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Medicaid and CHIP Payment and Access Commission

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June 30, 2011

The Honorable Kathleen Sebelius
Secretary, U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

The Honorable Max Baucus
Chairman, Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Orrin G. Hatch
Ranking Member, Committee on Finance
U.S. Senate
104 Hart Office Building
Washington, DC 20510

The Honorable Fred Upton
Chairman, Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Henry Waxman
Ranking Member, Committee on Energy and Commerce
U.S. House of Representatives
2322A Rayburn House Office Building
Washington, DC 20515

Re: Department of Health and Human Services (HHS) Reports to the Congress: "HHS Secretary's Efforts to Improve Children's Health Care Quality in Medicaid and CHIP" and "Preventive and Obesity-Related Services Available to Medicaid Enrollees"

The Medicaid and CHIP Payment and Access Commission (MACPAC) is pleased to submit these comments on two HHS reports to the Congress released in December 2010: I) "HHS Secretary's Efforts to Improve Children's Health Care Quality in Medicaid and CHIP"; and II) "Preventive and Obesity-Related Services Available to Medicaid Enrollees." MACPAC is required by statute to review and provide comments on reports to the Congress submitted by the Secretary within six months of the submission date and provide written comments to the Secretary and appropriate committees of the Congress.

These reports describe new HHS initiatives and preview upcoming Secretarial guidance regarding children's health care quality in Medicaid and CHIP, as well as preventive and obesity-related Medicaid services. The Medicaid/CHIP children's health care quality report was mandated in the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA, P.L. 111-3) to first be published by January 1, 2011 and every three years thereafter. The report on preventive and

obesity-related Medicaid services was required in the Patient Protection and Affordable Care Act (PPACA, P.L. 111-148, as amended) to first be published by January 1, 2011 and every three years thereafter through January 1, 2017. The Commission offers the following comments to assist HHS in implementing these statutory provisions.

I. HHS REPORT TO THE CONGRESS: HHS SECRETARY'S EFFORTS TO IMPROVE CHILDREN'S HEALTH CARE QUALITY IN MEDICAID AND CHIP

Report Summary. This HHS report was written to fulfill the requirement in CHIPRA that the Secretary describe the following:

(1) Status of HHS activities to improve quality for Medicaid/CHIP children. In response to this requirement, the report described HHS initiatives related to requirements and/or funding in CHIPRA and PPACA. The initiatives outlined in this report include:

- **Initial Core Set of Children's Quality Measures**—the December 2009 publication in the *Federal Register* by the Secretary of an initial core set of evidence-based health quality measures for children;[1]
- **Pediatric Quality Measures Program**—the creation of a Pediatric Quality Measures Program of grants totaling $55 million over four years to test and refine the initial core set of quality measures;
- **CHIPRA Quality Demonstration Grants**—the awarding of ten CHIPRA Quality Demonstration Grants totaling $100 million over five years to evaluate promising ideas to improve children's health care quality;
- **EPSDT Improvement Workgroup**— the convening of a National Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Improvement Workgroup that includes individuals representing the perspectives of states, children's health care providers, and data analysts;
- **CMS Oral Health Initiatives**—the implementation of oral health initiatives by the Centers for Medicare & Medicaid Services (CMS), including the announcement by CMS that a report would be published on innovative state practices to improve access to oral health services. CMS published this report in January 2011.[2]

(2) Status of states reporting the initial core quality measures voluntarily. In December 2009, the Secretary published the initial core set of 24 quality measures for children in Medicaid and CHIP, on which states may voluntarily report. In this report, CMS indicated that it would focus its data collection efforts on 11 of the 24 measures.

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[1] 74 *Federal Register* 68846, "Medicaid and CHIP Programs; Initial Core Set of Children's Healthcare Quality Measures for Voluntary Use by Medicaid and CHIP Programs," Notice with Comment Period, December 29, 2009, http://www.insurekidsnow.gov/professionals/CHIPRA/federalregisternotice.pdf.

