



# MACPAC

Medicaid and CHIP Payment and Access Commission



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November 17, 2014

The Honorable Sylvia Mathews Burwell  
Secretary, U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
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The Honorable Ron Wyden  
Chairman, Committee on Finance  
U.S. Senate  
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The Honorable Fred Upton  
Chairman, Committee on Energy and  
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U.S. House of Representatives  
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The Honorable Orrin G. Hatch  
Ranking Member, Committee on Finance  
U.S. Senate  
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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:       Adult and Children's Health Care Quality Reports to the Congress**

The Medicaid and CHIP Payment and Access Commission (MACPAC) is pleased to submit comments on two reports to the Congress by the U.S. Department of Health and Human Services (HHS) released in June and July 2014, respectively: *HHS Secretary's Efforts to Improve the Quality of Health Care for Adults Enrolled in Medicaid* and *HHS Secretary's Efforts to Improve Children's Health Care Quality in Medicaid and CHIP*. MACPAC is required by statute to review and comment on reports to the Congress submitted by the Secretary of HHS within six months of the submission date and provide written comments to the Secretary and appropriate committees of the Congress.

The Commission supports HHS's efforts to improve the quality of care for children and adults in Medicaid and the State Children's Health Insurance Program (CHIP), and the data that could be used to assess the outcomes of these efforts. The Commission offers comments in the following areas:

- strengthening the Center for Medicare & Medicaid Services' (CMS) capacity to calculate quality measures for states;
- expanding the use of core quality measures in state quality improvement efforts;
- improving quality measures for individuals with disabilities; and
- continuing funding for the adult and child quality measures programs.

## **Report summary**

In June 2014, HHS released its first report on the adult health care quality, as required under the Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended). In July 2014, HHS released its second report on children's health care quality, as required under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA, P.L. 111-3). Both reports summarize HHS's efforts to improve the quality of care for enrollees, the duration and stability of coverage, and state reporting of children and adult core quality measures. Because of the similarities of both reports, we discuss them here together.

The two reports provide an overview of about 50 different activities that CMS is engaged in to improve quality of care in Medicaid and CHIP. Many initiatives affect both children and adults, and some initiatives involve other agencies within HHS.

The reports provide detailed information on quality improvement activities that were funded through the children's quality measurement program (§1139A of the Act) and the adult quality measurement program (§1139B of the Act). Both programs include funding for states' quality improvement activities and for the development of a core set of measures for voluntary use by states, managed care organizations, and providers to evaluate quality of care in Medicaid and CHIP. The core set of children's quality measures was developed in 2009 by CMS and the Agency for Healthcare Research and Quality (AHRQ), and voluntary state reporting began in 2010. The core set of adult quality measures was developed in 2011 by CMS and AHRQ, and voluntary state reporting of these measures begins this year.

Finally, the reports provide information about CMS's efforts to promote the duration and stability of coverage for children and adults, which is one of the statutorily required elements of this report. Both reports describe the implementation of ACA enrollment simplification requirements, and the children's health care quality report also describes the Secretary's Connecting Kids to Coverage campaign and CHIPRA performance bonuses, which provide incentive payments to states that implement enrollment simplifications and increase enrollment of children in Medicaid.

The children's health care quality report makes two formal recommendations related to outreach and enrollment for children that were included in the FY 2015 President's Budget: (1) a one-year extension of the CHIPRA performance bonuses and (2) a permanent extension of Express Lane Eligibility (ELE), which is a current state plan option for simplifying eligibility determinations. The CHIPRA performance bonus fund expired in FY 2013 and the ELE state plan option currently expires at the end of FY 2015.

