

CLIENT ALERT: MEDICAID AND CHIP QUALITY RATING SYSTEM

CMS Proposed Rule: Medicaid and Children's Health Insurance Program (CHIP) Quality Rating System

In the 2016 final managed care rule, the Centers for Medicare & Medicaid Services (CMS) adopted requirements for states to operate a managed care quality-rating system. On May 3, 2023, CMS promulgated a Notice for Proposed Rulemaking, which would refine those requirements and establish a framework for the Medicaid and Children's Health Insurance Program (CHIP) Quality Rating System (MAC QRS).

The MAC QRS is envisioned to be a one-stop-shop where beneficiaries can access information about Medicaid and CHIP eligibility and managed care; compare plans based on quality, performance, and other factors key to beneficiary decision making; and ultimately select a plan that meets their needs. CMS reports that the proposed rule reflects extensive stakeholder engagement and employs a person-centered design approach to ensure the MAC QRS provides meaningful and digestible information to its targeted audience.

Timeline

CMS proposes an implementation deadline of the end of the fourth year following the effective date of the final rule. For example, if the final rule is effective April 1, 2024, states would be required to implement no later than December 31, 2028, with data displayed in 2028 reflecting the January 1, 2026, to December 31, 2026, measurement year. After initial implementation, the first update to the measures would be 2029 and then every other year thereafter.

Burden Minimization

To the extent possible, CMS emphasizes the desire to leverage existing systems and processes during the development and operations of the MAC QRS. For example, CMS proposes states should leverage their existing beneficiary support system and technical assistance infrastructure to help individuals access and understand the content of the MAC QRS. Additionally, CMS plans to leverage the quality measure reporting systems and measures such as the Qualified Health Plan Quality Rating, the Medicare Advantage and Part D QRS, and other CMS quality rating approaches (i.e., Child Core Set, Adult Core Set, the Scorecard, etc.) that are already being reported to avoid unnecessary administrative burdens to states.

Measures

In the proposed rule, CMS puts forward a set of 18 mandatory measures to be included in the initial MAC QRS. As noted above, many of these measures are already being reported today and have established measure specifications. CMS also outlines a sub-regulatory process for selection of additional measures, updates to adopted measures, and removal of measures over time. CMS proposes to communicate changes to the mandatory measure set through a technical resource manual. CMS plans to update this manual annually, even if no changes are made to mandatory measures.

As under the current regulations, states would be permitted to continue to implement an alternative QRS. CMS proposes to reduce some of the conditions under which alternative QRS approval would be required. These changes include:

- In addition to the mandatory measures, states could add measures without prior approval from CMS.
- States would be able to adopt modifications to measures made by measure stewards for mandatory measures without CMS approval.

CMS proposes to hold states undertaking an alternative QRS responsible for submitting documents and evidence that demonstrates the alternative QRS is substantially comparable to the established MAC QRS methodology.

Comprehensive Data

To comply with the proposed rule, states may have to collect data from a combination of managed care entities, fee-for-service (FFS) Medicaid, and Medicare. States that collect data from managed care organizations, FFS, and Medicare will need to identify which program is providing each service assessed by the measure and then rate accordingly. Medicaid and separate CHIPs would be required to issue quality ratings as performance measure rates.

States will be responsible for ensuring the quality ratings include data from all members who receive coverage from the managed care plan for the specific service or action, including full-benefit duals. Importantly, CMS is not proposing that states would calculate or assign quality rating to Medicaid FFS or Medicare plans. Also, the proposal for the MAC QRS framework excludes contracts between states and Medicare Advantage (MA) Dual Eligible Special Needs Plans (D-SNP), where the contract is only or the D-SNP to provide Medicaid coverage of Medicare cost sharing for the D-SNP enrollees.

