



The provision of federally mandated external quality review activities is a core feature of Virginia's Medicaid Managed Care quality initiative. The Centers for Medicare & Medicaid Services (CMS) requires all states with Medicaid managed care to provide for the three mandated external quality review activities as follows:

- 1) Validate a sample of each MCO's performance measures – annually;
- 2) Validate two or more performance improvement projects for each MCO – annually; and,
- 3) Comprehensive review of MCO compliance with federal and state operational standards – once every three years.

Further, CMS requires that the activities be conducted by an external quality review organization (EQRO). DMAS contracts with a quality improvement organization (QIO) to serve as the EQRO for Virginia. Consistent with CMS guidance, the EQRO conducts these mandated activities using CMS published protocols.

In addition to the mandated activities, the EQRO conducts other focused studies for DMAS using the CMS published protocol as the framework. The focused studies are centered on a methodical and in-depth analysis of a particular health improvement topic, such as childhood immunizations, and further stratify data beyond the HEDIS technical specifications. The focused study reports can enable program and policy makers to identify opportunities for targeted improvement.

Other periodic activities that the EQRO conducts for DMAS include customer satisfaction surveys administered to enrollees of Medicaid managed care plans and annual reports that summarize the highlights of all external quality reports.

CMS protocols for the three mandated external quality review activities and for conducting focused studies can be found by searching through www.cms.gov for the following:

- 1) "Validating Performance Improvement Projects, A protocol for use in Conducting Medicaid External Quality Review Activities, Final Protocol, Version 1.0, May 1, 2002."
- 2) "Validating Performance Measures, A protocol for use in Conducting Medicaid External Quality Review Activities, Final Protocol, Version 1.0, May 1, 2002."
- 3) "Conducting Focused Studies of Health Care Quality," Final Protocol, Version 1.0, May 1, 2002"
- 4) "Monitoring Medicaid Managed Care Organizations (MCOs) and Prepaid Inpatient Health Plans (PIHPS): A Protocol for Determining Compliance with Medicaid Managed Care Proposed Regulations at 42 CFR Parts 400, 430, et al., Final Protocol Version 1.0, February 11, 2003."

Relevant Federal regulations for Medicaid managed care external quality review requirements are outlined in Department of Health and Human Services
42 CFR Parts 438, Subpart E, External Quality Review