

1 **970 PERFORMANCE MEASURES**
2

3 REVISION DATES: (~~XX/XX/XXXX~~), 9/6/2023, 3/9/2022, 7/29/2020,
4 11/17/2017

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

6 EFFECTIVE DATE: May 13, 2016

7 REFERENCES: 42 CFR 438 and AHCCCS Medical Policies 920 and 970
8

9 **PURPOSE**

10 This policy establishes the requirements of the Division of Developmental
11 Disabilities (Division) to Evaluate, monitor, and report on performance
12 measures; responsibilities related to performance measures specific to Long-
13 Term Services and Supports; and oversight of physical and behavioral health
14 services performance measures delegated to the Administrative Services
15 Subcontractors (AdSS).

16 **DEFINITIONS**
17

- 18
19 1. "Arizona Health Care Cost Containment System" or "AHCCCS"
20 means Arizona's Medicaid Program, approved by the Centers for
21 Medicare and Medicaid Services (CMS) as a Section 1115 Waiver
22 Demonstration Program and described in A.R.S. Title 36, Chapter
23 29.

- 24 2. "AHCCCS/Division of Health Care Services Quality Improvement
25 Team" means AHCCCS staff who evaluate Contractor Quality
26 Management/Performance Improvement (QM/PI) Programs;
27 monitor compliance with required Quality/Performance
28 Improvement Standards, Contractor Quality Improvement (QI)
29 Corrective Action Plans (CAPs), Performance Measures, and
30 Performance Improvement Projects (PIPs); and provide technical
31 assistance for QI-related matters.
- 32 3. "Benchmark" means the process of comparing performance
33 results with an external standard to evaluate performance and
34 drive quality improvement efforts. Benchmarks may be
35 generated from similar organizations, quality collaboratives,
36 nationally recognized organizations, or authoritative bodies.
- 37 4. "External Quality Review Organization" or "EQRO" means an
38 organization that meets the competence and independence
39 requirements as specified in 42 CFR 438.354 and performs
40 External Quality Review (EQR) activities as specified in 42 CFR
41 438.358 or 42 CFR 438.320.

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

- 59 9. "Measurable" means the ability to determine definitively whether
60 or not a quantifiable Objective has been met, or whether
61 progress has been made toward a positive outcome.
- 62 10. "Member" means the same as "Client" as defined in A.R.S. § 36-
63 551.
- 64 11. "Methodology" means the planned documented process, steps,
65 activities, or actions taken to achieve a goal or Objective, or to
66 progress towards a positive outcome.
- 67 12. "Monitoring" means the process of auditing, observing,
68 evaluating, analyzing, and conducting follow-up activities and
69 documenting results via desktop or onsite review.
- 70 13. "Objective" means a measurable step, generally one of a series
71 of progressive steps, to achieve a goal.
- 72 14. "Official Rates" means Performance Measure results calculated
73 by the Division that have been validated by the AHCCCS External
74 Quality Review Organization for the calendar year.
- 75 15. "Outcome" means a change in patient health, functional status,
76 satisfaction, or goal achievement that results from health care or
77 supportive services [42 CFR 438.320].

- 78 16. “Performance Improvement” means the continuous study and
79 improvement of processes with the intent to better services or
80 outcomes, and prevent or decrease the likelihood of problems by
81 identifying areas of opportunity and testing new approaches to
82 fix underlying causes of persistent or systemic problems or
83 barriers to improvement.
- 84 17. “Performance Improvement Project” means a planned process of
85 data gathering, evaluation, and analysis to determine
86 interventions or activities that are projected to have a positive
87 outcome. This process includes measuring the impact of the
88 interventions or activities aimed toward improving quality of care
89 and service delivery. Performance Improvement Projects (PIPs)
90 are designed to achieve significant improvement, sustained over
91 time, in health outcomes and member satisfaction, and include
92 the elements outlined in 42 CFR 438.330(2). A PIP may also be
93 referred to as a Quality Improvement Project (QIP).
- 94 18. “Performance Measure Performance Standards” means the
95 minimal expected level of performance based upon the National
96 Committee for Quality Assurance, HEDIS® Medicaid Mean or

97 Centers for Medicare and Medicaid Services Medicaid Median for
98 selected Core Set-Only Measures, as identified by the Arizona
99 Health Care Cost Containment System (AHCCCS), as well as the
100 Line of Business aggregate rates, as applicable.

