Performance Evaluation Report

# Kaiser Prepaid Health Plan (KP Cal, LLC) – Marin and Sonoma Counties

July 1, 2009–June 30, 2010

Medi-Cal Managed Care Division
California Department of
Health Care Services

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# 1. Introduction

## Purpose of Report

The Department of Health Care Services (DHCS) administers the Medi-Cal Managed Care (MCMC) Program to approximately 4 million beneficiaries (as of June 2010)[1] in the State of California through a combination of contracted full-scope and specialty managed care plans. The DHCS is responsible for assessing the quality of care delivered to members through its contracted plans, making improvements to care and services, and ensuring that contracted plans comply with federal and State standards.

Federal law requires that states use an external quality review organization (EQRO) to prepare an annual, independent technical report that analyzes and evaluates aggregated information on the health care services plans provide. The EQRO's performance evaluation centers on federal and State-specified criteria that fall into the domains of quality, access, and timeliness. The EQRO assigns compliance review standards, performance measures, and quality improvement projects (QIPs) to the domains of care. The report must contain an assessment of the strengths and weaknesses of the plans, provide recommendations for improvement, and assess the degree to which the plans addressed any previous recommendations.

The DHCS contracted with Health Services Advisory Group, Inc. (HSAG), an EQRO, to prepare the external quality review technical report. Due to the large number of contracted plans and evaluative text, HSAG produced an aggregate technical report and plan-specific reports as follows:

- The *Medi-Cal Managed Care Program Technical Report, July 1, 2009–June 30, 2010*, provides an overview of the objectives and methodology for conducting the EQRO review. It includes an aggregate assessment of plans' performance through organizational assessment and structure, performance measures, QIPs, and optional activities, such as member satisfaction survey results, as they relate to the quality, access, and timeliness domains of care.
- Plan-specific evaluation reports include findings for each plan regarding its organizational assessment and structure, performance measures, QIPs, and optional activities, such as member satisfaction survey results, as they relate to the quality, access, and timeliness domains of care. Plan-specific reports are issued in tandem with the technical report.

[1] *Medi-Cal Managed Care Enrollment Report—June 2010*. Available at: http://www.dhcs.ca.gov/dataandstats/reports/Pages/MMCDMonthlyEnrollment.aspx.

This report is unique to the MCMC Program's contracted plan, KP Cal, LLC, operating in Marin and Sonoma counties as Kaiser Prepaid Health Plan Marin/Sonoma (referred to herein as "Kaiser PHP–Marin and Sonoma counties" or "the plan"), for the review period July 1, 2009, to June 30, 2010. Plan-specific reports include findings for each plan regarding its organizational assessment and structure, performance measures, and QIPs as they relate to the quality, access, and timeliness domains of care. Actions taken by the plan subsequent to June 30, 2010, regarding findings identified within this report will be included in the next annual plan-specific evaluation report.

Kaiser PHP–Marin and Sonoma counties is contracted with Medi-Cal managed care as a specialty plan. As such, the plan has contractual requirements that have been modified from those specified for the full-scope contracted health plans.

## Plan Overview

Kaiser PHP–Marin and Sonoma counties is a managed care plan contracted with the MCMC Program as KP Cal, LLC. The plan provides medical services similar to full-scope plans, but it is contracted with the DHCS as a prepaid health plan. In 1992, when the DHCS first introduced managed care in Marin and Sonoma counties, not enough plans were interested to support the Two-Plan or Geographic Managed Care model in that area. At that time there was no legislative authority for a County-Organized Health System (COHS) in the two counties. Kaiser already operated in Marin and Sonoma counties as a private Health Maintenance Organization (HMO), so the DHCS contracted with the plan to provide Medi-Cal managed care to a small number of members as a Prepaid Health Plan (PHP).

