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# Using State Managed Care Quality Strategies for Quality Improvement in Medicaid and CHIP

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# Quality Improvement Technical Assistance

The Centers for Medicare & Medicaid Services (CMS) offers group and one-on-one technical assistance (TA) to provide state Medicaid and Children's Health Insurance Program (CHIP) programs with information, tools, and expert knowledge to improve care and outcomes for Medicaid and CHIP beneficiaries.

This video is part of a TA series focused on:

## Quality Improvement (QI) in Medicaid and CHIP Managed Care.

This content is current as of January 2024. We encourage interested parties to review the Medicaid and CHIP Managed Care Access, Finance, and Quality Proposed Rule published in May 2023, available here:

<https://www.cms.gov/newsroom/fact-sheets/notice-proposed-rulemaking-medicare-and-childrens-health-insurance-program-chip-managed-care-access>.

### Managed care QI TA series also includes:

- *Using Medicaid and CHIP Managed Care Quality Oversight Activities for QI overview webinar*
- *Using Managed Care External Quality Review for QI in Medicaid and CHIP video*

Available at  
<https://www.medicaid.gov/medicaid/quality-of-care/medicaid-managed-care-quality/managed-care-quality-improvement/index.html>

Learn More!

# Purpose

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- This video provides an overview of the requirements for states' managed care quality strategies (QS), shares key QI components included within a QS, and describes how a QS can inform QI projects.
- The goal is to help Medicaid and CHIP staff understand how to use their QS to drive QI within their managed care program(s).
- This presentation is a TA resource for states and can be used to:
  - Onboard state Medicaid and CHIP managed care and QI staff,
  - Refresh Medicaid and CHIP staff as they prepare to revise their QS or launch a QI project, and
  - Introduce QS to Medicaid and CHIP program QI partners.

# The Role of Medicaid and CHIP Programs and Their Staff in Managed Care QI

In this video, “states” refers to Medicaid and CHIP programs and their staff.

**States must conduct managed care oversight activities\*, including:** **States also support managed care QI efforts by voluntarily:**

- **Developing a quality strategy (QS) for assessing and improving the quality of health care and services furnished by managed care plans, including goals and objectives for QI.**
- **Requiring managed care plans (MCPs) to establish an ongoing comprehensive Quality Assessment and Performance Improvement (QAPI) program.**
- **Implementing an annual External Quality Review (EQR).**

- **Incorporating MCPs into QI projects.**
- **Ensuring alignment of QI projects across the managed care program activities.**
- **Connecting MCPs with QI partners outside of Medicaid and CHIP programs, such as the state’s public health agency.**
- **Sharing data with MCPs to drive QI.**
- **Providing TA to MCPs as they conduct QI.**
- **Disseminating best practices across MCPs.**

\*See Appendix A for a summary of which managed care oversight activities apply to each type of managed care plan.

# Managed Care Quality Strategy



- Federal requirements at 42 C.F.R. 438.340(c) and 457.1240(e) require states operating Medicaid and CHIP managed care programs to develop a managed care QS.
- The QS serves as a roadmap for how the state will assess and improve health care quality and outcomes for services delivered by MCPs.
- The QS must be posted publicly on the state's website. This ensures that all the state's QI partners, including the MCPs, know the state's QI goals and priorities.

