Medicaid Managed Care Organization

External Quality Review Organization Report

Statewide Executive Summary

Final Report Calendar Year 2007

Submitted By;
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HealthChoice and Acute Care Administration
Division of HealthChoice Management
and Quality Assurance

Maryland Medical Assistance HealthChoice Program
Evaluation of Participating Managed Care Organizations

CY 2007 Statewide Executive Summary

Introduction

The Maryland Department of Health and Mental Hygiene (DHMH) is required to annually evaluate the quality of care (QOC) provided to Maryland Medical Assistance enrollees in HealthChoice Managed Care Organizations (MCOs). DHMH, pursuant to Title 42, Code of Federal Regulations, 438.204, is responsible for monitoring the QOC provided to MCO enrollees when delivered pursuant to the Code of Maryland Regulations (COMAR) 10.09.65.

Under Federal law (Section 1932(c)(2)(A)(i) of the Social Security Act), DHMH is required to contract with an External Quality Review Organization (EQRO) to perform an independent annual review of services provided under each MCO contract. To ensure that the services provided to the enrollees meet the standards set forth in the regulations governing the HealthChoice Program, DHMH contracts with Delmarva Foundation (Delmarva) to serve as the EQRO. This executive summary describes the findings from the two areas reviewed—the systems performance and the Healthy Kids Quality Monitoring Program—for calendar year (CY) 2007, which is HealthChoice's tenth year of operation. The HealthChoice program served approximately 487,000 enrollees during this period.

COMAR 10.09.65 establishes compliance standards for the annual systems performance review (SPR). MCOs are given an opportunity to review and comment on the SPR standards 90 days prior to the beginning of the audit process. The seven MCOs evaluated for CY 2007 were:

- AMERIGROUP Community Care (ACC)
- Diamond Plan from Coventry Health Care, Inc. (DIA)
- MedStar Family Choice, Inc. (MSFC)
- Jai Medical Systems, Inc. (JMS)
- Maryland Physicians Care (MPC)
- Priority Partners (PPMCO)
- UnitedHealthcare (UHC)

Delmarva visits each MCO annually to complete an objective assessment of the structure, process, and outcome of each MCO's internal quality assurance (QA) program. This on-site assessment involves the application of systems performance standards, as required by COMAR 10.09.65.03 and an evaluation of each MCO's fraud and abuse program. DHMH staff conducts the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) review as a component of the Maryland Healthy Kids Quality Monitoring Program. The

results of the EPSDT review of 2,642 medical records and a summary of the corrective action plan (CAP) process are included in this report.

Systems Performance Review Results

The HealthChoice MCO annual SPR consists of 12 standards. Table 1 includes each standard and its compliance rate for CY 2005, CY 2006, and CY 2007. In CY 2007, Delmarva and DHMH made minor modifications to the standards based upon discussion with staff and feedback received from the MCOs following the CY 2006 review. For the CY 2007 review, one standard was exempted and one standard was deleted from the review.

The standard exempted from review during CY 2007 was the evaluation of the MCO's Health Education Plan (HEP). This standard will be reviewed on a rotating basis every three years. The next review of this standard will be in 2009 as part of the CY 2008 SPR. The Claims Payment Standard was deleted from the SPR in August 2006 because each MCO received a compliance rating of 100% for the prior two review years. In addition, each MCO is required to report the acceptance and payment of all claims to the Maryland Insurance Administration on the Semi-Annual Claims Data Filing Form.

All seven HealthChoice MCOs participated in the SPR. In areas where deficiencies were noted, the MCOs were provided recommendations that if implemented, should improve their performance for future reviews. If the MCO's score was below the COMAR requirement, a CAP was required. All required CAPs were submitted and deemed adequate.

Table 1 displays each of the systems performance standards with the minimum compliance ratings as defined in COMAR 10.09.65 for the reviews during years eight (CY 2005), nine (CY 2006), and ten (CY 2007).

