

SUPPLEMENTAL HEALTH CARE EXHIBIT – PART 3

This exhibit is intended to provide disclosure of expenses by major type of activity that improves health care quality, as defined below, as well as the amount of those expenses that is used for other activities, and reported separately for the Individual, Small Group and Large Group amounts.

Improving Health Care Quality Expenses – General Definition:

Quality Improvement (QI) expenses are expenses, other than those billed or allocated by a provider for care delivery (i.e., clinical or claims costs), for health services for individuals or specified populations that are designed to increase the likelihood of desired health outcomes, and that are grounded in evidence-based medicine, widely accepted best clinical practice, or criteria issued by recognized professional medical associations, accreditation bodies, government agencies or other nationally recognized health care quality organizations. They should not be designed solely to control or contain cost. Qualifying QI activities are primarily designed to achieve the following goals set out in Sections 2717, 1311 and 3011 of PPACA; improvement must be capable of being objectively measured and produce results and achievements that can be verified to:

**Deleted:** improve health care quality for health plan enrollees and advance the delivery of patient-centered medical care

- Improve health outcomes including increasing the likelihood of desired outcomes compared to a baseline and reducing health disparities among specified populations;
- Prevent hospital readmissions;
- Improve patient safety and reduce medical errors, lower infection and mortality rates,
- Increase wellness and promote health activities. or
- Enhance the use of health care data to improve quality, efficiency, transparency, and outcomes.

COLUMNS:

**Deleted:** QI Standards: QI expenses should be based on standards developed independent of any particular health insurer, and be grounded in evidence-based medicine, widely accepted best clinical practice, or criteria issued by recognized professional medical associations, accreditation bodies or government agencies. They should not be designed solely or primarily to control or contain cost.¶

Column 1 – Improve Health Outcomes

Expenses for the direct interaction of the insurer, providers and the enrollee (e.g., face-to-face, telephonic, web-based interactions or other means of communication), to improve health outcomes for the patient under the plan or coverage or to improve health outcomes for specified populations. This category can include costs for associated activities including:

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- Effective case management (not just general case management), Care coordination, and Chronic Disease Management, including:
  - Patient centered intervention such as:
    - Making/verifying appointments,
    - Medication and care compliance initiatives,
    - Arranging and managing transitions from one setting to another (such as hospital discharge to home or to a rehabilitation center), and
    - Reminding insured of physician appointment, lab tests or other appropriate contact with specific providers;
  - Incorporating feedback from the insured to effectively monitor compliance;
  - Providing coaching to encourage compliance with evidence based medicine;
  - Activities to identify and encourage evidence based medicine;
  - Use of the medical homes model as defined for purposes of section 3602 of PPACA); and
  - Medication and care compliance initiatives, such as checking that the insured is following a medically effective prescribed regimen for dealing with the specific disease/condition and incorporating feedback from the insured in the management program to effectively monitor compliance;
- Expenses associated with identifying and addressing ethnic, cultural or racial disparities in effectiveness of identified best clinical practices and evidence based medicine;
- Quality reporting and documentation of care;
- Health information technology expenses to support these activities (report in Column 5 - see instructions) including:
  - Data extraction, analysis and transmission in support of the activities described above, and
  - Activities designed to promote sharing of medical records to ensure that all clinical providers have access to consistent and accurate records from all participants in a patient's care; or
- Other expenses for programs designed in ways that can be objectively measured and verified to increase the likelihood of desired health outcomes for individuals or specified populations that meet the General

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~~Definition of Quality Improvement above. The burden shall be on the proponent to show that the expenses for the program conform to the definition.~~

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Column 2 – Activities to Prevent Hospital Readmission

Expenses for implementing activities ~~for individuals or for specified populations~~ to prevent hospital readmissions, including:

- Comprehensive discharge planning (e.g., arranging and managing transitions from one setting to another, such as hospital discharge to home or to a rehabilitation center) in order to help assure appropriate care that will, in all likelihood, avoid readmission to the hospital;
- Post discharge reinforcement of care instructions by an appropriate health care professional; and
- Health information technology expenses to support these activities (report in Column 5 – see instructions) including:
  - Data extraction, analysis and transmission in support of the activities described above, and
  - Activities designed to promote sharing of medical records to ensure that all clinical providers have access to consistent and accurate records from all participants in a patient’s care; ~~or~~
- Other expenses ~~for programs~~ designed to prevent hospital readmissions ~~for individuals or specified populations that meet the General Definition of Quality Improvement above.~~ The burden shall be on the proponent to show that the expenses ~~for the program conform to the definition.~~