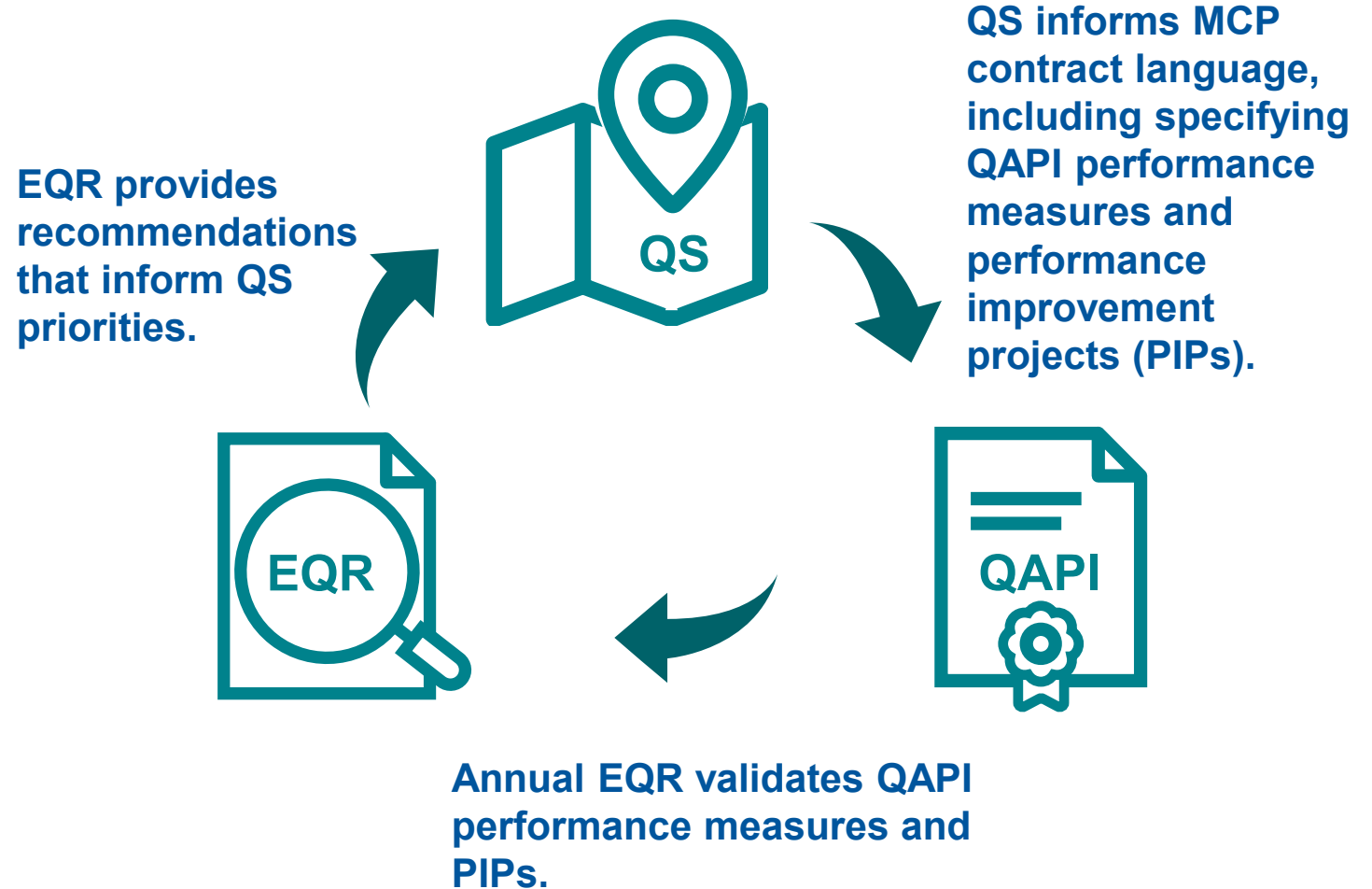
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To learn more about QS requirements and how to draft and update a QS, review the Quality Strategy Toolkit at: <https://www.medicare.gov/medicaid/downloads/managed-care-quality-strategy-toolkit.pdf>

# MCQ Cycle

The QS is part of a set of interrelated managed care oversight activities called the MCQ cycle.