The plan became operational with the MCMC Program in 1992 in both Marin and Sonoma counties. Because Kaiser PHP–Marin and Sonoma counties is the only Medi-Cal managed care plan available in these counties, there is no mandatory enrollment. Enrollment is voluntary for eligible Medi-Cal members in the two counties. As of June 30, 2010, the plan had 873 Medi-Cal managed care members in Marin County and no members remaining in Sonoma County.[2]

*Note:* Partnership Health Plan, a COHS, began operating in Sonoma County in October 2009 and will begin operating in Marin County as of July 1, 2011. Enrollment in the new COHS plan will be mandatory for all eligible Medi-Cal members. Kaiser PHP–Marin and Sonoma counties will no longer contract with the DHCS as a Medi-Cal managed care plan in Marin County, but will continue serving Medi-Cal members as a subcontractor to Partnership Health Plan.

[2] *Medi-Cal Managed Care Enrollment Report—June 2010*. Available at: http://www.dhcs.ca.gov/dataandstats/reports/Pages/MMCDMonthlyEnrollment.aspx

## Conducting the Review

According to federal requirements, the State or its EQRO must conduct a review to determine a Medicaid managed care plan's compliance with standards established by the State related to enrollee rights and protections, access to services, structure and operations, measurement and improvement, and grievance system standards.

The DHCS conducts this review activity through an extensive monitoring process that assesses plans' compliance with State and federal requirements at the point of initial contracting and through subsequent, ongoing monitoring activities.

This report section covers the DHCS's medical performance and member rights review activities. These reviews occur independently of one another, and while some areas of review are similar, the results are separate and distinct.

The *Medi-Cal Managed Care Program Technical Report, July 1, 2009–June 30, 2010*, provides an overview of the objectives and methodology for conducting the EQRO review.

## Findings

HSAG organized, aggregated, and analyzed results from the DHCS's compliance monitoring reviews to draw conclusions about Kaiser PHP–Marin and Sonoma counties' performance in providing quality, accessible, and timely health care and services to its MCMC members. Compliance monitoring standards fall under the timeliness and access domains of care; however, standards related to measurement and improvement fall under the quality domain of care.

### *Medical Performance Monitoring*

Between 2005 and 2009, the Department of Managed Health Care (DMHC) conducted numerous non-joint routine medical surveys of the Northern California Region. It was unclear from the medical surveys whether the scope of the audit included review of Kaiser's Medi-Cal managed care plans. DMHC conducted medical surveys for Kaiser Foundation Health Plan and addressed Kaiser's Northern and Southern Regions. These medical surveys were not county-specific and the results were excluded from this evaluation report, but they can be accessed on DMHC's Web site.[3]

[3] Department of Managed Health Care, Division of Plan Surveys. *Final Report – Routine Medical Survey of Kaiser Foundation Health Plan, Inc. August 2009.* Available at: http://www.dmhc.ca.gov/library/reports/med_survey/med_default.aspx

### Medi-Cal Managed Care Member Rights and Program Integrity Review

The Medi-Cal Managed Care Program's Member Rights/Program Integrity Unit (MRPIU) is responsible for monitoring plan compliance with contract requirements and State and federal regulations pertaining to member rights and program integrity. To accomplish this, MRPIU reviews and approves plans' written policies and procedures for member rights (such as member grievances, prior-authorization request notifications, marketing and enrollment programs, and cultural and linguistic services) and for program integrity (fraud and abuse prevention and detection). These member rights reviews are conducted before a plan becomes operational in the MCMC Program, when changes are made to policies and procedures, during contract renewal, and if the plan's service area is expanded.

As part of the monitoring process, MRPIU conducts an on-site member rights review of each plan approximately every two years and follow-up visits when necessary to address unresolved compliance issues and provide technical assistance. For this report, HSAG reviewed the most current MRPIU plan monitoring reports available as of June 30, 2010.

