

980 - PERFORMANCE IMPROVEMENT PROJECTS

EFFECTIVE DATES: 10/01/94, 10/01/17, 10/01/18, 02/01/20, 10/01/21, 10/01/22, 10/01/23

APPROVAL DATES: 10/01/97, 10/01/01, 08/13/03, 04/01/05, 02/01/07, 10/01/08, 10/01/15, 07/01/16, 08/02/17, 04/19/18, 11/07/19, 08/12/21, 05/19/22, 07/06/23

I. PURPOSE

This Policy applies to ACC, ACC-RBHA, ALTCS E/PD, DCS/ CHP (CHP), and DES/DDD (DDD) Contractors. This Policy specifies the purpose, design, implementation, and reporting of AHCCCS-Mandated and Contractor Self-Selected Performance Improvement Projects (PIPs). The Contractor is responsible for adhering to all requirements as specified in Contract and Policy, as well as related requirements specified in 42 CFR Part 457 and 42 CFR Part 438.

II. DEFINITIONS

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

| | | |
|------------------|---------------------------------------|---------------|
| GRIEVANCE | MEASURABLE | MEMBER |
| OBJECTIVE | PLAN-DO-STUDY-ACT (PDSA) CYCLE | |

For purposes of this Policy, the following term is defined as:

BASELINE DATA Data collected at the beginning of a Performance Improvement Project (PIP) is used as a starting point for measurement and the basis for comparison with subsequent remeasurement(s) in demonstrating significant and sustained improvement.

MONITORING The process of auditing, observing, evaluating, analyzing, conducting follow-up activities, and documenting results.

PERFORMANCE IMPROVEMENT PROJECT (PIP) A planned process of data gathering, evaluation, and analysis to determine interventions or activities that are projected to have a positive outcome. This process includes measuring the impact of the interventions or activities aimed toward improving quality of care and service delivery. Performance Improvement Projects (PIPs) are designed to achieve significant improvement, sustained over time, in health outcomes and member satisfaction, and include the elements outlined in 42 CFR 438.330(2). A PIP may also be referred to as a Quality Improvement Project (QIP).

**PERFORMANCE
IMPROVEMENT/QUALITY
IMPROVEMENT**

The approach utilized to better services and/or outcomes through the continuous improvement of processes to prevent or decrease the likelihood of issues. This is generally accomplished through identifying areas of opportunity and testing new solutions/interventions to correct underlying causes of persistent/systemic issues or overcome identified barriers.

**PLAN-DO-STUDY-ACT (PDSA)
METHOD**

A four-step model to test a change that is implemented. Going through the prescribed four-steps utilizing one or more PDSA cycles guides the thinking process into breaking down the task into steps and then evaluating the outcome, improving on it, and testing again.

STATISTICALLY SIGNIFICANT

A judgment of whether a result occurred 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 which is defined as 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.

QUALITY

As it pertains to external quality review, means the degree to which a Managed Care Organization (MCO) 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).

VALIDATION

The review of information, data, and procedures to determine the extent to which they are accurate, reliable, free from bias, and in accordance with standards for data collection and analysis.

III. POLICY

AHCCCS mandates that the Contractor participate in AHCCCS-Mandated and conduct Contractor Self-Selected Performance Improvement Projects (PIPs). AHCCCS-Mandated PIP topics are selected through analysis of internal and external data/trends. The selection of AHCCCS-Mandated PIP may also be informed by Contractor and stakeholder input. Topics consider comprehensive aspects of member needs, care, and services for a broad spectrum of members or a focused subset of the population, including those members with special health care needs such as members receiving Long-Term Care Services and Supports (LTSS) [42 CFR 438.330]. AHCCCS may also mandate that a PIP be conducted by a Contractor or group of Contractors. The Contractor shall identify and implement additional PIPs based on self-identified opportunities for improvement, as supported by root cause analyses, internal and external data, surveillance of trends, or other information available to Contractor.

The Centers for Medicare and Medicaid Services (CMS) may, in consultation with States and other stakeholders, specify standardized performance measures and PIP topics in addition to State-required performance measures and PIPs [42 CFR 438.330(a)(2)]. The Contractor is required to participate in performance measures and PIPs mandated by CMS.

