

November 1, 2024

Managed Care External Quality Review Policy Options

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Medicaid and CHIP Payment and Access Commission

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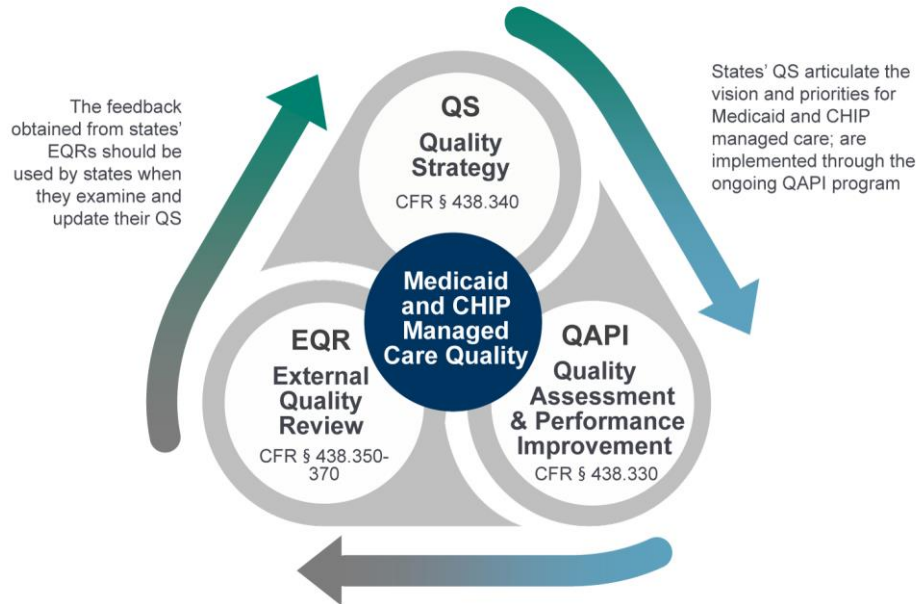
Overview

- EQR background
- EQR limitations and challenges
- Policy options
- Next steps



EQR Background

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 Protocols

- CMS required to develop EQR activity protocols to guide states and EQROs
 - Outline the purpose of the EQR activity
 - Provide acceptable industry methodologies for conducting protocol activities
 - Specify data sources collection activities to promote data accuracy, validity, and reliability
 - Propose methods for analyzing and interpreting data
 - Provide instructions, guidelines, worksheets, suggested questions, and best practices
- CMS required to review revise protocols every three years or with new rules
 - Current protocols are from February 2023 to reflect 2020 managed care final rule
 - CMS will need to update protocols for new requirements implemented in 2024 managed care rule
 - States will have one year from the issuance of applicable protocol to comply

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

EQR Limitations and Challenges

MACPAC EQR Study Process & Findings

- Analysis included federal policy review, environmental scan (including most recent ATRs), detailed review of 5 states, and stakeholder interviews
- Study identified limitations and challenges in EQR process:
 - EQR process and protocols focus on process not outcomes
 - EQR and state quality strategies are not always aligned
 - States vary on enforcement of EQR findings
 - CMS oversight of the EQR process appears limited
 - ATRs are not always accessible and findings are hard to use

EQR Process and Protocols Focus on Process Not Outcomes

- EQR process and protocols focus predominantly on process measures, validation, and compliance with federal requirements
- Resulting ATR findings reported as regulatory compliance rather than changes in plan performance and outcomes over time
- Interviewees reported outcomes-driven EQR activities revealed trends in performance that highlight areas of concern and help identify where to focus resources
- 2024 managed care rule partially addresses this limitation by requiring outcomes data for 3 of 4 mandatory EQR activities

EQR and State Quality Strategies are Not Always Aligned

- Our environmental scan did not find a clear link between the EQR and state quality strategy
- Interviewees noted that states did not attempt to align EQR and state quality strategies historically
 - One interviewee described them as parallel rather than interrelated activities
- Interviewees reported alignment is a growing area of emphasis for CMS beginning with 2021 Managed Care Quality Strategy toolkit

