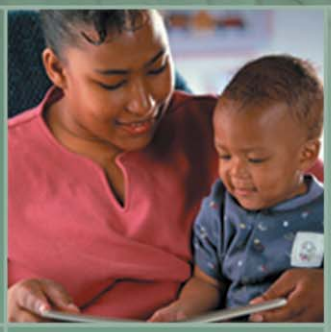


Medicaid Managed Care Organization

External Quality Review Organization Report

Executive Summary

Final Report

Calendar Year 2003

Submitted by:
Delmarva Foundation
July 2004

HealthChoice and Acute Care Administration
Division of HealthChoice Management and Quality Assurance

Maryland Medical Assistance HealthChoice Program
Evaluation of Participating Managed Care Organizations for Calendar Year 2003

Executive Summary

Introduction

The Maryland Department of Health and Mental Hygiene (DHMH) is required to annually evaluate the quality of care provided to Maryland Medical Assistance enrollees in HealthChoice Managed Care Organizations (MCOs). DHMH, pursuant to Title 42, Code of Federal Regulations, Part 434.53, is responsible for monitoring the quality of care 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 for Medical Care, Inc. (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) 2003, which is HealthChoice's sixth year of operation. The HealthChoice program served approximately 466,000 enrollees during this period. A description of the corrective action process is included.

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 before the beginning of the audit process. The seven MCOs evaluated for CY 2003 are:

- AMERIGROUP Maryland, Inc. (AGM)
- Diamond Plan (DIA)
- Helix Family Choice, Inc. (HFC)
- Jai Medical Systems, Inc. (JMS)
- Maryland Physicians Care (MPC)
- Priority Partners (PPMCO)
- United Healthcare Family First (UHC)

Delmarva visits each MCO annually to complete an objective assessment of the structure, process, and outcome of each MCO's internal quality assurance program. This on-site assessment involves the application of systems performance standards, as required by COMAR 10.09.65.03; an evaluation of each MCO's health education plan; an evaluation of each MCO's outreach plan as required in COMAR 10.09.65.25, and an evaluation of each MCO's claims reimbursement system. 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 3,063 medical records and a summary of the corrective action plan process are included in this report.

Diamond Plan began providing services to HealthChoice enrollees in September of CY 2003, and as such all of the CY 2003 SPR results are considered as a baseline assessment and will not be included in the MCO aggregate scores that are presented in this report. The Maryland Healthy Kids Quality Monitoring Program's EPSDT Review was not completed for DIA for this reason as well.

Systems Performance Review Results

The HealthChoice MCO annual SPR consists of 19 standards. For the CY 2003 review, eight of 19 standards were exempted for six of the seven MCOs. DIA was evaluated against 19 performance standards to allow for analytic parity during future evaluations of DIA's progress against other HealthChoice MCOs.

In CY 2003, Delmarva and DHMH made modifications to the standards based upon feedback received from the MCOs following the CY 2002 review. The standards exempted from review during CY 2003 included those areas where the MCOs had previously met the required minimum compliance rates. The standards exempted include requirements associated with a written quality assurance (QA) plan, an active QA committee, QA program supervision, adequate MCO staff resources, provider participation in the QA program, QA documentation, QA coordination with other management activity, and medical record standards.

Several new elements were evaluated as part of the eleven standards reviewed in the CY 2003 review. Determinations for these new items are collected as baseline measurements and not included in the overall score calculations for the SPR as a whole. New items reviewed included the MCO's:

- Monitoring of delegated entities compliance with contractual activity.
- Process for communicating member rights and responsibilities.
- Process for monitoring MCO call center performance and process for notifying members of wellness service due dates.
- Process and outcomes for training and monitoring of the application of utilization criteria for MCO Utilization Management personnel.
- Compliance with the required components of all adverse determination notices.
- Acceptance and payment of claims in accordance with the Insurance Article of the Annotated Code of Maryland.

All seven HealthChoice MCOs participated in the SPR. DIA is included in the MCO comparison tables, however results are considered a baseline assessment, therefore DIA was not required to provide any corrective action plans (CAPs). Data for DIA is not included in the MCO aggregate rates. In areas where deficiencies were noted, the remaining six MCOs were provided recommendations that if implemented, should improve their performance for future reviews. 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 four (CY 2001), five (CY 2002), and six (CY 2003).

