

**920 - QUALITY MANAGEMENT/PERFORMANCE IMPROVEMENT PROGRAM ADMINISTRATIVE REQUIREMENTS**

EFFECTIVE DATES: 10/01/94, 10/01/17, 10/01/18, 10/01/19, 07/15/21, 10/01/23, 10/01/24

APPROVAL DATES: 10/01/97, 10/01/01, 08/13/03, 04/01/05, 01/01/06, 02/01/07, 10/01/08, 10/01/09, 02/01/11, 04/01/12, 10/01/13, 10/01/15, 07/01/16, 03/01/18, 11/15/18, 11/21/19, 04/27/21, 08/03/23, 06/13/24

**I. PURPOSE**

This Policy applies to ACC, ACC-RBHA, ALTCS E/PD, DCS CHP (CHP), and DES DDD (DDD) Contractors. This Policy specifies Quality Management/Performance Improvement (QM/PI) Program administrative requirements. The Contractor is responsible for adhering to all requirements as specified in Contract, Policy, 42 CFR Part 438 and 42 CFR Part 457.

**II. DEFINITIONS**

Refer to the [AHCCCS Contract and Policy Dictionary](#) for common terms found in this Policy including:

<b>ACCESS</b>	<b>EXTERNAL QUALITY REVIEW ORGANIZATION (EQRO)</b>	<b>MEASURABLE</b>
<b>MONITORING</b>	<b>MEMBER</b>	<b>OBJECTIVE</b>
<b>PERFORMANCE IMPROVEMENT PROJECT (PIP)</b>	<b>PERFORMANCE MEASURE PERFORMANCE STANDARDS (PMPS)</b>	

For purposes of this Policy, the following terms are defined as:

**BEST PRACTICES**

Best Practices are processes and/or initiatives that produce optimal results and are intended for widespread adoption/implementation.

**CORRECTIVE ACTION PLAN (CAP)**

A written improvement plan used to improve performance of the Contractor and/or its providers, enhance QM/PI activities and the outcomes of those activities, or resolve a deficiency. The improvement plan includes the root cause(s) of a deficiency, goals and objectives, actions to be taken to facilitate an expedient return to compliance, methodologies to be used to accomplish the goals and objectives, and staff responsible to carry out the activities within established timelines.

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**CHAPTER 900 – QUALITY MANAGEMENT AND PERFORMANCE  
IMPROVEMENT PROGRAM**

**EVALUATE**

The process is used to examine and determine the level of quality or the progress towards improvement of quality and/or performance related to Contractor service delivery systems.

**EXTERNAL QUALITY REVIEW  
(EQR)**

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 Contractor (or their subcontracted health plans) furnish to Medicaid members as specified in 42 CFR 438.320.

**QUALITY**

As it pertains to external quality review, means the degree to which a Contractor increases the likelihood of desired outcomes of its members through:

1. Its structural and operational characteristics,
2. The provision of services that are consistent with current professional, evidenced-based-knowledge, and
3. Interventions for performance improvement (42 CFR 438.320).

**STATISTICALLY SIGNIFICANT**

A judgment of whether a result occurs because of chance. When a result is statistically significant, it means that it is unlikely that the result occurred because of chance or random fluctuation. There is a cutoff for determining statistical significance. This cutoff is the significance level. If the probability of a result (the significance value or p value) is less than the cutoff (the significance level), the result is judged to be statistically significant. Statistical significance is calculated utilizing the chi square methodology, and a statistically significant result is defined as a p value less than or equal to 0.05.

**WORK PLAN**

A document that identifies and supports the Contractor's QM/PI goals and objectives, timelines, and action plan (interventions/activities) as well as designated staff responsible. The Work Plan shall include measurable physical, behavioral, and oral health goals and objectives, as applicable to the associated line of business/population. Contractor goals included within the Work Plan shall be Specific, Measurable, Attainable, Relevant, and Timely [SMART] goals.

**WORK PLAN EVALUATION**

A detailed analysis of Contractor's progress in meeting or exceeding the Quality Management/Performance Improvement (QM/PI) Program goals, objectives, and action plans proposed to meet or exceed the performance requirements specified in Contract and AMPM Chapter 900.

