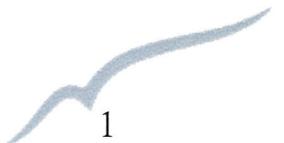




A PARTNERSHIP FOR THE FUTURE OF HEALTH CARE

# Quality Audits of Managed Care Organizations for NM Medicaid Recipients

Margaret A. White, RN, BSN, MSHA  
Director of EQR  
*HealthInsight* New Mexico



A PARTNERSHIP FOR THE FUTURE OF HEALTH CARE

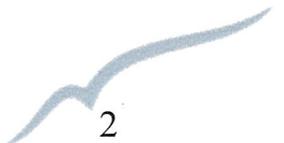


# Quality Audits of Managed Care Organizations for Medicaid Recipients

Margaret A. White, RN, BSN, MSHA  
Director of EOR  
HealthPartners New Mexico

# Agenda

- Introductions
- Focus of Our Audit
- High-Level Overview of EQRO
  - Federal
  - State
- HSD Contract
- Required Audit Activities
- EQRO Regulation Flow
- BH Compliance Audit for SFY 2013
  - Focus of the Quality Audit
  - Findings
  - Future Audits

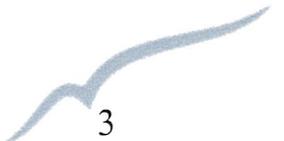


# Agenda

- Introduction
- Focus of Our Audit
- High Level Overview of EORC
  - Federal
  - State
- HSD Contract
- Required Audit Activities
- EORO Regulation Flow
- BH Compliance Audit for 21Y 2013
  - Focus of the Quality Audit
  - Findings
  - Future Awaits

# Introductions

- *HealthInsight* New Mexico
- Boyd Kleefisch, Executive Director
- Margaret A. White, Director, EQRO
- Greg Lujan, BH Project Manager, EQRO
  
- *HealthInsight* New Mexico is the Quality Improvement Organization (QIO) for New Mexico
- *HealthInsight* New Mexico has been the EQRO for New Mexico since 2005

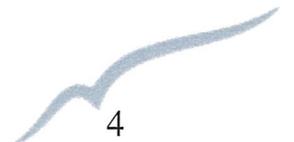


# Introductions

- HealthInsight New Mexico
- Boyd Kleffsch, Executive Director
- Margaret A. White, Director, EORO
- Greg Lujan, BH Project Manager, EORO
- HealthInsight New Mexico is the Quality Improvement Organization (QIO) for New Mexico
- HealthInsight New Mexico has been the EORO for New Mexico since 2005

# Focus of an EQRO Audit

- Audits that are performed by *HealthInsight* New Mexico focus on a Managed Care Organization's compliance with applicable state and federal Medicaid laws
  - We do not audit providers
  - We do not evaluate other auditors
  - We do not validate or audit provider claims

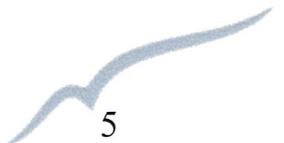


# Focus of an EDRO Audit

- Audits that are performed by Health Insight New Mexico focus on a Managed Care Organization's compliance with applicable state and federal Medicaid laws
- We do not audit providers
- We do not evaluate other auditors
- We do not validate or audit provider claims

# What is an EQRO?

- An independent and external quality review for the New Mexico Managed Care Program
  - State Managed Care Medicaid population only
  - **External Quality Review** means the analysis and evaluation by an EQRO of **quality, timeliness, and access** to the health care services that an MCO furnishes to Medicaid recipients
  - **Validation** means the review of information, data, and procedures to determine the extent to which they are accurate, reliable, free from bias, and in accord with standards for data collection and analysis



# What is an EORO?

An independent and external quality review for the New

Mexico Managed Care Program

– State Managed Care Medicaid population only

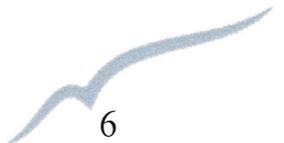
– External Quality Review means the analysis and evaluation by an EORO of quality, timeliness, and access to the health care services that an MCO

furnishes to Medicaid recipients

– Validation means the review of information, data, and procedures to determine the extent to which they are accurate, reliable, free from bias, and in accord with standards for data collection and analysis

