

## **970 PERFORMANCE MEASURES**

REVISION DATES: 6/19/2024, 9/6/2023, 3/9/2022, 10/28/2020

REVIEW DATE: 1/8/2024, 3/6/2023

EFFECTIVE DATE: October 1, 2019

REFERENCES: 42 CFR Part 438

### **PURPOSE**

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

### **DEFINITIONS**

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

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Management/Performance Improvement (QM/PI) Programs; monitor compliance with required Quality/Performance Improvement Standards, Contractor Quality Improvement (QI) Corrective Action Plans (CAPs), Performance Measures, and Performance Improvement Projects (PIPs); and provide technical assistance for QI-related matters.

3. "Benchmark" means 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, or authoritative bodies.
4. "External Quality Review Organization" or "EQRO" means an organization that meets the competence and independence requirements as specified in 42 CFR 438.354 and performs External Quality Review (EQR) activities as specified in 42 CFR 438.358 or 42 CFR 438.320.

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5. "Evaluate" means the process used to examine and determine the level of quality or the progress toward improvement of quality or performance related to service delivery systems.
6. "Health Information System" means a primary data system that collects, analyzes, integrates, and reports data to achieve the Objectives outlined under 42 CFR 438, and data systems composed of the resources, technology, and methods required to optimize the acquisition, storage, retrieval, analysis, and use of data.
7. "Inter-Rater Reliability" means the process of ensuring that multiple observers are able to consistently define a situation or occurrence in the same manner, which is then recorded.
8. "Long-Term Services and Supports" means services and supports provided to Members who have functional limitations 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 as specified in 42 CFR 438.2.

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

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15. "Outcome" means a change in patient health, functional status, satisfaction, or goal achievement that results from health care or supportive services [42 CFR 438.320].
16. "Performance Improvement" means 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 or systemic problems or barriers to improvement.
17. "Performance Improvement Project" means a planned process of data gathering, evaluation, and analysis to determine interventions or activities that are projected to have a positive outcome. This process includes measuring the impact of the interventions or activities aimed toward improving quality of care and service delivery. Performance Improvement Projects (PIPs) are designed to achieve significant improvement, sustained over time, in health outcomes and member satisfaction, and include

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

18. "Performance Measure Performance Standards" means the minimal expected level of performance based upon the National Committee for Quality Assurance, HEDIS® Medicaid Mean or Centers for Medicare and Medicaid Services Medicaid Median for selected Core Set-Only Measures, as identified by the Arizona Health Care Cost Containment System (AHCCCS), as well as the Line of Business aggregate rates, as applicable.
19. "Plan-Do-Study-Act Cycle" means 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 the approach is known as Rapid Cycle Improvement. The PDSA Cycle consists of the following steps:

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- a. Plan: Plan the changes or interventions, including a plan for collecting data. State the Objectives of the interventions.
  - b. Do: Try out the interventions 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 changes or interventions based on what was learned and prepare a plan for retesting the interventions
  - e. Repeat: Continue the cycle as new data becomes available until improvement is achieved.
20. "Quality" means the degree to which a Managed Care Organization (MCO) increases the likelihood of desired outcomes of its enrollees through:
- a. Its structural and operational characteristics;

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- b. The provision of services that are consistent with current professional, evidenced-based-knowledge; and
  - c. Interventions for performance improvement (42 CFR 438.320).
21. “Statistically Significant” means 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 chi square methodology, and a statistically significant result is defined as a p value less than or equal to 0.05.
22. “Triple Aim” means a framework for optimizing health system performance consisting of the following three components:



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

**POLICY**

**A. PERFORMANCE MEASURES**

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

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

3. The AdSS shall self-report performance metric/performance measure data to the Division in accordance with Contract requirements.
4. The AdSS' QM/IP program shall use standardized performance measures that focus on the following clinical and non-clinical areas reflective of the Centers for Medicare and Medicaid Services (CMS) Core, National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS) measure sets, and/or other nationally recognized measure set domains of care, which include:
  - a. Primary Care Access and Preventive Care;
  - b. Maternal and Perinatal Health;
  - c. Care of Acute and Chronic Conditions;
  - d. Behavioral Health Care;
  - e. Dental and Oral Health Services; and
  - f. Experience of Care.

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5. The AdSS shall measure and report on performance measures in accordance with CMS, AHCCCS and Division requirements.
6. The AdSS shall comply with Division and AHCCCS QM/PI Program requirements to enhance performance for all required performance measures.
7. The AdSS shall compare the performance measure rates with national Benchmarks specified in the AdSS' contract effective during that measurement period.
8. The AdSS' compliance with performance measure requirements is measured annually utilizing the official rates utilized for the purposes of regulatory action.

**B. PERFORMANCE MEASURE REQUIREMENTS**

1. The AdSS shall:
  - a. Comply with Division and AHCCCS QM/PI Program requirements to meet established performance standards and maintain or improve performance for contractually required performance measures.

