

**970 - PERFORMANCE MEASURES**

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**I. PURPOSE**

This Policy applies to ACC, ACC-RBHA, ALTCS E/PD, DCS/ CHP (CHP), and DES/DDD (DDD)Contractors. This Policy establishes requirements related to performance measures, including performance measure analysis and reporting, and associated Contractor requirements for meeting performance measure related contractual obligations. The Contractor is responsible for adhering to all requirements specified in Contract and Policy, as well as related requirements specified in 42 CFR Part 457 and 42 CFR Part 438.

**II. DEFINITIONS**

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

<b>ACCESS</b>	<b>HEALTH INFORMATION SYSTEM</b>	<b>LONG-TERM SERVICES AND SUPPORTS (LTSS)</b>
<b>MEMBER</b>	<b>MONITORING</b>	<b>OBJECTIVE</b>
<b>PLAN-DO-STUDY-ACT (PDSA) CYCLE</b>		

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

**AHCCCS/DIVISION OF HEALTH CARE SERVICES (DHCS) QUALITY IMPROVEMENT (QI) TEAM** AHCCCS staff who evaluate Contractor Quality Management/Performance Improvement (QM/PI) Programs; monitor compliance with required Quality/Performance Improvement Standards, Contractor Quality Improvement (QI) Corrective Action Plans (CAPs), Performance Measures, and Performance Improvement Projects (PIPs); and provide technical assistance for QI-related matters.

**BENCHMARK** The process of comparing performance results with an external standard to evaluate performance and drive quality improvement efforts. Benchmarks may be generated from similar organizations, quality collaboratives, nationally recognized organizations, and/or authoritative bodies.

**EXTERNAL QUALITY REVIEW ORGANIZATION (EQRO)** An organization that meets the competence and independence requirements as specified in 42 CFR 438.354 and performs External Quality Review (EQR) activities as specified in 42 CFR 438.358 or 42 CFR 438.320.

<b>EVALUATE</b>	The process used to examine and determine the level of quality or the progress towards improvement of quality and/or performance related to Contractor service delivery systems.
<b>MEASURABLE</b>	The ability to determine definitively whether or not a quantifiable objective has been met, or whether progress has been made towards a positive outcome.
<b>MONITORING</b>	The process of auditing, observing, evaluating, analyzing, conducting follow-up activities, and documenting results.
<b>PERFORMANCE IMPROVEMENT PROJECT (PIP)</b>	A planned process of data gathering, evaluation, and analysis to determine interventions or activities that are projected to have a positive outcome. This process includes measuring the impact of the interventions or activities aimed toward improving quality of care and service delivery. Performance Improvement Projects (PIPs) are designed to achieve significant improvement, sustained over time, in health outcomes and member satisfaction, and include the elements outlined in 42 CFR 438.330(2). A PIP may also be referred to as a Quality Improvement Project (QIP).
<b>QUALITY</b>	As it pertains to external quality review, means the degree to which a Managed Care Organization (MCO) increases the likelihood of desired outcomes of its enrollees through: <ol style="list-style-type: none"><li>1. Its structural and operational characteristics,</li><li>2. The provision of services that are consistent with current professional, evidenced-based-knowledge, and</li><li>3. Interventions for performance improvement (42 CFR 438.320).</li></ol>
<b>STATISTICALLY SIGNIFICANT</b>	A judgment of whether a result occurred because of chance. When a result is statistically significant, it means that it is unlikely that the result occurred because of chance or random fluctuation. There is a cutoff for determining statistical significance which is defined as the significance level. If the probability of a result (the significance value or p value) is less than the cutoff (the significance level), the result is judged to be statistically significant. Statistical significance is calculated utilizing the chi square methodology, and a statistically significant result is defined as a p value less than or equal to 0.05.
<b>TRIPLE AIM</b>	A framework for optimizing health system performance, which consists of three components: <ol style="list-style-type: none"><li>1. Improve the member experience of care (including quality and satisfaction),</li><li>2. Improve the health of populations, and</li><li>3. Reduce the per capita costs of healthcare.</li></ol>

### III. POLICY

#### A. OVERVIEW

AHCCCS identifies and requires performance metrics/performance measures (quality measures) to monitor the compliance of its Contractors in meeting contractual requirements related to the delivery of care and services provided to its members.

In developing the performance metric/performance measure (quality measure) requirements, attention is given to the goals coined by the Institute for Health Improvement (IHI) and adopted by the Centers for Medicare and Medicaid Services (CMS), which are referred to as the “Triple Aim”.