# Purpose of EQRO

- **Why** (is there an audit): Federal and state Medicaid regulations and requirements direct the audits
- **Who** (is audited): The State contracted managed care organizations serving the Medicaid managed care population
  - Blue Cross, Lovelace, Molina, Presbyterian, Amerigroup, United Healthcare, Optum
- **Who** (performs the audit): *HealthInsight* New Mexico

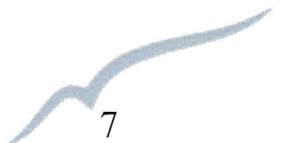


# Purpose of ECRQ

- Why (the state or audit): Federal and state Medicaid regulations and requirements direct the audits
- Who (is audited): The state contracted managed care organizations serving the Medicaid managed care population
  - Blue Cross, Covia, Molina, Presbyterian, Amerigroup, United Healthcare, Optum
- Who (performs the audit): Health Insight New Mexico

# Federal Level

- Centers for Medicare and Medicaid Services (CMS) is responsible for managing Title XIX of the Social Security Act (Medicaid)
- The Act outlines federal requirements for Medicaid program that all states must follow
- Federal Regulations
  - 42 CFR 438, subparts D and E
- NMAC regulations direct audit (2 examples)
  - 8.305.8.12 Quality Management
  - 8.305.2 Member Education

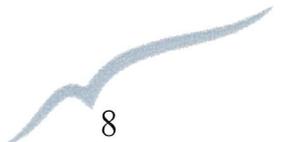


# Federal Level

- Centers for Medicare and Medicaid Services (CMS) is responsible for managing Title XIX of the Social Security Act (Medicaid)
- The Act outlines federal requirements for Medicaid program that all states must follow
- Federal Regulations
  - 42 CFR 438, subparts D and F
- NMAC regulations direct audit (3 examples)
  - 8.305.8.12 Quality Management
  - 8.305.3 Member Education

# HSD Contract

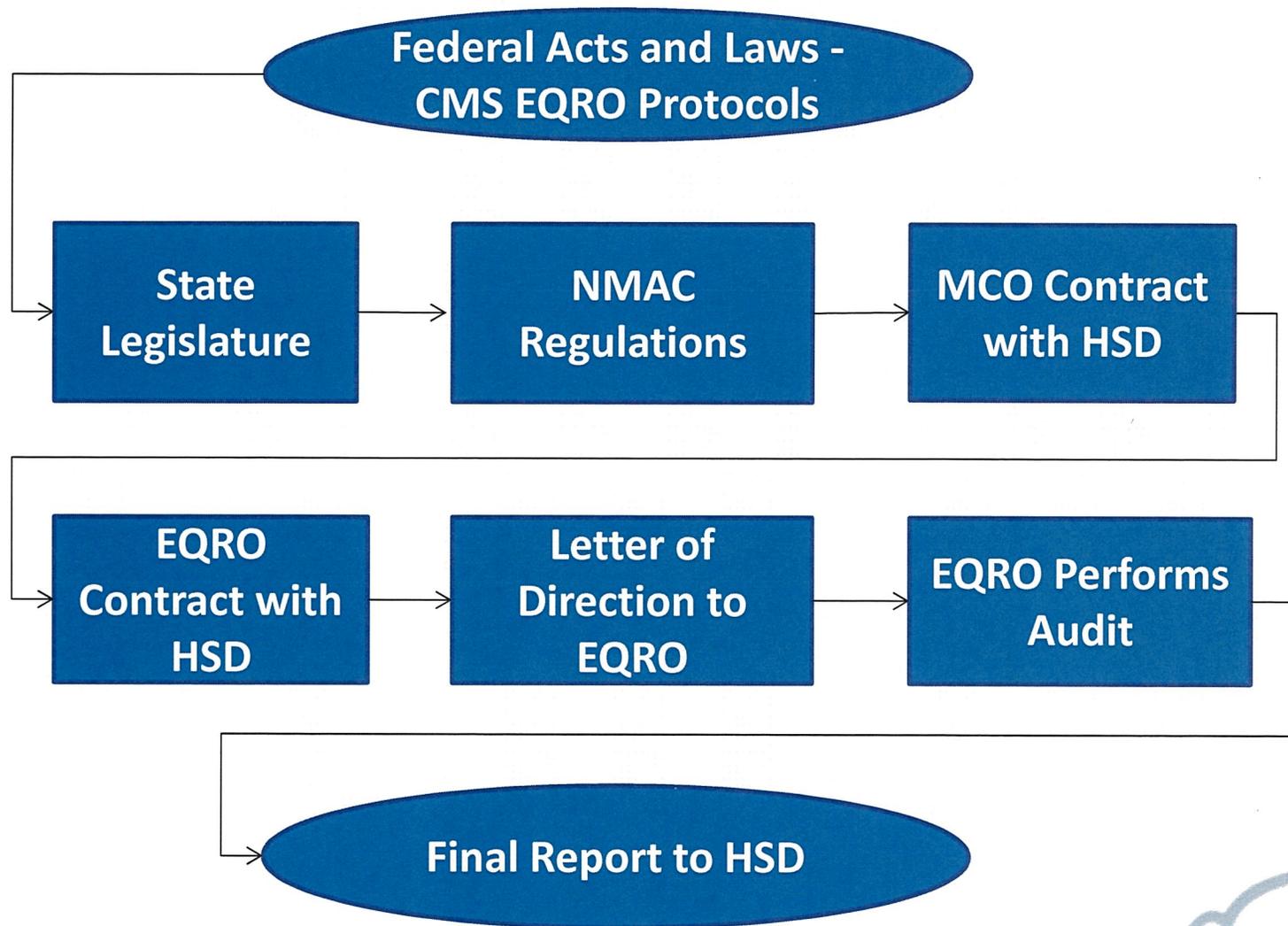
- HSD is required to select an EQRO as part of federal requirements to audit New Mexico managed care
- Selected by RFP for three-year contract with one-year renewal potential
- Letters of Direction
  - Issued for each audit prior to audit activities commencing