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Column 3 – Improve Patient Safety and Reduce Medical Errors

Expenses for implementing activities ~~for individuals or for specified populations~~ to improve patient safety and reduce medical errors ~~including:~~

- The appropriate identification and use of best clinical practices;
- Activities to identify and encourage evidence based medicine;
- Activities to lower risk of facility acquired infections;
- Health information technology expenses to support these activities (report in Column 5 – See instructions), including:
  - Data extraction, analysis and transmission in support of the activities described above, and
  - Activities designed to promote sharing of medical records to ensure that all clinical providers have access to consistent and accurate records from all participants in a patient’s care; or
- Other expenses ~~for programs designed to~~ improve patient safety or reduce medical errors ~~for individuals or specified populations that meet the General Definition of Quality Improvement above.~~ The burden shall be on the proponent to show that the expenses ~~for the programs conform to the definition.~~

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Column 4 – Wellness & Health Promotion Activities

~~Expenses for programs for individuals or for specified populations that provide interactions~~ (e.g., face-to-face, telephonic or web-based interactions or other forms of communication) ~~that at a minimum include promoting:~~

- Wellness assessment;
- Wellness/lifestyle coaching programs designed to achieve specific and measurable improvements;
- Coaching programs designed to educate ~~individuals~~ on clinically effective methods for dealing with a specific chronic disease or condition; and
- Coaching or education programs and health promotion activities designed to change behavior (e.g., smoking, obesity); ~~or~~
- Health information technology expenses to support these activities (Report in Column 5 – See instructions) ~~or~~
  - ~~Other expenses for wellness and health promotion activities for individuals or specified populations that meet the General Definition of Quality Improvement above. The burden shall be on the proponent to show that the expenses for the programs conform to the definition.~~

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Column 5 – HIT Expenses for Health Care Quality Improvements

The PPACA also contemplates “Health Information Technology” as a function that may in whole or in part improve quality of care, or provide the technological infrastructure to enhance current QI or make new QI initiatives possible. Include HIT expenses required to accomplish the activities reported in Columns 1 through 4 that are designed for use by health plans, health care providers, or patients for the electronic creation, maintenance, access, or exchange of health information in the following ways;

1. Monitoring, measuring, or reporting clinical effectiveness including reporting, ~~analysis and compliance~~ costs ~~and fees~~ related to ~~gaining and~~ maintaining accreditation by nationally recognized accrediting organizations such as NCQA or URAC; or costs for public reporting of quality of care, including costs

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Exclude: Rating agencies and other similar organizations.

Lines 1.6, 2.6, 3.6 - Other Expenses

Include: Commissions, legal fees and expenses, auditing, actuarial and other consulting services, as well as any additional expenses not included in another category.

Lines 1.8, 2.8, 3.8 - Reimbursement by uninsured plans and fiscal intermediaries

Reimbursements by Uninsured Plans:

Report as a negative amount, pharmaceutical rebates of uninsured plans that are received or change in due and uncollected by the reporting entity, to the extent that they are in excess of amounts to be remitted to the uninsured plan, administrative fees, direct reimbursement of expenses, or other similar receipts or credits attributable to uninsured health plans and the uninsured portion of partially insured accident and health plans. Deduct administrative fees and related reimbursements from general administrative expenses or claim adjustment expenses if the administrative services provided include services for claim adjustment expenses as defined in SSAP No. 55, Unpaid Claims, Losses and Loss Adjustment Expenses.

Refer to SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans, for accounting guidance.

Reimbursements from Fiscal Intermediaries:

Report as a negative amount, administrative fees, direct reimbursement of expenses, or other similar receipts or credits attributable to Medicare, CHAMPUS and other federal and local governmental agencies.

Lines 1.9, 2.9, 3.9 - Taxes, Licenses and Fees

Include: State and local insurance taxes, state premium taxes, regulatory authority licenses and fees, payroll taxes, and any other taxes licenses or fees excluding federal income and real estate taxes.