

### 314 - AUTO-ASSIGNMENT ALGORITHM

EFFECTIVE DATES: 10/01/13, 11/01/15, 10/01/18, 10/01/19, 10/01/23, 11/15/24

APPROVAL DATES: 10/24/13, 07/30/15, 05/17/18, 11/07/19, 07/11/23, 10/10/24

#### I. PURPOSE

This Policy applies to ACC and ACC-RBHA Contractors. The purpose of this Policy is to specify the factors and methodology used to calculate the auto-assignment algorithm. Assignment to Contractors occurs in a manner consistent with AHCCCS goals. ACC-RBHA members with a Serious Mental Illness (SMI) designation are provided one available Contractor in each Geographic Service Area (GSA); therefore, auto-assignment is not available for this population.

#### II. DEFINITIONS

Refer to the [AHCCCS Contract and Policy Dictionary](#) for common terms found in this Policy.

For purposes of this Policy, the following terms are defined as:

<b>FAMILY CONTINUITY</b>	A situation whereby the member's household includes individuals who are also members as reflected in the eligibility case file.
<b>GEOGRAPHIC SERVICE AREA (GSA)</b>	An area designated by AHCCCS within which a Contractor of record provides, directly or through subcontract, covered health care service to a member enrolled with that Contractor of record, as defined in 9 AAC 22, Article 1.
<b>TARGET PERCENTAGES</b>	The proportion of members calculated applying, an AHCCCS defined methodology, which is used to distribute members to each Contractor.

### III. POLICY

#### A. COMPONENTS OF THE AUTO-ASSIGNMENT ALGORITHM

##### 1. Overview

The auto-assignment algorithm is a mathematical formula used to distribute members who have a choice of Contractors in a GSA or Pima County, but who do not exercise their right to choose a Contractor within the prescribed time limits, and do not have enrollment assigned based on family continuity.

If a member is auto-assigned, AHCCCS sends a choice notice to the member and allows the member 90 days to choose a different Contractor.

Newborns born to mothers enrolled in the Federal Emergency Services Program (FESP), DDD, ALTCS E/PD, or CHP are auto-assigned to an ACC or ACC-RBHA Contractor when no family continuity exists. Mothers of these newborns are sent a choice notice advising them of their right to choose a different ACC or ACC-RBHA Contractor for their child and allowing them 90 days to make the choice.

The auto-assignment algorithm uses a combination of weighted pre-determined factors, specified below, to assign points to Contractors, which are then used to calculate target percentages. The target percentages are loaded into a data table and a formula is used to assign cases to Contractors. A case may be a member or a household of members. The algorithm data table consists of all the GSAs and Pima County (hereafter GSAs), all Contractors serving each GSA, and the target percentages established by risk group. The equation used to assign members is:

$$(t/T) - P = d$$

t = The total members assigned to the GSA, per risk group category, for the Contractor

T = The total members assigned to the GSA, per risk group category, all Contractors combined

P = The calculated target percentage of members per risk group for the Contractor

d = The difference

All Contractors, within a given GSA and for each risk group, will have a placement in the algorithm and will receive members accordingly. A Contractor with a more favorable target percentage in the algorithm will receive proportionally more members. Conversely, a Contractor with a lower target percentage in the algorithm will receive proportionally fewer members.

The Contractor furthest from its target percentage within a GSA and risk group, i.e., the largest negative difference, is assigned the next case for that GSA. The algorithm is calculated after each assignment to give a new difference for each Contractor. When multiple Contractors have the same largest negative difference, the Contractor with the lowest Health Plan ID Number will be assigned the case.

AHCCCS may exclude a Contractor from auto-assignment as a sanction for demonstrated failure to comply with contractual responsibilities, as specified in ACOM Policy 408.

2. Factors

Target percentages will be developed using the following factors:

FACTOR		WEIGHTING
1.	12-Month Average of the “Average Time to Process All Claims”	33.33%
2.	Ranking Results of Withhold and Quality Measure Performance Incentive Performance Measures	33.33%
3.	12-Month Average of Monthly Total Approved Encounters Per Member Month (MM)	33.33%

These are listed as Factor #1, Factor #2, and Factor #3 in the example under “Target percentages” below.

3. Points

Each Contractor will be assigned a number of points for each of the above three factors using the following table:

NUMBER OF AWARDS IN GSA FOR EACH FACTOR	1ST PLACE	2ND PLACE	3RD PLACE	4TH PLACE	5TH PLACE	6TH PLACE	7TH PLACE
2	60	40					
3	44	33	23				
4	35	28	22	15			
5	30	25	20	15	10		
6	27	23	19	15	10	6	
7	24	21	18	14	11	8	4

Points are assigned based on the number of Contractors in each GSA:

- a. North,
- b. Central,
- c. South (excluding Pima County), and
- d. Pima County.

The points will be weighted as indicated above to determine each Contractor’s target percentage by risk group by GSA.

If two or more Contractors have equal ranking for one of the factors, each Contractor is given an equal share of the total points that are assigned for each of the places they occupy. For example, in the event of a two-way tie for the second place in a GSA with three awards, the points for the second and third place, 33 and 23, respectively, would be added together and divided by two resulting in an award of 28 points to each Contractor for the factor. In the event of a three-way tie for the third place in a GSA with five awards, the points for the third, fourth and fifth place, 20, 15 and 10, respectively, would be added together and divided by three resulting in an award of 15 points to each Contractor for the factor.