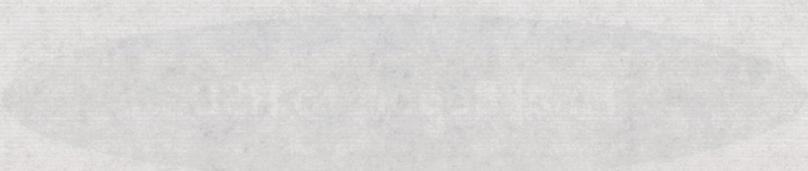
# HSD Contract

- HSD is required to select and manage care of federal requirements to audit New Mexico managed care
- Selected by RFP for three-year contract with one-year renewal potential
- Letters of Direction
- Issued for each audit prior to audit activities
- Contracting

# Regulation Flow



# Regulation Flow



# Required Audit Activities

- **Compliance with Managed Care Regulations:**
  - Audit the extent to which Medicaid MCOs are in compliance with federal quality standards as mandated by Balanced Budget Act and state regulations
    - Desk review of MCO policies, procedures and processes
    - Onsite case file review at the MCO offices
    - Final Report submitted to HSD
- **Performance Measures and Performance Improvement Projects**
  - Validation of Performance Measures
    - Assess the accuracy of performance measures (patient outcomes) reported by the Medicaid MCO
    - Determine the extent to which performance measures follow state specifications and reporting requirements

# Required Audit Activities

## Compliance with Managed Care Regulations

Audit the extent to which Medical MCOs are in compliance with federal quality standards as mandated by Balanced Budget Act

and state regulations

- Back review of MCO policies, procedures and processes
- Onsite case file review at the MCO offices

