

970 - PERFORMANCE MEASURES

EFFECTIVE DATES: 10/01/94, 10/01/17, 10/01/18, 02/01/20, 10/01/21

APPROVAL DATES: 10/01/97, 10/01/01, 04/01/05, 02/01/07, 10/01/08, 02/01/11, 04/01/12,
10/01/13, 03/01/14, 10/01/15, 08/02/17, 04/19/18, 11/07/19, 04/27/21

I. PURPOSE

This Policy applies to ACC, ALTCS E/PD, DCS/Comprehensive Health Plan (CHP), 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. The Contractor is responsible for adhering to all requirements as specified in Contract, Policy, 42 CFR Part 457, and 42 CFR Part 438.

II. DEFINITIONS

For the purposes of this Policy:

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.

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.

QUALITY 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:

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).

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.

Additional definitions are located on the AHCCCS website at: [AHCCCS Contract and Policy Dictionary](#).

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. The Contractor is 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. The Contractor is 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.

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, agency, and system-level performance, AHCCCS utilizes standardized Performance Measures (PMs) included within CMS Core (Child and Adult) and National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS)[®] Measure Sets.

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.
6. Experience of care.
7. Long Term Services & Supports (LTSS).

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)]. The Contractor is required to measure and report on PMs mandated by CMS and AHCCCS.

The Contractor shall comply with AHCCCS QM/PI Program requirements to enhance performance for all AHCCCS required PMs. PM rates shall be compared with the national benchmarks specified in the Contract effective during that measurement period. For example, performance standards in the Contract Year Ending (CYE) 2022 Contract apply to PM results calculated by the Contractor and validated by the AHCCCS External Quality Review Organization (EQRO) for the Calendar Year (CY) 2022 measurement period (January 1 – December 31, 2022).

AHCCCS/Contractor calculated rates that have been validated by the AHCCCS EQRO are the official rates utilized for determination of Contractor compliance with PM 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 PM requirements. Contractor performance is evaluated annually using the official rates; these rates are considered the official measurements for each PM and utilized for the purposes of regulatory action.

1. The Contractor is required to report on PMs identified in Contract. The Contractor that provides LTSS shall also include LTSS-specific PMs that examine, at a minimum, members' quality of life as well as 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 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. 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, 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 contractually required PMs. The Contractor is responsible for applying the correct PM methodologies for its internal monitoring and evaluation of PM results.

1. The Contractor shall:
 - a. Adhere to the requirements specified within AHCCCS Contract related to PM (administrative and hybrid) requirements,
 - b. Utilize 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 the Performance Measure Performance Standards (PMPS). 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 performance improvement is first achieved.
 - d. Measure and report PMs as well as meet any associated standards mandated/identified by CMS,
 - e. Achieve at least the PMPS outlined in Contract for each measure, utilizing the official (administrative and hybrid) rates. In cases where the PMPS have been met, identified goals or objectives that continue the Contractor's improvement efforts are utilized to establish the program's measurable goals/objectives. This may include utilizing percentile/quartile data established by NCQA or CMS,

- f. Develop an evidence-based CAP, for each performance measure that does not meet the PMPS, to improve performance to at least the minimum standards required by AHCCCS. 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. The proposed CAP shall be submitted to AHCCCS for review and approval, prior to implementation,
- g. 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 (administrative and hybrid) rates. Administrative actions may also be imposed for statistically significant declines of rates (even if they meet or exceed 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. AHCCCS may require the Contractor to demonstrate 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 PMPS or that show a statistically significant decrease in its rate, even if it meets or exceeds the PMPS,
- h. Be responsible for monitoring its subcontractor encounter submissions, and
- i. 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

The Contractor 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, the Contractor 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. This includes the analysis of performance to identify health disparities and related opportunities for improvement.

The Contractor 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 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 data.
3. Ensure inter-rater reliability if more than one person is collecting and entering data:
 - a. The Contractor 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, 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 shall internally measure and report to AHCCCS, its performance for required performance metrics/PMs, utilizing the measure stewards and methodologies indicated by AHCCCS.

1. QM/PI Program performance shall be reported by the Contractor to the AHCCCS QI Team as specified in Contract utilizing the AHCCCS Performance Measure Monitoring Report & Work Plan Evaluation Template found on the AHCCCS website under Resources, AHCCCS Guides – Manuals – Policies.
2. Performance shall be analyzed and reported separately, by line of business,
3. The Contractor shall include all Medicaid Managed Care enrolled members within its PM reporting.
4. The Contractor shall calculate and report combined rates/percentages for Medicaid and KidsCare populations; however, the Contractor must have the ability to calculate and report numerators, denominators, and rate/percentage for Medicaid as well as KidsCare, which shall be provided in accordance with AHCCCS request or instructions.
5. The Contractor shall monitor KidsCare performance metric/measures internally to ensure compliance with contractual standards.
6. PM performance shall be reported by the Contractor to the AHCCCS QI Team in accordance with Contract. 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 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.