

REPORT HIGHLIGHTS PERFORMANCE AUDIT

Subject

AHCCCS is the State's managed care, healthcare program for low-income residents. Because managed care can create an incentive to under-serve its recipients, it is critical to monitor quality of care. AHCCCS' Office of Medical Management assists in monitoring AHCCCS contractors to ensure that they provide adequate health services on a timely basis.

Our Conclusion

AHCCCS regularly monitors the quality of care its contractors provide. However, the Operational and Financial Reviews need to go beyond determining whether the contractors have developed all the required policies, and focus more on contractors' performance. Similarly, AHCCCS needs to ensure that member complaints are appropriately resolved. AHCCCS also needs to continue to work with DES' Division of Developmental Disabilities to address concerns regarding services for the developmentally disabled.



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Monitoring the quality of care and services provided within a managed care system is important to ensure that members receive needed services. Because of this importance, monitoring the quality of care is one of AHCCCS' primary functions. AHCCCS uses four main tools for monitoring the quality of care:

- Conducting annual Operational and Financial Reviews of its contracted health plans
- Monitoring member care through quality-of-care complaints
- Tracking clinical performance indicators
- Reviewing health plan quality management plans.

AHCCCS Should Strengthen Its Health Plan Reviews

AHCCCS conducts Operational and Financial Reviews (OFR) to help ensure the quality of services delivered by its contracted health plans. These reviews are carried out by a team of medical and other professionals who conduct onsite reviews of health plan compliance with over 100 standards.

Need to focus on performance—AHCCCS' reviews need to go beyond determining whether health plans have developed appropriate policies and include a greater focus on health plan performance. The OFR's emphasis on policy and procedure may cause AHCCCS to miss problems during these reviews. For example:

- One standard evaluates whether the health plan ensures that a pregnant member receives initial prenatal care within prescribed time frames. However, data on the percentage of women receiving timely prenatal care, while reported elsewhere, is not considered for health plan compliance with this standard.
- Another standard is whether a health plan responds to member telephone calls in a timely fashion. AHCCCS does not determine

what the appropriate response times are, but leaves that up to the health plans. AHCCCS assesses whether the plan has established wait time and abandonment rate standards and if the plan monitors against these standards. Whether these wait time and abandonment rate standards are actually met is not considered in the review.

During the course of our audit, AHCCCS changed its focus for reviewing some of its quality standards to determine if, for example, transportation wait times are met. However, focusing on actual performance for all 111 standards will require more work and resources. Therefore, AHCCCS may want to prioritize its standards and develop a limited set of core standards to use in reviewing actual performance.

Need to verify that health plans take action—In 1999, AHCCCS reviews identified problems with several health plans, and they submitted corrective action plans to address the problems. However, in 2001, AHCCCS reviews discovered that two of its health plans continued to have similar problems.

In 1997, the U.S. Government Accounting Office found that the success of healthcare quality oversight depends on whether the state's monitoring goes

beyond plan-reported, paper-based indications of compliance.

AHCCCS should enhance its follow-up efforts to ensure and verify that identified problems have been addressed.

Recommendations

AHCCCS should:

- Focus more on evaluating health plan performance.
- Prioritize and reduce the number of standards reviewed.
- Ensure that health plans actually address problems identified in the reviews.

AHCCCS Needs To Ensure Complaints Are Appropriately Resolved

AHCCCS receives hundreds of potential quality-of-care complaints each year from a variety of sources, including members, providers, elected officials, and staff. Because AHCCCS makes complaint resolution the health plan's responsibility, AHCCCS refers the complaints it receives to the responsible health plan. However, AHCCCS' approach does not ensure that complaints are appropriately resolved or when necessary, changes are implemented to address the cause of the complaint.

- A doctor's office complained about a member inappropriately seeking pain medications. After its investigation, the health plan proposed to AHCCCS several actions to treat the patient and prevent the overuse of painkillers. However, both AHCCCS' and the health plan's files lacked documentation that the health plan took any action.

AHCCCS should ensure that complaints are resolved, either by receiving documentation that confirms the action taken or by contacting the person who brought the complaint.