Final Report submitted to HSA

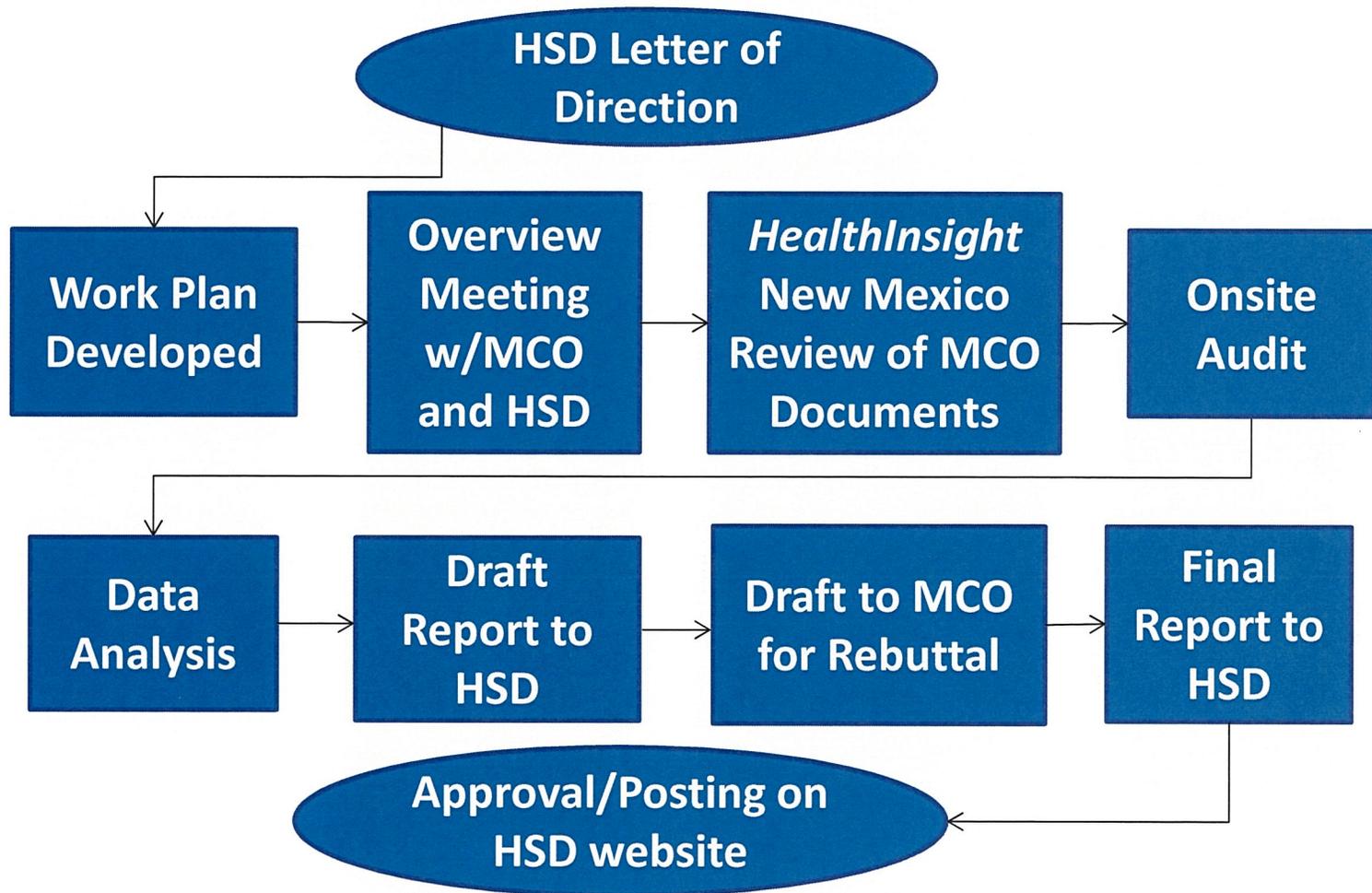
## Performance Measures and Performance Improvement

### Projects

Validation of Performance Measures

- Assess the accuracy of performance measures (patient outcomes) reported by the Medical MCO
- Determine the extent to which performance measures follow state specifications and reporting requirements

# EQR Audit Work Flow



# EGR Audit Work Flow

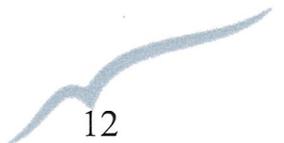




A PARTNERSHIP FOR THE FUTURE OF HEALTH CARE

# **BH External Quality Review Compliance Audit for OptumHealth**

Greg Lujan, LISW  
Behavioral Health Project Manager  
*HealthInsight* New Mexico



Healthcare  
New Mexico  
A PARTNER FOR THE FUTURE OF HEALTH CARE

# 5th External Quality Review Compliance Audit for OptumHealth

Greg Lujan, LSW  
Behavioral Health Project Manager  
HealthInsight New Mexico

# Introductions

- Greg Lujan, LISW, BH Project Manager, EQRO Department
  - Background, Credentials
  - Over 20 Years of Experience in Behavioral Health
    - Six years as a BH Therapist
    - Three years in Managed Care Organization
      - Two years in Quality as an auditor
      - One year as Care Coordinator
    - Four years in External Quality Review
  - Role in Optum Audit
    - Designed Audit to HSD and CMS specifications
    - Coordinated Audit Activities
    - Oversight and Monitoring of Auditors
    - Drafted Report



