

970 - PERFORMANCE MEASURES

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I. PURPOSE

This Policy applies to ACC, ALTCS/EPD, DCS/CMDP (CMDP), DES/DDD (DDD), and RBHA Contractors. This Policy establishes requirements for the purpose of performance measures and associated Contractor requirements in meeting contractual obligations related to the delivery of care and services to its members. Contractors are responsible for adhering to all requirements as specified in Contract, Policy, 42 CFR Part 457, and 42 CFR Part 438.

II. DEFINITIONS

ACCESS

The timely use of services to achieve optimal outcomes, as evidenced by managed care plans successfully demonstrating and reporting on outcome information for the availability and timeliness elements defined under 42 CFR 438.68, and 42 CFR 438.206, 42 CFR 438.320.

ASSESSOR/EVALUATE

The process used to examine and determine the level of quality or the progress toward improvement of quality and/or performance related to Contractor service delivery systems.

**AHCCCS/DIVISION OF
HEALTH CARE
MANAGEMENT (DHCM),
QUALITY IMPROVEMENT
(QI) TEAM**

AHCCCS staff who evaluate Contractor Quality Management/Performance Improvement (QM/PI) Programs, monitor and evaluate compliance with required quality/performance improvement standards through standardized, Performance Measures (PM), Performance Improvement Projects (PIPs), and Quality Improvement specific Contractor Corrective Action Plans (CAPs), as well as provide technical assistance for performance improvement related matters.

BENCHMARK

The process of comparing a practice's performance with an external standard to motivate engagement in quality improvement efforts and understand where performance falls in comparison to others. Benchmarks may be generated from similar organizations, quality collaboratives, or authoritative bodies.

**CHAPTER 900 – QUALITY MANAGEMENT AND PERFORMANCE
IMPROVEMENT PROGRAM**

**EXTERNAL QUALITY
REVIEW ORGANIZATION
(EQRO)**

An organization that meets the competence and independence requirements set forth in 42 CFR 438.354, and performs external quality review, other EQR-related activities as set forth in 42 CFR 438.358, or both [42 CFR 438.320].

**HEALTH INFORMATION
SYSTEM**

A primary data system that collects, analyzes, integrates, and reports data to achieve the objectives outlined under 42 CFR 438. Data system composed of the resources, technology, and methods required to optimize the acquisition, storage, retrieval, analysis and use of data. The systems shall provide information on areas including, but not limited to, utilization, claims, grievances and appeals, and disenrollment's for other than loss of Medicaid eligibility [42 CFR 438.242].

**LONG TERM SERVICES AND
SUPPORTS
(LTSS)**

Means services and supports provided to members of all ages who have functional limitations and/or chronic illnesses that have the primary purpose of supporting the ability of the member to live or work in the setting of their choice, which may include the individual's home, a provider-owned or controlled residential setting, a nursing facility, or other institutional setting [42 CFR 438.2].

MEASURABLE

The ability to determine definitively whether or not a quantifiable objective has been met, or whether progress has been made toward a positive outcome.

METHODOLOGY

The planned documented process, steps, activities or actions taken by a Contractor to achieve a goal or objective, or to progress towards a positive outcome.

MONITORING

The process of auditing, observing, evaluating, analyzing and conducting follow-up activities, and documenting results via desktop or on-site review.

OBJECTIVE

A measurable step, generally one of a series of progressive steps, to achieve a goal.

OUTCOMES

Changes in patient health, functional status, satisfaction, or goal achievement that result from health care or supportive services [42 CFR 438.320].

**CHAPTER 900 – QUALITY MANAGEMENT AND PERFORMANCE
IMPROVEMENT PROGRAM****PERFORMANCE
IMPROVEMENT/QUALITY
IMPROVEMENT**

The continuous study and improvement of processes with the intent to better services or outcomes, and prevent or decrease the likelihood of problems, by identifying areas of opportunity and testing new approaches to fix underlying causes of persistent/systemic problems or barriers to improvement.

**PERFORMANCE
IMPROVEMENT PROJECT
(PIP)**

A planned process of data gathering, evaluation and analysis to determine interventions or activities that are projected to have a positive outcome. A PIP includes measuring the impact of the interventions or activities toward improving the quality of care and service delivery.

**PLAN-DO-STUDY-ACT
(PDSA) CYCLE**

A scientific method for testing a change or intervention, designed to result in improvement in a specific area. The cycle is completed by planning the change/intervention, trying it, observing the results, and acting on what is learned. When these steps are conducted over a relatively short time period; i.e. over days, weeks or months, the approach is known as Rapid Cycle Improvement.