1. In order to achieve the Triple Aim, an accurate, reliable, and valid health information system is necessary and required. The health information system shall serve as the primary data source for the Contractor to aggregate and analyze clinical, service, financial, and member experience of care data. The health information system data shall be used as the basis for identifying and implementing general and targeted evidence-based interventions and tracking improvement over time for each population as well as applicable subpopulations.

Examples of how the three components of the Triple Aim may be implemented include:

- a. Improve the experience and outcomes of care
  - i. Offer incentives to improve the experience of care, which may be measured through:
    - 1) Meeting the Value-Based Payment (VBP) patient satisfaction goals, and/or
    - 2) Attaining Consumer Assessment of Healthcare Providers and Services (CAHPS®) patient satisfaction goals.
  - ii. Utilize supplemental data sources (such as the Health Information Exchange [HIE]) to fully understand how and from whom members receive services and promote opportunities for increased care coordination.
- b. Improve the health of populations
  - i. Provide payment based on quality, such as:
    - 1) Achieving quality metrics, and
    - 2) Meeting pay-for-performance/quality or value-based purchasing metrics.
  - ii. Establish opportunities for clinically integrated care, such as:
    - 1) Implementation/use of the HIE,
    - 2) Increased use of electronic health records,
    - 3) Creating disease registries,
    - 4) Providing clinician and member portals,
    - 5) Offering patient centered medical homes,
    - 6) Utilizing accountable care organizations, and
    - 7) Providing population health initiatives that:
      - a) Support and encourage patient engagement, and
      - b) Incorporate mobile applications.
- c. Reduce the per capita costs of health care
  - i. Reform delivery and payment systems to provide better care in a cost-efficient manner by:
    - 1) Structuring payment based on quality,
    - 2) Rewarding increased access to care, and
    - 3) Developing methods to utilize electronic health records for care coordination and quality improvement.

2. AHCCCS routinely collects, monitors, and evaluates data representative of Contractor, line of business/population, agency, and program-level performance (i.e., Title XIX or Title XXI, Managed Care, or Fee-For-Service). Focus areas for required performance metrics include, but are not limited to:
  - a. Quality,
  - b. Timeliness,
  - c. Utilization,
  - d. Efficiency,
  - e. Member satisfaction,
  - f. Targeted investment, and
  - g. Performance improvement.
  
3. The Contractor is required to collect, monitor, and evaluate performance metric/performance measure data on an on-going basis; and develop specific measurable goals/objectives aimed at enhancing the Quality Management/Performance Improvement (QM/PI) Program. The Contractor is required to self-report performance metric/performance measure data to AHCCCS in accordance with Contract requirements.

Refer to the Performance Measures section for more information.

## **B. PERFORMANCE MEASURES**

As part of AHCCCS' efforts to collect, monitor, and evaluate Contractor, line of business, system, , and agency-level performance, AHCCCS utilizes standardized performance measures included within CMS Core (Child and Adult), National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS)<sup>®</sup> measure sets, and/or other nationally recognized measure set.

Performance measures are integral to each Contractor's QM/PI Program and are focused on clinical and non-clinical areas reflective of the CMS Core Set domains of care, which include:

1. Primary care access and preventive care.
2. Maternal and perinatal health.
3. Care of acute and chronic conditions.
4. Behavioral health care.
5. Dental and oral health services.
6. Experience of care.
7. Long Term Services & Supports (LTSS).

CMS may, in consultation with States and other stakeholders, specify standardized performance measures in addition to state-specified measures included in Contract [42 CFR 438.330(a)(2)]. The Contractor is required to measure and report performance measures mandated by CMS and AHCCCS.

The Contractor shall comply with AHCCCS QM/PI Program requirements to enhance performance for all AHCCCS required performance measures. Performance standards in the Contract Year Ending (CYE) 2023 Contract apply to performance measure results calculated by the Contractor and validated by AHCCCS' External Quality Review Organization (EQRO) for the Calendar Year (CY) 2023 measurement period (January 1 – December 31, 2023). Performance measure rates shall be compared with the national benchmarks (as specified in the associated Contract) reflective of the same measurement period.

Contractor calculated rates that have been validated by AHCCCS' EQRO are the official rates utilized for determining Contractor compliance with performance measure requirements. AHCCCS reserves the right to calculate and report rates, in lieu of Contractor calculated rates, which may be utilized as the official rates when determining Contractor compliance with performance measure requirements. Contractor performance is evaluated annually utilizing the official rates with the official rates utilized for the purposes of regulatory action.