A. PERFORMANCE IMPROVEMENT PROJECT DESIGN

The Contractor is required to conduct PIPs, including any PIPs required by CMS, that focus on clinical and/or non-clinical areas. In addition to AHCCCS-Mandated PIPs, the Contractor shall identify and implement clinical and/or non-clinical focused PIPs, meaningful to the population(s) served, based on self-identified opportunities for improvement, as supported by root cause analyses, internal/external data, surveillance of trends, or other information available to the Contractor. Additionally, when selecting Contractor Self-Selected PIP topics, the Contractor shall ensure the volume of the eligible population (reflective of the associated population/line of business) included within the denominator would account for meaningful improvement and allow for the Contractor to appropriately adhere to the protocol specified in Attachment A).

PIPs are developed in accordance with 42 CFR 438.330 and CMS EQR Protocols.

1. PIPs (AHCCCS-Mandated and Contractor Self-Selected) are designed to correct identified system issues and/or achieve significant improvement in health outcomes and/or member satisfaction, that is sustained over time, through the:
 - a. Measurement of performance using objective quality indicators,
 - b. Implementation of interventions to achieve improvement in access to and quality of care,
 - c. Evaluation of the effectiveness of the interventions based on indicators collected as part of the PIP, and
 - d. Planning and initiation of activities for increasing or sustaining improvement [42 CFR 438.330(d)(2)].

2. The Contractor shall conduct PIPs, including any PIPs required by CMS, that focus on clinical and/or non-clinical areas [42 CFR 438.330(d)(1)]:
 - a. Clinical focus topics may include, but are not limited to:
 - i. Primary, secondary, and/or tertiary prevention of acute conditions,
 - ii. Primary, secondary, and/or tertiary prevention of chronic conditions,
 - iii. Primary, secondary, and/or tertiary prevention of behavioral health conditions,
 - iv. Care of acute conditions,
 - v. Care of chronic conditions,
 - vi. Care of behavioral health conditions, and
 - vii. Continuity and coordination of care.
 - b. Non-clinical focus topics may include, but are not limited to:
 - i. Availability, accessibility, and adequacy of Contractor’s service delivery system,
 - ii. Cultural competency of services,
 - iii. Interpersonal aspects of care (e.g., quality of provider/member encounters), and
 - iv. Appeals, grievances, and other complaints.

3. The protocol for developing and conducting AHCCCS-Mandated PIPs is found in Attachment A.

4. The Contractor shall also adhere to (align with) the protocol specified in Attachment A when selecting, designing, developing, and implementing self-selected PIPs. The Contractor may identify and implement multiple self-selected PIPs; however, as part of the Contractor Self-Selected PIP design, the Contractor shall limit the number of PIP indicators included within a single PIP to four or fewer indicators. This approach is intended to enhance focus on the project topic, facilitate targeted improvement efforts, and support successful closure of the PIP within a reasonable time frame.
5. The Contractor shall utilize the Plan Do Study Act (PDSA) Method to test changes (interventions) quickly and refine them, as necessary.
 - a. It is expected that the Contractor shall utilize several PDSA Cycles within the PIP lifespan. PDSA Cycles shall be conducted in as short a time frame as practical, based on the PIP topic and associated timeline.
 - i. The PDSA Cycle consists of the following steps:
 - 1) Plan: Plan the change(s) or intervention(s), including a plan for collecting data. State the objective(s) of the intervention(s),
 - 2) Do: Try out the intervention(s) and document any problems or unexpected results,
 - 3) Study: Analyze the data and study the results. Compare the data to predictions and summarize what was learned,
 - 4) Act: Refine the change(s) or intervention(s), based on what was learned, and prepare a plan for retesting the intervention(s), and
 - 5) Repeat: Continue the cycle as new data becomes available until improvement is achieved.
 - ii. For more information, refer to the Agency for Healthcare Research and Quality website at www.ahrq.gov.
 - b. All PDSA Cycles conducted as part of an AHCCCS-Mandated and Contractor Self-Selected PIP are to be included within the Contractor’s PIP Report submissions.