MRPIU conducted a routine monitoring visit of Kaiser PHP–Marin and Sonoma counties in August 2009, which covered the review period of January 1, 2008, through May 31, 2009. Detailed findings from this review were included in the prior year's evaluation report.[4] Deficiencies were related to the grievance section.

## Strengths

Kaiser PHP–Marin and Sonoma counties was fully compliant with the following MRPIU categories: Prior Authorization Notification, Cultural and Linguistic Services, and Program Integrity.

## Opportunities for Improvement

The plan should ensure that it has corrected the grievance deficiencies.

[4] California Department of Health Care Services. Performance Evaluation Report, Kaiser Prepaid Health Plan (KP Cal, LLC) – Marin and Sonoma Counties, July 1, 2008 – June 30, 2009. December 2010.

## Conducting the Review

For its full-scope contracted Medi-Cal managed care plans, the DHCS selects a set of performance measures to evaluate the quality of care delivered by contracted plans to Medi-Cal managed care members on an annual basis. These DHCS-selected measures are referred to as the External Accountability Set (EAS). The DHCS requires that plans collect and report EAS rates, which provides a standardized method of objectively evaluating plans' delivery of services.

For the MCMC Program's contracted specialty plans and prepaid health plan, the DHCS reduces the performance measure requirements to only two performance measures due to the small size or special needs of these plans' member populations. These two performance measures are chosen in consultation with the DHCS and may or may not be selected from the EAS.

HSAG conducts validation of these performance measures as required by the DHCS to evaluate the accuracy of the plans' reported results. Validation determines the extent to which plans followed specifications established by the MCMC Program for its selected performance measures when calculating rates.

## Findings

HSAG organized, aggregated, and analyzed validated performance measure data to draw conclusions about Kaiser PHP–Marin and Sonoma counties' performance in providing quality, accessible, and timely care and services to its MCMC members. Both of the plan's selected performance measures fell under quality domains of care. The *Medi-Cal Managed Care Program Technical Report, July 1, 2009–June 30, 2010*, scheduled for release in early 2011, will provide an overview of the objectives and methodology for conducting the EQRO review.

### Performance Measure Validation

HSAG performed an NCQA HEDIS® Compliance Audit™[5] of Kaiser PHP–Marin and Sonoma counties in 2010. HSAG found all measures to be reportable and that the plan's information systems (IS) supported accurate HEDIS reporting. Auditors found the plan to be fully compliant with IS standards and identified no corrective actions.

[5] HEDIS® refers to the Healthcare Effectiveness Data and Information Set and is a registered trademark of the National Committee for Quality Assurance (NCQA). NCQA HEDIS Compliance Audit™ is a trademark of the NCQA.

## Performance Measure Results

The table below presents a summary of Kaiser PHP–Marin and Sonoma counties' HEDIS 2010 performance measure results (based on calendar year 2009 data). The table shows the plan's HEDIS 2010 performance compared to the MCMC-established MPLs and HPLs.

The MCMC Program bases its MPLs and HPLs on the National Committee for Quality Assurance's (NCQA's) national Medicaid 25th percentile and 90th percentile, respectively.

Kaiser PHP–Marin and Sonoma counties' performance measures were the HEDIS measures *Appropriate Testing for Children With Pharyngitis* and *Appropriate Treatment for Children With Upper Respiratory Infection.*

The *Appropriate Testing for Children With Pharyngitis* measure reports the percentage of enrolled members 2 to 18 years of age during the measurement year who were diagnosed with pharyngitis, prescribed an antibiotic, and received a Group A strep test for the episode. The *Appropriate Treatment for Children With Upper Respiratory Infection* measure reports the percentage of enrolled members 3 months to 18 years of age who were given a diagnosis of URI and who were not dispensed an antibiotic prescription on or three days after the episode date.