## **MACPAC Comments**

The Commission continues to support efforts to improve the quality of care for Medicaid and CHIP enrollees and to improve the data that could be used to assess the outcomes of these efforts. In response to the first HHS children's health care quality report in 2011, the Commission commented on the value of broader use of nationally recognized, evidence-based measures to help identify which program characteristics and policies have the greatest impact on health care quality for Medicaid and CHIP enrollees. In particular, the Commission noted that the importance of aligning

measures across states and other payers in order to facilitate comparison and reduce reporting burden for both payers and providers.

After reviewing HHS's second children's health care quality report and first report on adult health care quality, the Commission is encouraged by the progress that HHS has made in expanding its children and adult quality improvement efforts since 2011. MACPAC offers the following comments to HHS and the Congress about opportunities to build on this progress moving forward.

1. **Strengthening CMS's capacity to calculate quality measures for states.** Because many of the CMS adult and child core quality measures are calculated based on administrative data, CMS could reduce state reporting burden and duplication of effort if it began calculating some core quality measures for states using the claims and encounter data it is collecting through the Transformed Medicaid Statistical Information System (T-MSIS). Consistent with MACPAC's prior comments on HHS's first child health care quality report in 2011, CMS recently began calculating some child core quality measures for all states using data that states report in their EPSDT reports (Form 416). Accelerating the use of T-MSIS to support state reporting of additional core quality measures would help build on this success.
2. **Expanding the use of core quality measures in state quality improvement efforts.** Now that the Medicaid and CHIP child and adult core measures have been established, states and CMS should consider opportunities to improve the use of core quality measures in state quality improvement initiatives, such as managed care external quality review organization (EQRO) activities. The child and adult core quality measures were initially designed to be used by managed care organizations and providers. However, CMS currently only collects core quality measure data at the state level, and there is limited evidence that these measures are being widely used in state managed care oversight and provider incentive programs. Before requiring the use of any particular core quality measure, CMS should consider the usefulness of the measure and ensure that it will actively use the measure in its oversight process.
3. **Improving quality measures for individuals with disabilities.** In MACPAC's March 2012 report to the Congress, the Commission recommended that HHS, in partnership with the states, update and improve quality assessment for Medicaid enrollees with disabilities. The adult core quality measures do not currently include measures specific to individuals with disabilities, and both reports to the Congress are largely silent about efforts to measure and improve care provided to this population. Quality measurement for Medicaid enrollees with disabilities continues to be a priority area of consideration for the Commission, and MACPAC encourages HHS to devote more attention to this issue.
4. **Continuing funding for the adult and child quality measures programs.** The Commission supports continued, dedicated funding to support state and CMS quality measurement efforts. Currently, funding for the Medicaid and CHIP adult and child quality measures programs has not been appropriated for FY 2015 or beyond, raising

concerns about how continued measurement activities will be supported.<sup>1</sup> The needed investments in quality measurement are small compared to total spending in the Medicaid program, but they are important investments in the program, both on behalf of those whose care is financed by Medicaid and taxpayers.

Regarding the recommendations in the children's health quality report, the Commission continues to support a permanent extension of ELE, and it encourages more careful consideration of the implications of an extension of CHIPRA performance bonus funding. Because many eligibility simplifications incentivized by the performance bonus program are now state requirements under the ACA and because the current formula for calculating performance bonus payment amounts relies on pre-ACA eligibility standards (§2103(a)(3)(F)(i) of the Act), additional changes to update the performance bonus program would be needed if it were continued.

MACPAC appreciates the opportunity to provide comments on the important policy issues raised in these reports.

Sincerely,

A handwritten signature in black ink that reads "Diane Rowland". The signature is written in a cursive, flowing style.

Diane Rowland, ScD  
Chair

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<sup>1</sup> CHIPRA allocated \$45 million a year between FY 2009 and 2013 to the children's quality measurement program, and the ACA allocated \$60 million a year between FY 2010 and 2014 to the adult quality measures program. The Protecting Access to Medicare Act of 2014 (P.L. 113-93) subsequently redirected \$15 million of funding for the adult quality measures program towards continued funding of children's quality measures program in FY 2014.