B. PERFORMANCE IMPROVEMENT PROJECT TIMEFRAMES

1. AHCCCS-Mandated PIPs
 - a. AHCCCS-Mandated PIPs typically begin on a date that corresponds with the calendar year (Contract Year utilized for CYE 2019 and earlier reporting). Baseline data is collected and analyzed at the beginning of the PIP. During the intervention year/period, the Contractor shall implement innovative and/or evidence-based interventions to improve performance, based on root cause analysis and an evaluation of barriers. Interventions shall consider any unique factors such as the Contractor’s membership, health equity considerations, provider network, and geographic area(s) served,
 - b. Annual measurements (Remeasurement Year one, and Remeasurement Year two, as well as any subsequent Remeasurement Years necessary for the Contractor to meet the required criteria for PIP closure) shall be utilized to evaluate Contractor performance; however, AHCCCS may require interim measurements,
 - c. In cases where AHCCCS elects to implement Rapid Cycle PIPs, the Contractor shall report at the intervals indicated within the associated PIP methodology, and

- d. A Contractor’s participation in the PIP shall continue until the Contractor demonstrates significant and sustained improvement for each included PIP indicator, as outlined below, or as directed by AHCCCS. If one or more PIP indicator does not demonstrate significant and sustained improvement prior to the end of remeasurement year/period two, the PIP indicator shall be continued for additional remeasurement year(s)/period(s) until significant and sustained improvement is demonstrated.
2. Contractor Self-Selected PIPs
- a. Contractor Self-Selected PIP timelines may vary (with Contractors encouraged to implement Rapid Cycle PIPs, where applicable and appropriate),
 - b. Contractor Self-Selected PIP timelines shall align with that indicated within the associated PIP Initiation Notification submitted to and approved by AHCCCS, and
 - c. A Contractor’s participation in the PIP shall continue until the Contractor demonstrates significant and sustained improvement for each included PIP indicator, as outlined below, or as approved by AHCCCS (when significant and sustained improvement has not been demonstrated). If one or more PIP indicator does not demonstrate significant and sustained improvement prior to the end of remeasurement year/period two, the PIP indicator shall be continued for additional remeasurement year(s)/period(s) until significant and sustained improvement is demonstrated. In such cases, the Contractor shall identify and implement a separate and distinct Contractor Self-Selected PIP that is active and within a Baseline, Intervention, Remeasurement one, or Remeasurement two measurement period during the same timeframe/reporting period as the additional remeasurement year/period three.

C. DATA COLLECTION METHODOLOGY

Contractor methodology (including project indicators, procedures, and timelines) shall align with the guidance and direction provided for all AHCCCS-Mandated PIPs. Evaluation of Contractor performance on the PIP indicators shall be based on systematic, ongoing collection and analysis of accurate, valid, and reliable data, as collected and reported by AHCCCS or as validated by the AHCCCS’ External Quality Review Organization (EQRO). For Contractor Self-Selected PIPs that are not based on standardized performance measures, the Contractor shall ensure collected data are accurate, valid, and reliable through internal processes.

D. INTER-RATER RELIABILITY

PIP indicators may be based on nationally standardized performance measures calculated and reported in alignment with AHCCCS Contract; however, the Contractor may be directed to collect all or some of the data used to measure PIP indicator performance which may include measures that are not based on nationally standardized performance measures as well as performance measures not included within AHCCCS Contract. In such cases, the Contractor shall:

1. Submit specific documentation to verify that indicator criteria were met in accordance with AHCCCS’ instruction.
2. Have qualified personnel collect the data.