[2] CMS, "Innovative State Practices for Improving The Provision of Medicaid Dental Services: Summary of Eight State Reports," January 2011, http://www.cms.gov/MedicaidDentalCoverage/Downloads/8staterep2.pdf.

CMS later announced in a February 11, 2011 State Health Official letter (#11-001) that it will focus on 12 measures. To mitigate the reporting burden on states, most of the 12 measures are already used or required for other measurement purposes—for example, as part of the Electronic Health Record (EHR) Incentive Program ("meaningful use measures"), annual CHIP reports, and the EPSDT reporting form (CMS-416 report). Eight of the twelve measures are from the National Committee for Quality Assurance (NCQA), mostly from NCQA's Healthcare Effectiveness Data and Information Set (HEDIS), and are widely used by Medicaid managed care plans.

States that participated in the voluntary reporting of core quality measures were required to submit their data by December 31, 2010 following the publication of this report. Therefore, initial state data and participating states are not included in this report.

MACPAC Comments

The Commission supports HHS' efforts to improve the quality of care for children in Medicaid and CHIP and the data that could be used to assess the outcomes of these efforts. Broader use of nationally recognized, evidence-based standardized measures could improve the ability to compare Medicaid/CHIP children's health care quality across states, as well as to other payers and help to identify which program characteristics and policies have the greatest impact on children's health care quality. Specifically, the Commission offers the following comments for the Department of HHS' consideration:

Use of similar quality measures for both FFS and managed care plans is important. As described in the report, the initial core set of quality measures are not widely used by both managed care and FFS arrangements. For example, although HEDIS measures are widely used by managed care plans, they are rarely used for tracking health care quality in FFS Medicaid. Since it is possible to calculate all 12 measures from both managed care and FFS data, CMS should consider how to encourage the use of the measures across these health care financing models. For example, at MACPAC's October 2010 public meeting, a presentation was made on how HEDIS measures were being used in Pennsylvania's FFS Medicaid.

Data systems may allow states to report quality measures separately for FFS and managed care plans. The report describes the CHIP Annual Reporting Template System (CARTS), the web-based system that CMS has designated for state voluntary reporting on the initial core set of quality measures. It currently does not permit states to report results for FFS and managed care separately. The technical specifications for the initial core set of measures require states to aggregate data from their FFS programs and various managed care plans for reporting purposes.[3] CMS should consider whether to provide states with the flexibility to report on measures separately for FFS and managed care and whether such comparisons might be useful.

[3] CMS, "CHIPRA Initial Core Set Technical Specifications Manual 2011," February 2011, http://www.cms.gov/MedicaidCHIPQualPrac/Downloads/CHIPRACoreSetTechManual.pdf.

Even for standardized measures, different methods to collect and report data may affect results. CMS has provided detailed technical descriptions for each measure in the initial core set of child quality measures to promote consistency across states for reporting measures. Notwithstanding the detailed technical specifications on the measures provided by CMS, NCQA, and others, states (and other payers generally) may use different methods to collect and report data for the same measures.[4] CMS should consider noting when states use varying methods to calculate data for the same measures so that differences in results are not incorrectly attributed to health care quality.

Reducing reporting redundancies may be possible. In the February 11, 2011 State Health Official letter (#11-001), CMS states that it is currently undergoing a review of its multiple reporting systems. MACPAC's March 2011 *Report to the Congress* described improvements to federal administrative data that could ultimately reduce both state and federal burdens by eliminating redundancies in what is currently being reported. For example, if all states provided complete FFS claims and managed care encounter data through the Medicaid Statistical Information System (MSIS), CMS could produce the numbers that states currently report separately in the EPSDT Report (Form CMS-416), from which two measures from the initial core set are derived.