**Table 3.1—2009–2010 Performance Measure Results for Kaiser PHP—Marin and Sonoma Counties**

| Performance Measure[1] | Domain of Care[2] | 2009 HEDIS Rates[3] | 2010 HEDIS Rates[4] | Performance Level for 2009 | MMCD's Minimum Performance Level[5] | MMCD's High Performance Level (Goal)[6] |
|---|---|---|---|---|---|---|
| Appropriate Testing for Children With Pharyngitis (CWP) | Q | 90.3% | 80.0% | ★★ | 53.6% | 82.0% |
| Appropriate Treatment for Children with Upper Respiratory Infection (URI) | Q | 97.5% | 95.6% | ★★★ | 81.1% | 94.5% |

[1] DHCS-selected HEDIS performance measures developed by NCQA.
[2] HSAG's assignment of performance measures to the domains of care for quality (Q), access (A), and timeliness (T).
[3] HEDIS 2009 rates reflect measurement year data from January 1, 2008, through December 31, 2008.
[4] HEDIS 2010 rates reflect measurement year data from January 1, 2009, through December 31, 2009.
[5] The MMCD's minimum performance level (MPL) is based on NCQA's national Medicaid 25th percentile.
[6] The MMCD's high performance level (HPL) is based on NCQA's national Medicaid 90th percentile.
★ = Below-average performance relative to the national Medicaid 25th percentile.
★★ = Average performance relative to national Medicaid percentiles (between the 25th and 90th percentiles).
★★★ = Above-average performance relative to the national Medicaid 90th percentile.

## Performance Measure Result Findings

The plan performed above the MPL for *Appropriate Testing for Children With Pharyngitis* and above the HPL for *Appropriate Treatment for Children With Upper Respiratory Infection.*

### HEDIS Improvement Plans

Plans have a contractual requirement to perform at or above the established MPL. Plans that have rates below this minimum level must submit an improvement plan to the DHCS for each area of deficiency, outlining the steps they will take to improve care.

The DHCS did not require any HEDIS improvement plans for the plan based on its 2009 HEDIS scores. Based on Kaiser PHP–Marin and Sonoma counties' above-MPL performances for its 2010 rates, no improvement plan was required.

## Strengths

The plan performed above the HPL for *Appropriate Treatment for Children With Upper Respiratory Infection.*

## Opportunities for Improvement

The plan has the opportunity to improve the *Appropriate Testing for Children With Pharyngitis* measure, as it decreased by ten percentage points from 2009 to 2010.

## Conducting the Review

The purpose of a quality improvement project (QIP) is to achieve, through ongoing measurements and interventions, significant improvement sustained over time in both clinical and nonclinical areas.

HSAG reviews each QIP using the Centers for Medicare & Medicaid Services' (CMS') validating protocol to ensure that plans design, conduct, and report QIPs in a methodologically sound manner and meet all State and federal requirements. As a result of this validation, the DHCS and interested parties can have confidence in reported improvements that result from a QIP.

## Findings

HSAG organized, aggregated, and analyzed validated QIP data to draw conclusions about Kaiser PHP–Marin and Sonoma counties' performance in providing quality, accessible, and timely care and services to its MCMC members.

### *Quality Improvement Projects Conducted*

Kaiser PHP–Marin and Sonoma counties had two clinical QIPs in progress at the end of the prior year's evaluation report review period of July 1, 2008, through June 30, 2009. The first internal QIP targeted improving cervical cancer screening rates among members 18 to 64 years of age. The second project, also an internal QIP, aimed to increase the percentage of members 18 years of age and older identified as current smokers who received advice from their provider to quit smoking. The cervical cancer screening QIP fell under both quality and access domains of care, while the smoking cessation QIP fell under the quality domain of care. HSAG found that both QIPs were determined not valid and reliable and recommended that the plan submit documentation sufficient to achieve an overall *Met* validation status. Additionally, HSAG recommended that both QIPs be retired as formal projects after they have successfully met validation requirements to allow the plan to address areas where improvement is needed.