4. Target percentages

By weighing the points assigned to each factor, the target percentages are determined.

The following example, using four awards, illustrates the relationship of the factors, points, and target percentages.

**EXAMPLE: AGE 1-20**

CONTRACTOR	FACTOR #1 33.33% WEIGHT		FACTOR #2 33.33% WEIGHT		FACTOR #3 33.33% WEIGHT		TARGET %
	RANK	POINTS	RANK	POINTS	RANK	POINTS	
CONTRACTOR A	1 <sup>st</sup> Place	35.00	2 <sup>nd</sup> Place	28.00	2 <sup>nd</sup> Place	28.00	31.00%
CONTRACTOR B	3 <sup>rd</sup> Place	22.00	1 <sup>st</sup> Place	35.00	3 <sup>rd</sup> Place	22.00	26.00%
CONTRACTOR C	2 <sup>nd</sup> Place	28.00	3 <sup>rd</sup> Place	22.00	1 <sup>st</sup> Place	35.00	28.00%
CONTRACTOR D	4 <sup>th</sup> Place	15.00	4 <sup>th</sup> Place	15.00	4 <sup>th</sup> Place	15.00	15.00%
		100.00		100.00		100.00	100.00%

**B. MAXIMUM ENROLLMENT**

1. Quarterly on October 1, January 1, April 1, and July 1, those Contractors in Pima County and the Central GSA that have enrolled membership equal to or greater than 45% of the GSA total will have their target percentages set to zero (i.e., capped auto-assignment algorithm enrollment). This cap will continue until the Contractor’s enrolled membership becomes equal to or less than 44.0% of the GSA total. The points removed will be redistributed based on the existing distribution to all the remaining Contractors in that GSA that have not reached the 45% maximum enrollment threshold. Maximum enrollment will be re-tested in the following quarter to determine if the Contractor’s enrollment is 44.0% or less than the GSA total. If not, the target percentages will remain at zero. If yes, the target percentages will be returned to the original distribution prior to being set to zero (i.e., uncapped auto-assignment algorithm enrollment).
2. AHCCCS will use a standard enrolled membership report run out of the agency’s data warehouse to determine the enrolled membership to be used in the calculation. This report will be run for the following effective dates: September 1, December 1, March 1, and June 1.

3. If it is determined that a Contractor in Pima County or the Central GSA should have their auto-assignment algorithm enrollment capped or uncapped, the Contractor shall be notified before the auto-assignment algorithm is changed.

#### **C. ANNUAL ADJUSTMENTS**

1. The auto-assignment algorithm will be reviewed annually by AHCCCS for updates to data used for existing factors, when appropriate, and/or substitution of new factors. The target percentages assigned to each Contractor may be recalculated based on the combination of factors used. If new factors are being incorporated into the auto-assignment algorithm, AHCCCS will notify the Contractor no less than three months prior to October 1 or the effective date of the policy. Refer to section on future auto-assignment Factors. Updating an existing factor with more recent data is not considered a new factor and does not require prior notification.
2. Each Contractor shall receive from AHCCCS Division of Business and Finance (DBF) the updated auto-assignment algorithm with updated target percentages once they are changed.

#### **D. ENHANCED AUTO ASSIGNMENT ALGORITHM**

1. After a Request for Proposal (RFP), new Contractors and successful incumbent Contractors below the GSA specific enrollment thresholds listed in the RFP may receive members under an enhanced auto-assignment algorithm. If utilized by AHCCCS, the enhanced auto-assignment algorithm will be based on the factors discussed in the section on components of the auto-assignment algorithm above and shall continue to favor those Contractors below the threshold, for a time established by AHCCCS.
2. The Contractor not qualifying for the enhanced auto-assignment algorithm will not receive any members via auto-assignment for this time period.
3. AHCCCS may evaluate the enrollment by Contractor to determine whether to continue and/or reinstate the enhanced algorithm.
4. All efforts will be made to auto-assign members based on the methodology discussed in the Section on Components of the Auto-Assignment Algorithm above and the thresholds by GSA listed in the RFP, however, the number of assigned members may vary due to issues such as Family Continuity, newborns, or 90-day re-enrollment.

#### **E. MEDICARE ALIGNMENT**

AHCCCS may address assignment of dual eligible members in a unique manner for improved care coordination opportunities.

**F. FUTURE AUTO-ASSIGNMENT FACTORS**

1. AHCCCS may change the auto-assignment algorithm at any time during the term of the Contract in response to Contractor-specific issues (e.g., imposition of an enrollment cap) or in the best interest of the AHCCCS Program and/or the State. AHCCCS may change the algorithm factor methodology for subsequent years to recognize and reward Contractor performance across a variety of factors of importance to AHCCCS.
  
2. The Factors may be based on, but not limited to, a combination of one or more of the following:
  - a. Capitation rates,
  - b. Clinical performance measures,
  - c. Encounter submission measures,
  - d. Claims processing performance measures,
  - e. Other administrative measures (e.g., measures related to grievances/hearings),
  - f. Operational reviews or other performance assessments,
  - g. Provider surveys,
  - h. Member surveys, and/or
  - i. National Committee for Quality Assurance (NCQA) Accreditation status, scores and/or other benchmarks as determined by AHCCCS.