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

- 109 a. Plan: Plan the changes or interventions, including a plan
110 for collecting data. State the Objectives of the
111 interventions.
- 112 b. Do: Try out the interventions and document any problems
113 or unexpected results.
- 114 c. Study: Analyze the data and study the results. Compare
115 the data to predictions and summarize what was learned.

- 116 d. Act: Refine the changes or interventions based on what
117 was learned and prepare a plan for retesting the
118 interventions
- 119 e. Repeat: Continue the cycle as new data becomes available
120 until improvement is achieved.
- 121 20. "Quality" means As it pertains to external quality review, means
122 the degree to which a Managed Care Organization (MCO)
123 increases the likelihood of desired outcomes of its enrollees
124 through:
- 125 a. Its structural and operational characteristics;
126 b. The provision of services that are consistent with current
127 professional, evidenced-based-knowledge; and
128 c. Interventions for performance improvement (42 CFR
129 438.320).
- 130 21. "Statistically Significant" means a judgment of whether a result
131 occurred because of chance. When a result is statistically
132 significant, it means that it is unlikely that the result occurred
133 because of chance or random fluctuation. There is a cutoff for
134 determining statistical significance which is defined as the

135 significance level. If the probability of a result (the significance
136 value or p value) is less than the cutoff (the significance level),
137 the result is judged to be statistically significant. Statistical
138 significance is calculated utilizing the chi square methodology,
139 and a statistically significant result is defined as a p value less
140 than or equal to 0.05.

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

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

147
148 **POLICY**

149 The Division’s management of performance measures is focused on
150 achieving the goals of the Triple Aim, providing integrated care, identifying
151 and standardizing best practices, implementing targeted interventions, and
152 tracking and trending outcomes to support quality improvement in member
153 health and well-being.

154 **A. PERFORMANCE MEASURES**

155 1. The Division shall collect, monitor, and evaluate data relevant to
156 the following performance metrics:

157 a. Quality;

158 b. Timeliness;

159 c. Utilization;

160 d. Efficiency;

161 e. Member satisfaction;

162 f. Targeted investment; and

163 g. Performance Improvement.

164 2. The Division shall collect, monitor, and evaluate performance
165 metric/performance measure data on an ongoing basis, and
166 develop specific measurable goals or objectives aimed at
167 enhancing the Quality Management/Performance Improvement
168 (QM/PI) Program.

169 3. The Division shall self-report performance metric/performance
170 measure data to AHCCCS in accordance with AHCCCS Contract
171 requirements.

- 172 4. The Division’s Quality Management Unit (QMU) shall use
173 standardized performance measures that focus on the following
174 clinical and non-clinical areas reflective of the Centers for
175 Medicare and Medicaid Services (CMS) Core, National Committee
176 for Quality Assurance (NCQA) Healthcare Effectiveness Data and
177 Information Set (HEDIS) measure sets, or other nationally
178 recognized measure set domains of care:~~Set domains of care:~~
- 179 a. Primary Care Access and Preventive Care;
 - 180 b. Maternal and Perinatal Health;
 - 181 c. Care of Acute and Chronic Conditions;
 - 182 d. Behavioral Health Care;
 - 183 e. Dental and Oral Health Services;
 - 184 f. Experience of Care; and
 - 185 g. Long-Term Services and Supports (LTSS).
- 186 ~~2. The Division shall collect, monitor, and Evaluate Health~~
187 ~~Information System data relevant to the following performance~~
188 ~~measures:~~
- 189 ~~a. Quality;~~
 - 190 ~~b. Timeliness;~~