### **III. POLICY**

#### **A. QUALITY MANAGEMENT/PERFORMANCE IMPROVEMENT PROGRAM PLAN**

The Contractor shall develop a written QM/PI Program Plan that specifies the structure and objectives of the Contractor’s QM/PI Program, including those related to the provision of Long-Term Services and Supports (LTSS) and behavioral healthcare, and addresses the Contractor’s proposed approaches to meet or exceed the performance standards and requirements as specified in Contract and AMPM Chapter 900. The submission shall be accompanied by a completed QM/PI Program Plan Checklist and QM/PI Program Plan Attestation.

The QM/PI Program Plan shall be submitted as specified in Contract and shall describe how program activities will improve the quality of care and service delivery for members, as well as increase member satisfaction. The Contractor shall incorporate monitoring and evaluation activities, at a minimum, for the services and service sites specified in the AHCCCS QM/PI Program Plan Checklist found on the AHCCCS website under Resources, AHCCCS Guides – Manuals-Policies, AHCCCS QM/PI Reporting Templates & Checklists webpage. In addition, the Contractor shall include the AHCCCS Performance Measure Monitoring Report & Work Plan/Work Plan Evaluation Template and AHCCCS Performance Measure Monitoring Report & Work Plan/Work Plan Evaluation Attachment found on the AHCCCS QM/PI Reporting Templates & Checklists webpage.

The QM/PI Program Plan shall contain, at a minimum, the following:

1. The QM/PI Program Plan Attestation

A signed statement indicating whether there were changes in the Contractor’s QM/PI Program scope from the previous year, the applicable populations for the QM/PI Program Plan being submitted, and confirmation of whether the Contractor’s QM/PI Program Plan and any applicable updates related to changes in the QM/PI Program scope have been reviewed by the Contractor’s local Chief Medical Officer (CMO)/designated Medical Director prior to submission to AHCCCS. This element of the QM/PI Program Plan shall be specific to the line of business/population being reported. The attestation template can be found on the AHCCCS QM/PI Reporting Templates & Checklists webpage.

2. The QM/PI Program Narrative (Plan Description)

A written, narrative description that specifies the objectives of the Contractor’s QM/PI Program and addresses the Contractor’s planned activities for the upcoming calendar year intended to meet or exceed the minimum requirements as specified in Contract and AMPM Chapter 900.

- a. This element of the QM/PI Program Plan may span across the Contractor’s lines of business/populations, when a Contractor holds a contract for multiple lines of business/populations; however, the Contractor shall:
  - i. Clearly outline which line(s) of business/population(s) each activity applies to, and
  - ii. Outline the activities intended to meet the unique needs of each line of business/population for which it serves.

- b. The QM/PI Program Narrative shall include a description of the Contractor's:
  - i. Structure, including involvement of a designated physician in the QM/PI program and oversight of the Contractor's QM/PI functions by the local CMO/designated Medical Director, local Administrator/Chief Executive Officer (CEO), and QM/PI Committee,
  - ii. Behavioral healthcare aspects of the program, including the involvement of a behavioral healthcare professional in the behavioral health aspects of the Contractor's QM/PI Program,
  - iii. Activities to identify member needs and coordinate care,
  - iv. Follow up activities to support timely access to appropriate and medically necessary treatment,
  - v. Participation in community and/or quality initiatives, and
  - vi. Other items as specified within the QM/PI Program Plan Checklist.
  
3. The QM/PI Program Work Plan Evaluation

This element of the QM/PI Program Plan shall be specific to the line of business/population being reported. The QM/PI Program Work Plan Evaluation shall contain:

- a. A description of activities related to clinical (physical, behavioral health, and LTSS when appropriate) and non-clinical care areas that the Contractor utilized in efforts to meet or exceed the established goals and objectives,
- b. Evidence/documentation supporting continued routine performance monitoring and trending (on a quarterly basis, at a minimum) utilized to evaluate the effectiveness of the QM/PI Program and activities (interventions) conducted throughout the previous calendar year,
- c. A description of how any sustained goals/objectives will be incorporated into the Contractor's business practices (or institutionalized),
- d. Evidence that new goals/objectives have been developed once a goal or objective has been sustained, and
- e. All performance measure related Root Cause Analyses (RCA) and Plan-Do-Study-Act (PDSA) cycles that have been initiated, updated, and/or refined as part of the Contractor's ongoing Corrective Action Plan (CAP) monitoring and evaluation activities. PDSA cycles shall be conducted in a short time frame as practical, based on the performance measure and associated intervention(s), and it is expected that the Contractor utilize PDSA cycles for several performance measures during the calendar year.

