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Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

July 26, 2011

Mr. Mark Fisher
Administrator/Chief Executive Officer
Mercy Care Plan
4350 E. Cotton Center Blvd., Bldg. D
Phoenix, AZ 85040

RE: Contractor's Performance for Acute-care Clinical Quality Measures

Dear Mr. Fisher:

The Arizona Health Care Cost Containment System (AHCCCS) has completed an evaluation of Contractor results for Clinical Quality Performance Measures reported in 2010. This is to advise you of regulatory action based on your contract with AHCCCS.

Notice to Cure

In July 2010, AHCCCS responded to Acute-care Contractors regarding their Performance Measure Notices to Cure and related corrective action plans (CAPs). At the time, AHCCCS stated that, "your Performance Measure Notice to Cure applies to pediatric measures and the measure of Timeliness of Prenatal Care. AHCCCS may impose a sanction of up to \$100,000 for each measure included in this Notice to Cure, beginning with results of the CYE 2009 measurement period, which will be reported at the end of calendar year 2010. If, at that time, the Contractor has not met the MPS (Minimum Performance Standard)... or has not achieved a statistically significant improvement from the CYE 2008 measurement period for any measure reported, the Contractor may be sanctioned for that measure."

AHCCCS has evaluated each Contractor's final results for Healthcare Effectiveness Data and Information Set (HEDIS) measures and the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Participation Rate measure for the measurement period of CYE 2009, compared with the period of CYE 2008 and contractual Minimum Performance Standards. Based on these results, AHCCCS is continuing the Notice to Cure for Clinical Quality Performance Measures issued in May 2010.

The following table demonstrates how AHCCCS applied minimum standards in evaluating Contractor performance for the most recent measurement:

Data Collected in Contract Year	Measurement Period	Contract in which MPS is Specified	Report Published
CYE 2010	CYE 2009	CYE 2009	December 2010

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While the current Notice to Cure applies to pediatric measures and the measure of Timeliness of Prenatal Care, AHCCCS may take action on other measures, including measures of chronic disease care, based on the measurement period of CYE 2010.

The attached table shows the Contractor's data for the Performance Measures and measurement periods included in the current Notice to Cure.

AHCCCS may impose a sanction of up to \$100,000 for each measure included in this Notice to Cure, beginning with results of the CYE 2010 measurement period, which will be reported at the end of calendar year 2011. If, at that time, the Contractor has not met the MPS (Minimum Performance Standard) or has not achieved a statistically significant improvement from the CYE 2009 measurement period for any measure reported, and is performing below the statewide average, the Contractor may be sanctioned for that measure.

Corrective Action Plans Required

Per the attached table, the Contractor must submit to AHCCCS new or updated CAPs for the pediatric and Timeliness of Prenatal Care measures for which it did not meet the MPS in the most recent measurement. Using the same format it previously utilized, it should document the status of all existing CAP activities to date, an evaluation of the effectiveness of each activity/intervention based on analysis of data and trends, and a determination as to whether the intervention will continue or be replaced with another intervention in order to improve the effectiveness of the CAP.

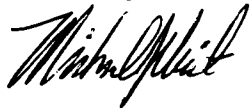
AHCCCS is not requiring CAPs for EPSDT Participation for this measurement because of a change in methodology for calculating the rate with the addition of adolescent visits every year. CAPs and sanctions may be applied if the Contractor does not show improved performance in the next measurement.

All required Corrective Action Plans must be submitted to the AHCCCS Division of Health Care Management (DHCM), Clinical Quality Management (CQM) Unit, within 30 days of the date of this notice. CAPS should be submitted via the secure server with a notification directed to the attention of Kim Elliott, PhD, CPHQ, Clinical Quality Management Administrator, at Kim.Elliott@azahcccs.gov.

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If you have any questions, please contact Kim Elliott at 602-417-4782, or Kim.Elliott@azahcccs.gov.