Table 1. Performance Standards Compliance Rates

Performance Standard	Standard Description	COMAR Requirement Year Eight CY 2005	COMAR Requirement Year Nine CY 2006	COMAR Requirement Year Ten CY 2007
1	Systematic Process	100%	100%	100%
2	Governing Body	100%	100%	100%
3	Oversight of Delegated Entities	80%	90%	100%
4	Credentialing	100%	100%	100%
5	Enrollee Rights	100%	100%	100%
6	Availability and Access	100%	100%	100%

Performance Standard	Standard Description	COMAR Requirement Year Eight CY 2005	COMAR Requirement Year Nine CY 2006	COMAR Requirement Year Ten CY 2007
7	Utilization Review	100%	100%	100%
8	Continuity of Care	100%	100%	100%
9	Health Education Plan	100%	Exempt	Exempt
10	Outreach Plan	Exempt	Exempt	100%
11	Claims Payment	100%	Deleted	Deleted
12	Fraud and Abuse	Baseline	70%	80%

Table 2 provides for a comparison of SPR results across MCOs and the MCO aggregate for the CY 2007 review. The CY 2006 aggregate scores are included for comparative purposes. As stated in Table 1, CY 2007 minimum compliance is 100% for nine of the reviewed standards and 80% for one standard.

Table 2. CY 2007 MCO Compliance Rates

Performance Standard	Description	MCO Aggregate CY 2006	MCO Aggregate CY 2007	ACC	DIA	JMS	MPC	MSFC	PPMCO	UHC
1	Systematic Process	100%	100%	100%	100%	100%	100%	100%	100%	100%
2	Governing Body	100%	100%	100%	100%	100%	100%	100%	100%	100%
3	Oversight of Delegated Entities	**82%***	**98%***	100%	**86%***	100%	100%	100%	100%	100%
4	Credentialing	**97%***	**96%***	**95%***	**93%***	100%	**96%***	100%	**96%***	**95%***
5	Enrollee Rights	**98%***	**99%***	100%	**97%***	100%	100%	100%	**95%***	100%
6	Availability and Access	100%	100%	100%	100%	100%	100%	100%	100%	100%
7	Utilization Review	**95%***	**94%***	**98%***	**83%***	**98%***	**98%***	100%	**89%***	**93%***
8	Continuity of Care	**98%***	100%	100%	100%	100%	100%	100%	100%	100%
9	Health Education Plan	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
10	Outreach Plan	Exempt	**95%***	100%	**75%***	100%	**96%***	100%	100%	**93%***
11	Claims Payment	Deleted	Deleted	Deleted	Deleted	Deleted	Deleted	Deleted	Deleted	Deleted
12	Fraud and Abuse	94%	96%	100%	92%	100%	100%	100%	95%	87%

*Denotes that the minimum compliance rate was unmet.

Each standard that was reviewed as part of the CY 2007 audit is discussed in the following section.

Systematic Process of Quality Assessment/Improvement

All MCOs continue to have processes in place to monitor and evaluate the quality of care and service to members using performance measures. Clinical care standards and/or practice guidelines are in place, and clinicians monitor and evaluate quality through review of individual cases where there are questions about care. Overall, there is evidence of development, implementation, and monitoring of corrective actions.

- The MCO aggregate compliance rate remained consistent at a rate of 100% from CY 2006 to CY 2007.

Accountability to the Governing Body

The governing body of the MCO must perform specific functions that include: oversight of the MCO, approval of the overall QA Program and annual QA Plan, formally designating an accountable entity or entities to provide oversight of the QA activities when not directly performed by the governing body, and receipt of routine reports related to the QA Program.

- The MCO aggregate compliance rate remained consistent at a rate of 100% from CY 2006 to CY 2007.

Oversight of Delegated Entities

All MCOs remain accountable for all QA Program functions, even if certain functions are delegated to other entities. Delegate compliance monitoring includes a written description of the specific duties and reports of the delegate, policies and procedures for monitoring and evaluating the activities of all delegated entities, and the monitoring of compliance with those requirements.

- The MCO aggregate compliance rate increased from 82% for CY 2006 to 98% in CY 2007.