#### 4. The QM/PI Program Work Plan

This element of the QM/PI Program Plan shall be specific to the line of business/population being reported. The QM/PI Program Work Plan shall contain:

- a. A detailed, written set of specific measurable goals and objectives related to clinical (physical health, behavioral health, and LTSS when appropriate) and non-clinical care areas that the Contractor will utilize to determine if its QM/PI Program meets or exceeds established goals and complies with QM/PI requirements in Contract as well as all components of AMPM Chapter 900:
  - i. Identified goals and objectives shall be realistic, measurable, and include monitoring of previously identified quality improvement concerns. These objectives shall be based on established Performance Standards and requirements as specified in Contract and AMPM Policies Chapter 900,
  - ii. Other generally accepted benchmarks that continue the Contractor’s improvement efforts will be used to establish the program’s measurable goals and objectives, in cases where the associated comparable National Committee for Quality Assurance (NCQA) Medicaid Mean or Centers for Medicare and Medicaid (CMS) Medicaid median have been met. This may include utilizing comparable national benchmarks (i.e., NCQA percentile data and CMS quartile data), and
  - iii. For non-clinical areas, specific measurable goals and objectives shall be based on an evaluation of internal data and/or other available data as well as clearly define the intended outcome. This generally includes identifying a specific numeric value or percentage for which improvement shall be evaluated.
- b. Strategies and activities to meet or accomplish the identified goals and objectives,
- c. Staff positions responsible and accountable for each strategy/activity,
- d. Targeted implementation and completion dates for the included measurable goals, objectives, activities, and performance improvement projects, and
- e. Other details as instructed by AHCCCS and as included within the associated QM/PI Program Work Plan Template.

#### 5. Referenced/Associated Policies

New (or substantially revised) relevant policies and procedures, referenced in the Contractor’s QM/PI Program Plan and QM/PI Program Plan Checklist, are submitted as separate attachments. Current policies that have not had substantial changes during the year are not required to be submitted as part of the Contractor’s QM/PI Program Plan unless the Contractor considers the submission of the policy as value-add to the Contractor’s QM/PI Program Plan submission.

The Contractor’s QM/PI Program Plan shall be submitted to AHCCCS as specified in Contract. The submission shall be accompanied by a completed QM/PI Program Plan Checklist utilizing the same format/file type as found on the AHCCCS QM/PI Reporting Templates & Checklists webpage.

**B. HEALTH DISPARITY SUMMARY AND EVALUATION REPORT**

1. The Contractor shall submit a Health Disparity Summary & Evaluation (HDS&E) Report as specified in the Contract, Contract Chart of Deliverables. The HDS&E Report shall include, at a minimum:
  - a. A description of the process utilized to conduct disparity analyses including the analytical tools and the methodology for identifying disparities based on (but not limited to) age, race, ethnicity, sex, primary language, disability status, location (e.g., Geographic Service Area (GSA), county, rural vs. urban), and placement,
  - b. Methods for identifying health disparities through direct member engagement,
  - c. The disparity analysis findings, including a qualitative and quantitative analysis of results,
  - d. A summary of the associated measurable goals, objectives, and projects/activities meant to ameliorate the disparity(ies),
  - e. An evaluation of the disparity analysis findings, progress on targeted strategies/interventions, and progress on identified goals/objectives,
  - f. A detailed evaluation of performance measure rates specific to subpopulations, as applicable to the line of business/population,
  - g. An analysis of the effectiveness of implemented strategies and interventions in meeting the Contractor's health equity goals and objectives during the previous calendar year,
  - h. A detailed overview of the Contractor's identified health equity goals/objectives for the upcoming calendar year to address noted disparities and promote health equity,
  - i. Targeted strategies/interventions planned for the upcoming calendar year to achieve its goals, and
  - j. An attestation for the development of a provider-facing tool kit intended to promote health equity.

If the Contractor serves multiple populations/lines of business, the Contractor may submit one Health Disparity Summary & Evaluation Report across lines of business with health disparity findings, goals/objectives, and targeted strategies/interventions specific to each population and line of business served.

**C. CONTRACTOR'S BEST PRACTICES AND FOLLOW UP ON PREVIOUS YEAR'S EQR REPORT RECOMMENDATIONS**

The Contractor's Best Practices and Follow Up on Previous Year's External Quality Review (EQR) Report Recommendations shall be submitted as specified in Contract and include:

1. An overview of Contractor self-reported Best Practices (specific to line of business), submitted as a stand-alone document, highlighting a minimum of three processes/initiatives aimed at improving the care and services provided to members.
2. A summary of the Contractor's efforts to date in implementing the most current and previous year's EQR Report recommendations, as a standalone document.