3. Implement inter-rater reliability, if more than one person is collecting and entering data.
 - a. The Contractor shall verify that data collected from multiple parties/individuals for PIP indicators is consistent and comparable through an implemented inter-rater reliability process. Contractor’s documented inter-rater reliability process shall include:
 - i. A detailed description of the Contractor’s methodology for conducting inter-rater reliability including initial training (and retraining, if applicable), oversight and validation of data collection, as well as other activities deemed applicable,
 - ii. The required minimum score that each individual shall obtain in order to continue participation in the data collection and reporting process,
 - iii. A mechanism for evaluating individual accuracy scores (and any subsequent accuracy scores, if applicable), and
 - iv. Actions taken should an individual not meet the established accuracy score.
 - b. In addition, the Contractor shall monitor and track the inter-rater reliability accuracy scores and associated follow up activities. The Contractor shall provide evidence of implementation of the inter-rater reliability process as well as the associated monitoring upon AHCCCS’ request.

E. MEASUREMENT OF SIGNIFICANT IMPROVEMENT

1. The Contractor is expected to implement interventions to achieve and sustain statistically significant improvement, followed by sustained improvement for one consecutive year/period, for each PIP indicator.
2. The Contractor shall initiate interventions that result in significant improvement, in its performance, that is sustained over time, for each of the PIP indicators being measured. Improvement shall be evidenced in repeated measurements of the PIP indicators specified for each active PIP.
3. A Contractor shall have demonstrated significant improvement when improvement in the PIP indicator rate(s) from the baseline year/period to the first remeasurement year/period is statistically significant. Intervention year/period PIP indicator rate(s) are not considered when determining statistically significant improvement.
4. The Contractor shall have demonstrated sustained improvement when it:
 - a. Establishes how the significant improvement can be reasonably attributable to the interventions implemented by the Contractor (i.e., the improvement occurred due to efforts occurring as part of the PIP and its associated interventions, versus another unrelated reason), and
 - b. Maintains, or increases, the improvement in performance for each PIP indicator for at least one remeasurement year/period after the significant improvement in performance is first achieved.

F. PERFORMANCE IMPROVEMENT PROJECTS REPORTING REQUIREMENTS

The Contractor shall refer to the Resources, AHCCCS Guides – Manuals-Policies, AHCCCS QM/PI Reporting Templates & Checklists section of the AHCCCS website to locate the associated tools the Contractor shall utilize when preparing and submitting the required PIP deliverables.

For AHCCCS-Mandated and Contractor Self-Selected PIPs: The Contractor’s PIP deliverable submissions shall align with the requirements outlined in Contract and this policy, as well as adhere to the PIP Deliverable Submission Overview tool and instructions found on the AHCCCS QM/PI Reporting Templates & Checklists webpage,

PIP deliverable submissions shall contain line of business/population-specific data, reflective of the Contractor’s performance during the current and all previous reporting periods (as applicable, in alignment with the associated PIP timeline). This shall include baseline, intervention, and remeasurement period rates and results that are utilized as the basis for analysis (both quantitative and qualitative) and the selection/modification of interventions,

The Contractor shall utilize the AHCCCS PIP Report Template applicable to the population/line of business being reported. The Contractor may utilize one PIP Report template throughout the PIP lifecycle; however, if the AHCCCS PIP Report template has undergone any updates since the Contractor’s baseline period reporting, the Contractor shall complete and submit a PIP Addendum as part of its PIP Report submission to capture any checklist items/requirements not included in the PIP Report template utilized to report baseline year results to AHCCCS, and

The Contractor shall complete and submit an AHCCCS PIP Intervention & Analysis Template as a companion document to its PIP report submission. The Contractor shall adhere to the instructions found in the template and ensure the most current template available on the AHCCCS QM/PI Reporting Templates & Checklists webpage is utilized for all submissions.

The Contractor shall ensure the inclusion of subpopulation data and disparity analyses within its PIP reporting, with the identification of targeted interventions to be implemented specific to findings, in alignment with the AHCCCS PIP Report and PIP Intervention & Analysis Template instructions.

For additional requirements specific to AHCCCS-Mandated PIPs, refer to Item two of this section. For additional requirements specific to Contractor Self-Selected PIPs, refer to Item three of this section.

1. AHCCCS-Mandated PIPs
 - a. The Contractor shall submit PIP reports for all AHCCCS-Mandated PIPs, as specified in Contract.
 - i. The Contractor shall report rates and results, reflective of combined Title XIX and Title XXI reporting, as applicable to the population/line of business, and
 - ii. In addition, the Contractor shall indicate if the interventions are applicable to Title XIX, Title XXI, or both Title XIX and Title XXI.

