970 PERFORMANCE MEASURES

REVISION DATES: 10/01/15, 03/01/14, 10/01/13, 04/01/12, 02/01/11, 10/01/08, 02/01/07, 04/01/05, 10/01/01, 10/01/97

INITIAL EFFECTIVE DATE: 10/01/1994

A. OVERVIEW

AHCCCS has developed and implemented performance metrics to monitor the compliance of its Contractors in meeting contractual requirements related to the delivery of care and services to its members. In developing the metric performance measure set, attention was paid to the goals coined by the Institute for Health Improvement (IHI) and adopted by the Centers for Medicare and Medicaid Services, which is called the "Triple Aim". IHI defines the Triple Aim as "a framework for optimizing health system performance." There are three components to the Triple Aim:

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

The components of the Triple Aim must be balanced in order to reach the overarching goal of optimizing the healthcare system. In order to achieve the Triple Aim, an accurate, reliable and valid health information system is necessary and required. The health information analytics system must be able 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. Examples of how the three components of the Triple Aim may be implemented include:

1. <u>Improve the Experience of Care</u>
    a. Offer incentives and penalties to improve the experience of care, such as:
        i. Meeting the Value-Based Payment (VBP) patient satisfaction goals
        ii. The Consumer Assessment of Healthcare Providers and Services (CAHPS)
        iii. Supplying patient portals

2. Improve the Health of Populations

    a. Provide payment based on quality, such as:

        i. Achieving quality metrics, and
        ii. Meeting pay-for-performance/quality or value based purchasing metrics

    b. Establish opportunities for clinically integrated care, such as:

        i. Implementation/use of the Health Information Exchange
        ii. Increased use of electronic health records
        iii. Creating disease registries
        iv. Providing clinician and member portals
        v. Offering Patient Centered Medical Homes
        vi. Utilizing Accountable Care Organizations
        vii. Providing population health initiatives that
            (a) Support and encourage patient engagement
            (b) Incorporate mobile applications for patients achieving health goals

3. Reduce the cost of health care

    a. Reform delivery and payment systems to provide better care in a cost-efficient manner by:

        i. Structuring payment based on quality
        ii. Rewarding increased access to care
        iii. Develop methods to utilize electronic health records for care coordination and quality improvement

AHCCCS Performance Measures are based off of the Centers for Medicare and Medicaid Services (CMS) Core/Measure Sets Healthcare Effectiveness Data and Information Set (HEDIS-like) developed by the National Committee for Quality Assurance (NCQA), or other methodologies, and are integral to each Contractor's Quality Management/Performance Improvement (QM/PI) program. Examples of areas that may be measured include maternal and child health services, wellness and screening services, disease management processes, readmissions, utilization of services, and non-clinical areas such as access to care, placement at appropriate level of care, supervision of providers, provider turnover, interpreter services, and cultural competency.

Contractors that provide Long Term Service Supports (LTSS) will also include LTSS-specific, performance measures that examine, at a minimum, members' quality of life and the Contractor's rebalancing and community integration outcomes. Performance

measures specific to member's selecting a self-directed option may also be developed. The measures will consider underlying performance, performance gaps, reliability and validity, feasibility, and alignment. The measures will support and align with a Contractor's quality assessment and performance improvement program (§ 438.330(c)(4).

The performance measures are used to evaluate whether Contractors are fulfilling key contractual obligations. Such performance measures established or adopted by AHCCCS are also an important element of the Agency's approach to transparency in health services and value-based purchasing. Contractor performance is publicly reported on the AHCCCS website such as in its report cards and rating systems, and through other means, such as sharing of data with state agencies and other community organizations and stakeholders. Contractor performance is compared to AHCCCS requirements and to national Medicaid and commercial health plan means as well as goal established by the Centers for Medicare and Medicaid Services.

The Centers for Medicare and Medicaid Services (CMS) may, in consultation with states and other stakeholders, specify standardized performance measures and topics for performance improvement projects (PIPs) for inclusion alongside state- specified measures and topics in state contracts (§ 438.330(a)(2). Contractors are required to participate in performance measures and performance improvement projects that are mandated by CMS.

Performance Measures must be reported to AHCCCS CQM on a quarterly basis (refer to Appendix A, *EPSDT and Adult Quarterly Monitoring Report Instructions & Templates*). Performance measures must be analyzed and reported separately, by line of business Acute, E/PD, DDD, BHS (Acute and SMI populations, DDD and CMDP), and CRS (CMDP and DDD). In addition, Contractors should evaluate performance based on sub-categories of populations when reasonable to do such. An example of this would be DBHS analyzing aggregate performance data as well as data for special need populations served such as DDD and CMDP populations or by an Integrated RBHA or RBHA. At this time, KidsCare data is not reported on a quarterly basis; however, Contractors should monitor KidsCare measures internally to ensure compliance with contractual standards.