# introductions

• Greg Lujan, MSW, BA Project Manager, FCRD Department

– Background, Credentials

– Over 30 Years of experience in Behavioral Health

• Six years as a DM Therapist

• Three years in Managed Care Organization

– Two years in Outpatient and Inpatient

– One year as Care Coordinator

• Four years in External Quality Review

• Role in Optum Addict

• Designed and led to HSD and CMS specifications

• Coordinated Audit Activities

• Oversight and Monitoring of Auditors

• Drafted Report

# Compliance Audit

- Regulatory/contractual compliance
  - MCO policies, procedures and processes desk review; onsite case file review at MCO offices
  - Looks at:
    - The extent to which the MCO is compliant with the NMAC portions of its contract, the CFR and the PPACA as directed by HSD
    - First, in structure and process and then, in application
    - NMAC Title 8, Chapter 305, Parts 2, 6, 8, 9, 11, 12, 13, 14, and 15
    - Part 8 “Quality Management and Quality Improvement” is divided into several sections which are scored as individual subjects
    - Utilization Management, Credentialing and Recredentialing, Member Bill of Rights, Standards for Medical Records, Standards for Access, and Delegation

# Compliance Audit

- Regulatory/contractual compliance
  - MCO policies, procedures and processes desk review onsite
  - case file review at MCO offices
  - looks at:
    - \* The extent to which the MCO's compliant with the NMAC portions of its contract, the CTR and the PPACA as directed by HED
    - \* Internal structure and process and their in application
    - \* NMAC Title 8, Chapter 56, Parts 5, 8, 9, 11, 12, 13, 14, and 15
    - \* Part 5, "Quality Management and Quality Improvement", is divided into several sections which are structured individual subjects:
      - \* Utilization Management, Credentialing and Recredentialing, Member Bill of Rights, Standards for Medical Records, Standards for Access and Delegation

# Focus of the Audit

- This audit focuses on Optum's compliance with applicable laws
  - We don't audit providers
  - We don't evaluate other auditors
  - We don't validate claims

# Focus of the Audit

- This audit focuses on Geacum's compliance with applicable laws
  - We don't audit providers
  - We don't evaluate other auditors
  - We don't validate claims

# Earned Designation

- Rating from audit findings
  - Expressed as levels of compliance
  - Subjects are scored individually and summed for an overall compliance score
  - Full compliance, above 90%
  - Any score below 80% (moderate compliance) triggers recommendation for corrective action
    - HSD mandates Corrective Action Plan if deemed appropriate

# Earned Designation

- Rating from audit findings
  - Expressed as levels of compliance
  - Subjects are scored individually and summed for an overall compliance score
  - Full compliance, above 90%
  - Any score below 80% (moderate compliance) triggers recommendation for corrective action
  - HSD mandates Corrective Action Plan if deemed appropriate

# Audit Multi-year Plan

- The audits are progressive
  - To be initially focused on structure, then increase focus on application
  - For the sake of year-to-year comparison, the audits have been kept the same
- Direction is toward Full Compliance and to maintain that designation
  - Optum Year one: 87% Moderate Compliance, with three areas needing corrective action
  - Optum Year two: 97% Full Compliance, Corrective Action Plan lifted
  - Optum Year three: 99% Full Compliance



# Audit Multi-Year Plan

- The audits are progressive
  - To be initially focused on structure, then increase focus on application
  - For the sake of year-to-year comparison, the audits have been kept the same
- Direction is toward Full Compliance and to maintain that designation
  - Optum Year one: 87% Moderate Compliance, with three areas needing corrective action
  - Optum Year two: 97% Full Compliance, corrective Action Plan filed
  - Optum Year three: 99% Full Compliance

# Findings

- Optum found to be in Full Compliance with all aspects of the quality audit for state FY 2013
  - This is a result of the effort Optum has put in over the last 3 years to reach this point



# Findings

• Optum found to be in Full Compliance with all aspects of the quality audit for state FY

2013

-- This is a result of the effort Optum has put in over the last 3 years to reach this point

# Future Audits

- Per HSD direction, this year's audit will have increased focus on actual application of regulations
  - 20% increase in weight on file reviews (records reviewed onsite at the MCO offices)
  - Looking closer at regulation requirements to application level
- This will be the final year of auditing Optum prior to Centennial Care