Table 1. Performance Standards Compliance Rates

Performance Standard	Standard Description	COMAR Requirement Year Four (CY 01)	COMAR Requirement Year Five (CY 02)	COMAR Requirement Year Six (CY 03)
1	Written Quality Plan	Exempt	Exempt	Exempt
2	Systematic Process	100%	100%	100%
3	Governing Body	100%	100%	100%
4	Active QA Committee	Exempt	Exempt	Exempt
5	QA Plan Supervision	Exempt	Exempt	Exempt
6	Adequate Resources	Exempt	Exempt	Exempt
7	Provider Participation	Exempt	Exempt	Exempt
8	Delegation of QA Plan	Exempt	Exempt	Baseline
9	Credentialing	100%	100%	100%
10	Enrollee Rights	100%	100%	100%
11	Availability and Access	100%	100%	100%
12	Medical Records	Exempt	Exempt	Exempt
13	Utilization Review	100%	100%	100%
14	Continuity of Care	100%	100%	100%
15	QA Documentation	100%	100%	Exempt
16	Coordination of QA	100%	100%	Exempt

Table 2 provides for a comparison of SPR results across MCOs and the MCO aggregate for the CY 2003 review. The CY 2002 aggregate scores are included for comparative purposes. As stated in Table 1, CY 2003 minimum compliance is 100% for all reviewed standards.

Table 2. CY 2003 MCO Compliance Rates

Performance Standard	Description	MCO Aggregate CY 2002	MCO Aggregate CY 2003	AGM	DIA †	HFC	JMS	MPC	PPMCO	UHC
1	Written Quality Plan	Exempt	Exempt	Exempt	100%	Exempt	Exempt	Exempt	Exempt	Exempt
2	Systematic Process	100%	100%	100%	100%	100%	100%	100%	100%	100%
3	Governing Body	**83%***	**98%***	100%	100%	100%	100%	100%	**90%***	100%
4	Active QA Committee	Exempt	Exempt	Exempt	100%	Exempt	Exempt	Exempt	Exempt	Exempt
5	QA Plan Supervision	Exempt	Exempt	Exempt	100%	Exempt	Exempt	Exempt	Exempt	Exempt
6	Adequate Resources	Exempt	Exempt	Exempt	100%	Exempt	Exempt	Exempt	Exempt	Exempt
7	Provider Participation	Exempt	Exempt	Exempt	100%	Exempt	Exempt	Exempt	Exempt	Exempt
8	Delegation of QAP Activities ††	Exempt	55%	69%	100%	60%	56%	75%	25%	42%
9	Credentialing	**98%***	**97%***	**97%***	100%	100%	100%	**96%***	**99%***	**88%***
10	Enrollee Rights	**96%***	100%	100%	100%	100%	100%	100%	100%	100%
11	Availability and Access	**97%***	100%	100%	100%	100%	100%	100%	100%	100%
12	Medical Records	Exempt	Exempt	Exempt	98%	Exempt	Exempt	Exempt	Exempt	Exempt
13	Utilization Review	**94%***	**98%***	**93%***	100%	100%	100%	100%	**93%***	100%
14	Continuity of Care	**94%***	100%	100%	100%	100%	100%	100%	100%	100%
15	QA Documentation	100%	Exempt	Exempt	100%	Exempt	Exempt	Exempt	Exempt	Exempt
16	Coordination of QA	100%	Exempt	Exempt	100%	Exempt	Exempt	Exempt	Exempt	Exempt

*Denotes that the minimum compliance rate was unmet
†Denotes baseline assessment for DIA
††Denotes Baseline Assesment

Each standard that was reviewed as part of the CY 2003 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 and appropriateness of care and service to members using performance measures. Clinical care standards and/or practice guidelines are in place. Appropriate clinicians monitor and evaluate quality through review of individual cases where there are questions about care. There is evidence of development, implementation, and monitoring of corrective actions.

- The MCO aggregate compliance rate remained at 100% for CY 2003.

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 Quality Assurance (QA) Program and annual QA Plan, formally designate 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 increased from 83% in CY 2002 to 98% in CY 2003.

One MCO demonstrated opportunity for improvement in documenting their governing bodies' oversight of the Credentialing Program.

Delegation of Activities

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 baseline aggregate compliance rate was 55% for CY 2003.