One MCO demonstrated two opportunities for improvement in the Oversight of Delegated Entities standard. Those opportunity identified were in regards to written procedures for monitoring and evaluating the implementation of the delegated functions and for verifying the quality of care being provided and providing evidence of continuous and ongoing evaluation of delegated activities.

Credentialing and Recredentialing

All MCOs have provisions to determine whether physicians and other health care professionals, licensed by the State and under contract to the MCO, are qualified to perform their services. Such provisions include a plan that contains written policies and procedures for initial credentialing and recredentialing and evidence that these policies and procedures are functioning effectively.

- The MCO aggregate compliance rate decreased from 97% in CY 2006 to 96% in CY 2007.

Five MCOs demonstrated opportunities for improvement in the Credentialing and Recredentialing standard. The opportunities for four of the MCOs were to consistently adhere to the written policies, procedures, and timelines for initial credentialing and recredentialing. All five MCOs appeared to have difficulty implementing new policies and procedures for communication after a provider application is received. These specified timeframes are set forth in Insurance Article Section 15-112(d). Most MCO did have policies and procedures for communication. However, the MCOs lacked evidence of the communication. One MCO had an additional opportunity regarding certification by the Maryland Healthy Kids Program.

Enrollee Rights

The MCOs have processes in place that demonstrate a commitment to treating members in a manner that acknowledges their rights and responsibilities. All MCOs have appropriate policies and procedures in place and educate enrollees on their complaint, grievance, and appeals processes.

- The MCO aggregate compliance rate increased from 98% in CY 2006 to 99% in CY 2007.

Two MCOs demonstrated opportunities for improvement in the Enrollee Rights standard. The first MCO did not completely document the substance of complaints or grievances and the actions taken. The second MCO did not did not inform providers of the member's satisfaction survey results. In addition, both MCOs had opportunities in the areas of identifying and investigating sources of member dissatisfaction, outlining action steps to follow up on the findings and continually re-evaluating the effects of these actions.

Availability and Accessibility

The MCOs have established standards for ensuring access to care and have fully implemented a system to monitor performance against these standards.

- The MCO aggregate compliance rate remained at 100% from CY 2006 to CY 2007.

Utilization Review

The MCOs have written utilization management (UM) plans that describe procedures to evaluate medical necessity criteria used, information sources, procedures for training and evaluating staff, monitoring of the timeliness and content of adverse determination notifications, and the processes used to review and approve the provision of medical services. The MCOs provided evidence that qualified medical personnel supervise pre-authorization and concurrent review decisions. The MCOs have implemented mechanisms to detect over and under utilization of services. Overall, policies and procedures are in place for providers and enrollees to appeal decisions.

- The MCO aggregate compliance rate decreased from 95% in CY 2006 to 94% in CY 2007.

Five MCOs demonstrated opportunities for improvement in the Utilization Review standard. All five MCOs presented opportunities regarding making timely preauthorization and concurrent review decisions as specified by the State. One of those MCOs had an issue regarding making appeal decisions as required by the exigency of the situation. In addition, one MCO did not provide evidence of well publicized and readily available appeal mechanisms for both providers and enrollees.

Two MCOs presented an opportunity in the area of reviewing data on enrollee satisfaction, provider satisfaction, and/or other appropriate data by the appropriate oversight committee. One MCO had an issue regarding their notification letters of denial. Another MCO did not provide evidence that their UR/UM staff received training on the interpretation and application of UR/UM standards and also did not provide evidence that the MCO evaluates the consistency with which all staff involved apply UR/UM criteria.

One MCO had opportunities for improvement pertaining to the MCO's omission of the review of services provided for over and under utilization, the MCO's UR reports did not identify problems and take appropriate corrective action, the MCO's absence of corrective measures being implemented and/or monitored, and the MCO's lack of response to the results of the review data.

Continuity of Care

The findings, conclusions, actions taken, and results of actions taken as a result of the MCO's QA activities are documented and reported to appropriate individuals within the MCO's structure and through the established QA channels. All MCOs have allocated resources, such as automated tracking methodologies, that facilitate communication between members, primary care providers (PCPs), other health care professionals, and the MCO's care coordinators.

