

DRAFT

PER-MEMBER-PER-MONTH (PMPM) PAYMENT DEFINITION AND METHODOLOGY

- **Definition:** The PMPM payment is a prospective quarterly risk-adjusted payment to CPC practices that supports the practices in conducting the activities required by the CPC program. PMPM payments begin in January following program enrollment. CPC practices must meet activity requirements, clinical quality, and efficiency metrics as described in the “definitions and calculations applicable to payment methodologies” link on the ODM website in order to receive PMPM payments.
- **Eligibility:** All CPC practices are eligible to receive PMPM payments for the duration of their participation in the Ohio CPC program.
- **Payment calculation:** The quarterly PMPM payment for a given CPC practice is calculated as follows: ([number of patients on the practice’s panel attributed to tier 1* PMPM amount for tier 1] + [number of patients on the practice’s panel attributed to tier 2* PMPM amount for tier 2] + [number of patients on the practice’s panel attributed to tier 3* PMPM amount for tier 3])*3. The final multiplication is to accommodate the three months in the quarter.
- **Risk tiers and payment amounts:** The following risk tiers correspond to specific PMPM payment amounts.
 - Tier 1:
 - Definition: [3M’s CRG](#) statuses “healthy,” “history of significant acute disease” and “single minor chronic disease” ;
 - Payment amount: \$1 PMPM
 - Tier 2:
 - Definition: 3M’s CRG statuses “minor chronic diseases in multiple organ systems,” “significant chronic disease,” “significant chronic diseases in multiple organ systems”
 - Payment amount: \$8 PMPM
 - Tier 3:
 - Definition: 3M’s CRG statuses “dominant chronic disease in 3 or more organ systems,” “dominant/metastatic malignancy,” “catastrophic”
 - Payment amount: \$22 PMPM