



Minnesota Department of
Human Services

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Health Care

Our Mission

The Minnesota Department of Human Services, working with many others, helps people meet their basic needs so they can live in dignity and achieve their highest potential.

Our Values

- We focus on people, not programs.
- We provide ladders up and safety nets for the people we serve.
- We work in partnership with others; we cannot do it alone.
- We are accountable for results, first to the people we serve, and ultimately to all Minnesotans.

We practice these shared values in an ethical environment where integrity, trustworthiness, responsibility, respect, justice, fairness and caring are of paramount importance.

Report to the Legislature

**Managed Care Performance
Data**

Minnesota Statutes 2008
Chapter 364, Section 14

April 2009



**Recommendations on
Reporting Managed Care Performance Data
Article 2 Agency Management, Section 14**

March 2009

“The commissioner of human services, in cooperation with the commissioner of health, shall report to the legislature under Minnesota Statutes, section 3.195, by January 15, 2009, with recommendations on the adoption of a single method to compute and publicly report managed health care performance measures in order to avoid confusion about the plan's performance levels. The study must include recommendations regarding coordinated use by the two agencies of the following data sources:

1. Healthcare Effectiveness Data and Information Set (HEDIS) from managed care organizations;
2. Data that health plans submit to claim reimbursement for health care procedures; and
3. Data collected from medical record reviews of randomly selected individuals.”

Background

Minnesota managed care organizations (MCOs) are required to report performance measures annually to the Minnesota Department of Health (MDH). The MCOs are required to submit encounter claims data to the Minnesota Department of Human Services (DHS) from which DHS produces performance measures. Both agencies use the Healthcare Effectiveness Data and Information Set (HEDIS), a standardized set of performance measures created by the National Committee for Quality Assurance (NCQA).

HEDIS measures allow for comparing how well MCOs perform in key areas including quality of care, access to care and member satisfaction. More than 90 percent of the nation's MCOs utilize HEDIS measures for performance reporting, according to NCQA, a non-profit organization dedicated to improving health care quality.

MDH uses HEDIS measures to publicly report MCO performance. The results are posted on MDH's Web site and provide health care consumers a means to compare performance of Minnesota managed health care providers. DHS uses HEDIS measures to meet business needs including complying with federal requirements for publicly funded health care programs.

Performance measure collection and obstacles to using a single method

MDH collects performance measures from MCOs broken down by key population categories: commercially insured, Medicaid clients, and, for some measures, Medicare Advantage and Minnesota Senior Health Options enrollees. Each MCO produces its own measures to report to MDH. For 12 key measures, such as immunization rates and diabetes care, MDH allows the MCO to choose between two HEDIS measurement methods: “administrative” (claim reimbursement data) or “hybrid” (claims and a sampling

of medical record reviews data). Both methods are equally valid and can accurately reflect performance. But, as might be expected, computations using administrative or hybrid data sources do not produce the same numerical results. This can limit comparability between organizations. For example, five MCOs used the administrative method to report the HEDIS 2007 Well Child Visits in the First 15 Months of Life rates for the commercial population, while the rest used the hybrid method. These rates cannot be compared because of the different methodologies.

DHS requires a population breakdown of HEDIS measures for each of the three major programs (Medical Assistance, MinnesotaCare and General Assistance Medical Care) to meet federal requirements. The MCOs would have to triple the number of measures to provide separate major program results rather than the single "pooled" measure of public programs currently submitted to MDH.

Federal regulations also require an independent validation audit of the results. To comply with these regulations, DHS produces the annual HEDIS measures for all nine contracted MCOs using encounter claims data that MCOs submit to DHS using a single method, the administrative method, for all measures to minimize cost and provider burden associated with medical record reviews needed for the hybrid method. Use of a single collection method allows all MCO's results to be audited jointly.

DHS also needs encounter claims data to set rates and determine the appropriate risk adjustment for the purchase of managed care services, and to monitor appropriate access and utilization. The data is also used to monitor the quality and use of services by geographical regions and specific subpopulations, including racial/ethnic and age groups. The data is essential to operate the DHS help desks and conduct fraud investigations. DHS cannot use MCO pooled performance measures reported to MDH for most of the management and oversight responsibilities of Minnesota Health Care Programs.

Recommendations

Minnesota's publicly funded managed care programs must comply with both state and federal regulations. As such, the measurement of managed care performance is complex and can not be over-simplified. DHS and MDH believe the steps taken to date have been an effective balance of meeting these requirements and providing information to effectively manage the purchasing and oversight of health care services.

Minnesota's Departments of Human Services and Health recommend the following:

- **Collection method:** MDH will continue the current HEDIS performance measure collection and reporting practices to effectively and efficiently meet each agency's differing needs.
- **Collaborative use of data:** MDH will consider using HEDIS performance measures produced by DHS for the specific measures that require the administrative collection method. This would reduce the number of performance measures that MCOs would

have to report to MDH. DHS will use MDH pooled MHCP measures for internal review purposes in addition to other performance measures.

- **Public reporting of performance measures:** When publicly reporting performance measures, each agency will include an explanation of the population breakdowns and any other potential sources of confusion. MDH also will consider posting national benchmark rates on its Web site, along with Minnesota MCO rates, as an additional point of reference for consumers. DHS will publish on its Web site a link to MDH's performance measures for Minnesota Health Care Programs (MHCP).

Questions about this report can be referred to:

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