B. QUALITY RATING SYSTEM

AHCCCS will develop a Contractor quality rating system. 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. The components of the rating system will be based on three summary indicators: (1) Clinical quality management, (2) Member experience, and (3) Plan efficiency, affordability, and management (§ 438.334(a) (1) and (2) and (3)).

C. QUALITY MANAGEMENT PERFORMANCE MEASURE REQUIREMENTS

The Contractor shall comply with AHCCCS quality management requirements to improve performance in all AHCCCS established performance measures. Descriptions of the AHCCCS Clinical Quality Performance Measures can be found in the most recently published reports of Acute Care Performance Measures located on the AHCCCS website. The EPSDT Participation performance measure description utilizes the methodology established in CMS "Form 416" which can also be found on the AHCCCS Performance Measures website. Contractors are responsible for applying the correct performance measure methodologies including the CMS-416 methodology as developed by CMS for its internal monitoring of performance measure results.

1. The Contractor must:

   a. Achieve at least the Minimum Performance Standards (MPS) established by AHCCCS for each measure, based on the rate calculated by AHCCCS or

   b. Develop an evidence-based Corrective Action Plan (CAP) for each measure not meeting the MPS to bring performance up to at least the minimum level established by AHCCCS. Each CAP should utilize a Plan Do Study Act (PDSA) and Repeat cycle as described below.

      PDSA cycles consist of the following steps (for more information, refer to the Institute for Healthcare Improvement's website at www.ihi.org):

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

   c. The action plan must be approved by AHCCCS prior to implementation. Each CAP must minimally include the following components.

      i. Document the results of an evaluation of existing interventions to achieve AHCCCS performance standards, including barriers to utilization of services and/or reasons why the interventions have not achieved the desired effect *(i.e. plan)*
      ii. Identify new or enhanced interventions that will be implemented in order to bring performance up to at least the minimum level

established by AHCCCS, including evidence-based practices that have been shown to be effective in the same/similar populations *(plan)*

iii. Demonstrate that the Contractor is allocating increased administrative resources to improving rates for a particular measure or service area *(do)*

iv. Identify staff positions responsible for implementing/overseeing interventions with specific timeframes for implementation *(do)*

v. Provide a means for measuring the results of new/enhanced interventions on a frequent basis *(study)*

vi. Provide a means for refining interventions based on what is learned from testing different approached or activities *(act)*, and

vii. Describe a process for repeating the cycle until the desired effect – a rate that meets or exceeds the minimum level established by AHCCCS – is achieved.

d. Contractors are responsible for monitoring and reporting to AHCCCS the status of and any discrepancies identified in encounters submitted to and received by AHCCCS including paid, denied and pended encounters for purposes of Performance Measure monitoring. Contractors are responsible for monitoring encounter submission by its subcontractors.

e. Show demonstrable improvement from year to year, which is sustained over time, in order to meet goals for performance established by AHCCCS.

f. Comply with national performance measures and levels that may be identified and developed by the Centers for Medicare and Medicaid Services in consultation with AHCCCS and/or other relevant stakeholders.

i. The Contractor's QM/PI Program must internally measure and report to AHCCCS its performance for contractually mandated performance measures, using standardized methodology established or adopted by AHCCCS. These results should be reported to AHCCCS via the Early Periodic Screening, Diagnosis and Treatment (EPSDT) and adult quarterly monitoring report. Refer to Appendix A for more details. Contractor calculated and/or reported rates will be used strictly for monitoring the effectiveness of Contractor actions/interventions and will not be used by AHCCCS for official reporting or for corrective action purposes.

ii. The Contractor must use the results of the AHCCCS contractual performance measure (from its internal measurement and rates reported by AHCCCS) in evaluating its quality assessment and performance improvement program.

iii. A Contractor must show demonstrable and sustained improvement toward meeting AHCCCS Performance Standards. AHCCCS may impose sanctions on Contractors that do not show statistically

significant improvement in a measure rate as calculated by AHCCCS. Sanctions 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 the Contractor to demonstrate that they are allocating increased administrative resources to improving rates for a particular measure or service area. AHCCCS also may require a corrective action plan 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.

Refer to the AHCCCS contract for standards related to each AHCCCS required Performance Measure.

Contractors may be directed to collect all or some of the data used to measure performance. In such cases, qualified personnel must be used to collect data and the Contractor must ensure inter-rater reliability if more than one person is collecting and entering data. Contractors must submit specific documentation to verify that indicator criteria were met.

Contractor rates for each measure will be compared with the MPS specified in the contract in effect during the measurement period. For example, performance standards in the CYE2012 contract apply to results calculated by AHCCCS based on the measurement period of CYE2012.