Health Care Compliance Association
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Quality Compliance in Managed Care

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How Did Quality Become Compliance Issue?

- Perceived inadequacy of administrative process for addressing quality issues
  - HCFA cracks-down on substandard care in response to Congressional criticism
    - Submission of claim + “substandard” quality care = false claim
    - Vencor Corporate Integrity Agreement
  - State regulators blamed for bad health plan events -- resulting in increased regulation, oversight and penalties

- OIG Guidances including quality as risk area
  - Early guidances focused on financial practice risk areas
  - Later guidances include quality as risk area, i.e., nursing facilities and M+C Organizations
Other Forces

- **IOM Study on deaths from medical errors**
  - Presented as consumer issue
  - Flurry of legislative action
    - Including proposals to open NPDB and HIPDB information to public

- **OIG report on hospital quality regulation**
  - Proposes higher accountability -- criticizes JCAHO accreditation process focus on collegial approach to quality assurance
    - Fails to detect patterns of substandard care or identifying deficient providers

- CIA’s including Quality Monitors (Vencor)

- Inevitable evolution
Regulatory Basis for MCO Quality Compliance

- State HMO/MCO Laws
  - Requires quality assurance programs
- HCFA Medicare+Choice Regulations and Contracts
  - Quality Improvement System for Managed Care (QISMC)
- State Medicaid Contracts
- NCQA/JCAHO/URAC Accreditation
  - Significant area of focus for accreditation
Integrating Quality and Compliance - A Two-Sided Coin

Side 1: Identifying quality-related activities that should be considered part of compliance program

Side 2: Applying compliance program principles to quality-related activities

- Make quality of care training centerpiece for all employees
  - Sets the culture and sends the right message
- Address quality of care in employee communications -- don’t focus just on keeping down costs.
- External review of quality activities and measures
  - Auditing quality-related activities, i.e.,
    - Utilization management
    - Appeals and grievances
    - Complaints
Side 1: Adding Quality to the Compliance Program

- Representation on Compliance Committee
- Include quality activities in compliance-related reporting
- Identify quality-related programs as part of compliance program:
  - Quality Improvement Program Description
  - Quality Improvement Work Plan including quality studies
  - Key Process Performance Monitoring
  - Physician Profiling
  - Credentialing Activities
  - Delegation Oversight
  - Member and Provider Satisfaction
Side 2: Applying Compliance Principles to Quality -- Risk Assessment

- Measure MCO practices against standards (NCQA/JCAHO/URAC)
  - See Quality Standards Comparison Slide
  - Document review
  - Interview staff
    - Confirm documents reflect actual practices
    - Include front-line staff

- Identify MCO Quality Risk Areas
  - Patient Safety (Quality of Care Complaints, Sentinel Events)
  - Confidentiality
  - Safe Network
  - Complaints and Appeals
### Side 2: Comparison of Quality Standards

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<th>Standards</th>
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<th>NCQA</th>
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<td>Programmatic Structure and Leadership</td>
<td>Leadership</td>
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<td>Customer Focus and Satisfaction</td>
<td>Rights, Responsibilities &amp; Ethics</td>
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<td>Professional Resource Development &amp; Validation</td>
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<td>Strategic Quality Planning</td>
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<td>Info Management &amp; Analysis</td>
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<td>Outcomes Based Performance</td>
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<td>Clinical Quality Improvement</td>
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Side 2: Applying Compliance Principles to Quality -- Approaches

Historic (regulatory) vs. Systems (Quality Improvement)

▲ Historic/Regulatory Approach

● Audit performance and penalize non-compliance
  ♦ MCO regulators traditional approach

▲ Systems/Quality Improvement approach (Systems, Process and Outcome “SPO”)

● Collect data and identify problems for purposes of developing solutions

● Consultation and training -- not punishment
  ♦ Financial Services Industry regulator approach

▲ Need balanced approach that looks at history and to future

● History helps identify issues for system strategy

● Testing systems predicts future performance
Side 2: Applying Compliance Functions To Quality -- Applying the SPO Approach

- Compliance focused assessment of the quality-related activities
- SPO Approach
  - Structure
    - MCOs infrastructure allowing it to deliver quality care, i.e., IS, network, staffing
  - Process
    - Delivery systems, i.e., prior authorization, credentialing
  - Outcome
    - Measurable outcomes of care
Quality Compliance Issue Indicators

- Staff turnover
- Increased member complaints/appeals/grievances
- External appeal reversals ratios
- Increased provider complaints
- HEDIS, including satisfaction
- Credentialing indicators (sanctions, competency, malpractice history, claims billing history, QOC)
- Access and availability
Conclusion

- Don’t just follow the money -- the government isn’t
- Know your Quality staff
- Don’t let Quality/Accreditation isolate itself from overall compliance activities
- Make your compliance program a “big tent”