

September 20, 2024

Managed Care External Quality Review

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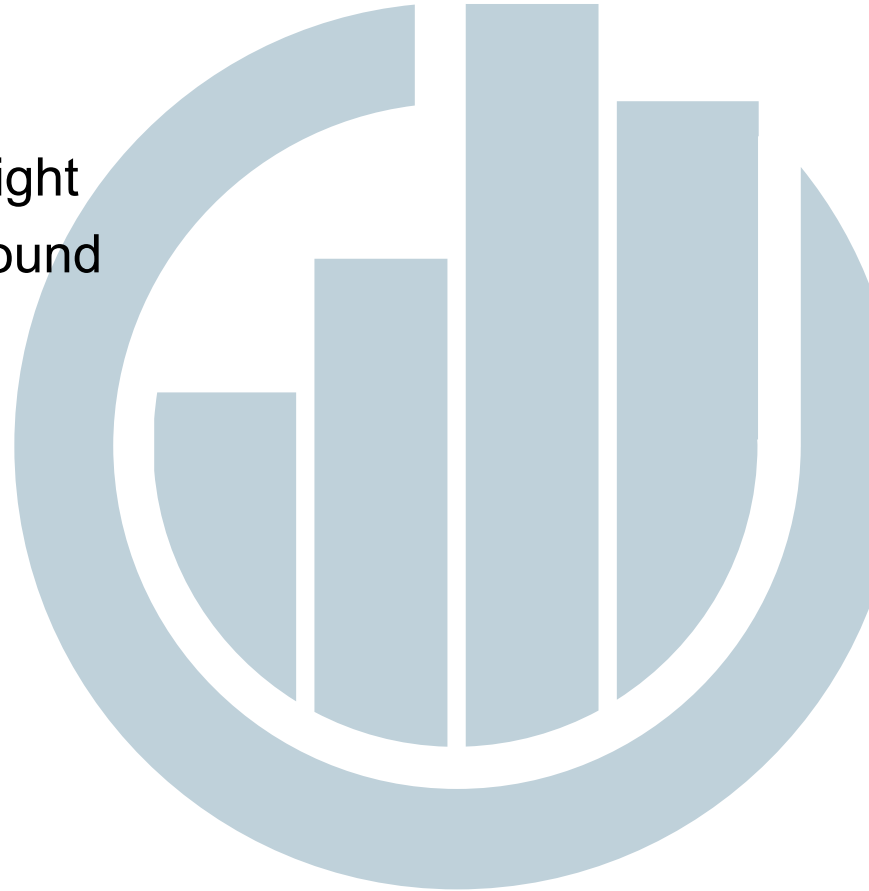
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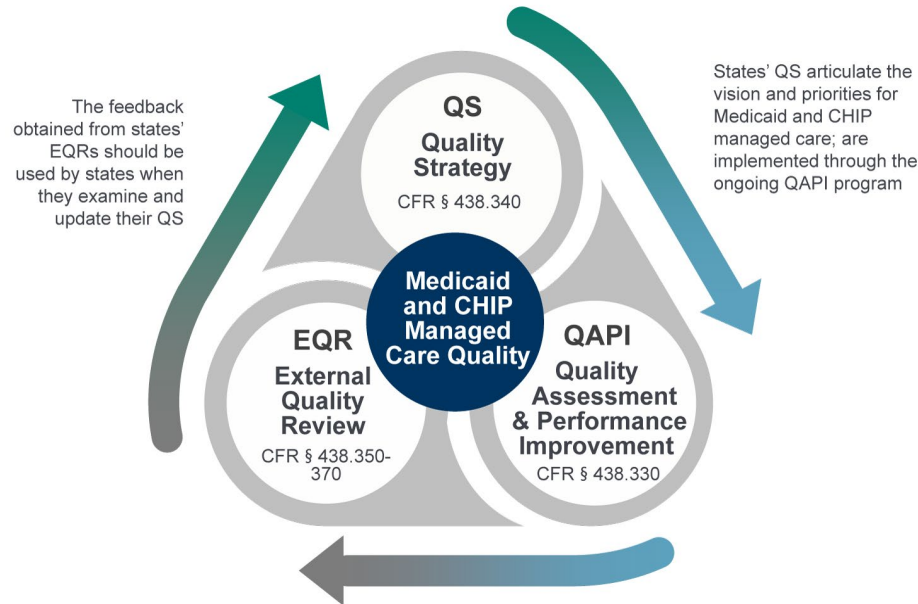
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Overview

- Medicaid managed care quality oversight
- External quality review (EQR) background
- Recap of prior MACPAC work
 - Approach
 - Findings
- Next steps
- Discussion questions



Managed Care Quality Oversight Requirements



Notes: EQR is External Quality Review. QS is quality strategy. CHIP is State Children's Health Insurance Program. QAPI is Quality assessment and performance improvement. CFR is Code of Federal Regulations.

