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Center for Medicaid and CHIP Services

CMCS Informational Bulletin

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FROM: Cindy Mann
                 Director

SUBJECT: Medicaid Managed Care Quality Oversight Support for State Quality Strategy and
                 External Review Processes

The Centers for Medicare and Medicaid Services (CMS) is pleased to announce the availability
of new resources for Medicaid managed care oversight. As of 2012, 39 states, the District of
Columbia, and Puerto Rico contract with either a Medicaid managed care organization (MCO) or
a prepaid inpatient health plan (PIHP) to provide medical or behavioral health care to at least half
of the approximately 60 million Medicaid beneficiaries. These updated resources (described
below) are intended to support states and their partners in providing better care, improving the
health outcomes, and reducing the cost of care to Medicaid beneficiaries enrolled in MCOs or
PIHPs:

- Quality Strategy Toolkit for states,
- EQR Toolkit for states and External Quality Review Organizations (EQRO), and
- Revised CMS Protocols for External Quality Review (EQR).

Quality Strategy Toolkit for States

All states contracting with a MCO or PIHP must have a written and CMS-approved strategy for
assessing and improving the quality of managed care services offered by the state. To assist in
this effort, CMS has updated the State Quality Strategy Toolkit to guide states through the
development, writing, and implementation of the quality strategy. This document is available at:
http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-
Care/Quality-of-Care-External-Quality-Review.html

External Quality Review Toolkit for States

All states contracting with a MCO or PIHP must conduct an annual EQR of each managed care
entity. An EQR includes the analysis and evaluation of aggregated information on quality,
timeliness, and access to the health care services that a MCO, PIHP, or their contractors, furnish
to Medicaid beneficiaries. CMS has created a new EQR Toolkit to assist states and EQROs in
completing the annual EQR technical report. This toolkit is available at:

http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Quality-of-Care-External-Quality-Review.html.

External Quality Review Protocols

CMS has revised its series of protocols for use in conducting Medicaid external quality review activities. Each protocol describes why the activity is important to EQR, what the activity accomplishes, and how to conduct the activity. The updated EQR Protocols are available at: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Quality-of-Care-External-Quality-Review.html

States may perform EQR tasks directly, or may contract with independent entities called EQROs to conduct the external quality review. We request that states have final EQR technical reports available to CMS and the public by April of each year, to align with the collection and annual reporting on managed care data by the Secretary of Health and Human Services each Fall.

Additional Online Web Resources

- CMS Medicaid Quality of Care, available at: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Quality-of-Care.html

- CMS Core Set of Child and Adult Performance Measures, available at: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Quality-of-Care-–-Performance-Measurement.html

- Annual Report on the Quality of Care for Children in Medicaid and CHIP, available at: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Quality-of-Care.html

- National Strategy for Quality Improvement in Health Care, available at: http://www.healthcare.gov/law/resources/reports/quality03212011a.html

We hope you will find this information helpful. Questions regarding these materials may be directed to Kristin Younger at Kristin.Younger@cms.hhs.gov or Melanie Johnson at Melanie.Johnson@cms.hhs.gov.