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 ACOM and AMPM Dictionary for common terms found in this Policy.

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

AHCCCS OFFICE OF THE DIRECTOR 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) Enhancing Quality Improvement Plans (EQIPs), 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.
EVALUATE	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.

ENHANCING QUALITY IMPROVEMENT PLAN (EQIP)

A Quality Management/Performance Improvement (QM/PI) Program-specific improvement plan developed and implemented by the Contractor to enhance the Contractor's performance and quality related to care and services provided when deficiencies or concerns are identified. Deficiencies may be self-identified by the Contractor or identified by AHCCCS. The EQIPs may focus on clinical or non-clinical areas. The Contractor shall develop and implement EQIPs which consider both the Medicaid and Children's Health Insurance Program (CHIP)/KidsCare programs, as applicable. The EQIPs are not intended to replace the Contractor's internal provider-level corrective action processes occurring directly between the Contractor and provider(s).

POPULATION

Population refers to ACC; ALTCS-DD; ALTCS-EPD; DCS CHP; and SMI-Designated (served through the ACC-RBHA Contractors).

PROGRAM

Unless otherwise indicated (e.g., QM/PI Program and Value Based Payment program), program refers to Medicaid/Title XIX, Children's Health Insurance Program (CHIP)/Title XXI (also known as KidsCare), and Combined Medicaid and CHIP (with CHIP, and Combined Medicaid and CHIP, required for all applicable populations).

QUALITY

As it pertains to external quality review, quality means the degree to which a Managed Care Organization (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 CFR 438.320).

STATISTICALLY SIGNIFICANT

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 Pearson chi-square methodology, and a statistically significant result is defined as a p-value less than or equal to 0.05.

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. Additionally, Contractors shall calculate and report performance measures to comply with CMS federal reporting requirements in 42 CFR 457.770.

In order to calculate and report performance measures, 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 performance measures are utilized to monitor and drive improvement in member experience and satisfaction, in member health outcomes, and in the quality of care and services received by members. As such, performance measures may be included in AHCCCS initiatives, Value-Based Payment programs, and other activities as determined by AHCCCS.

1. AHCCCS routinely collects, monitors, and evaluates data representative of the Contractor, population, program, and statewide-level performance. The 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.

2. The Contractor is required to collect, monitor, and evaluate performance metric/performance measure data on an ongoing basis. The Contractor is required to 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's efforts to collect, monitor, and evaluate the Contractor, population, program and statewide-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)®, and/or other nationally recognized measure sets.

The performance measures are integral to each Contractor's QM/PI Program and are focused on clinical and non-clinical areas.

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 measure rates shall be based on calendar year/measurement year, in alignment with associated technical specifications, and compared with the national benchmarks (as specified in the associated Contract) reflective of the same measurement period. For example, performance standards in the Contract Year Ending (CYE) 2027 Contract apply to performance measure results calculated by the Contractor and validated by an AHCCCS External Quality Review Organization (EQRO) for the Calendar Year (CY) 2027 measurement period (January 1 – December 31, 2027).

The Contractor calculated rates that have been validated by an 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, as defined in Contract. The official rates are 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 measures 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. The performance measures are utilized to evaluate whether the Contractor is fulfilling key contractual obligations and to serve as an important element of the agency's approach to transparency in health services and VBP.

3. The 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

The Contractor performance is compared to AHCCCS requirements/performance standards [which may include (but are not limited to) national benchmarks, population and program(s) aggregate rates, and historical performance] 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 in which the PMPS has been met, identified goals or objectives that continue the Contractor's improvement efforts shall be established. This may include utilizing percentile/quartile data established by NCQA or CMS,
   d. Develop and implement evidence-based EQIPs for performance measures that do not meet the PMPS, to meet or exceed the minimum standards required by AHCCCS. AHCCCS also may require an EQIP for measures that show a statistically significant decline in performance, even if the measure rate meets or exceeds the PMPS. EQIPs shall align with the requirements of AMPM Policy 920 and AMPM Policy 920 Attachment B (as applicable) as well as include a list of activities and/or strategies that the Contractor intends to implement to improve performance. AHCCCS may require the Contractor allocate increased administrative resources for improving rates for a measure(s) or service area(s). The proposed EQIP shall be submitted to AHCCCS prior to implementation for AHCCCS's review and approval,
   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 for a rate that has a significant impact on a population, program, or statewide aggregate rate,
   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 for 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 are 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 at improving 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 of the Social Security Act, Title XXI of the Social Security Act, or both Title XIX and Title XXI of the Social Security Act.

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).

   The 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.

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's 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, and other activities deemed applicable by the Contractor,
      ii. The required minimum score that each staff member must obtain 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. The Contractor shall monitor and track the inter-rater reliability accuracy scores and associated follow-up activities to improve inter-rater reliability processes and/or address noted concerns.

The Contractor shall provide evidence of implementation of the inter-rater reliability process and 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 as specified in Contract Section F, Attachment F3, Contractor Chart of Deliverables and this Policy, utilizing the AHCCCS Performance Measure Monitoring Report & Work Plan/Work Plan Evaluation Template found within the AHCCCS QM/PI Reporting Templates & Checklists webpage.

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

The Contractor may also be required to submit additional performance measure updates as specified in Contract Section F, Attachment F3, Contractor Chart of Deliverables and this Policy utilizing a template provided by AHCCCS at the time of the request.

2. The performance shall be analyzed and reported separately by population and program.

3. The Contractor shall include all Medicaid Managed Care enrolled members (meeting the inclusion criteria outlined within the associated measure specifications) within the Contractor's performance measure reporting.

4. The Contractor shall calculate and report separate numerators, denominators, and rates/percentages for required population(s) and program(s), in accordance with AHCCCS's instructions.

G. QUALITY RATING SYSTEM

AHCCCS shall develop or adopt a Contractor Quality Rating System (QRS) for its Contractors in accordance with 42 CFR 438 Subpart G. The quality rating system will measure and report Contractor-level performance data on a standardized set of measures and/or data elements determined by CMS, as well as State-identified performance metrics/performance measures. The Contractor shall collaborate with AHCCCS (as required) and support AHCCCS data collection efforts related to obtaining, reporting, and publishing required QRS data.