- 191 c. ~~Utilization;~~
- 192 d. ~~Efficiency;~~
- 193 e. ~~Member satisfaction;~~
- 194 f. ~~Targeted investment;~~ and
- 195 g. ~~Performance Improvement.~~
- 196 3. ~~The Division's Quality Management Unit (QMU) shall analyze,~~
- 197 ~~monitor, and Evaluate established performance metrics or~~
- 198 ~~performance measure data on an on-going basis and develop~~
- 199 ~~specific Measurable goals and Objectives aimed at supporting~~
- 200 ~~quality management and desired outcomes as well as enhancing~~
- 201 ~~the Quality Management/Performance Improvement (QM/PI)~~
- 202 ~~Program.~~
- 203 4. ~~The QMU shall self-report the following performance metrics or~~
- 204 ~~performance measure data to AHCCCS:~~
- 205 a. ~~Quality Management/Quality of Care;~~
- 206 b. ~~Medical Management;~~
- 207 c. ~~Maternal and Child Health;~~
- 208 d. ~~Network Adequacy; and~~
- 209 e. ~~Waiver/Program Evaluation.~~

- 210 ~~5.~~
- 211 ~~The Division shall comply with AHCCCS QM/PI Program requirements~~
212 ~~to enhance performance for all AHCCCS required performance~~
213 ~~measures.~~
- 214 ~~6. The Division shall compare the performance measure rates with~~
215 ~~national Benchmarks specified in the AdSS' contract effective~~
216 ~~during that measurement period.~~
- 217 ~~7. The Division shall use the calculated rates validated by AHCCCS'~~
218 ~~EQRO as the official rates utilized for determining compliance~~
219 ~~with performance measure requirements.~~
- 220 ~~8.~~
- 221 5. The Division shall comply with AHCCCS QM/PI Program
222 requirements to enhance performance for all AHCCCS required
223 performance measures.
- 224 6. The Division shall compare the performance measure rates with
225 national Benchmarks specified in the AdSS' contract effective
226 during that measurement period.

227 7. The Division shall use the calculated rates validated by AHCCCS'
228 EQRO as the official rates utilized for determining compliance
229 with performance measure requirements.

230 8. The Division shall include LTSS specific performance measures
231 that examine Members' quality of life, community integration
232 activities [42 CFR 438.330©(1)(ii)], and any performance
233 measures that are the responsibility of the AdSS.

234 **B. PERFORMANCE MEASURE REQUIREMENTS**

235 1. The Division shall comply with AHCCCS QM/PI Program
236 requirements to meet established performance standards and
237 maintain or improve performance for AHCCCS contractually
238 required performance measures.

239 2. The Division shall utilize the results of its performance measure
240 rates when evaluating its QM/PI Program performance.

241 3. The Division shall apply the performance measure specifications
242 and methodologies in accordance with AHCCCS requirements
243 and instructions for routine and ongoing monitoring and
244 evaluation of performance measure rates.

- 245 4. The Division's QMU shall oversee activities delegated to the
246 AdSS associated with performance measures.
- 247 5. The Division's QMU shall work collaboratively with the AdSS to
248 ensure that the AdSS are achieving performance measure
249 standards as part of the QM/PI Program quality management
250 plan.
- 251 ~~3. The Division's QMU shall ensure compliance with AHCCCS QM/PI~~
252 ~~requirements and the utilization of applicable performance~~
253 ~~measure methodologies for internal Monitoring and evaluation of~~
254 ~~performance measure results.~~
- 255 6. The Division's QMU shall provide oversight to ensure that the
256 AdSS:
- 257 a. Adhere to the requirements related to performance
258 measure requirements.
- 259 b. Measures and reports performance measures and meets
260 any associated standards mandated/identified by CMS for
261 each measure.
- 262 c. ~~Utilize the results of the Official Rates in evaluating the AdSS~~
263 ~~QM/PI Program.~~

- 264 c. Achieve the Performance Measure Performance Standards
265 (PMPS) identified by AHCCCS for each measure based on
266 the rates calculated by AHCCCS.
- 267 ~~d. Establish how the Statistically Significant improvement can~~
268 ~~be attributable to interventions undertaken by the AdSS,~~
269 ~~and that the improvement occurred due to the project and~~
270 ~~interventions, not another unrelated reason.~~
- 271 ~~e. Maintain or increase the improvements in performance for~~
272 ~~at least one year after the performance improvement is~~
273 ~~first achieved.~~
- 274 ~~f. Measure and report performance measures, and meet any~~
275 ~~associated standards mandated by the Division, AHCCCS,~~
276 ~~or CMS.~~
- 277 ~~g. Achieve the PMPS outlined in the AdSS' contract for each~~
278 ~~measure using official administrative and hybrid rates as~~
279 ~~described in AMPM 970.~~
- 280 ~~h. Demonstrate sustained and improved efforts throughout~~
281 ~~the performance cycle when PMPS have been met.~~