This standard was modified and reintroduced for the CY 2003 review. This standard was reviewed as baseline.

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 98% in CY 2002 to 97% in CY 2003.

Four MCOs received scores that indicate slight declines from CY 2002. Of these MCOs, three MCOs had difficulty in the review of utilization and/or quality management data during the re-credentialing process of all network providers. One MCO did not consistently provide evidence of EPSDT certification by the Healthy Kids Program. One MCO did not provide evidence that the MCO requests information about the practitioner from recognized monitoring organizations. One MCO did not provide evidence of the

notification of required appeal rights to healthcare providers regarding determinations affecting network participation status.

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 96% in CY 2002 to 100% in CY 2003.

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 increased from 97% in CY 2002 to 100% in CY 2003.

Utilization Review

The MCOs have written utilization management 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. 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 increased from 94% in CY 2002 to 98% in CY 2003.

One MCO demonstrated an opportunity for improvement with the review and approval of all internally developed utilization management criteria. Two MCOs did not consistently meet the required resolution periods for appeals. Five MCOs demonstrated an increased compliance rate from CY 2002.

Continuity of Care

The findings, conclusions, actions taken, and results of actions taken as a result of the MCO's QA activity 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

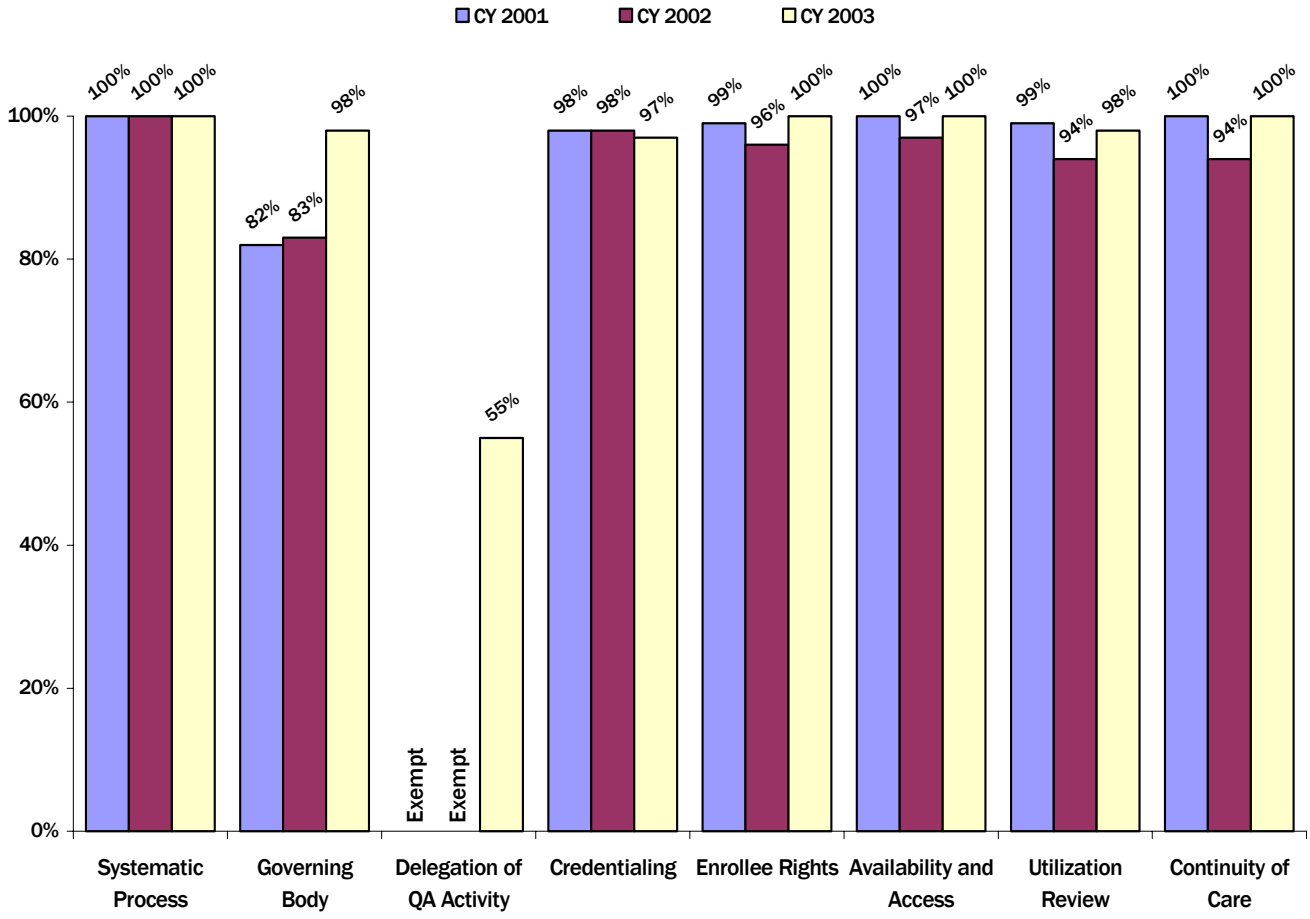
communication between members, primary care providers (PCPs), other health care professionals, and the MCO's care coordinators.