**PLAN-DO-STUDY-ACT
(PDSA) METHOD**

A four step model to test a change that is implemented. Going through the prescribed four steps utilizing one or more PDSA cycles guides the thinking process into breaking down the task into steps and then evaluating the outcome, improving on it, and testing again.

QUALITY

As it pertains to external quality review, means the degree to which an MCO increases the likelihood of desired outcomes of its enrollees through:

1. Its structural and operational characteristics,
2. The provision of services that are consistent with current professional, evidenced-based-knowledge, and
3. Interventions for performance improvement.

[42 CFR438.320].

**CHAPTER 900 – QUALITY MANAGEMENT AND PERFORMANCE
IMPROVEMENT PROGRAM****STATISTICALLY
SIGNIFICANT**

A judgment of whether a result occurs because of chance. When a result is statistically significant, we mean that it is unlikely that the result occurs because of chance or random fluctuation.

There is a cutoff for determining statistical significance. This cutoff is the significance level. If the probability of a result (the significance value) is less than the cutoff (the significance level), the result is judged to be statistically significant. See Watson's Analytics Guide at www.ibm.com.

TRIPLE AIM

A framework for optimizing health system performance, which consist of three components:

1. Improve the experience and outcomes of care,
2. Improve the health of populations, and
3. Reduce the per capita costs of healthcare.

III.POLICY**A. OVERVIEW**

AHCCCS has developed and implemented 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 was paid 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 patient experience of care data in order to standardize best practices, implement targeted interventions, and track 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:
 - i) Support and encourage patient engagement, and
 - ii) 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, Agency, and system-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. Contractors are required to collect, monitor, and evaluate performance metric data on an on-going basis; and develop specific measurable goals/objectives aimed at enhancing the Quality Management/Performance Improvement (QM/PI) Program. Contractors are required to self-report performance metric data to AHCCCS in accordance with Contract requirements, which includes but is not limited to, the following:
 - a. Quality Management/Quality of Care (QOC) Reporting,
 - b. Medical Management Reporting,
 - c. Maternal and Child Health Reporting,
 - d. Network Adequacy, and
 - e. Waiver/Program Evaluation.

For more information related to PMs, see below.

B. PERFORMANCE MEASURES

As part of AHCCCS' efforts to collect, monitor, and evaluate Contractor, Line of Business, Agency, and system-level performance, AHCCCS utilizes standardized Performance Measures (PMs) included within CMS Core (Child and Adult) Measure Sets. Contractors may be required to monitor and report on select National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS)®, or other AHCCCS-required PMs.

AHCCCS PMs 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, and
6. Experience of Care.

CMS may, in consultation with States and other stakeholders, specify standardized PMs in addition to state-specified measures included in Contract [42 CFR 438.330(a)(2)]. Contractors are required to measure and report on PMs mandated by CMS.

Contractors shall comply with AHCCCS QM/PI Program requirements to enhance performance for all AHCCCS required PMs. Performance measure rates shall be compared with the MPS specified in the Contract effective during that measurement period. For example, performance standards in the CYE 2020 contract apply to results calculated by AHCCCS based on the measurement period of CYE 2020.

AHCCCS/Contractor calculated rates that have been validated by the External Quality Review Organization (EQRO) are the official rates utilized for determination of Contractor compliance with performance 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 using the official rates; these rates are considered the official measurements for each administrative Performance Measure and utilized for the purposes of regulatory action.

1. Contractors are required to report on PMs identified in Contract. Contractors that provide LTSS shall also include LTSS-specific PMs that examine, at a minimum, members' quality of life and the Contractor's rebalancing and community integration outcomes. PMs 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. AHCCCS PMs are utilized to evaluate whether Contractors are fulfilling key contractual obligations and serve as an important element of the Agency's approach to transparency in health services and VBP. 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. Contractor performance is compared to AHCCCS requirements and to national Medicaid performance, as well as goals established by CMS.

C. PERFORMANCE MEASURE REQUIREMENTS

The Contractor shall comply with AHCCCS QM/PI Program requirements to enhance performance for all AHCCCS established PMs. AHCCCS PMs can be found for all lines of business within Contract. Contractors are responsible for applying the correct PM methodologies for its internal monitoring of PM results.

