

## **980 PERFORMANCE IMPROVEMENT PROJECTS**

REVISION DATES: 4/9/2025, 5/8/2024, 6/7/2023, 9/15/2021

REVIEW DATES: 11/18/2024, 11/6/2023

EFFECTIVE DATE: October 1, 2019

REFERENCES: 42 CFR 438.320; 42 CFR 438.330, Section F3, Contractor  
Chart of Deliverables

### **PURPOSE**

This policy applies to the Division of Developmental Disabilities' (Division) Administrative Services Subcontractors (AdSS) and delineates the purpose, design, implementation, and reporting of Division or AHCCCS-mandated and AdSS Self-Selected Performance Improvement Projects (PIPs).

### **DEFINITIONS**

1. "Baseline Data" means data collected at the beginning of a PIP that is used as a starting point for measurement and the basis for comparison with subsequent remeasurement(s) in demonstrating significant and sustained improvement.
2. "Benchmark" means 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, and authoritative bodies.

3. "Developmental Disability" or "DD" means as defined in A.R.S. § 36-551.
4. "Grievance" means a Member's expression of dissatisfaction with any matter, other than an adverse benefit determination.
5. "Measurable" means the ability to determine definitively whether or not a quantifiable Objective has been met, or whether progress has been made towards a positive Outcome.
6. "Member" means the same as "Client" as defined in A.R.S. § 36-551.
7. "Methodology" means the planned documented process, steps, activities, or actions taken to achieve a goal or Objective, or to progress towards a positive Outcome.
8. "Monitoring" means the process of auditing, observing, evaluating, analyzing, and conducting follow-up activities, and documenting results via desktop or on-site review.
9. "Objective" means a measurable step, generally one of a series of progressive steps, to achieve a goal.
10. "Outcomes" means changes in patient health, functional status,

satisfaction, or goal achievement that result from health care or supportive services.

11. "Performance Improvement Project" or "PIP" means a planned process of data gathering, evaluation and analysis to determine interventions or activities that are projected to have a positive Outcome. A PIP includes measuring the impact of the interventions or activities toward improving the 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 the elements outlined in 42 CFR 438.330(2). A PIP may also be referred to as a Quality Improvement Project (QIP).
12. "Performance Improvement/Quality Improvement" means the approach utilized to better services or Outcomes through the continuous improvement of processes to prevent or decrease the likelihood of issues. This is generally accomplished through identifying areas of opportunity and testing new solutions/ interventions to correct underlying causes of persistent/systemic issues or overcome identified barriers.
13. "Plan Do Study Act (PDSA) 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, i.e., over days, weeks, or months, the approach is known as Rapid Cycle Improvement.

14. "Plan Do Study Act (PDSA) Method" means a four-step model to test a change that is implemented. Going through the prescribed four steps utilizing one or more PDSA Cycles guides the thinking process into breaking down the task into steps and then evaluating the outcome, improving on it, and testing again.
15. "Quality" as it pertains to external Quality review, means the degree to which an MCO increases the likelihood of desired Outcomes of its Members through:
  - a. Its structural and operational characteristics.
  - b. The provision of services that are consistent with current professional, evidence-based knowledge.
  - c. Interventions for performance improvement.
16. "Statistically Significant" means a judgment of whether a result

occurs because of change. When a result is Statistically Significant, it means that it is unlikely that the result occurs because of chance or random fluctuation. There is a cutoff for determining Statistical Significance. This cutoff is the significance level. If the probability of a result, the significance 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.

17. "Validation" means the review of information, data, and procedures to determine the extent to which they are accurate, reliable, free from bias and in accordance with standards for data collection and analysis.

## **POLICY**

### **A. PERFORMANCE IMPROVEMENT PROJECT (PIP) REQUIREMENTS**

1. The AdSS shall participate in Division and AHCCCS Mandated PIPs and conduct Self-Selected PIPs.
2. The AdSS shall consider comprehensive aspects of Member needs or a focused subset of the population when developing

Quality assessments and PIPs.

