

1 **970 PERFORMANCE MEASURES**  
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6 REFERENCES: 42 CFR Part 438  
7

8 **PURPOSE**  
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10 This policy applies to the Division of Developmental Disabilities' (Division or  
11 DDD) Administrative Services Subcontractors (AdSS) and establishes  
12 requirements to implement, Evaluate, monitor, and report on performance  
13 measures and associated improvement activities to the Division.

14 **DEFINITIONS**  
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- 16  
17 1. "Arizona Health Care Cost Containment System" or "AHCCCS"  
18 means Arizona's Medicaid Program, approved by the Centers for  
19 Medicare and Medicaid Services (CMS) as a Section 1115 Waiver  
20 Demonstration Program and described in A.R.S. Title 36, Chapter  
21 29.  
22 2. "AHCCCS/Division of Health Care Services Quality Improvement  
23 Team" means AHCCCS staff who evaluate Contractor Quality

- 24            Management/Performance Improvement (QM/PI) Programs;  
25            monitor compliance with required Quality/Performance  
26            Improvement Standards, Contractor Quality Improvement (QI)  
27            Corrective Action Plans (CAPs), Performance Measures, and  
28            Performance Improvement Projects (PIPs); and provide technical  
29            assistance for QI-related matters.
- 30            3.    “Benchmark” means the process of comparing performance  
31            results with an external standard to evaluate performance and  
32            drive quality improvement efforts. Benchmarks may be  
33            generated from similar organizations, quality collaboratives,  
34            nationally recognized organizations, or authoritative bodies.
- 35            4.    “External Quality Review Organization” or “EQRO” means an  
36            organization that meets the competence and independence  
37            requirements as specified in 42 CFR 438.354 and performs  
38            External Quality Review (EQR) activities as specified in 42 CFR  
39            438.358 or 42 CFR 438.320.

- 40           5.    “Evaluate” means the process used to examine and determine  
41           the level of quality or the progress toward improvement of  
42           quality or performance related to service delivery systems.
- 43           6.    “Health Information System” means a primary data system that  
44           collects, analyzes, integrates, and reports data to achieve the  
45           Objectives outlined under 42 CFR 438, and data systems  
46           composed of the resources, technology, and methods required to  
47           optimize the acquisition, storage, retrieval, analysis, and use of  
48           data.
- 49           7.    “Inter-Rater Reliability” means the process of ensuring that  
50           multiple observers are able to consistently define a situation or  
51           occurrence in the same manner, which is then recorded.
- 52           8.    “Long-Term Services and Supports” means services and  
53           supports provided to Members who have functional limitations or  
54           chronic illnesses that have the primary purpose of supporting the  
55           ability of the Member to live or work in the setting of their choice  
56           as specified in 42 CFR 438.2.

- 57 9. "Measurable" means the ability to determine definitively whether  
58 or not a quantifiable Objective has been met, or whether  
59 progress has been made toward a positive outcome.
- 60 10. "Member" means the same as "Client" as defined in A.R.S. § 36-  
61 551.
- 62 11. "Methodology" means the planned documented process, steps,  
63 activities, or actions taken to achieve a goal or Objective, or to  
64 progress towards a positive outcome.
- 65 12. "Monitoring" means the process of auditing, observing,  
66 evaluating, analyzing, and conducting follow-up activities and  
67 documenting results via desktop or onsite review.
- 68 13. "Objective" means a measurable step, generally one of a series  
69 of progressive steps, to achieve a goal.
- 70 14. "Official Rates" means Performance Measure results calculated  
71 by the Division that have been validated by the AHCCCS External  
72 Quality Review Organization for the calendar year.