- The MCO aggregate compliance rate increased from 98% in CY 2006 to 100% in CY 2007.

Health Education Plan Review

Each MCO is required to develop an annual HEP to address the educational programs to enrollees. Delmarva last evaluated each MCO's HEP as part of the CY 2005 SPR. The CY 2005 aggregate rate for the HEPs was 100%. This rate met the minimum compliance rate of 100%, and improved from 99% in CY 2004. The next review of this standard will be in 2009 as part of the CY 2008 SPR and the minimum compliance rate will be 100%.

Outreach Plan Review

COMAR 10.09.65.25 requires each MCO to develop an annual written OP to address outreach services to HealthChoice enrollees. MCO's OPs describe their populations served through the outreach activities along with an assessment of common health problems within the MCO's membership. In addition, it describes the

organizational capacity to provide both broad-based and enrollee specific outreach provided by the MCO. The unique features of the MCO's enrollee education initiatives, community partnerships, and the roles of the provider networks and local health departments are also included in the OP. The MCO is required to demonstrate its methodology and strategies for implementation of the OP.

- The MCO aggregate compliance rate is 95% for CY 2007.

Three MCOs demonstrated opportunities for improvement in the Outreach Plan standard. Two MCOs did not demonstrate the population served through outreach activities and/or an assessment of the common health problems within the MCO's membership. Two MCOs did not submit the role of the provider networks in performing outreach and one of those MCOs did not provide the role of the Local Health Department and Administrative Care Coordination Units in performing outreach. One MCO did not provide the unique features of the MCO's enrollee educational initiatives nor did it provide enough evidence of community partnerships.

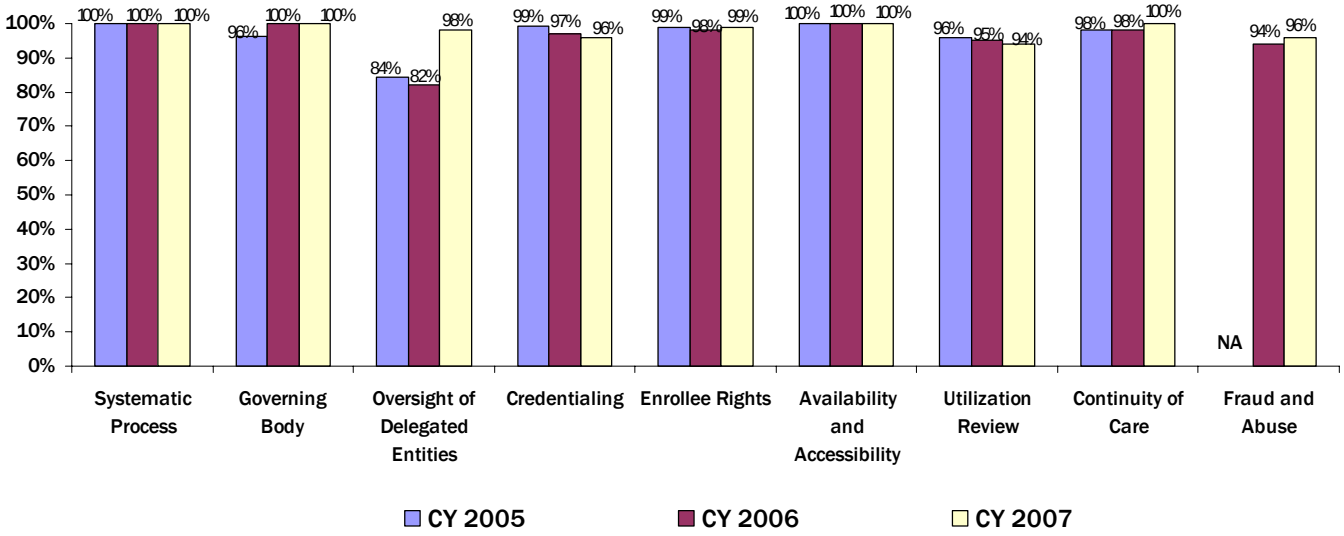
Fraud and Abuse

COMAR 10.09.65.02, COMAR 10.09.65.03, COMAR 31.04.15, and CMS 438.608 require that each MCO maintain a Medicaid Managed Care Compliance program that outlines its internal processes for adherence to all applicable Federal and State laws and regulations, with an emphasis on preventing fraud and abuse. The program is also required to include guidelines for failure to comply with these standards.