Source: Adapted from Centers for Medicare & Medicaid Services (CMS). 2019. CMS External Quality Review (EQR) Protocols. October 2019.

EQR Requirements

- Annual process to review and validate performance of managed care plans
- States contract with independent external quality review organizations (EQRO) to conduct quality review activities
- CMS qualifies EQROs, approves state Medicaid agency EQRO contracts, and creates protocols to be used for EQR activities
- Mandatory activities required for managed care organizations (MCOs), prepaid inpatient health plans (PIHPs), and prepaid ambulatory health plans (PAHPs)
 - 2024 managed care rule excludes primary care case management (PCCM)
- States must publish an Annual Technical Report (ATR) of all EQR activities conducted the previous year

EQR Activities

- **Mandatory EQR activities:**
 1. Performance improvement plan (PIP) validation
 2. Performance measure validation (PMV)
 3. Triennial compliance review of 14 federal standards
 4. Network adequacy validation
- **Optional EQR activities:**
 1. Encounter data validation
 2. Provider and enrollee quality of care surveys
 3. Calculate additional performance measures
 4. Conduct additional PIPs
 5. Conduct quality studies on specific aspect of clinical or nonclinical services
 6. Develop quality ratings of plans consistent with Medicaid quality rating system
 7. Evaluate state quality strategies, state directed payments, and in lieu of services
- 75 percent match available for qualified EQR activities of MCOs by EQRO

EQR Annual Technical Reports

- ATR evaluates plans subject to EQR and includes:
 - Detailed methodology for how EQR activities were conducted
 - EQRO's assessment of each plans' performance
 - Recommendations for improving quality
 - Methodologically appropriate comparisons of performance across all plans
 - How plans addressed quality improvement recommendations from previous year
- 2024 managed care rule adds new requirements
 - EQROs required to include any outcomes data and results from quantitative assessments of PIPs, PMVs, and network adequacy
 - States must notify CMS within 14 calendar days of posting their ATR
 - States must maintain at least previous five years of ATRs on their websites

Recap of Prior MACPAC Work

- Study sought to address 4 policy questions:
 1. How do states implement federal EQR requirements and available flexibilities to shape their approaches to managed care oversight and accountability?
 2. How do states use findings from EQR activities to support oversight and improvements in plan performance and managed care quality?
 3. To what extent does CMS exert oversight authority over the EQR process to monitor states and plans?
 4. Is the EQR process structured in a way that supports accountability for states and managed care plans and improves care for beneficiaries?
- Analysis included federal policy review, environmental scan (including most recent ATRs), detailed review of 5 states, and stakeholder interviews
- Presented findings at the January and March 2023 Commission meetings

Findings: Implementation of Requirements

- The connection between EQR and state quality strategies has been limited historically but is a growing area of emphasis
- Distinctions between mandatory and optional activities may not align with state preferences for where to focus
- Discussion question: How should EQR fit in with other state and CMS oversight strategies and access and quality-related requirements that have been added under the 2024 managed care rule?
 - For example, what is the role of the EQR network adequacy validation mandatory activity in relation to the new access requirements (e.g., secret shopper survey, payment rate analysis) included in the Network Adequacy and Access Assurances Report?

Findings: Oversight and Improvement

- EQR process and protocols focus predominantly on process measures, validation, and compliance rather than changes in performance and outcomes over time
- Although states post their ATRs publicly, there can be challenges with accessibility and usefulness of report content
- States vary in whether they enforce EQRO findings and CMS oversight of the EQR process appears limited
- Discussion questions:
 - Should outcomes data be standardized and tracked consistently to facilitate analysis over time and cross-state comparisons?
 - Could the ATRs be structured in a way to be more transparent and useful to CMS, states, and other stakeholders?

Next Steps

- Feedback on the prior work and findings
- Are there areas where the Commission would like to explore potential policy options
 - Any additional information needed
 - Staff can present potential policy options at future meeting
- Staff can incorporate EQR findings and today's discussion into new work on managed care accountability project currently underway

Discussion Questions

- How should EQR fit in with other state and CMS oversight strategies and access and quality-related requirements that have been added under the 2024 managed care rule?
- Should outcomes data be standardized and tracked consistently over time to facilitate analysis over time and cross-state comparisons?
- Could the ATRs be structured in a way to be more transparent and useful to CMS, states, and other stakeholders?

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