- 73 15. "Outcome" means a change in patient health, functional status,  
74 satisfaction, or goal achievement that results from health care or  
75 supportive services [42 CFR 438.320].
- 76 16. "Performance Improvement" means the continuous study and  
77 improvement of processes with the intent to better services or  
78 outcomes, and prevent or decrease the likelihood of problems by  
79 identifying areas of opportunity and testing new approaches to  
80 fix underlying causes of persistent or systemic problems or  
81 barriers to improvement.
- 82 17. "Performance Improvement Project" means a planned process of  
83 data gathering, evaluation, and analysis to determine  
84 interventions or activities that are projected to have a positive  
85 outcome. This process includes measuring the impact of the  
86 interventions or activities aimed toward improving quality of care  
87 and service delivery. Performance Improvement Projects (PIPs)  
88 are designed to achieve significant improvement, sustained over  
89 time, in health outcomes and member satisfaction, and include

90            the elements outlined in 42 CFR 438.330(2). A PIP may also be  
91            referred to as a Quality Improvement Project (QIP).

92            18. “Performance Measure Performance Standards” means the  
93            minimal expected level of performance based upon the National  
94            Committee for Quality Assurance, HEDIS® Medicaid Mean or  
95            Centers for Medicare and Medicaid Services Medicaid Median for  
96            selected Core Set-Only Measures, as identified by the Arizona  
97            Health Care Cost Containment System (AHCCCS), as well as the  
98            Line of Business aggregate rates, as applicable.

99            19. “Plan-Do-Study-Act Cycle” means a scientific method for testing  
100            a change or intervention, designed to result in improvement in a  
101            specific area. The cycle is completed by planning the  
102            change/intervention, trying it, observing the results, and acting  
103            on what is learned. When these steps are conducted over a  
104            relatively short time period the approach is known as Rapid  
105            Cycle Improvement. The PDSA Cycle consists of the following  
106            steps:

- 107 a. Plan: Plan the changes or interventions, including a plan  
108 for collecting data. State the Objectives of the  
109 interventions.
- 110 b. Do: Try out the interventions and document any problems  
111 or unexpected results.
- 112 c. Study: Analyze the data and study the results. Compare  
113 the data to predictions and summarize what was learned.
- 114 d. Act: Refine the changes or interventions based on what  
115 was learned and prepare a plan for retesting the  
116 interventions
- 117 e. Repeat: Continue the cycle as new data becomes available  
118 until improvement is achieved.
- 119 20. "Quality" means As it pertains to external quality review, means  
120 the degree to which a Managed Care Organization (MCO)  
121 increases the likelihood of desired outcomes of its enrollees  
122 through:
- 123 a. Its structural and operational characteristics;

124            b. The provision of services that are consistent with current  
125            professional, evidenced-based-knowledge; and

126            c. Interventions for performance improvement (42 CFR  
127            438.320).

128            21. “Statistically Significant” means a judgment of whether a result  
129            occurred because of chance. When a result is statistically  
130            significant, it means that it is unlikely that the result occurred  
131            because of chance or random fluctuation. There is a cutoff for  
132            determining statistical significance which is defined as the  
133            significance level. If the probability of a result (the significance  
134            value or p value) is less than the cutoff (the significance level),  
135            the result is judged to be statistically significant. Statistical  
136            significance is calculated utilizing the chi square methodology,  
137            and a statistically significant result is defined as a p value less  
138            than or equal to 0.05.~~means a result occurs that is unlikely due~~  
139            ~~to chance or random fluctuation.~~

140            22. “Triple Aim” means a framework for optimizing health system  
141            performance consisting of the following three components:



- 142           a.     Improve the Member experience ~~and outcomes~~ of care,  
143                                    including quality and satisfaction;
- 144           b.     Improve the health of populations; and
- 145           c.     Reduce the per capita costs of healthcare.

