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Health Net Life Insurance Company
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<Date>

<Entity Name>

<First name> <Last name>, <Title> or Administrator

<Address>

<City>, <State> <ZIP>

Earn incentives in 2023 when you improve Enhanced Care Management (ECM) outreach and reporting.

Dear <Title>. <Last Name> or Administrator:

For 2023 Health Net*, through the ECM Provider Incentive (EPI), will continue to recognize and reward ECM providers who demonstrate effective and timely outreach, and report regularly on members enrolled into the program and on the completion of member assessments¹. Also, we are rewarding providers for improvement in members' care through metrics focused on referral, quality, and decreasing avoidable visits.

Payments earned from EPI are separate from other contractual arrangements

Payments earned from EPI are not tied to:

- Any direct *Provider Participation Agreement (PPA)* with Health Net, or
- Your agreement as a subcontractor with a participating physician group (PPG) or medical group.

EPI will continue to align with state requirements around the ECM benefit and program. The program will incentivize based on year-over-year improvement in outreach to, and management of, ECM-eligible members and not individual services rendered.

Health Net is offering the incentives as add-on payments to Health Net's Medi-Cal ECM providers who meet the participation rules beginning on page 3.

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Questions?

If you have questions about the program, please contact your assigned Health Net representative or call Provider Services at 800-675-6110.

Sincerely,

Martha Santana-Chin
Medicare and Medi-Cal President

¹The incentive program conditions and data requirements are subject to change at Health Net's discretion as the ECM benefit and program matures.

Are you eligible?

To be eligible for EPI, an ECM provider must:

- Be in good standing with Health Net.
- Be contracted directly with Health Net as an ECM participating provider.
- Be open to accept and have the capacity to serve new Health Net Medi-Cal enrollees eligible for ECM services.

Incentive administration

- All incentives will be for calendar year 2023 regardless of when each provider is contracted.
- Health Net will make payments by July 1, 2024.
- All payouts will be paid as a per member per month (PMPM) for all ECM-enrolled member months.
- ECM providers will receive a mid-year interim report on their performance during the third quarter of the calendar year.

Incentive measures (all rates are PMPM)

1. Outreach reporting within the first 90 days

ECM provider-conducted outreach to every assigned member as documented on the required Outreach Tracker File (OTF) monthly report. Monthly report demonstrates that the ECM provider conducted minimum of 1 outreach within 90 days of assignment and includes all required data elements including the type and duration of each outreach attempt.

Measure	Data Source	Calculation	
		Outcome	Rate
Outreach reporting within the first 90 days	OTF	100% compliance	\$10.00
		75%–99% compliance	\$5.00
		Less than 75% compliance	-

2. Enrollment effectiveness

ECM provider provides Return Transmission File (RTF) report documenting status as enroll with enrollment date. The percentage of assigned members enrolled in ECM.

Measure	Data Source	Calculation	
		Outcome	Rate
Enrollment effectiveness	RTF	More than 30% enrollment	\$10.00
		25%–30% enrollment	\$5.00
		Less than 25% enrollment	-

3. Completed assessment within 60 days of enrollment

ECM provider provides Return Transmission File (RTF) report documenting that an initial assessment of each ECM enrolled member was initiated within 30 days of enrollment and completed within 60 days of enrollment.

Measure	Data Source	Calculation	
		Outcome	Rate
Completed assessment within 60 days of enrollment	RTF	100% compliance	\$10.00
		90%–100% compliance	\$5.00
		Less than 90% compliance	-

4. Completion of RTF

ECM providers complete and return the monthly RTF and OTF every month.

Measure	Data Source	Calculation	
		Outcome	Rate
Completion of RTF and OTF	RTF and OTF	100% compliance	\$10.00
		90%–100% compliance	\$5.00
		Less than 90% compliance	-

5. Referral to Community Supports for member with needs

ECM providers assess member needs and refer to Community Supports.

Measure	Data Source	Calculation	
		Outcome	Rate
Percent of ECM enrolled members referred to Community Supports through findhelp	findhelp	15% of total enrolled	\$10.00
		10%-15% of total enrolled	\$5.00
		Less than 10% of total enrolled	-

6. HEDIS® performance of ECM enrolled members

ECM providers should ensure members are completing their visits to improve their quality of care.

Measure	Data Source	Calculation	
		Outcome	Rate
Show year-over-year improvement for enrolled ECM members for Comprehensive Diabetes Care – HbA1c Control (≤ 9)	HEDIS quality	2% improvement	\$10.00
		1%-2% improvement	\$5.00
		Less than 1% improvement	-

7. HEDIS performance of ECM enrolled members

ECM providers should ensure members are completing their visits to improve their quality of care.

Measure	Data Source	Calculation	
		Outcome	Rate
Show year-over-year improvement for enrolled ECM members for controlling high blood pressure	HEDIS quality	2% improvement	\$10.00
		1%-2% improvement	\$5.00
		Less than 1% improvement	-

8. Reduction in avoidable emergency room (ER) visits

ECM providers should coordinate members access to non-emergency care and reduce avoidable ER visits.

Measure	Data Source	Calculation	
		Outcome	Rate
Show year-over-year decrease in avoidable ER visits ²	Claims data	10% decrease	\$10.00
		5% -10% decrease	\$5.00
		Less than 5% decrease	-

²minimum of 600 member months to qualify for this measure