- 282 d. Develop an evidence-based Corrective Action Plan (CAP)
283 for each measure not meeting the PMPS, including
284 interventions ~~to meet the specific~~ to the needs of Division's
285 line of business Members to bring performance up to the
286 minimum standards required by AHCCCS while adhering to
287 AMPM Policy 920, Attachment B.
- 288 e. Ensure each CAP includes a list of activities or strategies
289 that the AdSS are using to allocate increased
290 administrative resources to improve rates for a specific
291 measure or service area.
- 292 f. Demonstrate and sustain improvement towards meeting
293 PMPS.
- 294 7. The Division may take administrative action for PMPS that do not
295 show Statistically Significant improvement in Official Rates.
- 296 8. The Division may take administrative action for Statistically
297 Significant declines of rates or any rate that does not meet the
298 PMPS or a rate that has a significant impact to the aggregate
299 rate for the State.

300 9. The Division shall require the AdSS to report the status of any
301 discrepancies identified in encounters submitted to and received
302 by the Division for purposes of performance measure monitoring.

303 10. The Division is responsible for:

304 a. Monitoring encounter submissions by the Division's
305 subcontractors;

306 b. Demonstrating improvement from year to year, which is
307 sustained over time, in order to meet goals for
308 performance established by AHCCCS;

309 c. Complying with national performance measures and levels
310 that may be identified and developed by CMS in
311 consultation with AHCCCS; and

312 d. Ensuring the CAPs are approved by AHCCCS prior to
313 implementation.

314 11. The Division shall internally measure and report to AHCCCS the
315 Division's performance on contractually mandated performance
316 measures using a standardized methodology established or
317 adopted by AHCCCS.

318 12. The Division shall use the results of the AHCCCS contractual
319 performance measures in evaluating the Division's QM/PI
320 program.

321 **C. PERFORMANCE MEASURE ANALYSIS**

322 1. The Division shall conduct ~~data analysis of performance measure~~
323 rate data analysis to improve the quality of care provided to
324 Members, identify opportunities for improvement, and
325 implement targeted interventions.

326 2. The Division shall evaluate performance for aggregate and
327 subpopulations ~~or inclusive of Members with special health care~~
328 needs, ~~as well as~~ any other focus areas identified by AHCCCS.

329 3. The Division shall review and evaluate its quality improvement
330 data for accuracy, completeness, logic, and consistency as well
331 as track and trend quality improvement data (including
332 performance metric/performance measure data) to identify
333 potential areas for improvement.

334 4. The Division shall identify and implement corrective actions with
335 AdSS when QM/PI Program data (including performance

336 metric/performance measure data) received from AdSS is not
337 accurate, timely, and/or complete.

338 5. The Division shall utilize proven quality improvement tools when
339 conducting root-cause analysis and problem-solving activities to
340 identify and implement interventions aimed to improve
341 performance.

342 6. The Division shall identify and implement targeted interventions
343 to address any noted disparities identified as part of the
344 Division's data analysis efforts.

345 7. The Division shall indicate if the interventions are applicable to
346 Title XIX, Title XXI or both.

347 8. The Division shall conduct Plan-Do-Study-Act (PDSA) Cycles to
348 Evaluate the effectiveness of interventions, revise interventions
349 as needed, and conduct repeat PDSA Cycles until improvement is
350 achieved.