146   **POLICY**

147

148   **A.    PERFORMANCE MEASURES**

149

- 150           1.     The AdSS shall collect, monitor, and Evaluate data relevant to  
151                                    Division specific performance measures for required performance  
152                                    metrics in the areas of:
- 153                            a.     Quality,  
154                            b.     Timeliness,  
155                            c.     Utilization,  
156                            d.     Efficiency,  
157                            e.     Member Satisfaction,  
158                            f.     Targeted Investment, and  
159                            g.     Performance Improvement.
- 160           2.     The AdSS shall use ongoing collection, monitoring, and  
161                                    evaluation of performance metric data to develop specific

162 Measurable goals and Objectives aimed at enhancing the Quality  
163 Management/Performance Improvement (QM/PI) Program.

164 3. The AdSS shall self-report performance metric/performance  
165 measure data to the Division in accordance with Contract  
166 requirements.

167 for the following:

168 a. ~~Quality Management/Quality of Care (QOC);~~

169 b. ~~Medical Management;~~

170 c. ~~Maternal and Child Health;~~

171 d. ~~Network Adequacy; and~~

172 e. ~~Waiver/Program Evaluation.~~ for the following:

173 4. The AdSS' QM/IP program shall use standardized performance  
174 measures that focus on the following clinical and non-clinical  
175 areas reflective of the Centers for Medicare and Medicaid  
176 Services (CMS) Core, National Committee for Quality Assurance  
177 (NCQA) Healthcare Effectiveness Data and Information Set  
178 (HEDIS) measure sets, and/or other nationally recognized  
179 measure set domains of care, which include:

- 180 a. Primary Care Access and Preventive Care;
- 181 b. Maternal and Perinatal Health;
- 182 c. Care of Acute and Chronic Conditions;
- 183 d. Behavioral Health Care;
- 184 e. Dental and Oral Health Services;
- 185 f. Experience of Care; and
- 186 ~~g. Long Term Services and Supports (LTSS) as specified in~~
- 187 ~~the AdSS' contract.~~
- 188 5. The AdSS shall measure and report on performance measures in
- 189 accordance with CMS, and AHCCCS and Division requirements.
- 190 6. The AdSS shall comply with Division and AHCCCS QM/PI
- 191 Program requirements to enhance performance for all required
- 192 performance measures.
- 193 7. The AdSS shall compare the performance measure rates with
- 194 national Benchmarks specified in the AdSS' contract effective
- 195 during that measurement period.
- 196 8. ~~The The Division shall Evaluate the AdSS' compliance with~~
- 197 performance measure requirements is measured at least

198 annually quarterly utilizing the official rates utilized for the  
199 purposes of regulatory action.

200 9. ~~The AdSS shall include LTSS specific performance measures.~~

201  
202 **B. PERFORMANCE MEASURE REQUIREMENTS ~~NEXT HEADING~~**

203  
204 1. The AdSS shall:

205 a. Comply with Division and AHCCCS QM/PI Program  
206 requirements to meet established performance standards  
207 and maintain or improve performance for contractually  
208 required performance measures.

209 b. Apply the performance measure specifications and  
210 methodologies in accordance with Division and AHCCCS  
211 requirements and instructions for routine and ongoing  
212 monitoring and evaluation of performance measure rates.

213 c. Adhere to the requirements specified within the AdSS'  
214 contract and policies related to performance measure  
215 requirements.

216 d. Measure and report performance measures and meet any  
217 associated standards mandated/identified by CMS for each

218 ~~measure. Utilize the results of the Official Rates in~~  
219 ~~evaluating the QM/PI Program.~~

220 ~~e. Achieve at least the Show Statistically Significant~~  
221 ~~improvement from year to year, which is sustained over~~  
222 ~~time, to meet the Performance Measure Performance~~  
223 ~~Standards (PMPS) outlined in Contract utilizing the official~~  
224 ~~rates described above for each performance measure.~~

225 ~~i. Sustained improvement is demonstrated when it~~  
226 ~~establishes how the Statistically Significant~~  
227 ~~improvement can be reasonably attributable to~~  
228 ~~interventions undertaken by the AdSS, and ii.~~  
229 ~~Maintains or increases the improvements in~~  
230 ~~performance for at least one year after the~~  
231 ~~Performance Improvement is first achieved.~~