- The MCO aggregate compliance rate increased from 94% in CY 2002 to 100% in CY 2003.

For CY 2003, the MCOs met the minimum compliance rate of 100% for four of the seven SPR standards. Three of the remaining standards met or exceeded 97%. Five standards increased from CY 2002; governing body increased from 83% in 2002 to 98% in 2003. Enrollee rights increased to 100% in CY 2003 from 96% in CY 2002, and availability and access, from 97% in CY 2002 to 100% in CY 2003. Utilization review increased from 94% in CY 2002 to 98% in CY 2003 and continuity of care, 94% in CY 2002 increased to 100% in CY 2003.

Figure 1 is a comparison of the HealthChoice systems performance compliance rates for standards evaluated in the CY 2001 through CY 2003 reviews. Between CY 2002 and CY 2003, the aggregate compliance rate remained unchanged, at 100%, for one standard; increased for five standards; and decreased for one standard.

Figure 1. HealthChoice Aggregate Systems Performance Compliance Rates for CY 2001 through CY 2003



Overall, the HealthChoice aggregate scores improved in five standards in CY 2003. As anticipated following the CY 2002 review cycle the MCO aggregate scores showed an increase in performance. The general MCO performance for CY 2003 exhibited an increased compliance score.

Health Education Plan Review

Each MCO is required to develop an annual health education plan to address the educational programs and health care services to enrollees. Delmarva evaluated each MCO's health education plan as part of the SPR. The CY 2003 aggregate rate for health education plan is 99%. This rate met the minimum compliance rate of 70%, and is an increase from 95% in CY 2002.

Table 3. Health Education Plan Compliance Rates

Description	Review Year	Minimum Compliance Rate	CY 2003 MCO Aggregate Rate	AGM	DIA †	HFC	JMS	MPC	PPMCO	UHC
Health Education Plan	CY 2003	70%	99%	100%	33%	100%	100%	100%	100%	92%
	CY 2002	70%	95%	100%	N/A	100%	100%	100%	93%	79%
	CY 2001	70%	100%	100%	N/A	100%	100%	100%	100%	96%

† Denotes baseline assessment for DIA

As Table 3 indicates, all MCOs exceeded the minimum compliance rate of 70%. Four MCOs maintained a compliance rate of 100% for CY 2003. The DIA score in table 3 is a baseline score and is not included in the MCO aggregate rate. Two MCOs exhibited an increase from the CY 2002 rates.

Outreach Plan Review

COMAR 10.09.65.25 requires each MCO to develop an annual written outreach plan to address outreach services to HealthChoice enrollees. The minimum compliance rate is 70% for the CY 2003 outreach plan development and implementation. The MCO rate for all outreach plans was 100%.

As noted in the Table 4, all MCOs exceeded the minimum compliance rate of 70% for the CY 2003 review of the development and implementation of the outreach plan. The DIA score in table 4 is a baseline score and is not included in the MCO aggregate rate.