The submission shall be accompanied by a completed Contractor's Best Practices and Follow Up on Previous Year's EQR Report Recommendations Attestation and Checklist and align with the instructions and requirements included within the associated checklist.

**D. AHCCCS PERFORMANCE MEASURE MONITORING REPORT**

A report submitted utilizing the AHCCCS Performance Measure Monitoring Report & Work Plan/Work Plan Evaluation Template and AHCCCS Performance Measure Monitoring Report & Work Plan/Work Plan Evaluation Attachment, specifying the Contractor's progress in meeting, sustaining, and improving its performance for contractually required performance measures. The report shall include the following based on the associated reporting period:

1. Internal rates, specific to population/Line of Business (LOB), for each included performance measure in accordance with associated measure specifications, AHCCCS Performance Measure Monitoring Report & Work Plan/Work Plan Evaluation Template, and AHCCCS Performance Measure Monitoring Report & Work Plan/Work Plan Evaluation Attachment instructions. Within the AHCCCS Performance Measure Monitoring Report & Work Plan/Work Plan Evaluation Template, the Contractor shall include performance measures that are reported as part of:
  - a. An open corrective action plan,
  - b. Current performance improvement projects,
  - c. AHCCCS value-based purchasing initiatives,
  - d. The Contractor's self-identified program goals, and
  - e. Other performance measures required by AHCCCS.
2. Identified barriers in implementing the Contractor's planned interventions and opportunities for improvement intended to support the Contractor in meeting the Contractor's identified goals/objectives.
3. Detailed analysis of results that includes an evaluation of the Contractor's performance and noted trends or declines in performance compared to:
  - a. Performance Measure Performance Standards (PMPS),
  - b. The Contractor's self-identified goals and objectives, and
  - c. Historical performance.

Refer to AHCCCS Performance Measure Monitoring Report & Work Plan Evaluation Template and AHCCCS Performance Measure & Work Plan Evaluation Attachment instructions for additional information. Refer to AMPM Policy 970 for information related to Performance Measures.

## **E. PERFORMANCE IMPROVEMENT PROJECT REPORTING**

A PIP report shall be submitted for each AHCCCS-Mandated and Contractor Self-Selected PIP. The Contractor shall utilize the:

1. AHCCCS PIP Report Template associated with the population/line of business being reported.
2. A PIP Intervention & Analysis Template.

Rapid Cycle PIP reports shall include updates based on the frequency specified within the Contract Chart of Deliverables. The PIP reports based on full year measurement periods (i.e., calendar year or contract year ending) shall include annual updates (at a minimum). All PIP reports shall meet the instructions and requirements specified in AMPM Policy 980, the most current PIP Report Template, and the PIP Intervention & Analysis Template. In addition, PIP report submissions shall adhere to the requirements outlined in the AHCCCS PIP Deliverable Submission Overview found on the AHCCCS QM/PI Reporting Templates & Checklists webpage.

Once a PIP is identified, the Contractor shall submit a PIP Initiation Notification, utilizing the template found on the AHCCCS QM/PI Reporting Templates & Checklists webpage, for AHCCCS review and approval.

If there is an updated template published by AHCCCS or posted on the AHCCCS website following submission of the baseline year/period PIP report, the Contractor may continue to utilize the AHCCCS PIP Report template available at the time of its baseline reporting throughout the entire PIP life cycle; however, the Contractor must include an addendum with each subsequent year's report to ensure any information required as part of the most current AHCCCS PIP Report Template (available on the AHCCCS QM/PI Reporting Templates & Checklists webpage) is incorporated into the Contractor's PIP report submissions.

For Contractor Self-Selected PIP submissions serving as the Contractor's final PIP report, the Contractor shall include a PIP Closure Request for AHCCCS' review and consideration. In cases where the Contractor has not met criteria related to significant and sustained improvement to support PIP closure for each included PIP indicator, the Contractor shall indicate the rationale for closing the PIP. In order to close a Contractor Self-Selected PIP, formal notification of approval for PIP closure must be received from AHCCCS.

Refer to the AMPM Policy 980 and AHCCCS Contracts for more information related to PIPs, PIP closures, and additional PIP reporting requirements.