Sincerely,



Michael Veit
Contracts & Purchasing Administrator

cc: Brian Horgeshimer, Contract Compliance Officer, MCP
Kim Elliott, PhD, CPHQ, Clinical Quality Management Administrator, DHCM, AHCCCS
Kari Price, Assistant Director, DHCM
Shelli Silver, Assistant Director, DHCM

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Performance Measure Review for Mercy Care Plan

2009 Performance 2010 Performance
(meas. Period Oct. 1, 2007, to Sept. 30, 2008) (meas. period Oct. 1, 2008, to Sept. 30, 2009)

Current
Statewide
Ave.

Minimum
Performance
Standard²

Significance
Level¹
(p value)

Relative
Percent
Change

NTC with the
following:

Performance Measure	2009 Performance (meas. Period Oct. 1, 2007, to Sept. 30, 2008)	2010 Performance (meas. period Oct. 1, 2008, to Sept. 30, 2009)	Relative Percent Change	Significance Level ¹ (p value)	Minimum Performance Standard ²	Current Statewide Ave.
Medicaid						
Children's Access to PCPs (Total)						
12-24 Months	85.3%	88.5%	3.8%	p<.001	93%	87.5%
25 Months-6 Years	83.4%	86.0%	3.1%	p<.001	83%	84.0%
7-11 Years	79.8%	84.3%	5.6%	p<.001	83%	82.8%
12-19 Years	80.9%	84.3%	4.3%	p<.001	81%	83.5%
Well-Child Visits—First 15 Months	59.0%	65.2%	10.5%	p<.001	65%	64.2%
Well-Child Visits—3, 4, 5, 6 Years	69.5%	74.4%	7.0%	p<.001	64%	69.4%
Adolescent Well-Care Visits	41.6%	43.1%	3.6%	p<.001	41%	43.0%
Annual Dental Visits—2-21 Years	60.2%	63.8%	6.0%	p<.001	55%	64.0%
Timeliness of Prenatal Care	64.1%	73.1%	14.1%	p<.001	80%	71.0%
EPSDT Participation	78.3%	69.9%	-10.8%	p<.001	68%	66.1%
KidsCare						
Children's Access to PCPs (Total)						
12-24 Months	94.4%	91.9%	-2.6%	p=.158	93%	93.0%
25 Months-6 Years	88.9%	90.8%	2.1%	p=.027	83%	89.0%
7-11 Years	87.9%	91.0%	3.6%	p=.001	83%	89.8%
12-19 Years	87.1%	91.0%	4.4%	p<.001	81%	88.8%
Well-Child Visits—First 15 Months	73.1%	73.7%	0.8%	p=.858	65%	71.0%
Well-Child Visits—3, 4, 5, 6 Years	77.6%	80.1%	3.3%	p=.028	64%	73.7%
Adolescent Well-Care Visits	51.6%	53.1%	2.9%	p=.225	41%	51.7%
Annual Dental Visits—2-21 Years	72.4%	74.9%	3.4%	p<.001	55%	74.3%

Waive CAP and sanction because of change in methodology; if rate does not improve in next measurement, AHCCCS will require CAP and may issue sanction

Performance Measure Review for Mercy Care Plan

Performance Measure **2009 Performance (meas. Period Oct. 1, 2007, to Sept. 30, 2008)** **2010 Performance (meas. period Oct. 1, 2008, to Sept. 30, 2009)** **Relative Percent Change** **Significance Level¹ (p value)** **Minimum Performance Standard²** **Current Statewide Ave.**

EPSDT Participation	92.3%	77.0%	-16.5%	p<.001	68%	73.1%
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NTC with the following:

Waive CAP because of change in methodology; if rate does not improve in next measurement, AHCCCS will require CAP

¹ Values in bold indicate statistically significant changes from the previous to current measurement (p< .05).

³ The Minimum Performance Standard specified in the CYE 2009 Acute-care contract.