



Centers for Medicare & Medicaid Services

STATE EXTERNAL QUALITY REVIEW TOOL KIT FOR STATE MEDICAID AGENCIES

October 2006

**Prepared by the
Division of Quality, Evaluation and Health Outcomes
Centers for Medicaid and State Operations**

Attachments:

- 1) EQRO Contracting Technical Assistance Overview**
- 2) Table A – Recommended Scope of Work Components for EQR Technical Reporting**

EQRO CONTRACTING OPTIONS FOR STATE CONSIDERATION

A Technical Assistance Guide for Gaining Value From EQRO Contracting and EQR Technical Reporting

BACKGROUND:

The External Quality Review (EQR) regulations were published in January 2003. The regulations require that a State which contracts with a Managed Care Organization (MCO) or Prepaid Inpatient Health Plan (PIHP) to conduct an EQR of each entity. An EQR includes the analysis and evaluation by an External Quality Review Organization (EQRO) of aggregated information on quality, timeliness, and access to the health care services that a MCO, PIHP, or their contractors, furnish to Medicaid recipients. Finally, the EQRO must produce an annual Technical Report for the State. This report should be a part of the State's managed care program as outlined in the required State Managed Care Quality Strategy.

States may perform EQR tasks directly, may hire multiple EQROs to perform the three mandatory EQR activities (see below)*, and/or hire multiple EQROs to perform optional EQR activities (e.g. satisfaction surveys, clinical studies, validation of encounter data information, etc.). However, federal financial participation in these activities will vary depending upon the entity conducting them. One EQRO should aggregate the information on all required activities to complete the analysis and recommendations for the State, and submit one technical report.

* The three mandatory activities include review of MCO/PIHP compliance with State-specified standards for quality program operations, validation of state-required performance measures, and validation of state required performance-improvement projects. CMS provides three EQR protocols that EQROs must use or demonstrate a comparative validation process.

CMS ASSESSMENT OF EQR TECHNICAL REPORTS IN 2005

Between June and December 2005, CMS reviewed EQR Technical Reports published in 2005 for 22 states, all with varying managed care entities and EQRO contracting approaches. Opportunities existed for each EQR Technical Report to provide the State with more useful information. Many of the reports were non-compliant with at least one EQR regulation requirement implemented in 2003. Concurrently, there were several reports identified with promising practices in either the formatting or orientation of the report (e.g. appropriate for audiences beyond the State), content provided in the report (e.g. identification of best practices or successful interventions to improve population health), or EQRO recommendations for improving care or service.

CURRENT OPPORTUNITIES IDENTIFIED TO IMPROVE REPORTING:

In an era of increasing calls for transparency, EQR reports contain valuable information for State Quality Directors, consumers, and policy makers. The following report elements were identified as model report practices and are recommended for inclusion in these reports:

- 1) Language for a multi-user perspective, not just the “State” as the audience,
- 2) Background information on the implementation of managed care in the State, with current listing of MCOs, PIHPs and/or HIO’s,
- 3) Reference to the State’s Medicaid Managed Quality Strategy objectives, and how EQR results will be used in routine assessment of the effectiveness of the State strategy,
- 4) Documentation of state requirements for performance measurement reporting and performance improvement projects,
- 5) Highlights of state quality initiatives involving the managed care entities (e.g. use of state-wide immunization registry or new telemedicine technology),
- 6) Conclusions based on aggregation of the results for all three mandatory activities (compliance with state’s operational standards, performance measurement reporting and performance improvement projects) specifically for access, timeliness and quality of care [CFR 438.364 (1)],
- 7) Methodology used for validation procedures for each mandatory activity (e.g. EQRO used CMS Protocol for Validation of Performance Improvement Projects),
- 8) Actual PIP results, trends, effective interventions, and promising practices (in addition to the validation compliance results), and
- 9) Useful EQRO recommendations for improving statistical rigor and QI methodologies for each of the three mandatory activities.

EQRO CONTRACT SCOPE OF WORK TOPICS FOR CONSIDERATION:

CMS is in the process of developing multiple Technical Assistance References to support State efforts in contracting with EQROs. Below is the current status of technical assistance references:

- Table A - Options for Technical Reporting Scope of Work for EQROs

Other Technical Assistance References in development:

- Promising Practices in EQR Technical Reporting
- Options for Mandatory EQR Activity Scope of Work for EQROs
- Promising Practices in EQR Mandatory Activities
- Options for Optional EQR Activity Scope of Work for EQROs
- Promising Practices in EQR Optional Activities

A LISTING OF EQROs IDENTIFIED FROM 2005 TECHNICAL REPORTS:

As of January 2005, CMS identified 12 organizations who submitted published EQR Technical Reports to states. Those entities included:

1. APS Healthcare
2. Behavioral Health Concepts
3. Delmarva Foundation for Medical Care
4. HCE Quality Quest
5. Health Services Advisory Group (HSAG)
6. Iowa Foundation for Medical Care
7. IPRO
8. Kansas Foundation for Medical Care
9. Mercer
10. National Health Services
11. Nebraska Foundation for Medical Care
12. Oregon Professional Review Organization (OMPRO)