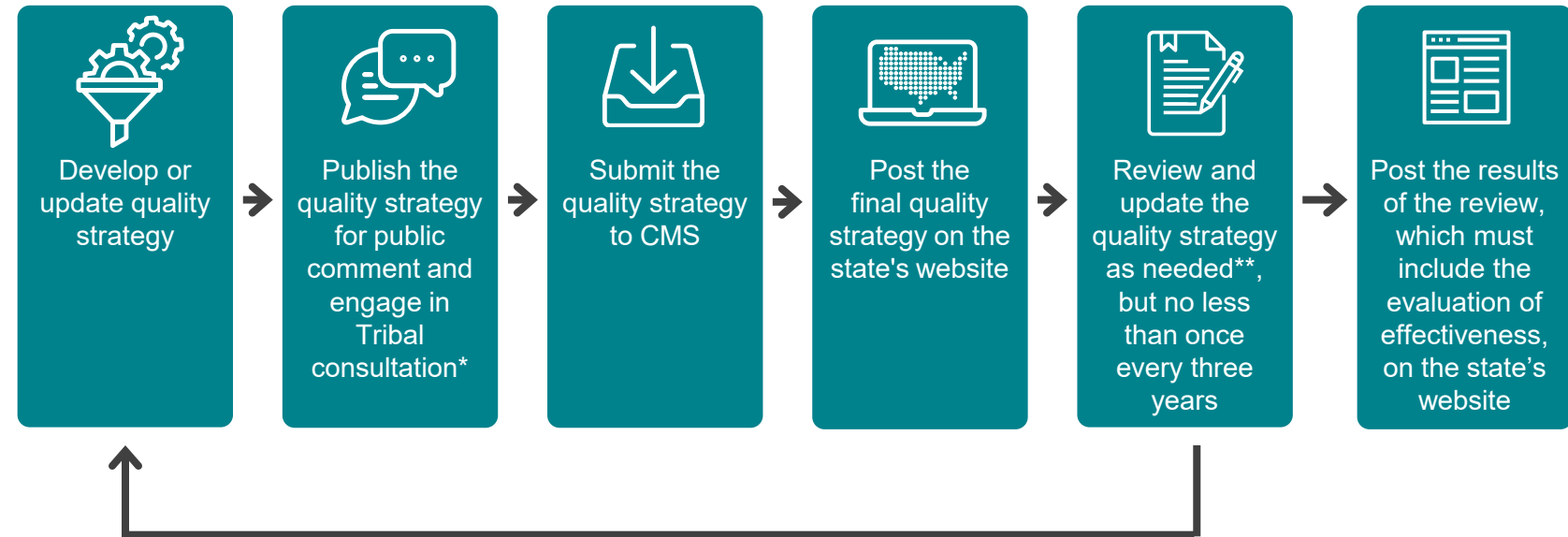
It details the state's QI priorities and activities. These priorities and activities are realized in MCP QAPI programs and assessed during the annual EQR. Finally, recommendations and learnings from EQR inform updates to the state's QS and MCP QAPI programs.



# State Quality Strategies

- States must update their QS...
  - Whenever significant changes occur,
  - At least once every three years, and
  - Must consider EQR recommendations.
- States are encouraged to update their QS when launching new QI efforts.

## Process for creating and revising QS



\*For Medicaid managed care, the state must also seek input from its Medical Care Advisory Committee

\*\* Quality strategies must be updated whenever there is a significant change to a state's managed care program and no less than once every three years.

To learn more, see 42 C.F.R. 438.340 and 42 C.F.R. 457.1240(e).

**Learn More!**

# Four Required QS QI Elements



## Goals and objectives

The QS must include goals and objectives for continuous QI that consider all populations and services in the state's managed care program(s).



The QS must identify the PIPs that the state requires MCPs to implement as part of their QAPI program.



## Quality metrics

The QS must include the quality metrics the state will use to monitor MCP performance and QI. These include, but are not limited to, the state's QAPI measures.



## Network adequacy standards

The QS must include the state's network adequacy and availability of services standards.

For a comprehensive list of required QS elements, review the Quality Strategy Toolkit at:  
<https://www.medicaid.gov/medicaid/downloads/managed-care-quality-strategy-toolkit.pdf>

Learn More!



# Identifying Goals and Objectives



Goals are high-level managed care performance aims.