3. The AdSS shall participate in performance measures and PIPs that are mandated by the Centers for Medicare and Medicaid Services (CMS).

**B. PERFORMANCE IMPROVEMENT PROJECT DESIGN**

1. The AdSS shall conduct PIPs, including any PIPs required by the Division, AHCCCS, and CMS, that focus on either clinical or non-clinical areas.
  - a. Clinical focus topics may include:
    - i. Primary, secondary, or tertiary prevention of acute conditions;
    - ii. Primary, secondary, or tertiary prevention of chronic conditions;
    - iii. Primary, secondary, or tertiary prevention of behavioral health conditions;
    - iv. Care of acute conditions;
    - v. Care of chronic conditions;
    - vi. Care of behavioral health conditions; and
    - vii. Continuity and coordination of care.

- b. Non-clinical focus topics may include:
  - i. Availability, accessibility, and adequacy of Contractor's service delivery system;
  - ii. Cultural competency of services;
  - iii. Interpersonal aspects of care, Quality of provider or Member encounters; and
  - iv. Appeals, Grievances, and other complaints.
- 2. The AdSS shall identify and implement clinical and non-clinical focused PIPs that are meaningful to the population(s) served and based on self-identified opportunities for improvement, this will be supported by:
  - a. Root cause analyses;
  - b. External and internal data;
  - c. Surveillance of trends; or
  - d. Other information available to the AdSS.
- 3. The AdSS shall ensure the volume of the eligible population included within the denominator would account for meaningful improvement and allow for the AdSS to appropriately adhere to the protocol specified in AHCCCS' AMPM 980 - Attachment A.
- 4. The AdSS shall adhere to 42 CFR 438.330 and CMS External

Quality Review (EQR) protocols when developing PIPs.

5. The AdSS shall design PIPs to correct identified system issues or achieve improvement of health outcomes or Member satisfaction that is sustained over time through:
  - a. Measurement of performance using objective Quality indicators;
  - b. Implementation of interventions to achieve improvement in the access to and Quality of care;
  - c. Evaluation of the effectiveness of the interventions based on indicators collected as part of the PIP; and
  - d. Planning and initiation of activities for increasing or sustaining improvement.
6. The AdSS shall adhere to and align with the protocol specified in AMPM Policy 980 – Attachment A, when selecting, designing, developing, and implementing mandated and Self-Selected PIPs.
7. The AdSS shall utilize the same methodology throughout the lifecycle of the PIP.
8. The AdSS may identify and implement multiple Self-Selected PIPs, keeping the number of PIP indicators contained within a single PIP to four or fewer.

9. The AdSS shall use the PDSA Method to test interventions quickly and refine them, as necessary.
10. The AdSS shall utilize several PDSA Cycles within the PIP lifespan.
11. The AdSS shall implement the PDSA Cycles in as short a time frame as practical, based on the PIP topic and associated timeline.
12. The AdSS shall include the following steps in the PDSA Cycle:
  - 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).
  - e. Repeat: Continue the cycle as new data becomes available until improvement is achieved.

13. The AdSS shall include all PDSA Cycles conducted as part of an AHCCCS-Mandated and AdSS Self-Selected PIP within the AdSS' PIP Report submissions.

**C. PERFORMANCE IMPROVEMENT PROJECT TIMEFRAMES**

1. For Division and AHCCCS-Mandated PIPs, the AdSS shall do the following:
  - a. Initiate mandated PIPs on the date established by the Division or AHCCCS.
  - b. Collect and analyze baseline data at the beginning of the PIP.
  - c. Implement innovative or evidence-based interventions to improve performance during the Intervention year.
  - d. Base interventions to improve performance on an evaluation of barriers and root cause analysis.
  - e. Consider any unique factors for implementing interventions to improve performance such as:
    - i. The AdSS' membership;
    - ii. Health equity considerations;
    - iii. The provider network; and