1. The Contractor is required to calculate and report performance measures identified in Contract. A Contractor that provides LTSS shall also calculate and report LTSS-specific performance measure that examine, at a minimum, members' quality of life as well as the Contractor's rebalancing and community integration outcomes. Performance measures specific to members selecting a self-directed option may also be developed. The measures shall consider underlying performance, performance gaps, reliability and validity, feasibility, and alignment with LTSS care and services. The measures shall support and align with the Contractor's QM/PI Program [42 CFR 438.330(c)(1)(ii)].
2. Performance measures are utilized to evaluate whether the Contractor is fulfilling key contractual obligations and serve as an important element of the agency's approach to transparency in health services and VBP.
3. Contractor performance is publicly reported on the AHCCCS website (e.g., report cards and rating systems) and other means, such as sharing of data with other State agencies, community organizations, and stakeholders.

### **C. PERFORMANCE MEASURE REQUIREMENTS**

Contractor performance is compared to AHCCCS requirements/performance standards (which may include national benchmarks, population/line of business aggregate performance, historical performance, etc.) and/or goals established by CMS. The Contractor shall comply with AHCCCS QM/PI program requirements to meet established performance standards as well as maintain or improve performance for AHCCCS contractually required performance measures. The Contractor shall utilize the results of its performance measure rates when evaluating its QM/PI Program performance. The Contractor is responsible for applying the performance measure specifications and methodologies, in accordance with AHCCCS requirements and instructions, for routine and ongoing monitoring and evaluation of performance measure rates.

1. The Contractor shall:
  - a. Adhere to the requirements specified within AHCCCS Contract and policy related to performance measure requirements,
  - b. Measure and report performance measures as well as meet any associated standards mandated/identified by CMS,
  - c. For each measure, achieve at least the Performance Measure Performance Standard (PMPS) outlined in Contract, utilizing the official rates described above. In cases where the PMPS have been met, identified goals or objectives that continue the Contractor's improvement efforts shall be utilized to establish the program's measurable goals/objectives. This may include utilizing percentile/quartile data established by NCQA or CMS,
  - d. Develop an evidence-based Corrective Action Plan (CAP), for each performance measure that does not meet the PMPS, to improve performance to at least the minimum standards required by AHCCCS. AHCCCS also may require a CAP for measures that show statistically significant decline in performance, even if the measure rate meets or exceeds the PMPS. The CAP shall align with the requirements of AMPM Policy 920, Attachment B as well as include a list of activities and/or strategies that the Contractor is using to allocate increased administrative resources to improve rates for a particular measure or service area. AHCCCS may require the Contractor to demonstrate they are allocating increased administrative resources to improving rates for a particular measure or service area. The proposed CAP shall be submitted to AHCCCS for review and approval, prior to implementation,
  - e. Show demonstrable and sustained improvement toward meeting the PMPS. AHCCCS may impose administrative actions on the Contractor that does not show statistically significant improvement in official rates. Administrative actions may also be imposed for statistically significant declines in performance (even if the measure rate meets or exceeds the PMPS), for any rate that does not meet the PMPS, or a rate that has a significant impact to the aggregate rate for the State,
  - f. Be responsible for monitoring its subcontractor encounter submissions, and
  - g. Monitor and report to AHCCCS, any identified discrepancies in encounters submitted to, and received by, AHCCCS (including paid, denied, and pended encounters), and the status of such discrepancies.

#### **D. PERFORMANCE MEASURE ANALYSIS**

The Contractor shall conduct performance measure rate data analysis to improve the quality of care provided to members, identify opportunities for improvement, and implement targeted interventions. When conducting data analysis, the Contractor shall evaluate aggregate and subpopulation performance, including members with special health care needs as well as any other focus areas identified by AHCCCS. This includes the analysis of performance to identify health disparities and related opportunities for improvement.

The Contractor shall:

1. Review and evaluate its quality improvement data for accuracy, completeness, logic, and consistency as well as track and trend quality improvement data (including performance metric/performance measure data) to identify potential areas for improvement.