AHCCCS should take action against health plans that have a history of poor complaint handling. AHCCCS also should not refer complaints to these health plans until corrective actions are implemented, but should investigate the complaints itself. AHCCCS identified four health plans that had problems with their complaint-handling process, yet still referred at least 83 complaints to them this year (54 of the complaints were sent to one health plan). However, to perform investigations and increase its oversight, AHCCCS may need additional resources.

Recommendations

AHCCCS should:

- Obtain the necessary documentation or evidence to ensure the appropriate resolution of complaints, including contacting the complainant if necessary.
- Take action against a health plan when it has problems handling complaints. In the meantime, AHCCCS should investigate and resolve the complaints it receives, and should also increase monitoring of that plan.

AHCCCS Needs To Address Concerns with Care for the Developmentally Disabled

AHCCCS is required by statute to contract with the Department of Economic Security's Division of Developmental Disabilities (DDD) to provide care for the developmentally disabled. Nearly 40 percent (13,402) of the Arizona Long Term Care System (ALTCs) members are developmentally disabled and are served by DDD.

AHCCCS has two long-standing concerns with DDD's provision of services to its members and needs to do more to ensure that these concerns are addressed.

Complaint-handling does not meet AHCCCS standards—DDD's complaint-handling process has not met AHCCCS' standards since 1996. In December 2000, AHCCCS sent DDD a "notice to cure," which required DDD to develop a centralized complaint system that captures all complaint information from around the State.

After receiving the notice to cure, DDD began developing a complaint-tracking system that captures high-risk incidents, such as abuse, accidental injury, and neglect. It plans to later add other incidents, such as medications being given to the wrong person. However, when completed, the system still will not contain all complaints. As a result, DDD has developed a workplan, which AHCCCS has reviewed, that specifies the remaining system requirements it needs to pursue.

To ensure that complaints are appropriately resolved, AHCCCS should expand its review of DDD complaint handling. It should review complaint files from the central and local offices throughout the State.

Home modifications not provided in a timely manner—According to federal requirements, AHCCCS must help disabled members retain their independence and ability to function in the community. As a result, AHCCCS contractually requires DDD to provide timely home modifications, such as roll-in showers and wheelchair ramps.

Home modification approvals

- Must be approved within 90 days of the request
- Project must be completed within 150 days of request
- From January to May 2002
 - ◆ 65 percent of projects took more than 90 days to approve
 - ◆ 44 percent of projects were not completed within the required 150 days

Delays in providing the medically necessary home modifications have been a problem in the past. While AHCCCS took action in 2000 to address this concern, it has taken only limited action to address the current problem.

Recommendations

AHCCCS should:

- Help DDD develop a centralized complaint-handling system.
- Expand its review of DDD complaints.
- Determine if DDD delays in providing home modifications are justified, and if not, consider another notice to cure or financial sanctions to ensure that DDD provides timely home modifications.

Quality-of-Care Clinical Performance Indicators Useful

AHCCCS currently collects data from the health plans on 17 clinical performance indicators, such as the percentage of low-birth weight babies or the percentage of elderly members receiving flu shots.

Indicators are used, in part, to identify areas that health plans need to improve in. If a plan does not improve, AHCCCS requires the plan to submit a corrective action plan.

AHCCCS also periodically reviews its indicators to ensure they present meaningful information on the healthcare provided to members. AHCCCS originally developed its indicators in 1995, but has

replaced several since then. For example, it recently replaced two ALTCS indicators, prevalence of bedsores and fractures related to falls, because these indicators showed significant improvement or no trend, and AHCCCS felt its efforts would be better served in other health areas.

Given the importance of indicator information, AHCCCS should use the indicator results in its OFR process. The clinical performance indicators provide valuable information regarding health plan performance in critical healthcare areas. Where AHCCCS reviews these areas in the OFR, it should use this indicator information to better assess and report on health plan performance.

TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling
(602) 553-0333



or by visiting our Web site at:
www.auditorgen.state.az.us

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Recommendation

AHCCCS should:

- Use the indicator results during its OFR process to assess health plan performance.