**F. CORRECTIVE ACTION PLAN**

The Contractor shall develop and implement a CAP for taking appropriate steps to improve care, if and when issues or concerns are identified. All proposed CAPs are to be submitted to AHCCCS for review and approval, prior to implementation.

1. Proposed QM/PI Program specific CAPs submitted for approval shall address the following:
  - a. The concern(s) that require corrective action,
  - b. Identified root cause(s) of a deficiency and steps to be taken to facilitate an expedient return to compliance,
  - c. Documentation of proposed time frames for CAP completion, as applicable,
  - d. Person(s) or body (e.g., Board) responsible for making the final determinations regarding QM/PI Program concerns,
  - e. Type(s) of action(s) to be taken including, but not limited to:
    - i. Education/training/technical assistance,
    - ii. Follow up Monitoring and evaluation of improvement, as well as implementing new interventions/approaches, when necessary,
    - iii. Changes in processes, structures, and forms, and
    - iv. Informal counseling.
  - f. A documented assessment of the effectiveness of the action(s) taken,
  - g. Method(s) for internal dissemination of CAP findings and results to appropriate staff and/or network providers, and
  - h. Method(s) for dissemination of pertinent information to AHCCCS and/or appropriate stakeholders.

For QOC-related corrective actions, refer to AMPM Policy 960.

2. Proposed quality improvement-specific CAPs and CAP updates submitted by the Contractor shall include the required elements contained within Attachment B, the AHCCCS Quality Improvement Corrective Action Plan Proposal Checklist, and AHCCCS Quality Improvement Corrective Action Plan Update Checklist.
3. The Contractor shall maintain documentation that confirms the development and implementation of CAPs.

**G. CONTRACTOR REPORTING REQUIREMENTS**

The Contractor, including Contractors that are contracted with AHCCCS for more than one population/line of business, shall submit deliverables as specified in Contract, AHCCCS QM/PI Program Guides and Manuals - AHCCCS QM/PI Reporting Templates & Checklists webpage, and AHCCCS instructions and guidance (as appropriate to the deliverable). The Contractor shall include the Contractor's name and associated population/line of business within the QM/PI deliverable submission document titles.

If an extension of time is needed to complete a deliverable, the Contractor shall submit a formal request in writing before the deliverable's due date to AHCCCS, as appropriate to the deliverable. The QM specific extension requests shall be submitted utilizing the CQM email address, CQM@azahcccs.gov and should be addressed to the QM Manager and RN Supervisor. The request shall include the basis for additional time needed and be submitted no later than two business days prior to the submission due date as an extension may or may not be granted, based on AHCCCS' discretion. The Contractor's internal Compliance Officer and designated AHCCCS Operations and Compliance Officer shall be copied (cc'd) on any formal request for extension.

QM/PI Program administrative deliverables shall be submitted as specified in Contract, Contract Chart of Deliverables, Policy, and the AHCCCS QM/PI Reporting Templates & Checklists webpage and are subject to AHCCCS approval. Following submission and approval, any significant modifications to the QM/PI Program Plan throughout the year shall be submitted to AHCCCS for review and approval prior to implementation.

Contractor QM/PI administrative deliverables and other select deliverable submissions are provided to AHCCCS' EQRO with Contractor supplied information included within the Agency's annual EQR Report(s) posted to the AHCCCS website. The Contractor shall refrain from including information that is proprietary, confidential, financial, and data/information that could potentially identify members (e.g., insufficient numerators and/or denominators that is not in alignment with the CMS Cell Suppression Policy at <https://www.hhs.gov/guidance/document/cms-cell-suppression-policy>). Note: guidance may vary for the AHCCCS Performance Measure Monitoring Report & Work Plan/Work Plan Evaluation Template and Attachment. Please refer to the instructions outlined within these documents for additional guidance.

## **H. CONTRACTOR DOCUMENTATION REQUIREMENTS**

The Contractor shall maintain records that document QM/PI Program activities. The records shall be made available to AHCCCS upon request. The required documentation shall include, but is not limited to:

1. Policies and procedures.
2. Studies and PIPs.
3. Reports (including quarterly reports addressing strategies for QM/PI activities).
4. Processes/desktop procedures.
5. Meeting minutes.
6. The CAPs.
7. Documentation supporting and/or requested by AHCCCS' EQRO as part of the EQR process.
8. Other information and data appropriate to support changes made to the scope of the QM/PI Program.