

# Recommendations for Criminal Justice Performance Measure Utilization

## Recommendations from the Health Care Authority regarding options for integrating Value-Based Purchasing terms and a Performance Improvement Project into managed health care contracts relating to criminal justice outcomes

Substitute Senate Bill 5157; Section 2(7); Chapter 267; Laws of 2021

Second Substitute House Bill 1860; Section 2(7)(a); Chapter 215; Laws of 2022

October 1, 2022

### Legislative Summary

The Washington State Health Care Authority (HCA) contracts with Managed Care Organizations (MCO) to administer Apple Health (Medicaid) services. The legislation above requires the HCA to track rates of criminal justice system involved Apple Health clients with an identified behavioral health need and then report on options and its recommendations to utilize the identified criminal justice performance measures within MCO contracts for value-based purchasing and a performance improvement project. In alignment with the legislation, three (3) criminal justice performance measures were established by the Department of Social and Health Services (DSHS) Research and Data Administration (RDA) and incorporated into the statewide common measure set by the Performance Measures Coordinating Committee. The final performance measures were approved:

- Rate for Medicaid Beneficiaries with Behavioral Health Needs;
- Receipt of Substance Use Disorder Treatment for Medicaid Beneficiaries Following Release from a Correctional Facility; and
- Receipt of Outpatient Mental Health Treatment for Medicaid Beneficiaries Following Release from a Correctional Facility.

Options and recommendations for integrating Value-Based Purchasing (VBP) terms and a Performance Improvement Project (PIP) into managed care contracts relating to criminal justice outcomes are required by the legislation. Criminal justice metrics are examples of performance measures that are challenging to accommodate within the current VBP proviso structure without negatively impacting other state priorities, such as monitoring behavioral health integration. To address this, HCA recommends evaluation and revision of the VBP proviso to allow growth and expansion of the model to attend to state and legislative priorities as they evolve. If you would like to review the VBP proviso, here is the link: [ESSB 5693 \(2022\), Section 211\(37\)](#). HCA is also submitting a decision package supporting use and expansion of the agency's existing quality structure, data monitoring and analysis practices, and established quality strategies to address legislative priorities. This allows the agency to select quality levers that are most appropriate

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based on established HCA workflows. The agency can then increase or decrease quality initiative response as needed and support legislative and state priorities as to better address problems as health care concerns emerge and evolve.

## Continuous Quality Improvement at HCA

VBP and PIP are examples of Continuous Quality Improvement (CQI) strategies implemented for Apple Health managed care inside of HCA's quality framework, called Quality Measurement, Monitoring, and Improvement (QMMI). QMMI is a robust quality improvement structure used by the HCA. HCA utilizes the QMMI framework to address quality improvement across multiple lines of business and leverage collective impact. Use of QMMI teams, structures, and processes ensure efforts are data-driven, in alignment with state priorities, and carried out in a systematic way that limits burden on providers. This provides availability of resources to support continuous quality improvement activities. VBP and PIP are examples of tools QMMI uses to affect positive change and other tools may be a more appropriate tool for different quality improvement initiatives. Other examples are performance measure monitoring and trending, cross-payer initiatives, collaborative workgroups, other payment reform initiatives, etc.

Many CQI initiatives require performance measure data. VBP and PIPs are two examples where performance measure data must be available, and the measure must be explicitly listed in the MCO contract. Measures within Apple Health managed care contracts must be validated per federal Centers for Medicare & Medicaid Services (CMS) regulations. This process occurs when a measure is fully developed and stable, the data sources are reliable, and there is intent to add the measure to the state's MCO contract.

## Value-Based Purchasing

Annually, as required by ESSB 5693 (2022), Section 211(37), HCA's contracted External Quality Review Organization (EQRO) evaluates MCO performance on measures and submits recommendations for VBP measures. Measures are selected by QMMI based on the requirements specified within the proviso.

Performance measures need to be well-established to be considered for VBP recommendation. Additionally, the current proviso VBP evaluation requirements limit HCA's ability to select more than two state-developed measures in the VBP measure list. This limits the HCA's ability to use VBP to address legislative priorities for topics where no national metrics are yet available. Two measures are currently included in the VBP strategy to address the legislative direction to improve behavioral health outcomes and continue clinical progress on behavioral health integration: Mental Health and Substance Use Disorder Treatment. In order to move to new legislative priorities, and without revision of the current proviso language, these priority behavioral health measures would need to be removed/retired from the VBP strategy to include additional state-developed measures such as criminal justice metrics.

