

MCO Metrics: STAR Managed Care Program

The University of California's ranking scale, currently used by the State of Texas and applied to Texas MCOs, vs. the Cost Efficiency Index developed by Amerigroup, an Anthem company

MCO	2016	2017	2018	2019	Overall	Rank	AGP Cost Efficiency Index	AGP Cost Efficiency Rank
Aetna	0.89	0.84	0.90	0.94	0.89	3	0.91	1
Seton/Dell Children's	1.00	0.94	0.89	0.93	0.94	6	0.91	2
Texas Children's Health Plan	1.15	1.13	1.12	1.11	1.13	16	0.94	3
Scott & White	0.87	0.90	0.86	0.80	0.86	2	0.97	4
Molina Healthcare of Texas	0.95	1.00	0.94	0.94	0.96	7	0.97	5
Driscoll Health Plan	0.91	0.93	0.95	0.93	0.93	5	0.98	6
Superior HealthPlan	0.97	0.97	0.96	0.95	0.96	8	0.99	7
Amerigroup	0.98	0.99	1.00	1.04	1.00	11	0.99	8
Cook Children's Health Plan	1.02	0.98	0.99	1.01	1.00	10	1.00	9
El Paso First Health Plan	0.85	0.86	0.83	0.80	0.84	1	1.02	10
Firstcare	0.98	1.00	0.96	0.98	0.98	9	1.03	11
Parkland Community Health Plan	1.09	1.03	1.05	1.05	1.06	13	1.04	12
Community First Health Plans	0.92	0.90	0.93	0.90	0.91	4	1.04	13
UnitedHealthCare	0.99	1.03	1.03	1.06	1.03	12	1.05	14
Sendero	1.10	1.14			1.12	15	1.06	15
Community Health Choice	1.14	1.15	1.15	1.10	1.13	17	1.07	16
Blue Cross Blue Shield	1.08	1.01	1.05	1.12	1.07	14	1.13	17
Christus	1.15				1.15	18	1.14	18

**In preparing this presentation, Amerigroup utilized the most current data that was available to Amerigroup. However, please note that it is possible that portions of the indices may contain some methodological inconsistencies. However, even if that is true, these indices are, to-date, the only comprehensive, data-driven, acuity-adjusted cost efficiency measures in Texas that are available. This information underscores the need for the Texas Health and Human Services Commission to develop a unique, Texas-specific, acuity-adjusted cost efficiency index for the Medicaid program, which should be vetted in a public process. The recently filed General Appropriations Act for the 2022-2023 biennium — HB 1, filed in the Texas House of Representatives — requires the creation of such an index.*

MCO Metrics: Children's Health Insurance Program

The University of California's ranking scale, currently used by the State of Texas and applied to Texas MCOs, vs. the Cost Efficiency Index developed by Amerigroup, an Anthem company

MCO	2016	2017	2018	2019	Overall	Rank	AGP Cost Efficiency Index	AGP Cost Efficiency Rank
United	1.08	1.09	1.14	1.09	1.10	14	0.85	1
Christus	1.01	1.02			1.02	10	0.85	2
Aetna	0.77	0.82	0.82	0.89	0.83	2	0.85	3
Seton/Dell Children's	1.00	0.93	0.90	0.88	0.92	8	0.90	4
Superior	0.87	0.86	0.86	0.87	0.86	3	0.95	5
El Paso First	0.78	0.72	0.76	0.82	0.77	1	0.95	6
Amerigroup	0.93	0.98	1.05	1.06	1.02	9	0.95	7
Texas Children's	1.30	1.23	1.17	1.17	1.21	17	0.98	8
Cook	0.99	0.92	0.90	0.87	0.91	7	0.98	9
Community Health Choice	1.17	1.23	1.18	1.17	1.19	16	0.99	10
Molina	0.83	0.89	0.91	0.93	0.90	5	1.00	11
Driscoll	1.15	1.07	1.07	1.10	1.09	13	1.01	12
Firstcare	0.87	0.83	0.94	0.95	0.90	6	1.03	13
Community First	0.95	0.92	0.89	0.81	0.89	4	1.04	14
Sendero	1.10	1.07			1.08	12	1.06	15
Parkland	1.10	1.08	1.05	1.05	1.06	11	1.08	16
Blue Cross Blue Shield	1.03	1.17	1.17	1.15	1.15	15	1.21	17

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MCO Metrics: STAR+PLUS Managed Care Program

The University of California's ranking scale, currently used by the State of Texas and applied to Texas MCOs, vs. the Cost Efficiency Index developed by Amerigroup, an Anthem company

MCO	2017	2018	2019	Overall	Rank	AGP Cost Efficiency Index	AGP Cost Efficiency Rank
Amerigroup	0.97	0.98	0.98	0.98	1	0.97	1
Cigna HelathSpring	1.05	1.05	1.03	1.04	5	0.99	2
Molina	1.04	1.03	1.02	1.03	4	1.00	3
Superior	1.00	1.00	1.01	1.00	3	1.00	4
United Health Care	0.99	0.99	0.99	0.99	2	1.01	5

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Steps to Generate the Amerigroup Cost Efficiency Index

- Medical and pharmacy PMPM expenditures were adjusted for acuity using the specific risk groups in each service area for each MCO, from the actuarial reports specific to each program year.
- Add-ons for a given MCO's administrative expense level (and quality improvement expenses, if applicable) were applied. This yields a total cost PMPM, as adjusted for acuity, separately for each risk group in each service area for each MCO.
- Within each risk group in a service area, a weighted-average of these total cost acuity-adjusted PMPMs was determined for the risk group.
- The amount above or below the average was then determined within each risk group by MCO.
- This PMPM cost above or below average was then extended by the number of member-months for each MCO in that risk group in that service area. This yielded the aggregate dollar cost benefit for the MCO in that rate cell.
- The rate cells were then accumulated for the total MCO for each program.
- This accumulated total was then divided by actual expenditures to obtain a total percentage over or under the average.
- This percentage was then converted into an index. (For example, 5% under the average becomes 0.95, and 5% over the average becomes 1.05.)