-1500 claims not defined as transportation or DME.

- **Count of claims and claim detail lines by care category:** Based on the claim's care category, the claim count will either be at the claim level or at the claim detail level. Please note that total claim counts for an episode and summation of claim counts for all care categories will differ (summation of claim counts for all care categories is always going to be same or higher than claim counts for an episode) with this method. The breakdown is below.

- Claim-specific care categories

Inpatient facility

Pharmacy

- Claim detail line-specific care categories

Emergency department or observation

Outpatient facility

Inpatient professional

Outpatient laboratory

Outpatient radiology

Outpatient professional

Other

- **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.

■ **Episode window:** See sections 4.3 and 5.3.

■ **Exclusion hierarchy**

| Hierarchy | Exclusion name              | Exclusion used in report                                           |
|-----------|-----------------------------|--------------------------------------------------------------------|
| 1         | Age                         | Patient below or above age thresholds                              |
| 2         | Inconsistent enrollment     | Patient was not continuously enrolled during episode window        |
| 3         | Third-party liability       | Patient has third-party liability charges                          |
| 4         | Dual eligibility            | Patient has dual coverage of primary medical services              |
| 5         | Left against medical advice | Patient has a discharge status of “left against medical status”    |
| 6         | Death                       | Patient died in the hospital during episode                        |
| 7         | Incomplete episodes         | Episode data was incomplete                                        |
| 8         | FQHC/RHC                    | Episodes for which the quarterback is an FQHC or RHC are excluded. |
| 9         | High outlier                | Episode exceeds the high outlier threshold                         |
| 10        | Risk factor / comorbidity   | Risk factor / comorbidity reference found                          |

|    |                      |                                                                                                                                                                               |
|----|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11 | Overlapping episodes | At least one claim detail line overlaps between two episodes in scope that have the same Quarterback Tax Identification Number and patient. Lower ranking episode is excluded |
|----|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- **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 or more inpatient facilities. A hospitalization may include more than one inpatient claim because the inpatient facility may file interim inpatient claims and/or because the patient may be transferred between two or more inpatient facilities. A hospitalization consisting of just one inpatient claim starts on the *Header From Date Of Service* and ends on the *Header To Date Of Service* 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 *Header To Date Of Service* of the last inpatient claim in the 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 Discharge Status* 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 *Header To Date Of Service* of the first inpatient claim
    - There is a second inpatient claim with an *Admission Date* on the same day as the *Admission Date* of the first inpatient claim and also a *Header From Date Of Service* on the same day as or within thirty ( $\leq 30$ ) days after the *Header To Date Of Service* of the first inpatient claim

- Transfer: An inpatient claim with a *Patient Discharge Status* indicating a transfer (see the configuration file under “Hospitalization – Transfer” for the codes used) is linked with a second inpatient claim into one hospitalization if there is a second inpatient claim with a *Header From Date Of Service* on the same day as or the day after the *Header To Date Of Service* of the first inpatient claim.
- If the second inpatient claim (and potentially third, fourth, etc.) also has a *Patient Discharge Status* 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. If any claim has a *Patient Discharge Status* indicating discharge to home (see the configuration file under “Discharge To Home” for the codes used), the hospitalization is terminated.
- **ICD-9:** International Classification of Diseases, Ninth Revision
- **ICD-10:** International Classification of Diseases, Tenth Revision
- **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 *Professional Trigger Claim ID* or *Facility 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.
- **PAP:** Principal Accountable Provider
- **Post-trigger window:** See sections 4.3 and 5.3
- **Pre-trigger window:** See sections 4.3 and 5.3
- **Reporting care categories:** The reporting care categories used, in hierarchical order, are:

| <b>Bill Form</b> | <b>Reporting Care Category</b>      | <b>Definition</b>                                                                                                                                              | <b>Additional Comments</b>                                                                                                                         |
|------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>UB-04</b>     | Inpatient facility                  | Bill Types: 11X, 12X, 18X, 41X, 86X                                                                                                                            | To include all services provided during an inpatient facility stay including room and board, recovery room, operating room, and other services.    |
| <b>UB-04</b>     | Emergency Department or Observation | Bill Types: 13X, 14X, 22X, 23X, 73X-77X, 79X, 83X-85X AND (Revenue code 045x, 0760, 0761, 0762, 0769 OR CPT 99281-99285, 99291-99293 OR Place of service = 23) | To include all services delivered in an Emergency Department or Observation Room setting including facility and professional services.             |
| <b>UB-04</b>     | Outpatient facility                 | Bill Types: 13X, 14X, 22X, 23X, 73X-77X, 79X, 83X-85X and NOT Emergency Department                                                                             | To include all services delivered by a facility during an outpatient surgical encounter, including operating and recovery room and other services. |
| <b>CMS-1500</b>  | Inpatient professional              | Place of service = 21                                                                                                                                          | To include services delivered by a professional provider during an inpatient hospital stay, including patient visits and                           |

consultations,  
surgery, and  
diagnostic tests.

|                                    |                         |                                                                                                                      |                                                                                                                                        |
|------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>UB-04/CMS-1500</b>              | Outpatient laboratory   | Place of service = 81<br>OR Revenue codes 030x<br>OR CPT/HCPCS 80048-88399, G0306,G0307, G0431-G0434, G9143, P codes | To include all laboratory services in an inpatient, outpatient, or professional setting.                                               |
| <b>UB-04/CMS-1500</b>              | Outpatient radiology    | Revenue code 035x, 061x, 040x, 032x<br>OR CPT 70010-79999 or HCPCS C8906, C8903, C8907, C8904, C8908, C8905, S8042   | To include all radiology services such as MRI, X-Ray, CT, and PET scan performed in an inpatient, outpatient, or professional setting. |
| <b>CMS-1500</b>                    | Outpatient professional | Any remaining, non-categorized CMS 1500 claims (excluding DME and transportation)                                    | To include uncategorized professional claims such as evaluation and management, health screenings, and specialists visits.             |
| <b>UB-04/CMS-1500</b>              | Other                   | Any remaining, non-categorized claims                                                                                | To include DME, transportation, home health, and any remaining uncategorized claims.                                                   |
| <b>NCPDP post adjudication 2.0</b> | Pharmacy                |                                                                                                                      | To include any pharmacy claims billed under the                                                                                        |

- **Total episodes:** All episodes, valid plus invalid
- **Trigger window:** See sections 4.3 and 5.3
- **Valid episodes:** See sections 4.6 and 5.6
- **Visit:** A visit is defined as all claim detail lines of professional claims for which the following conditions are met:
  - Same detail line start date
  - Same claim type
  - Same billing provider
  - Same rendering provider

Claim detail lines that have the same detail line start date, same claim type, a missing billing provider, and a missing rendering provider, are treated as part of the same visit.

The duration of a visit is defined as the minimum detail line start date to the maximum detail line end date of detail lines that are part of the visit.