2. Identify and implement corrective actions with providers/vendors when QM/PI Program data (including performance metric/performance measure data) received from providers/vendors is not accurate, timely, and/or complete. This may include collaboration with vendors utilized to calculate performance measures when issues/discrepancies in performance measure calculations are identified and/or issues identified with supplemental data sources.
3. Utilize proven quality improvement tools when conducting root-cause analysis and problem-solving activities to identify and implement interventions aimed to improve performance.
4. Identify and implement targeted interventions to address any noted disparities identified as part of the Contractor’s data analysis efforts.
5. Indicate if the interventions are applicable to Title XIX, Title XXI, or both Title XIX and Title XXI.
6. Conduct Plan-Do-Study-Act (PDSA) Cycles to:
  - a. Evaluate the effectiveness of interventions,
  - b. Revise interventions, as necessary,
  - c. Conduct repeat PDSA cycles until improvement is achieved, and
  - d. Utilize several PDSA cycles for performance measures. PDSA cycles shall be conducted in a short time frame as practical, based on the performance measure and associated intervention(s).

PDSA Cycles consist of the following steps:

- a. Plan: Plan the change(s) or intervention(s), including a plan for collecting data. State the objective(s) of the intervention(s),
- b. Do: Try out the intervention(s) and document any problems or unexpected results,
- c. Study: Analyze the data and study the results. Compare the data to predictions and summarize what was learned,
- d. Act: Refine the change(s) or intervention(s), based on what was learned, and prepare a plan for retesting the intervention(s), and
- e. Repeat: Continue the cycle as new data becomes available until improvement is achieved.

For more information, refer to the Agency for Healthcare Research and Quality website at [www.ahrq.gov](http://www.ahrq.gov).

#### **E. INTER-RATER RELIABILITY**

The Contractor may be directed to collect all or some of the data utilized to measure performance. In such cases, the Contractor shall:

1. Submit specific documentation to verify that indicator criteria were met in accordance with AHCCCS’ instruction.
2. Have qualified personnel collect the data.

3. Implement inter-rater reliability, if more than one person is collecting and entering data.
  - a. The Contractor shall verify that data collected from multiple parties/individuals for performance measures is consistent and comparable through an implemented inter-rater reliability process. The Contractor's documented inter-rater reliability process shall include:
    - i. A detailed description of the Contractor's methodology for conducting inter-rater reliability including initial training (and retraining, if applicable), oversight and validation of data collection, as well as other activities deemed applicable by the Contractor,
    - ii. The required minimum score that each individual must obtain in order to continue participation in the data collection and reporting process,
    - iii. A mechanism for evaluating individual accuracy scores (and any subsequent accuracy scores, if applicable), and
    - iv. Actions taken should an individual not meet the established accuracy score.
  - b. In addition, the Contractor shall monitor and track the inter-rater reliability accuracy scores and associated follow up activities. The Contractor shall provide evidence of implementation of the inter-rater reliability process as well as the associated monitoring upon AHCCCS' request.

#### **F. PERFORMANCE METRIC AND MEASURE REPORTING**

The Contractor's QM/PI Program staff shall internally measure and report to AHCCCS its performance for required performance metrics/performance measures utilizing the measure stewards and methodologies indicated by AHCCCS. The Contractor shall align with the requirements outlined in Contract and this policy, as well as adhere to the instructions provided by AHCCCS and/or found within the AHCCCS QM/PI Reporting Templates & Checklists webpage.

1. The Contractor's QM/PI Program performance shall be reported by the Contractor to the AHCCCS QI Team, as specified in Contract and policy, utilizing the AHCCCS Performance Measure Monitoring Report & Work Plan Evaluation Template found on the AHCCCS website under Resources, AHCCCS Guides – Manuals – Policies, AHCCCS QM/PI Reporting Templates & Checklist webpage.
2. Performance shall be analyzed and reported separately, by line of business/population.
3. The Contractor shall include all Medicaid Managed Care enrolled members (meeting the inclusion criteria outlined within the associated measure specifications) within its performance measure reporting.
4. The Contractor shall calculate, and report combined rates/percentages for the Medicaid and KidsCare populations; however, the Contractor must have the ability to calculate and report separate numerators, denominators, and rate/percentage for Medicaid as well as KidsCare, which shall be provided in accordance with AHCCCS' requests or instructions.
5. The Contractor shall monitor KidsCare performance metrics/performance measures internally to evaluate if performance complies with contractual standards.

Refer to AMPM Policy 920 for more information specific to quarterly Performance Measure Monitoring Report and annual QM/PI Program Plan (inclusive of the Contractor's Work Plan and Work Plan Evaluation) submissions.



**G. QUALITY RATING SYSTEM**

AHCCCS shall develop or adopt a Contractor quality rating system for its Contractors in accordance with 42 CFR 438.334. The quality rating system will measure and report performance data collected from each Contractor on a standardized set of measures and/or data elements determined by CMS, as well as state identified performance metrics/performance measures.