Website Display

CMS seeks to set new requirements for the website display of the MAC QRS. These requirements are a result of CMS' stakeholder engagement efforts and desire to promote the usability of the QRS information presented. CMS' proposed criteria for the MAC QRS website display includes that it contains:

1. Clear information that is understandable and usable for navigating a MAC QRS website.
2. Interactive features that allow users to tailor specific information, such as formulary, provider directory, and quality ratings based on their entered data.
3. Standardized information so that users can compare managed care programs and plans based on our identified information.
4. Information that promotes beneficiary understanding of and trust in the displayed quality ratings, such as data collection time frames and validation confirmation.
5. Access to Medicaid and CHIP enrollment and eligibility information, either directly on the website or through external resources.

Phased Implementation. To facilitate a common understanding of these expectations, CMS has created two MAC QRS prototypes at <https://www.medicaid.gov/medicaid/quality-of-care/medicaid-managed-care-quality/quality-rating-system/index.html> for review and public comment. The two prototypes correspond to the two phases for implementation, which are also described in the proposed rule.

- The first phase, to be implemented by the end of the fourth year following release of the final rule, would provide a one-stop-shop for beneficiaries to access the information key to their decision-making, but would not require states to develop the interactive tools. However, this phase must include stratification by dual-eligible status, race/ethnicity, and gender.
- In the second phase, proposed at two years following the initial implementation of the MAC QRS, states would be required to modify the website to provide a more interactive user experience. The state's QRS would be required to permit viewing and filtering on factors such as age, rural/urban status, disability, language spoken by the enrollee, and additional factors as identified by CMS.

Plan Comparison. The end user of the QRS website must be able to identify available managed care plans, including name, website, customer service hot line for each plan, premium and cost-sharing information, summary of covered benefits, certain metrics of managed care plan access and performance, and whether plan offers an integrated Medicare-Medicaid plan. The site must include metrics related to secret-shopper survey, grievances, appeals, and accessibility of services. The tool must indicate whether the plan offers an integrated Medicare-Medicaid plan or a highly or fully MA D-SNP and link to plans rating under MA and Part D QRS. Each measure would also require a plain-language explanation, as well as details regarding how the measure relates to a beneficiary's health and well-being.

Technical Resource Manual

CMS proposes to develop and annually update a MAC QRS technical resource manual. This manual would be issued by August 1, 2025, and updated annually thereafter. It would include Information such as the mandatory measure set; the subset of mandatory measures that must be stratified by race, ethnicity, sex, age, rural/urban status, disability, language, or such other factors; method used to calculate the quality ratings for managed care plans; technical specifications for mandatory measures; and other information. CMS proposes to release the technical resource manual update at least five months prior to the measurement period for which the updates would apply.

Annual State Reporting

CMS proposes to require states submit an annual MAC QRS report in a form and manner determined by CMS. The report would include:

- A list of all measures included in the state's MAC QRS, including a list of the mandatory measures reported and any additional measures a state has chosen to display.
- An attestation that displayed quality ratings for all mandatory measures were calculated and issued in compliance with the CMS codified requirements, and a description of the methodology used to calculate any additional measures when it deviates from the established methodology.
- Supporting documentation for additional quality measures the state may display.
- The date on which the state publishes or updates their quality ratings for the state's managed care plans.
- The link to the state's MAC QRS website to enable CMS to ensure the MAC QRS ratings are current.

- The use of any technical specification adjustments to MAC QRS mandatory measures, which are outside the measure steward's allowable adjustment for the mandatory measure, but that the measure steward has approved for use by the state.
- A summary of each alternative QRS approved by CMS, including the effective dates (the period during which the alternative QRS was, has been, or will be applied by the state) for each approved alternative QRS.
- CMS plans to create a portal for submission and give states a minimum of 90 days' notice to provide this report.

How Myers and Stauffer Can Help

Myers and Stauffer's team of health policy and quality professionals are available to support your state's review of the proposed rule and the MAC QRS requirements. We have national experience supporting the following related tasks.

- Selection and calculation of quality measures.
- Customization of quality and outcome measures.
- Development of data visualization tools to present quality performance to public audiences.
- Negotiation of alternative measure use with CMS.
- Preparation of CMS reports.
- Compliance with CMS requirement.

The proposed rule is open for comments until July 3, 2023. Formal comments can be submitted [here](#).

For More Information

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