The plan entered into contract discussions with the State and was not required to resubmit the QIPs nor initiate new projects since the plan would no longer be serving members under a prepaid health plan status for either county after June 30, 2011. Therefore, HSAG did not conduct validation activities during the report period of July 1, 2009, through June 30, 2010.

## Overall Findings Regarding Health Care Quality, Access, and Timeliness

### *Quality*

The quality domain of care relates to a plan's ability to increase desired health outcomes for Medi-Cal managed care members through the provision of health care services and the plan's structural and operational characteristics.

The DHCS uses the results of performance measures and quality improvement project (QIP) to assess care delivered to members by a plan in areas such as preventive screenings and well-care visits, management of chronic disease, and appropriate treatment for acute conditions, all of which are likely to improve health outcomes. In addition, the DHCS monitors aspects of a plan's operational structure that support the delivery of quality care, such as the adoption of practice guidelines, a quality assessment and performance improvement program, and health information systems. Finally, some member satisfaction measures relate to quality of care.

HSAG found that Kaiser PHP–Marin and Sonoma counties demonstrated average performance for the quality of care domain. This was based on the plan's 2010 performance measure rates (which reflected 2009 measurement data) and compliance review standards related to measurement and improvement. The plan could improve quality of care for members by selecting new performance measures that reflect low and actionable performance.

### *Access*

The DHCS has contract requirements for plans to ensure access to and availability of services to members. The DHCS uses monitoring processes, including audits, to assess a plan's compliance with access standards. These standards include assessment of network adequacy and availability of services, coordination and continuity of care, and coverage of services. However, as a prepaid health plan with a very small population, Kaiser PHP-Marin and Sonoma counties is required to report on only two measures, and neither of the plan's performance measures fell under the access domain of care.

Additionally Kaiser PHP–Marin and Sonoma counties did not have QIPs in place during the review period and therefore could not be assessed. The most current medical performance review

results showed that the plan was fully compliant with cultural and linguistic services requirements as well as prior authorization notifications.

### Timeliness

The timeliness domain of care relates to a plan's ability to make timely utilization decisions based on the clinical urgency of the situation, to minimize any disruptions to care, and to provide a health care service quickly after a need is identified.

The DHCS has contract requirements for plans to ensure timeliness of care and uses monitoring processes, including audits, to assess plans' compliance with these standards in areas such as enrollee rights and protections, grievance system, continuity and coordination of care, and utilization management. In addition, performance measures such as childhood immunizations, well-care visits, and prenatal and postpartum care fall under the timeliness domain of care because they relate to providing a health care service after a need is identified within a recommended period of time. However, Kaiser PHP–Marin and Sonoma counties is required to report on only two measures, and neither of the plan's required measures fell under the timeliness domain of care.

Based on compliance review standards related to timeliness, Kaiser PHP–Marin and Sonoma counties demonstrated average performance in the timeliness domain of care. The plan's most recent medical performance review noted audit findings related to the grievance system. One of 90 grievance files reviewed exceeded the acknowledgement letter time frame. Another file was missing a required resolution letter.

Overall, Kaiser PHP–Marin and Sonoma counties demonstrated average performance in providing quality care as well as average performance in timely health care services to its MCMC members. One performance measure rate was above the HPL.

The plan demonstrated full compliance with prior-authorization notifications, cultural and linguistic services requirements, and program integrity. Opportunities for improvement exist for the grievance system and QIPs.

### Conclusions and Recommendations

Based on the limited availability of information during the review period, HSAG did not provide overall conclusions or recommendations. As of July 1, 2011, the plan is no longer an active plan under the Medi-Cal Managed Care Program and therefore, the State accepted the plan's 2010 performance measure rate data as final, did not require the plan to resubmit QIP documentation or initiate new projects, and did not conduct more recent medical performance review findings. This is the final evaluation report for Kaiser PHP–Marin and Sonoma counties. HSAG will assess the performance of this plan as a delegate under Partnership Health Plan in future years.