- The MCO aggregate compliance rate increased from 94% in CY 2006 to 96% in CY 2007.

Figure 1 is a comparison of the HealthChoice systems performance compliance rates for standards evaluated from CY 2005 through CY 2007.

Figure 1. Health Choice Aggregate Systems Performance Compliance Rates for CY 2005 through CY 2007



Between CY 2006 and CY 2007, the aggregate compliance rate remained unchanged for three standards; increased for four standards; and decreased for two standards.

Healthy Kids Quality Monitoring Program Results

The overall compliance rates for the results of the Healthy Kids/Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) focused medical record review are based on a review of five separate components.

These components are:

- Health and Developmental History
- Comprehensive Physical Examination
- Laboratory Tests
- Immunizations
- Health Education/Anticipatory Guidance

This Program requires each MCO to meet a minimum composite compliance rate of 85% and a minimum compliance rate of 70% for each of the five components. Findings related to key components for the Healthy Kids/EPSDT review for CY 2007 are described below in Table 3.

Table 3. Healthy Kids/EPSDT Component Results by MCO

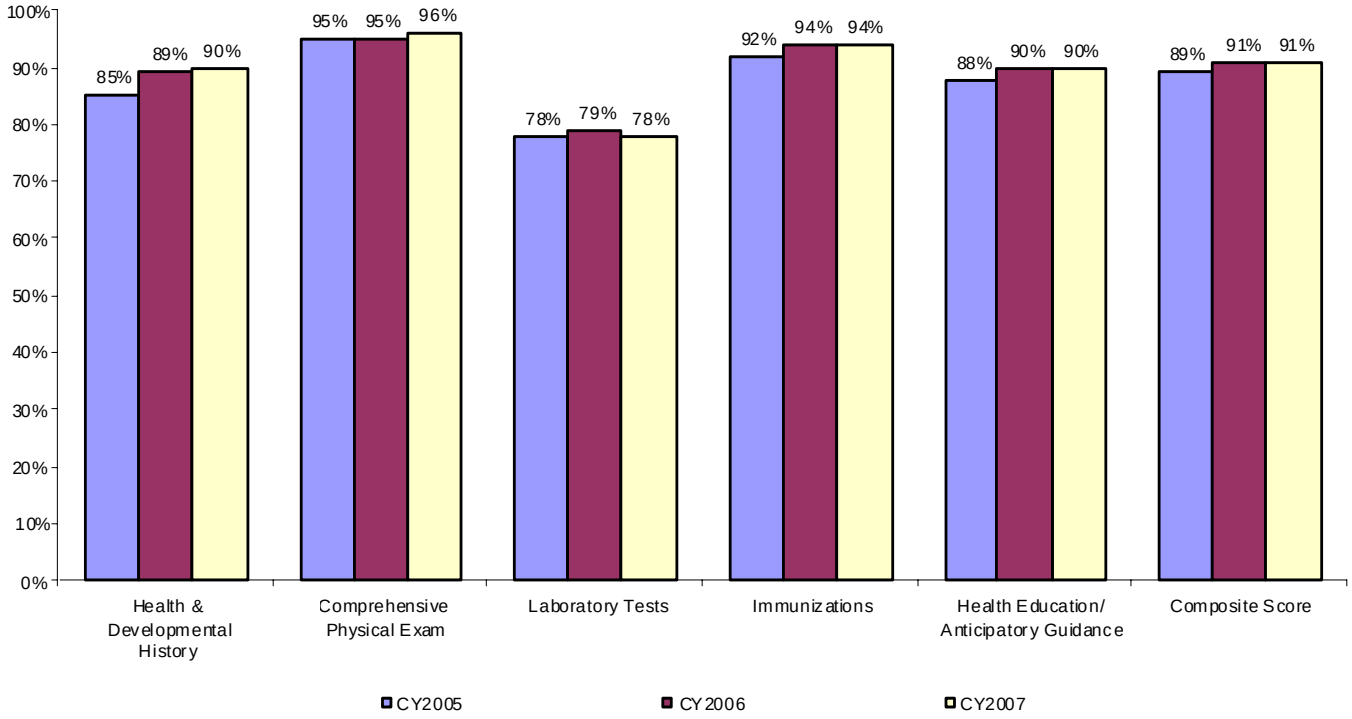
MCO	Health & Developmental History	Comprehensive Physical Examination	Laboratory Tests	Immunizations	Health Education/ Anticipatory Guidance	Composite Score
ACC	88%	95%	75%	95%	89%	90%
DIA	89%	95%	79%	89%	87%	90%
JMS	98%	99%	95%	97%	99%	98%
MPC	88%	96%	77%	95%	88%	91%
MSFC	88%	96%	74%	94%	91%	91%
PPMCO	89%	95%	77%	95%	91%	91%
UHC	87%	94%	73%	94%	87%	89%
Aggregate Score	90%	96%	78%	94%	90%	91%