232 ~~f. Measure and report performance measures, and meet any~~  
233 ~~associated standards identified by the Division, AHCCCS or~~  
234 ~~CMS.~~

- 235 e. ~~Achieve the PMPS outlined in the AdSS' contract for each~~  
236 ~~measure using the Official Rates.~~
- 237 f. ~~Demonstrate sustained and improved efforts throughout~~  
238 ~~the performance cycle when the PMPS have been met.~~
- 239 2. The AdSS shall develop an evidence-based Corrective Action Plan  
240 (CAP) for each performance measure not meeting the PMPS to  
241 improve performance to at least the minimum standards  
242 required by the Division and align with the requirements of  
243 AHCCCS Medical Policy 920, Attachment B.
- 244 3. The AdSS shall ensure that each CAP includes a list of activities  
245 or strategies to allocate increased administrative resources to  
246 improve rates for a specific measure or service area.
- 247 4. The AdSS shall submit the CAP to the Division for review and  
248 approval prior to implementation.
- 249 5. The AdSS shall show Statistically Significant and sustained  
250 improvement towards meeting the PMPS.
- 251 6. If requested by the Division, the AdSS shall develop CAPs for  
252 measures that are below the PMPS or that show a Statistically

253 Significant decrease in rates even if it meets or exceeds the  
254 PMPS.

255 7. The AdSS shall report any discrepancies identified in encounters  
256 received by the Division, and the status of such discrepancies, to  
257 the Division's Quality Improvement Manager.

258 **C. PERFORMANCE MEASURE ANALYSIS**

259 1. The AdSS shall:

260 a. Conduct data analysis related to the performance measure  
261 rate data analysis to improve the quality of the care  
262 provided to Members, identify opportunities for  
263 improvement, and implement targeted interventions.

264 ~~2. The AdSS shall Evaluate performance rates to improve the~~  
265 ~~quality of care provided to members, identify opportunities for~~  
266 ~~improvement, and implement targeted interventions.~~

267 b. EThe AdSS shall evaluate performance for aggregate and  
268 subpopulations, inclusive of any focus areas identified by  
269 the Division or AHCCCS, including the analysis of

- 270 performance to identify health disparities and related  
271 opportunities for improvement.
- 272 c. Identify and implement CAPs with providers/vendors when  
273 QM/PI Program data received from providers/vendors is  
274 not accurate, timely, and/or complete.
- 275 d. Collaborate with vendors utilized to calculate performance  
276 measures when issues/discrepancies in performance  
277 measure calculations are identified and/or issues identified  
278 with supplemental data sources.
- 279 e. ~~U~~The AdSS shall utilize proven quality improvement  
280 tools when conducting root-cause analysis and problem-  
281 solving activities to identify and implement interventions  
282 aimed to improve performance.
- 283 f. ~~I~~The AdSS shall identify and implement targeted  
284 interventions to address any noted disparities identified as  
285 part of the AdSS' data analysis efforts.
- 286 g. Indicate if the interventions are applicable to Title XIX,  
287 Title XXI or both.



288           h.    The AdSS shall conduct Plan-Do-Study-Act (PDSA) Cycles  
289                    to Evaluate the effectiveness of interventions, revise  
290                    interventions as needed, and conduct repeat PDSA Cycles  
291                    until improvement is achieved.

292   **D.    INTER-RATER RELIABILITY**

293           1.    When AdSS are directed to collect data to measure performance,  
294                    and if requested by the Division, the AdSS shall submit specific  
295                    documentation to verify that indicator criteria were met in  
296                    accordance with Division requirements.

297           2.    The AdSS shall assign qualified personnel to collect data.

298           3.    The AdSS shall implement ~~ensure~~ Inter-Rater Reliability if more  
299                    than one person is collecting and entering data.