Table 4. Outreach Plan Compliance Rates

Description	Minimum Compliance Rate	CY 2003 MCO Aggregate Rate	AGM	DIA †	HFC	JMS	MPC	PPMCO	UHC
CY 2003 Outreach Plan (Development & Implementation)	70%	100%	100%	79%	100%	100%	100%	100%	100%
CY 2002 Outreach Plan (Implementation Only)	70%	100%	100%	N/A	100%	100%	100%	100%	100%
CY 2001 Outreach Plan (Development & Implementation)	70%	100%	100%	N/A	100%	100%	100%	100%	100%

† Denotes baseline assessment for DIA

Claims Payment Review

COMAR 31.10.11.08, 31.10.11.09, and Insurance Article §15-1005 of the Annotated Code of Maryland require that each MCO develop a process for the timely payment of claims and that each MCO pay interest on those claims paid beyond the time limit required by regulation. Additionally 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. The minimum acceptable compliance rate is 70% for the Claims Payment Review for CY 2003. The aggregate MCO compliance rate for this standard was 96%, a marked increase from the baseline score in CY 2002 of 76%. The DIA score in table 5 is a baseline score and is not included in the MCO aggregate rate.

Table 5. Claims Payment Compliance Rates

Description	Review Year	Minimum Compliance Rate	CY 2003 MCO Aggregate Rate	AGM	DIA †	HFC	JMS	MPC	PPMCO	UHC
Claims Payment	CY 2003	70%	96%	100%	100%	100%	100%	100%	83%	92%
	CY 2002	Baseline	76%	100%	N/A	80%	75%	75%	70%	55%

† Denotes baseline assessment for DIA

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 areas. These 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 80%. Findings related to key indicators for the Healthy Kids/EPSDT review for CY 2003 are described below in Table 6.

Table 6. Healthy Kids/EPSDT Indicator Results by MCO

MCO	Health & Developmental History	Comprehensive Physical Examination	Laboratory Tests	Immunizations	Health Education/ Anticipatory Guidance	Composite Score
AGM	81%	92%	67%*	88%	84%	85%
DIA†	NA	NA	NA	NA	NA	NA
HFC	80%	91%	59%*	84%	80%	82%
JMS	95%	98%	95%	92%	97%	96%
MPC	78%*	90%	65%*	87%	83%	83%
PP	83%	92%	68%*	90%	83%	86%
UHC	80%	91%	63%*	86%	82%	84%
Aggregate Score	81%	91%	67%*	88%	84%	85%

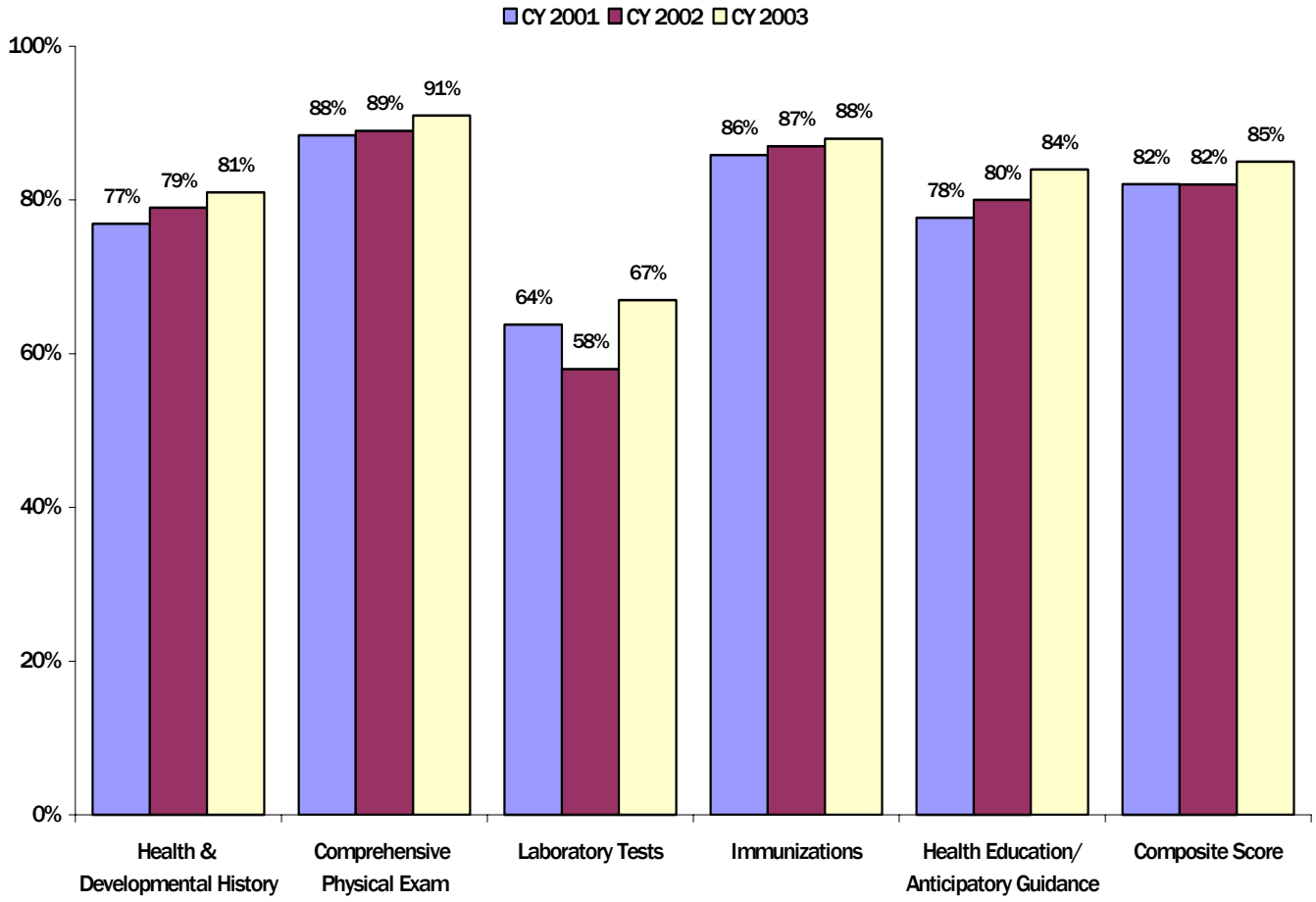
* Denotes that the minimum compliance rate of 80% was unmet
† Diamond Plan was not eligible for the CY 2003.

