

Prior Year	Calculation Step	Comparison Group
Prior Year Members	(a)	80,000
Prior Year Cost	(b)	\$400,000,000
Prior Year PMPY Cost	(c) = (b) / (a)	\$5,000.00
Prior Year Risk Score	(d)	1.050
Risk-adjusted Prior Year PMPY Cost	(e) = (c) / (d)	\$4,761.90

Large Entity	Medium Entity	Small Entity
20,000	10,000	5,000
\$80,000,000	\$60,000,000	\$25,000,000
\$4,000.00	\$6,000.00	\$5,000.00
0.800	1.250	1.000
\$5,000.00	\$4,800.00	\$5,000.00

Performance Year	Calculation Step	Comparison Group
Performance Year Members	(f) = (a)	80,000
Performance Year Cost	(g)	\$420,000,000
Performance Year PMPY Cost	(h) = (g) / (f)	\$5,250.00
Performance Year Risk Score	(i)	1.050
Care Coordination Add-on Payments PMPY	(j)	
Risk-adjusted Performance Year PMPY Cost	(k) = [(h) / (i)] + (j)	\$5,000.00

Large Entity	Medium Entity	Small Entity
20,000	10,000	5,000
\$82,000,000	\$62,000,000	\$25,000,000
\$4,100.00	\$6,200.00	\$5,000.00
0.820	1.203	1.042
\$48.00	\$48.00	\$0.00
\$5,050.00	\$5,200.00	\$4,800.00

Savings	Calculation Step	Comparison Group
Annual Risk-adjusted Trend Percentage	(l) = [(k) / (e)] - 1	5.00%
Expected Performance Year PMPY (Using Comparison Group Trend)	(m) = (e) * [1 + (l) _{Comparison Group}]	
Risk-adjusted Savings (PMPY Basis)	(n) = (m) - (k)	
MSR Threshold (2% of Expected Performance Year Costs)	(o) = 0.02 * (m)	
MSR-adjusted Savings PMPY	(p) = if [(n) > (o) then (n), otherwise 0]	
Savings Cap (10% of Expected Performance Year Costs)	(q) = 0.10 * (m)	
Capped MSR-adjusted Savings PMPY (Upside Only)	(r) = if [(n) ≤ 0 then 0, otherwise minimum{ (n), (p), (q) }]	
Individual Savings Pool Funding (PMPY Basis) (50% Shared with State)	(s) = 0.50 * (r)	

Large Entity	Medium Entity	Small Entity
1.00%	8.33%	-4.00%
\$5,250.00	\$5,040.00	\$5,250.00
\$200.00	(\$160.00)	\$450.00
\$105.00	\$100.80	\$105.00
\$200.00	(\$160.00)	\$450.00
\$525.00	\$504.00	\$525.00
\$200.00	\$0.00	\$450.00
\$100.00	\$0.00	\$225.00

Aggregate MSR-adjusted Program Savings	(t) = Σ [(f) * (p)]	\$4,650,000
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- Notes:
- The example shared savings calculator has simplified some steps in the calculation to allow for easier readability. The calculations steps in this model are not to be considered final or binding and may slightly differ from the final shared savings calculation.
 - The numbers used in this example are for illustrative purposes only. The numbers in blue font are input values.
 - For additional detail on how the aggregate quality score is calculated, please visit www.ct.gov/dss/pcmh+ to view the presentation from December 2016.

Individual Savings Pool	Calculation Step	All Participating Entities
Individual Savings Pool	$(u) = (f) * (s)$	\$3,125,000
Aggregate Quality Score	(v)	
Individual Savings Pool Award	$(w) = (u) * (v)$	\$1,875,000
Unclaimed Individual Savings	$(x) = (u) - (w)$	\$1,250,000

Large Entity	Medium Entity	Small Entity
\$2,000,000	\$0	\$1,125,000
50%	67%	78%
\$1,000,000	\$0	\$875,000
\$1,000,000	\$0	\$250,000

Challenge Pool Funding	Calculation Step	All Participating Entities
Savings Awarded via Individual Savings Pool	$(y) = \sum (w)$	\$1,875,000
Maximum Challenge Pool Funding after netting out Losses	$(z) = \text{maximum} [(t) - (y), 0]$	\$2,775,000
Challenge Pool Funding	$(aa) = \text{minimum} [(x), (z)]$	\$1,250,000

Challenge Pool	Calculation Step	All Participating Entities
Number of Challenge Measures Passed	(ab)	
Member-weighted Challenge Measures	$(ac) = (f) * (ab)$	80,000
Challenge Pool Distribution Percentage	$(ad) = (ac) / \sum (ac)$	100%
Challenge Pool Award	$(ae) = \text{if} [(aa) \leq 0 \text{ then } 0, \text{ otherwise } (aa) * (ad)]$	\$1,250,000

Large Entity	Medium Entity	Small Entity
2	3	2
40,000	30,000	10,000
50.00%	37.50%	12.50%
\$625,000	\$468,750	\$156,250

Summary of Savings Distributions	Calculation Step	All Participating Entities
Savings Awarded via Individual Savings Pool	(w)	\$1,875,000
Savings Awarded via Challenge Pool	(ae)	\$1,250,000
Total Savings Shared	$(af) = (w) + (ae)$	\$3,125,000

Large Entity	Medium Entity	Small Entity
\$1,000,000	\$0	\$875,000
\$625,000	\$468,750	\$156,250
\$1,625,000	\$468,750	\$1,031,250

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