# Future Audits

• Per HSD direction this year's audit will have increased focus on actual application of regulations

– 20% increase in weight on file reviews (records reviewed onsite at the MCO offices)

– Looking closer at regulation requirements to application level

• This will be the final year of auditing Oetum prior to Central Care

# Resources

- HSD/MAD EQRO Reports Online:  
<http://www.hsd.state.nm.us/mad/EqroReports.html>
- *HealthInsight* New Mexico, About Us: <http://healthinsight.org/nm-about-us>
- EQRO and MCO Contracts with HSD:  
<http://www.hsd.state.nm.us/mad/Contracts.html>
  - Please note – *HealthInsight* New Mexico’s previous name was New Mexico Medical Review Association (NMMRA)
- EQR at Medicaid.gov: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Quality-of-Care-External-Quality-Review.html>
- NCQA, HEDIS and Quality Measurement:  
<http://www.ncqa.org/tabid/59/Default.aspx>
- NMAC Managed Care Regulations:  
<http://www.hsd.state.nm.us/mad/RManagedCarePolicies.html>

# Resources

- [HSD/MAO ECHO Regions Online](#)
- [New Mexico Health Care Financing Agency](#)
- [HealthRight New Mexico About Us: \[http://healthright.org/nm\]\(#\)](#)
- [Shopping](#)
- [ECHO and MCO Contracts with HSD](#)
- [http://www.hsd.state.nm.us/nm/contracts.html](#)
- [Please note – the original New Mexico's previous name was New Mexico Medical Review Association \(NIMRA\)](#)
- [CHIP at Medical.gov: \[http://www.medical.gov/linked-CHIP\]\(#\)](#)
- [External Information on BY Topics: \[Quality of Care/Quality of Care External Quality Review Tool\]\(#\)](#)
- [MCO, HMOs and Quality Measurement: \[http://www.pca.org/2010/01/01/mco-hmo-and-quality-measurement\]\(#\)](#)
- [NMAC Managed Care Regulations: \[http://www.hsd.state.nm.us/nm/managed-care/policies.html\]\(#\)](#)

# For More Information

➤ **Margaret A White, Director of EQR**

*HealthInsight* New Mexico

(505) 938-9125

[mwhite@healthinsight.org](mailto:mwhite@healthinsight.org)

➤ **Greg Lujan, Behavioral Health Project Manager for EQR**

*HealthInsight* New Mexico

(505) 938-9123

[glujan@healthinsight.org](mailto:glujan@healthinsight.org)

## For More Information

> Margaret A. White, Director of EOR

HealthInsight New Mexico

(505) 938-9123

[mwhite@healthinsight.org](mailto:mwhite@healthinsight.org)

> Greg Eujan, Behavioral Health Project Manager for EOR

HealthInsight New Mexico

(505) 938-9123

[eujan@healthinsight.org](mailto:eujan@healthinsight.org)

# Abbreviations

- BBA – Balanced Budget Act of 2007
- BH – Behavioral Health
- CAP – Corrective Action Plan
- CFR – Code of the Federal Register
- CHIPRA – Children’s Health Insurance Program Reauthorization Act of 2009
- CMS – Centers for Medicare and Medicaid Services
- CoLTS – Coordination of Long Term Services
- EQRO – External Quality Review Organization
- HEDIS – Healthcare Effectiveness Data and Information Sets
- HSD – Human Services Department
- LOD – Letter of Direction
- MCO – Managed Care Organization
- NCQA – National Committee on Quality Assurance
- NMAC – New Mexico Administrative Code
- PH – Physical Health
- RFP – Request for Proposal
- SSA – Social Security Act

# Abbreviations

- BPA – Balanced Budget Act of 2003
- BR – Behavioral Results
- CAP – Collective Action Plan
- CCR – Code of the Federal Register
- CHSRA – Children's Health Insurance Program Reauthorization Act of 2003
- CMS – Centers for Medicare and Medicaid Services
- COLTS – Continuation of Long Term Services
- EORO – External Quality Review Organization
- HEDIS – Healthcare Effectiveness Data and Information Set
- HHS – Human Services Department
- ICD – International Classification of Diseases
- ICD – Integrated Care Organization
- NCA – National Committee on Quality Assurance
- NMA – New Mexico Administrative Code
- PH – Physical Health
- RFP – Request for Proposal
- SSA – Social Security Act