351 **D. INTER-RATER RELIABILITY**

352 1. The Division shall use the following process to collect data used
353 to measure performance:

- 354 a. Submit specific documentation to verify that indicator
355 criteria were met in accordance with AHCCCS instruction.
- 356 b. Assign qualified personnel to collect data;
- 357 c. Implement ~~Ensure~~ Inter-Rater Reliability if more than one
358 person is collecting and entering data; and
- 359 ~~e. Submit specific documentation to verify that indicator~~
360 ~~criteria were met in accordance with AHCCCS instruction.~~
- 361 2. The Division shall ensure that data collected from multiple
362 individuals is consistent and comparable through an
363 implemented Inter-Rater Reliability process. ~~as specified in~~
364 ~~Medical Policy 960~~
- 365 3. The Division shall ensure the documented Inter-Rater Reliability
366 process includes:
- 367 a. A detailed description of the methodology for conducting
368 the inter-rater reliability
- 369 b. The required minimum score to obtain in order to continue
370 participation in data collection and reporting.
- 371 c. A mechanism to evaluate individual accuracy scores, and

372 d. Actions taken should an individual not meet the
373 established accuracy score.

374 4. ~~Tif requested by AHCCCS,~~ the Division shall provide evidence of
375 implementation of the Inter-Rater Reliability process and the
376 associated Monitoring to AHCCCS if requested.

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

378 1. The Division shall align with the requirements outlined in
379 Contract and AMPM 970 and adhere to the instructions provided
380 by AHCCCS and/or found within the AHCCCS QM/PI Reporting
381 Templates & Checklists webpage.

382 2. The Division's QM/PI Committee shall review performance
383 measure analytics and recommendations from subcommittees to
384 improve the quality of the care provided to Members, identify
385 opportunities for improvement, and implement targeted
386 interventions on a quarterly basis.

387 3. The Division shall combine performance measure outcomes from
388 the AdSS and submit those results to AHCCCS as specified in the
389 AHCCCS contract.

- 390 4. The Division shall report on LTSS specific performance measures
391 and outcomes managed by the Division, through qualified
392 vendors, as well as the LTSS specific performance measures and
393 outcomes managed by the AdSS.
- 394 5. The Division shall report the Division’s QM/PI program
395 performance to the AHCCCS Quality Improvement Team, as
396 specified in the AHCCCS contract, utilizing the AHCCCS
397 Performance Measure Monitoring Report & Work Plan Evaluation
398 Template found on the AHCCCS website.
- 399 6. The Division shall include all Medicaid Managed Care enrolled
400 members (meeting the inclusion criteria outlined within the
401 associated measure specifications) within its performance
402 measure reporting.
- 403 7. The Division shall ensure the AdSS calculate, and report
404 combined rates/percentages for the Medicaid and KidsCare
405 populations.
- 406 8. The Division shall ensure the AdSS has the ability to calculate
407 and report separate numerators, denominators, and

408 rate/percentage for Medicaid as well as KidsCare, which shall be
409 provided in accordance with AHCCCS' requests or instructions.

410 **F. AdSS OVERSIGHT**

411 1. The Division shall use the following methods to ensure the AdSS
412 are in compliance with AdSS Medical Policy 970 and associated
413 policies:

- 414 a. Conduct annual operational reviews for compliance;
- 415 b. Analyze deliverable reports and other data as required;
- 416 c. Conduct oversight meetings with each AdSS for the
417 purpose of reviewing compliance and addressing any
418 performance measures or other quality of care concerns;
419 and
- 420 d. Review data submitted by the AdSS demonstrating
421 ongoing compliance Monitoring of the AdSS' network and
422 provider agencies through Behavioral Health Chart
423 Reviews.

424 **SUPPLEMENTAL INFORMATION**

425 Performance measures are utilized to evaluate whether the Division is
426 fulfilling key contractual obligations and serve as an important element of
427 the agency's approach to transparency in health services and VBP.
428 The Division's performance is publicly reported on the Division and AHCCCS
429 website and other means, such as sharing of data with other State agencies,
430 community organizations, and stakeholders.
431 PDSA Cycles consist of the following steps:
432 a. Plan: Plan the change(s) or intervention(s), including a plan for
433 collecting data. State the objective(s) of the intervention(s),
434 b. Do: Try out the intervention(s) and document any problems or
435 unexpected results,
436 c. Study: Analyze the data and study the results. Compare the data to
437 predictions and summarize what was learned,
438 d. Act: Refine the change(s) or intervention(s), based on what was
439 learned, and prepare a plan for retesting the intervention(s), and
440 e. Repeat: Continue the cycle as new data becomes available until
441 improvement is achieved.

442

443

444

445 Signature of Chief Medical Officer:

Draft Policy for Public Comment