300           4.    The AdSS shall verify ~~ensure~~ that data collected from multiple  
301                    individuals is consistent and comparable through an  
302                    implemented Inter-Rater Reliability process ~~as specified in AdSS~~  
303                    ~~Medical Policy 960~~, and documented as follows:

304                    a.    A detailed description of the Methodology for conducting  
305                    Inter-Rater Reliability and required training;

- 306           b.    Oversight and validation of data collection;
- 307           c.    Minimum testing score required to continue participation in
- 308           the data collection and reporting process;
- 309           d.    A mechanism for evaluating individual accuracy scores;
- 310           and
- 311           e.    Actions taken if an individual does not meet the
- 312           established accuracy score.
- 313           5.    The AdSS shall monitor and track the Inter-Rater Reliability
- 314           accuracy scores and associated follow-up activities.
- 315           6.    Upon request from the Division, the AdSS shall provide evidence
- 316           of implementation of the Inter-Rater Reliability process and
- 317           associated Monitoring.

318 **E.    PERFORMANCE METRIC AND MEASURE REPORTING**

319       The AdSS shall:

- 320           a.    Internally measure and report to the Division and/or
- 321           AHCCCS performance for required performance
- 322           metrics/performance measures utilizing the measure

- 323 stewards and methodologies indicated by the Division  
324 and/or AHCCCS.
- 325 b. Align with the requirements outlined in Contract and this  
326 policy
- 327 c. Adhere to the instructions provided by the Division and/or  
328 AHCCCS and/or found within the AHCCCS QM/PI Reporting  
329 Templates & Checklists webpage.
- 330 d. Report the QM/PI Program performance to the Division  
331 using the AHCCCS Performance Measure Monitoring Report  
332 & Work Plan Evaluation Template.
- 333 e. Analyze and report the performance separately by DDD  
334 line of business to include Medicaid Managed Care enrolled  
335 members (meeting the inclusion criteria outlined within the  
336 associated measure specifications) within its performance  
337 measure reporting.
- 338 f. Calculate and report combined rates/percentages for the  
339 DDD population; however, the AdSS shall have the ability  
340 to calculate and report numerators, denominators, and

- 341 rate/percentage for Medicaid, which is provided in  
342 accordance with AHCCCS or Division request or  
343 instructions.
- 344 g. Monitor KidsCare performance metrics/performance and  
345 measures to evaluate if performance ensure complies with  
346 contractual standards.
- 347 h. The AdSS shall report performance measure performance  
348 to the Division in accordance with the AdSS' contract.

349 **SUPPLEMENTAL INFORMATION**

350 AdSS calculated rates that have been validated by the AHCCCS' EQRO are  
351 the official rates utilized for determining AdSS compliance with performance  
352 measure requirements. The Division reserves the right to calculate and  
353 report rates, in lieu of AdSS calculated rates, which may be utilized as the  
354 official rates when determining AdSS compliance with performance measure  
355 requirements.

356

357 Performance measures are utilized to evaluate whether the AdSS is fulfilling  
358 key contractual obligations and serve as an important element of the  
359 agency's approach to transparency in health services and VBP.

360 AdSS performance is publicly reported on the Division and AHCCCS website  
361 and other means, such as sharing of data with other State agencies,  
362 community organizations, and stakeholders.

363 PDSA Cycles consist of the following steps:

364 1. Plan: Plan the change(s) or intervention(s), including a plan for  
365 collecting data. State the objective(s) of the intervention(s),

366 2. Do: Try out the intervention(s) and document any problems or  
367 unexpected results,

368 3. Study: Analyze the data and study the results. Compare the data to  
369 predictions and summarize what was learned,

370 4. Act: Refine the change(s) or intervention(s), based on what was  
371 learned, and prepare a plan for retesting the intervention(s), and

372 5. Repeat: Continue the cycle as new data becomes available until  
373 improvement is achieved.

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377 Signature of Chief Medical Officer:

Draft Policy for Public Comment