- b. The Contractor shall submit a final PIP report within the completed AHCCCS PIP Intervention & Analysis Template, as specified in Contract, following the year in which significant and sustained improvement is demonstrated. Significant and sustained improvement is evaluated based on PIP indicator rates that have been validated by the AHCCCS EQRO or rates that are considered as the AHCCCS official PIP indicator rates, as specified in Contract, policy, and the associated AHCCCS PIP Methodology. The Contractor may utilize its remeasurement year/period 2 (or subsequent year/period, if required) PIP reports to serve as the Contractor’s final PIP report submission contingent upon the following:
 - i. The Contractor having met the AHCCCS Contract and policy criteria related to significant and sustained improvement to support PIP closure, and
 - ii. The sections required as part of the final PIP report have been completed.
- c. If the AHCCCS PIP Checklist requirements are met, AHCCCS may approve the PIP submission pending:
 - i. Receipt of the final PIP indicator rates that have been validated by the AHCCCS EQRO (e.g., the Contractor’s internal rates will not be considered when determining significant and sustained improvement), and
 - ii. Confirmation of the Contractor meeting the AHCCCS Contract and policy criteria for each PIP indicator related to significant and sustained improvement to support PIP closure.
- d. AHCCCS-Mandated PIPs shall remain open until formal notification of approval for PIP closure from AHCCCS is received by the Contractor.

Note: Resubmission may be required if the AHCCCS PIP Checklist requirements are not met.

2. Contractor Self-Selected PIPs

- a. For each newly identified PIP, the Contractor shall submit a Contractor Self-Selected PIP Initiation Notification for AHCCCS’ review and approval, as specified in Contract,
- b. The Contractor shall submit PIP reports for each Contractor Self-Selected PIP active during the previous calendar year, as specified in Contract,
 - i. The Contractor shall indicate if the PIP indicator rates and results are reflective of combined Title XIX and Title XXI reporting, as applicable to population/line of business. In addition, the Contractor shall indicate if the interventions are applicable to the Title XIX, Title XXI, or both Title XIX and Title XXI, and
- c. The Contractor shall submit a final Contractor self-selected PIP report with the completed AHCCCS PIP Intervention & Analysis Template, as specified in Contract, following the year/period in which significant and sustained improvement is demonstrated. Significant and sustained improvement is evaluated based on PIP Indicator rates that have been validated by the AHCCCS EQRO or rates that are considered as the AHCCCS official performance measure rates, as specified in Contract. For Contractor Self-Selected PIPs that are not based on AHCCCS required performance measures and reflective of calendar year performance, significant and sustained improvement shall be evaluated based on the Contractor’s internally collected and Contractor validated data. The Contractor may utilize its remeasurement year/period two (or subsequent year/period, if required) PIP report to serve as the Contractor’s final PIP report submission contingent upon the following:
 - i. The Contractor has met AHCCCS contract and policy criteria related to significant and sustained improvement to support PIP closure, and
 - ii. The sections required as part of the final PIP report have been completed.

- d. If the AHCCCS PIP Checklist requirements are met, AHCCCS may approve the PIP submission pending:
 - i. Receipt of the final PIP indicator rates (rates that have been validated by AHCCCS' EQRO or rates that are considered as the AHCCCS official performance measure rates) in cases where the PIP indicator(s) is based on standardized performance measure(s) and the PIP measurement periods are reflective of calendar year performance, and
 - ii. Confirmation of the Contractor meeting AHCCCS Contract and policy criteria for each PIP indicator related to significant and sustained improvement to support PIP closure.
- e. Contractor Self-Selected PIPs shall remain open until the Contractor has met the criteria for each PIP indicator related to significant and sustained improvement as defined above.
 - i. As part of the Contractor's intended final PIP Report submission, the Contractor shall submit a PIP Closure Request, for each PIP the Contractor is requesting to close, for AHCCCS' review and approval, and
 - ii. 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.

Note: Resubmission may be required if the AHCCCS PIP Checklist requirements are not met.