Policy:	GG.1661
Title:	**External Quality Review (EQR) Requirements**
Department:	Medical Management
Section:	Quality Analytics
CEO Approval:	*/s/ Michael Hunn 08/22/2024*
Effective Date:	08/03/2023
Revised Date:	07/01/2024
Applicable to:	☒ Medi-Cal ☐ OneCare ☐ PACE ☐ Administrative

I. PURPOSE

This policy defines the guidelines for CalOptima Health's External Quality Review (EQR) requirements, as designated by the Department of Health Care Services (DHCS), in accordance with Title 42, Code of Federal Regulations (CFR), Section 438.310, et seq., DHCS All Plan Letter (APL) 24-004: Quality Improvement and Health Equity Transformation Requirements, and the Centers for Medicare and Medicaid Services (CMS) External Quality Review (EQR) protocols.

II. POLICY

A. CalOptima Health shall participate in EQR activities at least annually or more frequently as directed by DHCS and the External Quality Review Organization (EQRO).

B. EQR requirements include:

1. Quality and Health Equity Performance Measures;
2. Performance Improvement Projects (PIP);
3. Consumer Satisfaction Survey;
4. Network Adequacy Validation;
5. Encounter Data Validation;
6. Focused Studies; and
7. Technical Assistance.

III. PROCEDURE

A. Medi-Cal Managed Care Accountability Set (MCAS) Quality Performance Measures

1. On an annual basis, CalOptima Health shall track and report on a set of quality performance measures and Health Equity measures identified by DHCS, in accordance with all of the following requirements:

    a. CalOptima Health shall work with the EQRO to conduct an onsite assessment of the Quality Measure Compliance Audit and DHCS-required quality performance measures;

    b. CalOptima Health shall calculate, and report all required Quality Performance Measures and Health Equity measures at the reporting unit level directed by DHCS. CalOptima Health shall separately report to DHCS all required performance measure results at the reporting unit level for its Fully Delegated Subcontractors and Downstream Fully Delegated Subcontractors;

        i. CalOptima Health shall calculate performance measure rates, to be verified by the EQRO;

        ii. CalOptima Health shall report audited results on the required performance measures to DHCS no later than June 15 of each year, or on another date as established by DHCS; and

        iii. As part of the annual performance measure validation audit process performed by DHCS' EQRO, CalOptima Health will submit patient-level data as specified by the EQRO.

2. CalOptima Health shall make every effort to exceed the DHCS-established Minimum Performance Level (MPL) for each required Quality Performance Measure and Health Equity measure selected by DHCS.

3. If CalOptima Health fails to meet required MPLs, as detailed in DHCS APL 23-012: Enforcement Actions: Administrative and Monetary Sanctions, CalOptima Health will comply with any corrective actions that may be imposed by DHCS including financial sanctions, Corrective Action Plans, required changes to executive personnel, limits to service expansion area, or suspension to Member enrollment.

4. CalOptima Health shall ensure that its Fully Delegated Subcontractors and Downstream Fully Delegated Subcontractors whose rates are separately reported to DHCS, also exceed the DHCS-established MPL for each required Quality Performance Measure and Health Equity measure selected by DHCS;

    a. CalOptima Health shall communicate to its Fully Delegated Subcontractors and Downstream Fully Delegated Subcontractors the DHCS-required Quality Performance and Health Equity measures, the DHCS-established MPL for each required Quality Performance Measure and Health Equity measure selected by DHCS; and their performance measure results.

    b. If CalOptima Health's Fully Delegated Subcontractors and Downstream Fully Delegated Subcontractors fail to exceed the DHCS-established MPL, CalOptima Health has policies

and procedures in place to subject its Fully Delegated Subcontractors and Downstream Fully Delegated Subcontractors to appropriate corrective actions, which may include, but are not limited to, financial sanctions, corrective action plans, and a requirement to change its executive personnel, in accordance with CalOptima Health Policies HH.2002: Sanctions, and HH.2005: Corrective Action Plan.

c. CalOptima Health will be accountable for all quality improvement and equity functions that are fully delegated to subcontractors and downstream subcontractors through continuous oversight, monitoring, evaluation of Fully Delegated Subcontractors and Downstream Fully Delegated Subcontractors quality and equity activities, conduct and report CAHPS survey results annually, monitor compliance, annually report MCAS measurement rates as outlined in the contractual requirements.