States Vary on Enforcement of EQR Findings

- States are not required by law to act on EQR findings
- States vary in whether they base any of their managed care plan oversight tools on findings from EQR activities
 - Oversight tools range from noting plan performance to something more significant like financial penalties or freezing auto assignment
- Stakeholders voiced need for more resources by states and CMS to effectively oversee managed care programs

CMS Oversight of the EQR Process Appears Limited

- Interviewees did not see evidence of CMS using the EQR process to directly monitor or oversee plans or state performance
- CMS has primarily been concerned with state compliance with EQR protocols
- Interviewees reported CMS is strengthening its review of EQR information
- CMS attempts to balance standardization with state flexibility to customize EQR approaches

ATRs are Not Always Accessible and Findings are Hard to Use

- ATRs posted on state websites but can be hard to find
- Interviewees report difficulty digesting ATR findings due to:
 - Length (hundreds of pages)
 - Highly technical content (statistical measures and technical language)
 - No standard template for EQR activities or results
 - No consistent approach for evaluating plan performance and compliance
- Mismatched data makes identifying trends difficult and limits allocating resources or identifying best practices that could be shared across states and plans

Policy Options

Policy Options

Challenges

EQR process and protocols focus on process not outcomes

EQR and state quality strategies not always aligned

States vary on enforcement of EQR findings

CMS oversight of the EQR process appears limited

ATRs are not always accessible and findings are hard to use

Policy Options

1 Require outcomes data for triennial compliance review

2 Make EQR protocols and reporting more consistent

3 CMS should improve the accessibility of EQR findings

Policy Option 1: Require Outcomes Data for Triennial Compliance Review

CMS should amend 42 CFR 438.364(a)(2)(iii) to require EQR annual technical reports include outcomes data and results from quantitative assessments resulting from the mandatory compliance review specified at 42 CFR 438.358(b)(1)(iii)

- Rationale:
 - Study found EQR activities focus on process and compliance rather than plan performance and meaningful outcomes over time
 - Current EQR protocol for the triennial compliance review activity includes suggested questions that ask for quantitative data that are reflective of outcomes
 - Protocol also identifies several applicable plan documents for the EQR to review, including measurement or analysis reports on service availability and accessibility, data on enrollee grievances and appeals, data on claims denials, and performance measure reports
 - Policy option would not necessarily need to mandate specific data to be collected and reported

Policy Option 2: Make EQR Protocols and Reporting More Consistent

CMS should issue guidance and protocols to include more prescriptive and consistent standards for reporting on EQR activities

- Rationale:
 - The methodologies acceptable to CMS vary depending on the activity subject to the EQR
 - CMS gives states flexibility in the evaluation of plan performance and reporting of results
 - Flexibilities in these areas make it difficult for stakeholders to extract key findings and can lead to inconsistent interpretation and reporting
 - Stakeholders indicated that the EQR process could better balance flexibility with standardization and consistency
- Design considerations where standardization could be implemented:
 - Establish a clear link between the EQR and the state managed care quality strategy
 - Identify key indicators of plan performance that could be standardized and consistently reported in order to track performance across plans and states and over time
 - Develop standardized template for an executive summary of key findings and recommendations
 - Develop universal system for rating plan compliance or require additional information to provide context (e.g., comparison to national benchmarks)

Policy Option 3: Improve Accessibility of EQR Findings

CMS should improve the accessibility of EQR findings by publicly posting the annual technical reports on Medicaid.gov

- Rationale:
 - Study found the most recent ATR can oftentimes be hard to find and it is challenging for stakeholders to compile reports from all states
 - CMS publishes summary tables based on ATRs but the tables don't include ATR findings. Therefore, stakeholders can't use summary tables to assess plan performance
 - CMS has established precedent for a central repository of state reports by posting the Managed Care Program Annual Reports on Medicaid.gov
 - Variability in current ATRs makes it challenging to meet specific design elements for 508 compliance required on Medicaid.gov; standardized templates (e.g., executive summary) from policy option 2 would reduce this burden

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Next Steps

Next Steps

- Commissioner discussion and feedback on policy options
- If there is support to move forward with any of these policy options:
 - December meeting: Discussion and feedback on recommendations language
 - January meeting: Review of draft chapter and vote on recommendations

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