

Part V. Design and Operation Of The Quality management System

This section outlines roles and responsibilities for the Managed Care Organization (MCO), the Department, and the External Quality Review Organization (EQRO) in the long-term care quality management system. It then introduces an overall structure for quality management activities.

Role of the Managed Care Organization

The MCO has primary responsibility for assuring the quality of care that its members receive. It is responsible for administering a comprehensive, integrated quality management system with ongoing discovery, remediation and improvement activities. The MCO is responsible for measuring member outcomes and program performance, and using the findings to inform continuous quality improvement.

Specific MCO activities include:

- Developing and submitting a quality management program description and annual quality improvement plan to the Department;⁵
- Discovering the members' achievement of personal-experience, clinical, and functional outcomes;
- Discovering the quality of the assessment and care-planning processes;
- Administering a member satisfaction survey;
- Tracking complaints and grievances;
- Responding to critical incidents;
- Maintaining an organized system for assuring that that systems issues behind problems are identified and addressed;
- Systematically pursuing continuous quality improvement; and
- Participating on a statewide Quality Management Council

The Department will likely continue its requirement that each MCO appoint a quality manager with the capability and authority to manage quality activities and to establish a broad-based quality council to oversee and support quality management efforts. The MCO will work with Department and EQRO staff to guide the overall quality management system. Although the Department will establish basic contract requirements for the MCOs' quality management systems, the MCOs will have flexibility to shape the activities to meet the needs of their members and their local environments.

Role of the Department

The Department has primary responsibility for establishing expectations and standards both for the managed long-term care programs and for their quality management systems.

⁵ More information about Quality management program Descriptions and Quality Improvement Goals is provided in Part VII – Organization of Quality Management Functions.

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Specific Department responsibilities should include:

- Reviewing and approving MCO quality management program descriptions;
- Reviewing quality management plans submitted annually by MCOs;
- Establishing statewide requirements for quality-improvement activities, which could include methods of measuring outcomes and performance and basic requirements for a quality management system, such as quality indicators, response to critical incidents, and member-satisfaction surveys;
- Defining performance standards, and providing leadership in defining benchmarks in areas such as personal experience, clinical, and functional outcomes, care plans and assessments;
- Monitoring the execution and results of the MCOs' quality management efforts through direct monitoring and performance review;
- Assuring compliance with CMS quality management requirements for 1915 (b) and (c) waivers; and
- Convening and supporting the Quality Management Council

The contract between the Department and the MCO will be the primary vehicle through which Department expectations will be communicated and enforced. As a contractual requirement, MCOs will likely be required to submit an annual quality plan.

The role of the Department could best be described as a careful purchaser of results from MCOs. Careful purchasers provide good, clear specifications for the things they want to purchase and then follow through by checking to make sure they are getting what they intended to buy. If they don't, they collaborate with the supplier (in this case the MCO) in identifying and diagnosing the problem, but it remains the supplier's responsibility to make it happen. The Department's role is then to follow up again to make sure that they are now getting what it is they want to purchase.

The Department will retain the services of an EQRO, which is a qualified independent organization working in compliance with federal regulations. The Department will work with the EQRO to carry out much, but not all, of its quality management discovery and quality-improvement responsibilities. Activities relating to assuring the MCOs' compliance with contract requirements and to remediation will need to remain direct responsibilities of the Department and its staff. The Department will likely perform periodic site visits as part of the certification process for the contracted MCOs.

A number of approaches could be considered to ensure that these site visits provide strong quality management value. A promising model for the Department's site visits is the Quality Service Review (QSR) currently used by the DHFS Division of Children and Family Services (DCFS) for reviews of county-administered child welfare programs. The QSR involves in-depth review of a limited number of families involved with the child welfare system, to determine whether desired outcomes are being achieved, and to provide insight on how the system is or is not working to support families in achieving their outcomes. In addition to dedicated reviewers, it utilizes a network of "peer reviews," including county staff and other human services professionals to conduct

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reviews, thereby expanding the number of people who understand and can evaluate child welfare practices. The child welfare QSR approach potentially could be adapted to long-term care. If the Department is to directly carry out site visits, it would be important to assure that there is an adequate number of trained staff available to conduct the visits and to oversee the peer review system.

Role of the EQRO

CMS managed-care regulations⁶ outline mandatory and optional responsibilities for the EQRO.

Federally required responsibilities of the EQRO include:

- Validating of performance improvement projects carried out by the MCO;
- Validating of performance measures carried out by the MCO; and
- Monitoring the MCOs' compliance with certain federal regulations.

The Department determines whether the EQRO also carries out the following optional activities:

- Validating encounter data;
- Administering or validating consumer or provider surveys;
- Calculating of performance measures;
- Conducting performance improvement projects in addition to those carried out by the MCO;
- Conducting studies focusing on the quality of particular aspects of clinical or non-clinical services;
- Providing technical assistance relating to quality management to the MCOs; and
- Participating in the Quality Council.

Role of the Quality Management Council

A Quality Management Council, comprised of Department, EQRO and MCO staff could provide guidance to both the Department and MCOs on quality management policy, practices and benchmarks. A detailed description of the Quality Management Council can be found in Part VIII of this report.

Overall Structure of the Quality Management System

Figure 1 represents the recommended approach to quality management in Wisconsin. The figure illustrates what the quality management system would look like at the MCO level. This is consistent with the central responsibility for quality being vested in the MCO, with the Department and the EQRO being responsible for determining whether or not the MCO is effectively administering the quality management system.

⁶ 42 CFR 438, Subpart E

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The diagram identifies six methods of ongoing primary discovery. These methods are:

1. Clinical and functional indicators;
2. Personal-experience outcome interviews;
3. Member satisfaction surveys;
4. Analysis of negative events affecting members;
5. Review of assessments, care plans and service delivery; and
6. Monitoring of providers.

These *primary discovery* methods systematically review performance to provide assurance that the program is operating as intended and achieving the desired results, or to identify preliminary indicators of problems. Potential problems identified through primary discovery are followed by *secondary discovery* to identify the root causes of problems. Once the root cause of problems is known, *remediation* strategies can be developed and implemented. Regardless of whether the MCO has discovered any problems, it continuously carries out *quality improvement* projects to improve the overall level of systems performance.

Part 5 defines each of the primary discovery methods and discusses how they would be carried out. Part 6 addresses how findings from primary discovery can be used to provide insight about whether or not quality is being achieved, how secondary discovery takes place, and how remediation and improvement is carried out.

Figure 1 Home and Community Based Services (HCBS) Quality Management System

