

CLIENT ALERT: MEDICAID AND CHIP QUALITY RATING SYSTEM

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

Timeline

CMS requires states' implementation of the required Medicaid and CHIP (MAC) Quality Rating System (QRS) by the end of the fourth year following the effective date of the final rule. With the final rule's July 9, 2024, effective date, states must implement the MAC QRS requirements no later than December 31, 2028. Quality data displayed in 2028 will reflect the January 1, 2026, through December 31, 2026 measurement year.

CMS plans to update the QRS measure set at least biennially thereafter through sub-regulatory processes. CMS has included flexibility for states to request a one-time, one-year implementation extension for the MAC QRS methodology requirements. This request for an extension requires specific documentation, such as actions taken by the state to implement, barriers, and a detailed plan to implement by the end of the one-year extension. States receiving an extension must have the MAC QRS implemented by December 31, 2029. Request for an extension must be submitted to CMS by September 1, 2028.

Burden Minimization

Subject to CMS approval, the final rule offers a one-time, one-year extension for MAC QRS implementation as a method to minimize the burden on states.

To further minimize the implementation burden, CMS emphasizes states should leverage existing systems, data, and processes during the development and operations of the MAC QRS. For example, states should leverage

their existing beneficiary support system and technical assistance infrastructure to help individuals access and understand the content of the MAC QRS.

CMS has also aligned the mandatory quality measure with existing Medicaid measures already required by CMS for reporting. The MAC QRS mandatory measure set also aligns, to the extent possible, with measures currently required by Medicare and Qualified Health Plans.

CMS also clarified and decreased the conditions under which an alternative QRS methodology must be approved by CMS. Alternative QRS approval is not required to add additional measures or website display functionality, as long as the mandatory requirements are met.

The final rule also removed requirements that states obtain input from their Medical Care Advisory Committee and provide an opportunity for public comment for at least 30 days on a request for or modification of an alternative quality rating system.

To minimize the financial burden of implementation of the MAC QRS, CMS reminds states of the ability to leverage Medicaid Enterprise System 90/10 design, development, and implementation federal financial participation, as well as the 75 percent federal matching rate for external quality-review organization-related activities.

CMS also included language around the collection, validation, and use of Medicaid fee-for-services (FFS) and Medicare data. These activities must be performed in the calculation of quality ratings for managed care plans for MAC QRS mandatory measures to the “extent feasible and without undue burden” to the state.

Measures

CMS has established a list of 16 mandatory measures to be included in the initial MAC QRS. Many of these measures are already being reported by payers today and have established measure specifications. CMS does require the use of CMS-identified national measure steward specifications for each QRS mandatory measure. States cannot deviate from those specifications without CMS prior approval.

A sub-regulatory process will be used to periodically select additional measures, update adopted measures, and remove measures over time. As long as the CMS-mandatory measure set is used, states have the flexibility to display additional measures not included in the mandatory measure set without CMS approval as an alternative MAC QRS methodology. Any approval of an alternative MAC QRS methodology would have to demonstrate substantial comparability to the methodology developed by CMS.

States will be required to collect Medicaid FFS and Medicare data, validate the collected data, and use the validated data to calculate quality ratings for managed care plans for MAC QRS mandatory measures to the extent feasible without undue burden.

Website Display

The MAC QRS website must allow beneficiaries to access Medicaid and CHIP eligibility information, compare managed care plans based on quality, and select plans that best meet their needs. States’ QRS websites must meet minimum standards required by CMS, but states will be allowed to add additional information and website features beyond the mandatory requirements. States should leverage their existing website to publish the MAC QRS.

Enhanced federal matching funds (FFP funding) are available through the states’ Medicaid Enterprise System financing for the planning, design, implementation, and maintenance of the state’s MAC QRS website, as well as the data infrastructure that supports it.

CMS will publish a MAC QRS website design manual with additional guidance and provide technical assistance for the design and implementation of the website. The MAC QRS website must be available to the public, including caregivers or organizations that counsel or assist individuals with enrollment. This information must be available for viewing by the public or as a guest who is not currently enrolled in a managed care program.

Technical Resource Manual

The final rule commits CMS to produce a MAC QRS technical manual during calendar year 2027. This technical resource manual will 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; technical specifications for mandatory measures; and other information.

Annual State Reporting

States are required to submit to CMS, no more frequently than annually, information specified by CMS to support federal oversight of Medicaid and CHIP's compliance with MAC QRS requirements. These reports will include information to demonstrate that beneficiaries can meaningfully compare ratings between plans and to allow CMS to monitor trends in additional measures and the use of permissible modifications to measure specifications used among states. States will be provided with no less than 90 days' notice that the report is due.

How Myers and Stauffer Can Help

Myers and Stauffer's team of health policy and quality professionals are available to support your state's analysis of the final 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.
- Establishing benchmarks and targeted improvement goals.
- Data acquisition and analysis.
- Development of data visualization tools to present quality performance to public audiences.
- Negotiation of alternative measure use with CMS.
- Preparation of CMS reports.
- Use of quality and outcome measures to drive delivery system and payment transformation.
- Compliance with CMS requirement.

For More Information

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