Criminal justice performance measures for 5157 are being produced and are in development. It is anticipated they will be ready for reporting in CY2023 (MY2022, looking at performance in 2022 data). After the baseline year data is released and assessed for opportunities, the next few years of data allow maturation and understanding of trends, gaps, and opportunities for change. Too early of inclusion in VBP

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is risky, putting providers and the system at financial risk without understanding how data is affected by other influences like population differences.

Contracted performance measures which have completed federal criteria for inclusion in quality initiatives are assessed routinely in the existing annual VBP measure selection processes, including analysis and recommendation by the EQRO. When completed and released by RDA, the criminal justice metrics will be monitored routinely within the VBP assessment process. This will determine if and when these measures are ready for inclusion, as allowed by the proviso language.

Please see Next Steps/Recommendations section below for recommendations regarding integration of criminal justice measures, currently under development, into existing VBP measure selection processes.

## Performance Improvement Project

Performance Improvement Projects (PIP) also come from CMS External Quality Review protocols and have a robust set of requirements surrounding how each project is chosen, implemented, and scored/validated. Additionally, HCA is required to report PIP information within the annual External Quality Review Technical Report with recommendations for improvement coming from the contracted EQRO. Like VBP, PIPs rely on performance measures that are contractually required, which mandates a performance measure has been established, validated, and has reliable data to use for quality initiatives.

PIP topics must be carefully selected to identify a quality initiative in which change can be accomplished in the contracted time period and data supports the project so the change can be measured. Contracted PIP topics are selected based on data availability/analysis, MCO performance measure outcomes, CMS requirements, and in alignment with state priorities. If a project does not meet the criteria for a PIP, there are other quality improvement strategies that can be considered. HCA uses various levers to impact quality, including Continuous Quality Improvement workgroups, MCO collaborative meetings, and other QMMI structures. Topics should be assessed to best fit the quality initiative that can be used to affect positive change and ensure quality improvement.

Criminal justice performance measures for 5157 are in development. It is anticipated they will be ready for reporting in CY2023 (MY2022 data). Inclusion in CQI projects, including PIP, should be carefully considered based on the data and PIP criteria. However, these data will be monitored routinely within current QMMI framework and incorporated into the routine work of QMMI teams.

Please see Next Steps/Recommendations section below for recommendations regarding integration of criminal justice measures, currently under development, into existing PIP project planning processes.

## Next Steps/Recommendations

In regard to Substitute Senate Bill 5157; Section 2; Chapter 267; Laws of 2021:

Next Steps:

1. HCA will fold the criminal justice performance measure outcomes into existing workstreams and QMMI processes to ensure monitoring and analysis of data routinely and will assess areas of priority within the set of measures under development for use in CQI.

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2. HCA will evaluate and determine the most appropriate quality initiative to use to address the issues identified by the data reported when the measures are developed and analyzed.
3. HCA will change MCO contracts as indicated and monitor performance accordingly using existing workstreams (such as TEAMonitor compliance review).
4. HCA will change EQRO contract to fund and support Performance Measure Validation for these state-developed measures.
5. RDA and HCA will support process change to perform Performance Measure Validation of these state-developed measures.

## Recommendations:

1. Given the current legislation limits HCA ability to address emerging priorities within the VBP model, such as the health of criminal justice involved clients, HCA recommends evaluation and revision of the VBP legislation ESSB 5693 (2022), Section 211(37). Following the last two sessions in which re-entry and housing have been priority areas of legislative direction, the agency has been limited in its ability to address these issues due to the directive nature of the VBP Proviso in using no more than two state-developed metrics. Revision of the legislation should address broader ability to meet new and emerging legislative and state priorities when no nationally available performance measure addresses the topic.
2. HCA recommends supporting use of existing QMMI structure, data monitoring and analysis practices, and established CQI strategies to address legislative priorities including allowing the agency to select the levers most appropriate based on established HCA workflows. This allows the agency to increase or decrease quality initiative response and support legislative and state priorities as to better address problems as health care concerns emerge and evolve.