Objectives are measurable steps towards meeting the state's goals and typically include quality measures.

When identifying **goals** and **objectives**, states must:

- Take into consideration the health status and populations covered by the MCPs in each managed care program (42 C.F.R. 438.340(b)(2)).
  - For example, if the state's managed care program includes long-term services and supports, the QS should have goals and objectives for this population.

States also are encouraged to:

- Work directly with beneficiaries, providers, and MCPs to identify goal and objective topics.
- Review quality metric performance trends and identify improvement opportunities.

# Identifying QS Quality Metrics

- QS must include quality metrics included in the state's QAPI program (42 C.F.R. 438.330(c)(1)). The quality metrics should reflect services provided by every MCP. States also can include other non-QAPI performance measures.
- States are encouraged to align the QS quality metrics with other CMS quality reporting programs, such as the Medicaid and CHIP Core Sets and the CMS Universal Foundation.
- States should consider including performance targets for each quality metric in their QS. Performance targets can be:
  - **Specific** – e.g., 70%,
  - **Relative** – e.g., a 2% decrease from the 2021 baseline,
  - **Based on benchmarks** – e.g., above NCQA HEDIS® Quality Compass® national Medicaid 75th percentile.



# Identifying QS PIPs



- States must describe PIP requirements in their QS, including any interventions the state requires MCPs to implement.
- PIPs must be measurable and designed to achieve significant improvement, sustained over time, in health outcomes and enrollee satisfaction (42 C.F.R. 438.330(d)(2)).
- When identifying PIPs in their QS, states should consider:
  - Aligning PIP topics with the QS goals and objectives.
  - Reviewing their state’s ongoing QI work for QI interventions or projects that show promise and could be spread through a PIP.

# Including Network Adequacy (NA) Standards



## Learn More!

For more information, review the slides from the Updated Protocols for the External Quality Review (EQR) of Medicaid and CHIP Managed Care, including Validation of Network Adequacy webinar at:

<https://www.medicaid.gov/sites/default/files/2023-04/updated-eqr-protocols-webinar-2023.pdf>

- States must include state-defined NA and availability of services standards in their QS (42 C.F.R. 438.68 and 438.206 and 42 C.F.R. 457.1218 and 457.1230(a)).
- The NA standards must include:
  - Quantitative standards for specific provider types (e.g., adult and pediatric behavioral health) if covered under the managed care contract.
  - Quantitative standards for Long Term Services and Supports (LTSS) providers if MCO, PIHP, or PAHP contracts cover LTSS.
  - All geographic areas covered by the managed care program or in MCP contracts. Standards for the same provider type can vary by geographic area.
- States' NA standards should also take into consideration several elements, such as the use of telemedicine and the diverse needs of the state's Medicaid and CHIP populations.

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# Using the QS to Support QI

# QI Projects

- A **QI project** is a set of focused activities to improve quality, timeliness, or access to healthcare services for Medicaid and CHIP beneficiaries.
- Medicaid and CHIP programs may have QI projects specific to their managed care program, fee-for-service program, or projects targeting both managed care and fee-for-service populations.

Additional resources about QI include:

- Institute for Healthcare Improvement—How to Improve: Model for Improvement  
<https://www.ihl.org/resources/how-to-improve>
- Medicaid.gov Medicaid and CHIP—Quality Improvement Initiatives  
<https://www.medicaid.gov/medicaid/quality-of-care/quality-improvement-initiatives/index.html>

Learn More!

# QS Can Inform QI Projects

A QS directs and reflects the state’s managed care QI projects. A state’s QS can inform key parts of a QI project, such as the aim statement, change ideas, and measurement strategy.



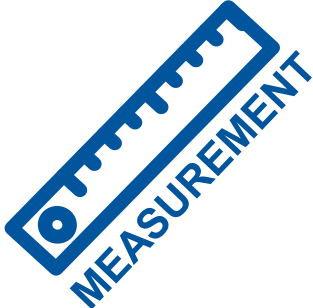
## Aim statement

Details what the QI project will achieve.