- iv. The geographic area(s) served.
  - f. Utilize annual measurements to evaluate performance; the Division or AHCCCS may require interim measurements.
  - g. Report at the intervals indicated within the associated PIP Methodology, in cases where the Division or AHCCCS elects to implement Rapid Cycle PIPs.
  - h. Continue to participate in the PIP until the AdSS demonstrate significant and sustained improvement for each included PIP indicator, or as directed by the Division or AHCCCS.
  - i. Continue the additional remeasurement year(s)/period(s) if one or more PIP indicator does not demonstrate significant and sustained improvement prior to the end of remeasurement year or period two for those PIP indicator(s) until significant improvement is demonstrated.
2. For AdSS Self-Selected PIPs, the AdSS shall do the following:
- a. Implement Rapid Cycle PIPs where applicable and appropriate;
  - b. Align Self-Selected PIP timelines with those indicated within the associated PIP Initiation Notification submitted

- to and approved by the Division; and
- c. Continue participation in the PIP until the AdSS demonstrates significant and sustained improvement for each included PIP indicator, or as approved by the Division when significant and sustained improvement has not been demonstrated.
  - d. Continue remeasurement year/period if one or more PIP indicator does not demonstrate significant and sustained improvement prior to the end of remeasurement year/period two, the PIP indicator shall be continued for additional remeasurement year(s)/period(s) until significant and sustained improvement is demonstrated.
  - e. Identify and implement a separate and distinct Self-Selected PIP that is active and within a baseline, intervention, remeasurement one, or remeasurement two measurement period during the same timeframe/reporting period as the additional remeasurement year/period three.

#### **D. DATA COLLECTION METHODOLOGY**

1. The AdSS shall align their data collection methodology, including

project indicators, procedures, and timelines, with the guidance and direction provided for all Division and AHCCCS-Mandated PIPs.

2. The AdSS shall evaluate their performance on the PIP indicators based on systematic, ongoing collection and analysis of accurate, valid, and reliable data, as collected and reported by AHCCCS or as validated by the AHCCCS External Quality Review Organization (EQRO) through the Performance Measure Validation process.
3. The AdSS shall ensure collected data are accurate, valid, and reliable through internal processes for Self-Selected PIPs that are not based on standardized performance measures.

#### **E. INTER-RATER RELIABILITY**

1. For PIPs that are not based on standardized performance measures, as well as performance measures not included within the Division Contract, the AdSS shall:
  - a. Submit specific documentation to verify that indicator criteria were met in accordance with AHCCCS instruction;
  - b. Have qualified personnel collect data; and

- c. Implement inter-rater reliability if more than one person is collecting and entering data.
2. The AdSS shall verify that data collected from multiple parties or individuals for PIP indicators is consistent and comparable through an implemented inter-rater reliability process.
3. The AdSS' documented inter-rater reliability process shall include:
  - a. A detailed description of the AdSS' Methodology for conducting inter-rater reliability including:
    - i. Initial training, and retraining, if applicable;
    - ii. Oversight;
    - iii. Validation of data collection; and
    - iv. Other activities deemed applicable.
  - b. The required minimum score that each individual shall obtain in order to continue participation in the data collection and reporting process;
  - c. A mechanism for evaluating individual accuracy scores, and any subsequent accuracy scores if applicable; and
  - d. The actions taken should an individual not meet the established accuracy score.

4. The AdSS shall monitor and track the inter-rater reliability accuracy scores and associated follow-up activities.
5. The AdSS shall provide evidence of implementation of the inter-rater reliability process as well as the associated monitoring upon Division and AHCCCS request.

**F. MEASUREMENT OF SIGNIFICANT IMPROVEMENT**

1. The AdSS shall implement interventions to achieve and sustain Statistically Significant improvement, followed by sustained improvement for one consecutive year or period, for each PIP indicator.
2. The AdSS shall initiate interventions that result in significant improvement, sustained over time, in its performance for each of the PIP indicators being measured.
3. The AdSS shall show evidence of improvement in repeated measurements of the PIP indicators specified for each active PIP.
4. The AdSS shall demonstrate significant improvement when improvement in the PIP indicator rate(s) from the baseline year/period to the first remeasurement year/period is Statistically Significant:

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- a. Intervention year/period PIP indicator rates are not considered when determining Statistically Significant improvement.
  - b. When statistically significant improvement between the baseline year/period and the first remeasurement year/period is not demonstrated, significant improvement may be demonstrated when improvement in the PIP indicator rate(s) from the baseline measurement year/period to the second remeasurement year/period is statistically significant.
5. The AdSS shall demonstrate sustained improvement when it:
- a. Establishes how the significant improvement can be reasonably attributable to the interventions implemented by the AdSS due to efforts occurring as part of the PIP and its associated interventions, versus another unrelated reason; and
  - b. Maintains, or increases, the improvement in performance for each PIP indicator for at least one remeasurement year or remeasurement period after the significant improvement in performance is first achieved.

**G. PERFORMANCE IMPROVEMENT PROJECTS REPORTING REQUIREMENTS**

1. The AdSS shall refer to the Resources, AHCCCS Guides-Manuals-Policies, AHCCCS QM/PI Reporting Templates and Checklists section of the AHCCCS website to locate the associated tools the AdSS shall utilize, as outlined in this section, when preparing and submitting the required PIP deliverables.
2. The AdSS' PIP deliverable submissions shall align with the requirements outlined in:
  - a. The Division Contract;
  - b. This policy; and
  - c. The PIP Deliverable Submission Overview tool and instructions found on the AHCCCS QM/PI Reporting Templates & Checklists webpage.
3. The AdSS shall contain the Division line of business-specific data in PIP deliverable submissions, reflective of the AdSS' performance during the current and all previous reporting periods, as applicable, in alignment with the associated PIP timeline, this shall include baseline, intervention, and remeasurement period rates and results that are utilized as the

basis for analysis, both quantitative and qualitative, and the selection/modification of interventions, measurable outcomes of established interventions and project objectives, and the results of statistical testing.

4. The AdSS shall utilize the AHCCCS PIP Report Template applicable to the population and the Division line of business being reported.
5. The AdSS may utilize one PIP Report Template throughout the PIP lifecycle.
6. The AdSS shall complete and submit a PIP Addendum, if the AHCCCS PIP Report Template has undergone any updates since the AdSS baseline period reporting, as part of its PIP Report submission to capture any checklist items or requirements not included in the PIP Report Template utilized to report baseline year results to AHCCCS.
7. The AdSS shall complete and submit an AHCCCS PIP Intervention & Analysis Template as a companion document to its PIP report submission.
8. The AdSS shall adhere to the instructions found in the template and ensure the most current template available on the AHCCCS

QM/PI Reporting Templates & Checklists webpage is utilized for all submissions.

9. The AdSS shall ensure the inclusion of subpopulation data and disparity analyses within its PIP reporting, with the identification of targeted interventions to be implemented specific to findings, in alignment with the AHCCCS PIP Report and PIP Intervention and Analysis Template instructions.
10. The AdSS shall conduct subpopulation data analysis of PIP indicator rates that includes members with special health care needs. This includes but is not limited to: Early and Periodic Screening Diagnosis and Treatment (EPSDT), maternal (pregnant and postpartum members), behavioral health category/diagnosis, and CRS-designated members, as appropriate and applicable to the PIP's eligible population(s).
11. Division and AHCCCS-Mandated PIPs:
  - a. The AdSS shall submit PIP reports for all Division and AHCCCS-Mandated PIPs, as specified in Contract.
  - b. The AdSS shall report rates and results, reflective of Title XIX and Title XXI reporting as applicable to the Division line of business, in alignment with the AHCCCS PIP

Methodology.