Analyses of the review components in the Healthy Kids/EPSDT focused medical record review indicate that:

- All MCOs exceeded the required 85% composite compliance rate.
- All MCOs exceeded the minimum 70% compliance rate for each of the five components.
- All MCOs exceeded 85% compliance for health and developmental history, comprehensive physical examinations, immunizations, and health education.
- Six of seven MCOs need to develop targeted interventions to improve the laboratory tests component.

Figure 2 compares the review results by MCO for CY 2005 through CY 2007. HealthChoice MCOs have demonstrated improvement over the 2005 composite rates for the Healthy Kids/EPSDT review.

Figure 2. HealthChoice Aggregate Rates for Healthy Kids/EPSDT Program Review Components for CY 2005 through CY 2007



An analysis of the review results indicates that the MCOs maintained or improved rates in all components between CY 2005 and CY 2007. All five components improved or remained the same between CY 2005 and CY 2006. Health & Developmental History improved by 5%, Immunizations and Health Education each improved by 2%, and Comprehensive Physical Exam improved by 1% between CY 2005 and CY 2007.

Corrective Action Plan Process

Each year the CAP process is discussed during the annual audit orientation meeting. This process requires that each MCO must submit a CAP which details the actions to be taken to correct any deficiencies identified during the SPR. CAPs must be submitted within 45 calendar days of receipt of the preliminary report. The CAPs are evaluated by Delmarva to determine whether the plans are acceptable. In the event that a CAP is deemed unacceptable, Delmarva will provide technical assistance to the MCO until an acceptable CAP is submitted. All MCOs have submitted adequate CAPs for the areas where deficiencies occurred for CY 2007.

Systems Performance Review CAPs

A review of all required systems performance standards are completed annually for each MCO. HEPs are reviewed every three years. Since CAPs related to the SPR can be directly linked to specific components or standards, the annual SPR for CY 2008 will determine whether the CAPs were implemented and effective. In order to make this determination, Delmarva will evaluate all data collected or trended by the MCO through the monitoring mechanism established in the CAP. In the event that an MCO has not implemented or followed through with the tasks identified in the CAP, DHMH will be notified for further action.

Conclusions

All MCOs have demonstrated the ability to design and implement effective QA systems. The CY 2006 review provided evidence of the continuing progression of the HealthChoice MCOs as each MCO demonstrated their ability to ensure the delivery of quality health care for their enrollees.

The Healthy Kids Program results exhibit MCO compliance with EPSDT screening requirements. Each MCO achieved a composite score above the 85% requirement and above the minimum 70% compliance rate for each of the five components.

Maryland has set high standards for MCO QA systems. In general, HealthChoice MCOs continue to make improvements in their QA monitoring policies, procedures, and processes while working to provide the appropriate levels and types of health care services to managed care enrollees. This is evident in the comparison of annual SPR results and Healthy Kids Program results demonstrated throughout the history of the HealthChoice Program.