II. HHS REPORT TO THE CONGRESS: PREVENTIVE AND OBESITY-RELATED SERVICES AVAILABLE TO MEDICAID ENROLLEES

Report Summary. This HHS report was written to fulfill the requirement in PPACA that the Secretary report on the status and effectiveness of the following:

> **(1) HHS guidance to states and health care providers regarding preventive and obesity-related services available to Medicaid enrollees.** The HHS report provides general descriptions of services covered under Medicaid and CHIP, with separate discussions for children and adults regarding preventive services. The report also describes recent published research on Medicaid coverage of obesity-related services by state. According to the HHS report, CMS is finalizing guidance to states on coverage of obesity-related services, which should be issued in 2011. The report also describes other ongoing state and federal initiatives regarding obesity.
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> **(2) States' congressionally mandated public awareness campaign to educate Medicaid enrollees regarding availability and coverage of preventive and obesity-related services.** The report indicates that the forthcoming guidance to states will also contain information on the requirements of states' public awareness campaigns as

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[4] For example, see Ku, L., et al. Improving Medicaid's Continuity of Coverage and Quality of Care. Washington, DC: Association for Community Health Plans (ACAP). http://www.ahcahp.org/Portals/0/ACAP%20Docs/Improving%20Medicaid%20Final%20070209.pdf. There is a related discussion in Chapter 6 of the March 2010 report of the Medicare Payment Advisory Commission (MedPAC), entitled "Report on comparing quality among Medicare Advantage plans and between Medicare Advantage and fee-for-service Medicare" (http://www.medpac.gov/chapters/Mar10_Ch06.pdf).

required by PPACA. According to the report, the guidance will identify several steps that states could take to improve awareness and access to obesity prevention and treatment services. CMS will report on the effectiveness of the campaigns in its next report to the Congress, due by January 1, 2014.

MACPAC Comments

The Commission looks forward to the forthcoming CMS guidance on Medicaid coverage of obesity-related services, and recognizes the importance of CMS reporting on the obesity-related services states cover to meet the statutory goal of improving awareness of available preventive and obesity-related services in Medicaid and CHIP.

Better information on covered services. The compilation of state Medicaid programs' coverage of obesity-related services is a difficult and complex undertaking, because information on state coverage of obesity-related services is not readily available at the federal level. The basis of the compilation of state coverage of obesity-related services included in the report was based on an article in *Public Health Reports*, for which the authors conducted a state-by-state review of Medicaid provider manuals, EPSDT program manuals, codes and regulations, and fee schedules publicly available on state websites.[5] Even then, the authors were not always able to conclusively determine whether states covered particular treatments. In addition, the authors' finding on state Medicaid programs' coverage of weight-loss drugs differed significantly from other reports.

To address this issue, CMS should consider reviewing and compiling information about the obesity services offered by state Medicaid programs. The Commission's March 2011 *Report to the Congress* provided a table on state coverage of optional Medicaid benefits (Table 12 of MACStats), acknowledging that it does not provide information on the amount, duration, and scope of those benefits. That table was derived from the "State Medicaid Benefits Matrix," which is on the CMS website and pertains to Medicare Special Needs Plans (SNPs). CMS has initiatives underway to improve the availability of Medicaid and CHIP information on covered services across states, including detail regarding benefit amount, duration, and scope. Similarly, the Commission supports plans to make Medicaid and CHIP state plans and waiver documentation available online and to ensure those documents are complete and up to date. CMS could also explore whether it can create an electronic repository of state Medicaid provider manuals, EPSDT program manuals, and fee schedules.

As noted in Chapter 6 of our March 2011 *Report to the Congress*, increasing access to these data would allow the federal government to strengthen its program oversight by providing consistent and comprehensive information on state activities for use by CMS and other agency staff. In addition, states could more easily learn about the policy choices made by other states as they consider their own program changes.

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[5] Jennifer S. Lee et al., "Coverage of Obesity Treatment: A State-by-State Analysis of Medicaid and State Insurance Laws," *Public Health Reports*, July-August 2010, pp. 596-604, http://www.gwumc.edu/sphhs/departments/healthpolicy/dhp_publications/pub_uploads/dhpPublication_7F45014A-5056-9D20-3DCBEDF142122C55.pdf.

MACPAC appreciates the opportunity to provide comments on the important policy issues raised in these reports. If you have any questions, please feel free to contact Lu Zawistowich, Executive Director of MACPAC.

Sincerely,

Diane Rowland, ScD
Chair