- c. The AdSS shall indicate if the interventions are applicable to Title XIX, Title XXI, or both Title XIX and Title XXI.
- d. The AdSS shall submit a final PIP report and the completed AHCCCS PIP Intervention and Analysis Template, as specified in Contract, following the year in which significant and sustained improvement is demonstrated.
- e. The AdSS shall evaluate significant and sustained improvement based on PIP indicator rates that have been validated by AHCCCS' EQRO or rates that are considered as the AHCCCS official PIP indicator rates, as specified in the Division Contract and the associated AHCCCS PIP Methodology.
- f. The AdSS may utilize its remeasurement year/period 2 or subsequent year, if required, PIP report to serve as the AdSS' final PIP report submission contingent upon the following:
  - i. The AdSS having met the Division Contract and policy criteria related to significant and sustained improvement to support PIP closure; and

- ii. The sections required as part of the final PIP report have been completed.
  - g. The AdSS shall meet the AHCCCS PIP Checklist requirements and receive Division approval of PIP submissions pending:
    - i. Receipt of the final PIP indicator rates that have been validated by AHCCCS EQRO; and
    - ii. Confirmation the AdSS is meeting Division Contract and policy criteria for each PIP indicator related to significant and sustained improvement to support PIP closure.
  - h. The AdSS shall keep Division and AHCCCS-Mandated PIPs open until formal notification of approval for PIP closure from the Division is received.
  - i. The AdSS shall resubmit their final PIP report if the AHCCCS PIP Checklist requirements are not met.
12. AdSS Self-Selected PIPs:
- a. The AdSS shall submit a Contractor Self-Selected PIP Initiation Notification, for each newly identified PIP, for Division review and approval, as specified in Contract.

- b. The AdSS shall submit PIP reports for each AdSS Self-Selected PIP, active during the previous calendar year, as specified in Contract.
- c. The AdSS shall clearly indicate if the PIP indicator rates and results are reflective of combined or separate Title XIX and Title XXI reporting as applicable for the Division line of business and associated PIP topic.
- d. The AdSS shall indicate if the interventions are applicable to Title XIX, Title XXI, or both Title XIX and Title XXI.
- e. The AdSS shall submit a final Self-Selected PIP report with the completed AHCCCS PIP Intervention and Analysis Template, as specified in Contract, following the year/period in which significant and sustained improvement is demonstrated.
- f. The AdSS shall evaluate significant and sustained improvement based on PIP indicator rates that have been validated by AHCCCS EQRO or rates that are considered as the AHCCCS official performance measure rates, as specified in Contract.
- g. The AdSS shall evaluate significant and sustained

improvement based on the AdSS' internally collected and validated data for Self-Selected PIPs that are not based on AHCCCS-required performance measures reflective of calendar year performance.

- h. The AdSS shall utilize its remeasurement year/period two, or subsequent year/period if required, PIP report to serve as their final PIP report submission contingent upon the following:
  - i. The AdSS has met the Division contract and policy criteria related to significant and sustained improvement to support PIP closure; and
  - ii. The sections required as part of the final PIP report have been completed.
- i. The AdSS shall keep Self-Selected PIPs open until the AdSS has met the criteria for each included PIP indicator, related to significant and sustained improvement.
- j. The AdSS shall submit a PIP Closure Request for each PIP they are requesting to close for the Division's review and approval.
- k. The AdSS shall meet the AHCCCS PIP Checklist

requirements and receive Division approval of the PIP pending:

- i. Receipt of the final PIP indicator rates, the rates validated by AHCCCS EQRO or rates that are considered as the AHCCCS official performance measure rates, in cases where the PIP indicators are based on standardized performance measures and the PIP measurement periods reflective of calendar year performance; and
  - ii. Confirmation the AdSS is meeting Contract and policy criteria for each PIP indicator related to significant and sustained improvement to support PIP closure.
- I. The AdSS shall keep Self-Selected PIPs open until the AdSS has met the criteria for each PIP indicator related to significant and sustained improvement as defined above.
    - i. The AdSS shall submit a PIP Closure Request for each Self-Selected PIP the AdSS is requesting to close, for Division review and approval; and
    - ii. The AdSS shall indicate the rationale for closing a PIP

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for each included PIP indicator in cases where the AdSS has not met criteria related to significant and sustained improvement to support PIP closure.

iii. The AdSS shall close the PIP when formal notification of approval for PIP closure has been received from the Division.

m. The AdSS shall resubmit their final PIP report if the AHCCCS PIP Checklist requirements are not met.



Signature of Chief Medical Officer

Anthony Dekker

Name

Apr 8, 2025

Date