## Change ideas

The evidence and experience-based interventions that the QI project will test.



## Measurement strategies

Used to monitor a QI project’s progress and assess whether it is moving toward its aim.

# How to Use QS Goals and Objectives to Inform a QI Project

States can focus their QI projects on the topics included in the QS goals and objectives. These are a state's high-priority QI topics.



Objective (col.1)	Objective description (col.2)	Quality measure (col.3)	Statewide performance baseline (year) (col.4)	Statewide performance target for objective (year) (col.5)
<b>Goal 1: Improve the health and wellness of the Medicaid populations through preventative services</b>				
1.1	Increase flu vaccinations for adults	Flu Vaccination for Adults Ages 18 to 64 (FVA-AD)	82.43% (2022)	87.0% (2025)
1.2	Increase early detection for breast cancer in adults	Breast Cancer Screening (BCS-AD)	54.3% (2022)	58.0% (2025)

States can use the performance targets to inform their QI project's aim statements.



If a QI project aligns with one of a state's QS objectives, consider using the objective's associated measures as part of the QI project's measurement strategy.



# How to Use QS Quality Metrics to Inform a QI Project

Metric name (col.1)	Metric specifications (col.2)	Baseline performance (year) (col.3)	Performance target (year) (col.4)	Program	
				Medicaid (col.5)	CHIP (col.6)
Asthma Medication Ratio (AMR)					
Ages 5-11	HEDIS	40.62% (2022)	45.0% (2026)	✓	✓
Ages 12-18	HEDIS	43.31% (2022)	48.0% (2026)	✓	✓
Ages 19-50	HEDIS	40.62% (2022)	45.0% (2026)	✓	
Ages 51-54	HEDIS	42.34% (2022)	47.0% (2026)	✓	
Overall	HEDIS	42.42% (2022)	47.0% (2026)	✓	



States can include QS quality metrics in their QI project measurement strategy.

# How Do QI Projects differ from QS PIPs?

PIPs can be QI projects, but not all QI projects are PIPs. PIPs and QI projects often use the same QI techniques, such as Plan Do Study Act (PDSA) tests.

States can use PIPs to sustain and spread successful QI project interventions.

Differences between PIPs and QI Projects

	PIPs	QI projects
Regulatory requirements	<p>Required under Medicaid and CHIP regulations</p> <p>Must be designed, conducted, and reported in a methodologically sound manner that meets all state and federal requirements</p> <p>Must be validated by the state's External Quality Review Organization (EQRO) during EQR in accordance with the EQR Protocols:  <a href="https://www.medicare.gov/medicaid/quality-of-care/downloads/2023-eqr-protocols.pdf">https://www.medicare.gov/medicaid/quality-of-care/downloads/2023-eqr-protocols.pdf</a></p> <p>Must be included in the state's QAPI program and reflected in the MCP contract</p>	None
Entity conducting work	MCPs	Any of the state's QI partners, including but not limited to MCPs
Delivery system	Managed care only	Managed care and/or fee-for-service

# How to Use QS PIPs for a QI Project

Example PIP topic (col.1)	Example PIP aim (col.2)	Example PIP intervention (col.3)
Well-child visits	Improve use of well-child visits for children ages 3 to 6. The PIP aims to increase the use of well-child visits in the third, fourth, fifth, and sixth year of life from 69% to 75% by December 31, 2026.	The state will (1) offer a transportation benefit to help facilitate well-child visits; (2) and require its MCPs to provide data to providers on members' gaps in care.
Preventive dental visits	Improve use of preventive dental visits. The PIP aims to increase preventive dental visits among beneficiaries ages 1 through 20 from 52% to 57% by December 31, 2026.	The state will require its MCPs to contact beneficiaries to identify barriers to preventive dental visits and encourage them to schedule preventive dental visits.