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- b. Apply the performance measure specifications and methodologies in accordance with Division and AHCCCS requirements and instructions for routine and ongoing monitoring and evaluation of performance measure rates.
  - c. Adhere to the requirements specified within the AdSS' contract and policies related to performance measure requirements.
  - d. Measure and report performance measures and meet any associated standards mandated/identified by CMS for each measure.
  - e. Achieve at least the Performance Measure Performance Standards (PMPS) outlined in Contract utilizing the official rates described above for each performance measure.
2. The AdSS shall develop an evidence-based Corrective Action Plan (CAP) for each performance measure not meeting the PMPS to improve performance to at least the minimum standards required by the Division and align with the requirements of AHCCCS Medical Policy 920, Attachment B.

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3. The AdSS shall ensure that each CAP includes a list of activities or strategies to allocate increased administrative resources to improve rates for a specific measure or service area.
4. The AdSS shall submit the CAP to the Division for review and approval prior to implementation.
5. The AdSS shall show Statistically Significant and sustained improvement towards meeting the PMPS.
6. If requested by the Division, the AdSS shall develop CAPs for measures that are below the PMPS or that show a Statistically Significant decrease in rates even if it meets or exceeds the PMPS.
7. The AdSS shall report any discrepancies identified in encounters received by the Division, and the status of such discrepancies, to the Division's Quality Improvement Manager.

**C. PERFORMANCE MEASURE ANALYSIS**

1. The AdSS shall:
  - a. Conduct performance measure rate data analysis to improve the quality of the care provided to Members,

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identify opportunities for improvement, and implement targeted interventions.

- b. Evaluate performance for aggregate and subpopulations, inclusive of any focus areas identified by the Division or AHCCCS, including the analysis of performance to identify health disparities and related opportunities for improvement.
- c. Identify and implement CAPs with providers/vendors when QM/PI Program data received from providers/vendors is not accurate, timely, and/or complete.
- d. Collaborate with vendors utilized to calculate performance measures when issues/discrepancies in performance measure calculations are identified and/or issues identified with supplemental data sources.
- e. Utilize proven quality improvement tools when conducting root-cause analysis and problem-solving activities to identify and implement interventions aimed to improve performance.

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- f. Identify and implement targeted interventions to address any noted disparities identified as part of the AdSS' data analysis efforts.
- g. Indicate if the interventions are applicable to Title XIX, Title XXI or both.
- h. The AdSS shall conduct Plan-Do-Study-Act (PDSA) Cycles to Evaluate the effectiveness of interventions, revise interventions as needed, and conduct repeat PDSA Cycles until improvement is achieved.

**D. INTER-RATER RELIABILITY**

- 1. When AdSS are directed to collect data to measure performance, and if requested by the Division, the AdSS shall submit specific documentation to verify that indicator criteria were met in accordance with Division requirements.
- 2. The AdSS shall assign qualified personnel to collect data.
- 3. The AdSS shall implement Inter-Rater Reliability if more than one person is collecting and entering data.

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4. The AdSS shall verify that data collected from multiple individuals is consistent and comparable through an implemented Inter-Rater Reliability process and documented as follows:
  - a. A detailed description of the Methodology for conducting Inter-Rater Reliability and required training;
  - b. Oversight and validation of data collection;
  - c. Minimum testing score required to continue participation in the data collection and reporting process;
  - d. A mechanism for evaluating individual accuracy scores;  
and
  - e. Actions taken if an individual does not meet the established accuracy score.
5. The AdSS shall monitor and track the Inter-Rater Reliability accuracy scores and associated follow-up activities.
6. Upon request from the Division, the AdSS shall provide evidence of implementation of the Inter-Rater Reliability process and associated Monitoring.



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

The AdSS shall:

- a. Internally measure and report to the Division and/or AHCCCS performance for required performance metrics/performance measures utilizing the measure stewards and methodologies indicated by the Division and/or AHCCCS.
- b. Align with the requirements outlined in Contract and this policy.
- c. Adhere to the instructions provided by the Division and/or AHCCCS and/or found within the AHCCCS QM/PI Reporting Templates & Checklists webpage.
- d. Report the QM/PI Program performance to the Division using the AHCCCS Performance Measure Monitoring Report & Work Plan Evaluation Template.
- e. Analyze and report the performance separately by DDD line of business to include Medicaid Managed Care enrolled members (meeting the inclusion criteria outlined within the

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associated measure specifications) within its performance measure reporting.

- f. Calculate and report combined rates/percentages for the DDD population; however, the AdSS shall have the ability to calculate and report numerators, denominators, and rate/percentage for Medicaid, which is provided in accordance with AHCCCS or Division request or instructions.
- g. Monitor KidsCare performance metrics/performance measures to evaluate if performance complies with contractual standards.
- h. The AdSS shall report performance measure performance to the Division in accordance with the AdSS' contract.

### **SUPPLEMENTAL INFORMATION**

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

official rates when determining AdSS compliance with performance measure requirements.

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

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

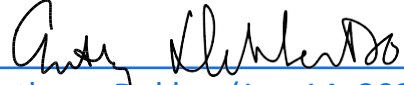
PDSA Cycles consist of the following steps:

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

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

Signature of Chief Medical Officer:   
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