1. Contractors shall:
 - a. Adhere to the requirements outlined within AHCCCS Contract related to Performance Measure (administrative and hybrid) Requirements.
 - b. Use the results of the official administrative and hybrid rates in evaluating its QM/PI Program,

- c. Show significant improvement from year to year, which is sustained over time, in order to meet goals for performance established by AHCCCS. The Contractor will have demonstrated sustained improvement when it:
 - i. Establishes how the significant improvement can be reasonably attributable to interventions undertaken by the Contractor (i.e. improvement occurred due to the project and its interventions, not another unrelated reason), and
 - ii. Maintains, or increases, the improvements in performance for at least one year after the improvement in performance is first achieved.
- c. Comply with national PMs and levels that may be identified and developed by CMS in consultation with AHCCCS and/or other relevant stakeholders,
- d. Achieve at least the Minimum Performance Standards (MPS) established by AHCCCS in Contract for each measure, utilizing the official (administrative or hybrid) rates. In cases where the AHCCCS MPS have been met, other generally accepted benchmarks that continue the Contractor’s improvement efforts will be used to establish the program’s measurable objectives. These may include benchmarks established/endorsed by CMS, NCQA, or other nationally recognized organizations.
- e. Develop an evidence-based CAP, for each performance measure that does not meet the MPS, to improve performance to at least the minimum level required by AHCCCS. The CAP shall align with the requirements of AMPM Policy 920 Attachment C 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. The proposed CAP shall be submitted to AHCCCS for review and approval, prior to implementation.
- f. Show demonstrable and sustained improvement toward meeting AHCCCS MPSs. AHCCCS may impose administrative actions on Contractors that do not show statistically significant improvement in a measure rate as calculated by AHCCCS. Administrative Actions may also be imposed for statistically significant declines of rates (even if they meet or exceed the MPS), for any rate that does not meet the AHCCCS MPS, or a rate that has a significant impact to the aggregate rate for the State. AHCCCS may require Contractors to demonstrate that they are allocating increased administrative resources to improving rates for a particular measure or service area. AHCCCS also may require a CAP for measures that are below the MPS or that show a statistically significant decrease in its rate, even if it meets or exceeds the MPS.
- g. Be responsible for monitoring its subcontractor encounter submissions.
- h. Monitor and report to AHCCCS, any identified discrepancies in encounters submitted to, and received by, AHCCCS (including paid, denied, and pending encounters), and the status of such discrepancies.

D. PERFORMANCE MEASURE ANALYSIS

Contractors shall conduct data analysis related to the Contractor’s performance measure rates to improve the quality of care provided to members, identify opportunities for improvement, and implement targeted interventions. When conducting data analysis, Contractors shall evaluate performance for aggregate and subpopulations, inclusive of members with special health care needs, as well as any other focus areas identified by AHCCCS.

Contractors shall:

1. Utilize proven quality improvement tools when conducting root-cause analysis and problem solving activities.
2. Identify and implement targeted interventions to address any noted disparities identified as part of the Contractor’s data analysis efforts.
3. Conduct Plan-Do-Study-Act (PDSA) Cycles to,
 - a. Evaluate the effectiveness of interventions and,
 - b. Revise interventions as necessary and conduct repeat PDSA Cycles until improvement is achieved.
 - i. PDSA Cycles consist of the following steps:
 - 1) **Plan:** Plan the change(s) or intervention(s), including a plan for collecting data. State the objective(s) of the intervention(s),
 - 2) **Do:** Try out the intervention(s) and document any problems or unexpected results,
 - 3) **Study:** Analyze the data and study the results. Compare the data to predictions and summarize what was learned,
 - 4) **Act:** Refine the change(s) or intervention(s), based on what was learned, and prepare a plan for retesting the intervention(s), and
 - 5) **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.

E. INTER-RATER RELIABILITY

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

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

3. Ensure inter-rater reliability if more than one person is collecting and entering data.
 - a. Contractors shall ensure that data collected from multiple parties/individuals for PMs 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, Contractors shall monitor and track the inter-rater reliability accuracy scores and associated follow up activities. Contractors 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

1. The Contractor's QM/PI Program shall internally measure and report to AHCCCS, its performance for required performance metrics/PMs, using the methodologies indicated by AHCCCS. Performance shall be analyzed and reported separately, by line of business.
 - a. QM/PI Program performance shall be reported by Contractors to the AHCCCS DHCM QI Team as specified in Contract utilizing AMPM Appendix B. Performance shall be analyzed and reported separately, by line of business and in accordance with the AMPM Appendix B, Instructions.

At this time, KidsCare performance is not required to be reported on a quarterly basis; however, Contractors shall monitor KidsCare performance metric/measures internally to ensure compliance with contractual standards.
 - b. Performance shall be reported by Contractors to the AHCCCS DHCM, QI Team on an annual basis within the QM/PI Program Plan. Refer to AMPM Policy 920, and AMPM Policy 920, Attachment A, for more information specific to the annual QM/PI Program Plan submissions.
2. Contractors are responsible for applying the correct PM methodologies for its internal monitoring of PM results, in accordance with measure specifications and AHCCCS Appendix B, Instructions.

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 on performance data collected from each Contractor on a standardized set of measures that will be determined by CMS, as well as state identified measures.