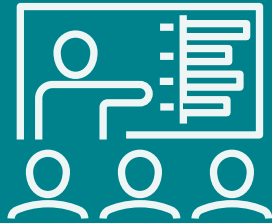
States can use QS PIP intervention information as a starting point to identify potential change ideas for a QI project.

When QS PIP topics align with a QI project focus area, states can review QAPI programs and the most recent EQR technical reports to learn more about the PIP's implementation status and progress to date. If the PIP shows promise, states can consider opportunities to spread improvement to other populations and programs.

States also can contact MCPs working on these PIPs to see if they need TA.

# Incorporating QS Into Daily Work

A QS will be most effective and impactful if states integrate it into their day-to-day work and their meetings with MCPs.



**Have regular conversations with Medicaid and CHIP leadership** to inform them about progress on the QS goals and objectives.



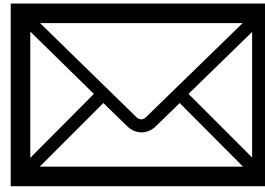
**Work with internal quality measurement and data analytics teams and MCP staff** to monitor monthly or yearly progress on the quality metrics in the QS.



**Include QS goals, objectives, and ongoing QI work as regular topics in meetings with MCPs** to ensure that these goals and objectives are a priority for MCP leadership and MCP quality activities.

# Thank You

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Please contact the CMS managed care quality TA mailbox with any questions related to Medicaid and CHIP managed care quality at [ManagedCareQualityTA@cms.hhs.gov](mailto:ManagedCareQualityTA@cms.hhs.gov)

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# Appendix A. Applicability of Managed Care Oversight Activities

# What Managed Care Oversight Activities Apply to Which Plan Types?

MCQ Requirement	MCO, PIHP, PAHP	NEMT PAHP	PCCM	PCCM entity	PCCM entity with financial incentives
Developing a quality strategy	☑	-	-	-	☑
Requiring plans to develop Quality Assessment and Performance Improvement (QAPI) programs	☑	-	-	-	☑
Implementing an external quality review	☑	-	-	-	☑

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# Appendix B. Selected Acronyms and Definitions



# Key MCQ Terms

Definition	Description
External Quality Review (EQR)	The analysis and evaluation by an EQRO of aggregated information on quality, timeliness, and access to the health care services provided by MCP
External Quality Review Organization (EQRO)	An independent organization that conducts the EQR and reports findings in an annual report
Managed care plan (MCP)	Entities that provide health care coverage to Medicaid, CHIP, or dual eligible beneficiaries through a delivery system organized to manage cost, utilization, and quality
Performance Improvement Project (PIP)	A project completed by MCPs that implements an intervention designed to achieve and sustain significant improvement in health outcomes over time
Performance Measure (PM)	Measure the degree to which a health care service is rendered, and evidence-based guidelines were followed by providers or MCPs
Quality assessment and performance improvement (QAPI)	An ongoing comprehensive quality program that states must require through their contracts with each MCP
Quality strategy (QS)	A three-year plan for assessing and improving the quality of care provided by MCPs that states must draft and implement

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# Appendix C. TA Resources

# TA Resources

- CMS Medicaid and CHIP Managed Care Quality Improvement webpage: <https://www.medicaid.gov/medicaid/quality-of-care/medicaid-managed-care-quality/managed-care-quality-improvement/index.html>
- CMS Medicaid and CHIP Managed Care Quality webpage: <https://www.medicaid.gov/medicaid/quality-of-care/medicaid-managed-care/index.html>
- CMS Quality Strategy webpage: <https://www.medicaid.gov/medicaid/quality-of-care/medicaid-managed-care-quality/state-quality-strategies/index.html>
- Medicaid and CHIP Managed Care Quality Strategy Toolkit: <https://www.medicaid.gov/medicaid/downloads/managed-care-quality-strategy-toolkit.pdf>
- CMS EQR protocols: <https://www.medicaid.gov/medicaid/quality-of-care/medicaid-managed-care/external-quality-review/index.html>

**Stay tuned for additional TA products on Medicaid and CHIP managed care quality improvement!**