Any questions or recommendations about CMS Technical Assistance for EQR should be submitted in writing to:

Center for State and Medicaid Operations
Family and Children's Health Programs Group
Division of Quality, Evaluation and Health Outcomes
Attention: Director
MS S2-01-16
7500 Security Blvd
Baltimore, MD 21244

Table A

**RECOMMENDED SCOPE OF WORK OPTIONS TO REQUIRE IN
EQR TECHNICAL REPORTING**

EQRO TECHNICAL REPORT COMPONENT	CONTENT ADDRESSES:	COMMENTS
Executive Summary	Summarize: <ol style="list-style-type: none"> 1) EQR process 2) Major findings/conclusions for timeliness/access/quality of care, and 3) Recommendations for State and MCOs/PIHPs 	
Background	<ul style="list-style-type: none"> • History of the State’s Medicaid Related Managed Care Program(s) • Summary of the States’ Quality Strategy Objectives, Performance Measures & PIP requirements and targets, and Operational System Standards 	This information is useful to external audiences in understanding the background of managed care in the State and may place a better context for the results that are reported
Description of EQRO Activities	<ul style="list-style-type: none"> • Summarize “entities” utilized in completing the reviews required for the three mandatory activities, and the EQRO contracted for final technical reporting • Summarize if optional activities are included in the report • Summarize how the annual EQR Technical Reporting process is used for assessing the State’s progress in meeting overall State Quality goals and objectives 	States can vary in the number of activities included in annual EQR review, and the number of EQROs or other entities utilized in conducting mandatory and optional EQR activities. This will clarify for external audiences the State’s process for EQR.
State Quality Initiatives	<ul style="list-style-type: none"> • Highlight quality initiatives implemented by the State to support MCO/PIHP efforts to improve the quality of care and service for Medicaid managed care enrollees 	e.g., implementation of a State Immunization registry or participation in a regional health information organization collaborative for data-sharing

EQRO TECHNICAL REPORT COMPONENT	CONTENT ADDRESSES:	COMMENTS
<p>MCO/PIHP Best and Emerging Practices for Improving Quality of Care and Service</p>	<ul style="list-style-type: none"> • Highlight MCO/PIHP activities that are unique, effective in demonstrating improvements in care or service, or generate high satisfaction survey results 	<ul style="list-style-type: none"> - are any plans recognized by a national entity (e.g., NCQA, CHCS, NAHP, etc.)? - any there any performance measures, operational standards, or performance improvement project findings that really stands out?
<p>Organizational Assessment and Structure Performance</p>	<ul style="list-style-type: none"> • Provide background on assessment process • Reference assessment tool in appendices • Summarize comparative results for entities reviewed • Highlight best practices identified for this mandatory activity – strengths for the State as well as individual plans • Document major opportunities identified– particularly areas requiring follow-up for more than one reporting period • Reference individual plan findings in appendices 	<ul style="list-style-type: none"> - Document entity performing the mandatory review (if not the reporting EQRO) - Document if CMS protocol or a comparative assessment protocol was utilized - Include timeframe covered to review all entities - Highlight any changes in standards previously reviewed/required by the State
<p>Performance Measurement Performance</p>	<ul style="list-style-type: none"> • Provide background on assessment process • Reference assessment tool in an appendices • Summarize comparative results for participating entities • Highlight best practices identified for this mandatory activity – strengths for State and individual plans • Document major opportunities identified– particularly areas requiring follow-up for more than one reporting period • Reference individual plan findings in appendices 	<ul style="list-style-type: none"> - Document entity performing the mandatory review (if not the reporting EQRO) - Document if CMS protocol or a comparative assessment protocol was utilized - Include timeframe covered to review all entities - Highlight any changes in standards previously reviewed/required by the State

EQRO TECHNICAL REPORT COMPONENT	CONTENT ADDRESSES:	COMMENTS
Performance Improvement Project Performance	<ul style="list-style-type: none"> • Provide background on assessment process • Reference assessment tool in an appendices • Summarize comparative results for participating entities • Highlight best practices identified for this mandatory activity – strengths for State and individual plans • Document major opportunities identified– particularly areas requiring follow-up for more than one reporting period • Reference individual plan findings in appendices 	<ul style="list-style-type: none"> - Document entity performing the mandatory review (if not the reporting EQRO) - Document if CMS protocol or a comparative assessment protocol was utilized - Include timeframe covered to review all entities - Highlight any changes in standards previously reviewed/required by the State
Conclusions and Recommendations for the State	<ul style="list-style-type: none"> • Summary conclusions on data collected for all mandatory activities with regards to the quality, timeliness and access to care across all participating managed care entities should be documented 	Required by CFR 438.364(a)(1)
Conclusions and Recommendations for MCOs and/or PIHPs	<ul style="list-style-type: none"> • Specific conclusions and recommendations for each mandatory activity should be documented, and referred to in the next reporting period 	Required by CFR 438.364(a)(3) and CFR 438.364(a)(5)