5. CalOptima Health shall make every effort to meet Health Disparity reduction targets for specific populations and measures as identified by DHCS;

6. CalOptima Health shall conduct or coordinate an improvement project for measures that do not meet the MPL as outlined in CalOptima Health Policy GG.1634: Quality Improvement and Health Equity Activities; and

7. CalOptima Health shall collect and report Quality Performance Measures, in accordance with CalOptima Health Policy GG.1205: HEDIS® Data Collection and Reporting.

B. Performance Improvement Projects (PIPs)

1. CalOptima Health shall conduct or participate in PIPs, including any PIP required by CMS, in accordance with 42 CFR section 438.330. CalOptima Health shall conduct or participate in, at a minimum, two (2) PIPs per year, as directed by DHCS and any additional PIPs or DHCS required statewide collaborative PIP workgroups.

2. CalOptima Health shall require and ensure that its Fully Delegated Subcontractors and Downstream Fully Delegated Subcontractors also conduct and participate in PIPs and any collaborative PIP workgroups as directed by CMS or DHCS.

3. CalOptima Health shall comply with the PIP requirements outlined in DHCS APL 24-004: Quality Improvement and Health Equity Transformation Requirements and as specified in CalOptima Health Policy GG.1634: Quality Improvement and Health Equity Activities.

4. Each PIP shall include:

a. Measurement of performance using objective quality indicators;

b. Implementation of equity-focused interventions to achieve improvement in the access to and quality of care;

c. Evaluation of the effectiveness of the interventions based on the performance measures; and

d. Planning and initiation of activities for increasing or sustaining improvement.

5. CalOptima Health shall report the status of each PIP at least annually to DHCS.

C. Consumer Satisfaction Survey

1. On an annual basis CalOptima Health shall timely provide all data requested by the EQRO in a format designated by the EQRO in conducting a consumer satisfaction survey.

2. As an accredited health plan by the National Committee for Quality Assurance (NCQA), CalOptima Health shall publicly post the annual results of its, and its Fully Delegated Subcontractors and Downstream Fully Delegated Subcontractors, Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey on the CalOptima Health website, including results of any supplemental questions as directed by DHCS.

3. CalOptima Health shall incorporate results from the CAHPS survey in the design of quality improvement and Health Equity activities.

4. CalOptima Health shall conduct the CAHPS survey and take quality improvement action, in accordance with CalOptima Health Policy GG.1637: Assessing Member Experience.

D. Network Adequacy Validation

1. CalOptima Health shall participate in the EQRO's validation of CalOptima Health's Network adequacy representations from the preceding twelve (12) months to comply with requirements set forth in 42 CFR sections 438.14(b), 438.68, and 438.358.

E. Encounter Data Validation

1. As directed by DHCS, CalOptima Health shall participate in EQRO's validation of Encounter Data from the preceding twelve (12) months to comply with requirements set forth in 42 CFR sections 438.242(d), and 438.818.

F. Focused Studies

1. As directed by DHCS, CalOptima Health shall participate in an external review of focused clinical and/or non-clinical topic(s) as part of DHCS' review of quality outcomes and timeliness of, and access to, services provided by CalOptima Health.

G. Technical Assistance

1. In accordance with 42 CFR section 438.358(d) and at the direction of DHCS, CalOptima Health shall implement EQRO's technical guidance in conducting mandatory and optional activities described in 42 CFR section 438.358.

2. In accordance with 42 CFR section 438.358 and at the direction of DHCS, CalOptima health will use DHCS' EQRO File Transfer Protocol (FTP) website when sending communications containing patient-level data.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

A. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
B. CalOptima Health Policy GG.1205: HEDIS® Data Collection and Reporting
C. CalOptima Health Policy GG.1634: Quality Improvement and Health Equity Activities
D. CalOptima Health Policy GG.1637: Assessing Member Experience
E. Department of Health Care Services (DHCS) All Plan Letter (APL) 23-012: Enforcement Actions: Administrative and Monetary Sanctions (Supersedes APL 22-015)
F. Department of Health Care Services (DHCS) All Plan Letter (APL) 24-004: Quality Improvement and Health Equity Transformation Requirements (Supersedes APL 19-017)
G. Title 42, Code of Federal Regulations (CFR), §§422.152, 438.310(c)(2), 438.330, 438.350, 438.358, and 438.364

VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency	Response
04/27/2023	Department Health Care Services (DHCS)	Approved as Submitted
08/19/2024	Department Health Care Services (DHCS)	Approved as Submitted

VII. BOARD ACTION(S)

Date	Meeting
08/03/2023	Regular Meeting of the CalOptima Health Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	08/03/2023	GG.1661	External Quality Review Organization Requirements	Medi-Cal
Revised	07/01/2024	GG.1661	External Quality Review (EQR) Requirements	Medi-Cal

IX. GLOSSARY

Term	Definition
Centers for Medicare & Medicaid Services (CMS)	The federal agency under the United States Department of Health and Human Services responsible for administering the Medicare and Medicaid programs
Consumer Assessment of Healthcare Providers and Systems (CAHPS)	A multiyear initiative of the Agency for Healthcare Research and Quality to support and promote the assessment of consumers' experiences with health care by developing standardized patient questionnaires that can be used to compare results across sponsors and over time and generate tools and resources that sponsors can us to produce understandable and usable comparative information for both consumers and health care providers.
Corrective Action Plan (CAP)	A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima Health, the Centers of Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), or designated representatives. FDRs and/or CalOptima Health departments may be required to complete CAPs to ensure compliance with statutory, regulatory, or contractual obligations and any other requirements identified by CalOptima Health and its regulators.
Department of Health Care Services (DHCS)	The single State Department responsible for administration of the Medi-Cal Program, California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), and other health related programs as provided by statute and/or regulation.
Downstream Fully Delegated Subcontractor	A Downstream Subcontractor that contractually assumes all duties and obligations of CalOptima Health under the Contract, through the Subcontractor, except for those contractual duties and obligations where delegation is legally or contractually prohibited. A managed care plan can operate as a Downstream Fully Delegated Subcontractor.
External Quality Review (EQR)	The analysis and review by the External Quality Review Organization (EQRO) of aggregated information on quality, timeliness, and access to the health care services that Contractor, its Subcontractor, its Downstream Subcontractor, or its Network Provider furnishes to Members.
External Quality Review Organization (EQRO)	An organization that meets the competence and independence requirements set forth in 42 CFR section 438.354 and performs EQR and other EQR–related activities as set forth in 42 CFR section 438.358 pursuant to its contract with DHCS.
Fully Delegated Subcontractor	A Subcontractor that contractually assumes all duties and obligations of CalOptima Health under the Contract, except for those contractual duties and obligations where delegation is legally or contractually prohibited. A managed care plan can operate as a Fully Delegated Subcontractor.
Health Disparity	Differences in health, including mental health, and outcomes closely linked with social, economic, and environmental disadvantage, which are often driven by the social conditions in which individuals live, learn, work, and play. Characteristics such as race, ethnicity, age, disability, sexual orientation or gender identity, socio-economic status, geographic location, and other factors historically linked to exclusion or discrimination are known to influence the health of individuals, families, and communities.
Health Equity	The reduction or elimination of Health Disparities, Health Inequities, or other disparities in health that adversely affect vulnerable populations.

Term	Definition
Medi-Cal Managed Care Accountability Set (MCAS)	A set of quality and equity performance measures selected by DHCS for the evaluation of health plan performance that CalOptima Health is required to submit to Department of Health Care Services (DHCS) annually.
Minimum Performance Level (MPL)	CalOptima Health's minimum performance requirements for select Quality Performance Measures.
Quality and Performance Improvement Project	A component of a comprehensive quality improvement program that addresses the quality of clinical care as well as the quality of health services delivery. A Quality and Performance Improvement Project is an initiative by the organization to measure its own performance in major focus areas of clinical and non-clinical care. Also known as Quality Improvement Projects (QIPs) and Performance Improvement Projects (PIPs).
Quality Measure Compliance Audit	A thorough assessment of Contractor's information system capabilities and compliance with each HEDIS specification to ensure accurate, reliable, and publicly reportable data.
Quality Performance Measures	Tools that help measure healthcare processes, outcomes, patient perceptions, and organizational structure and/or systems that are associated with the ability to provide high-quality health care and/or that relate to one or more quality goals for health care.