

**ATTACHMENT 3. AVERAGE CONTRACTED RATE
 METHODOLOGY CHECKLIST AND INSTRUCTIONS**

The ACR Methodology Checklist collects the methodology for determining the average contracted rate for the services subject to Section 1371.9. The methodology must include the highest and lowest contracted rates for the calendar year 2015. Please note that there is no restriction on the length of the responses provided in the 'Additional Detail/Explanation' column in the ACR Methodology document. The Plan and its delegated entities may enter as much text as desired.

METHODOLOGY USED TO CALCULATE THE ACR

| Methodology Questions | |
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| 1) What method of averaging was used to calculate the ACR? | |
| Response | Select from Options <input type="checkbox"/> Mean <input type="checkbox"/> Median <input type="checkbox"/> Other |
| IF 'Other, please describe | |
| 2) Was each service weighted equally in the ACR calculation for a given CPT code? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| IF 'No', please describe the weighting approach. | |
| 3) For a given CPT code, was the ACR calculated separately for different types of providers? (For example, for primary care provider versus other providers). | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| IF 'Yes', for what types of providers does it differ? | |

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| 4) Were there a minimum number of services required before actual plan data were used to calculate the ACR for a CPT code? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <p>If 'Yes', what is that number of services?</p> <p>For CPT codes with a number of services below the minimum, please describe what approach or source is used to calculate/set the ACR.</p> <p>If some other method is used for determining that sufficient data exists for calculating the ACR (other than a minimum number of services), please describe that method.</p> | |
| 5) In calculating the ACRs, were any adjustments made to the allowed charge amounts as recorded on the claims? For example, was trend or some other factor applied? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If 'Yes', please describe the adjustments. | |

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| 6) If a statistically valid source for historical claims amounts was not available, have you used a commercial database to generate the ACRs? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable |
| <p>If 'Yes', what database was used? Please explain how the database was used to generate ACRs.</p> <p>If 'No', please explain the data source for the ACRs.</p> | |
| ACR Data Source | |
| 7) In calculating the ACR, what period of service dates were included? | |
| Response | Select from Options <input type="checkbox"/> CY 2015 <input type="checkbox"/> Other |
| <p>If 'Other', what period was used in the ACR calculation?</p> <p>Please indicate the period for claims run-out (for example, were all claims incurred in calendar year 2015 included that were processed by December 31, 2016?)</p> | |

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| 8) Were denied services included in the ACR calculation? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If 'Yes', please explain the rationale for including denied services. | |
| 9) Were claims that were subsequently adjusted included with only their final disposition? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If 'No', please explain the rationale for including instances of claims other than the final disposition. | |
| 10) Were disputed payments included in the ACR calculation? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 11) Were services with payment modifiers that affected the allowed amount (i.e., -50 or -51 for bilateral or multiple procedures) included? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |

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| 12) Were services from fully capitated providers included? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable |
| If 'Yes', how were the allowed amounts determined for these fully capitated encounters? | |
| 13) Were any payments included from providers with risk sharing arrangements in place? (For example, care management fees paid to providers as a part of a primary care medical home program). | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable |
| If 'Yes', please explain how these payments were included in the calculation. | |
| 14) Were payments that were a part of a case rate included in the ACR calculation? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable |
| If 'Yes', please explain how these payments were attributed to individual procedure codes. | |

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| 15) Did you consider an anesthesia conversion factor in your methodology for anesthesia services? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If "yes", please explain your calculations? | |
| Definition of Geographic Payment Areas | |
| 16) Were geographic payment areas other than county or Medicare locality used to calculate the ACR? | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If 'Yes', please provide a crosswalk between the areas as defined in the ACR calculation and the county. | |
| 17) Was the geographic location for a service determined by the address where the service was rendered? (Note that this question also includes instances where a service is provided at a non-contracting facility resulting from an in-network facility visit). | |
| Response | Select from Options <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If 'No', what location was used? | |

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| Methodology Description |
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| 18) Provide a detailed description of the methodology for determining the average contracted rates for services subject to Health and Safety Code section 1371.9 below and include any additional information not addressed by the checklist questions above: |
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The [filer], being fully authorized to execute on behalf of the health care service plan or delegated entity, certifies under penalty of perjury pursuant to the laws of the State of California as to this filing and any other electronically submitted required filing and each exhibit and attachment thereto, that the [filer] knows the contents thereof and that the statements therein are true and correct.