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

- All MCOs exceeded the 80% composite compliance rate.
- All MCOs met or exceeded the 80% compliance rate for comprehensive physical examinations, immunizations and health education.
- Five MCOs met or exceeded the 80% compliance rate for Health and Developmental History.

Figure 2 compares the review results by MCO for CY 2001 through CY 2003. HealthChoice MCOs have demonstrated improvement over the 2001 composite rates for the Healthy Kids/EPSDT review.

Figure 2. HealthChoice Aggregate Rates for Healthy Kids/EPSDT Program Review Indicators for CY 2001 through CY 2003



- Improvement was noted for all indicators between CY 2001 and CY 2003.
- All five indicators improved in CY 2003 over CY 2002.
- Health Education/Anticipatory Guidance improved 6% between CY 2001 and CY 2003.
- Health and Developmental History improved 4% between CY 2001 and CY 2003.
- Laboratory Tests improved 9% from CY 2002 to CY 2003.

Corrective Action Plan (CAP) 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 and the Maryland Healthy Kids/EPSDT Quality Monitoring Program review. CAPs must be submitted within 45 calendar days of receipt of the preliminary report. The CAPs are evaluated by Delmarva

and the Healthy Kids Program to determine whether the plans are acceptable. In the event that a CAP is deemed unacceptable, Delmarva and the Healthy Kids Program 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 2003.

Systems Performance Review CAPs

A review of all required systems performance standards, health education, outreach plans, and claims payment policies and procedures is completed annually for each MCO unless the MCO has full NCQA accreditation status. Since CAPs related to the SPR can be directly linked to specific components or standards, the annual SPR for CY 2004 will determine whether the CAPs have been implemented and are 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.

Conclusion

Generally all MCOs have demonstrated the ability to design and implement effective quality assurance systems, health education plans, and outreach services. The CY 2003 review provided evidence of the continuing growth of the HealthChoice MCOs. Each MCO demonstrated their ability to ensure the delivery of quality health care for their enrollees. The CY 2002 score deviations demonstrated that this was a transient occurrence and that the corrective actions taken were effective.

The Healthy Kids Program results exhibit MCO compliance with EPSDT screening requirements. Each MCO achieved a composite score above the 80% requirement. Continued collaboration between the Healthy Kids Program Nurse Consultant team and the HealthChoice MCOs contributed to improvements in all of the five indicator scores in CY 2003.

Maryland has set high standards for MCO quality assurance systems. In general, HealthChoice MCOs continue to make improvements in their quality assurance 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.