

Accountability in Managed Care: Strategies for Compliance

The purpose of this document is to summarize how the Washington State Health Care Authority (HCA) holds Apple Health (Medicaid) managed care organizations (MCO) responsible for their obligations under the Integrated Managed Care (IMC) contract.

The Legislature designated HCA as the single State Medicaid Agency. As such, HCA is required to ensure compliance, fiscal accountability, and the value of managed care. HCA uses multiple accountability tools to address MCO compliance, such as program integrity monitoring for fraud, waste, and abuse.

HCA uses a range of compliance strategies to ensure MCO oversight and accountability that aligns with federal and state requirements and produces quality care outcomes for clients. Language in the IMC contract between HCA and each MCO allows HCA to monitor compliance at any time and routinely as required by federal law.

HCA uses past successes to advance accountability strategies, including the following recent examples:

- **Increasing the level and timing of HCA response to resolve MCO non-performance by sanction, liquidated damages, and corrective action:**
Resolving repeated non-performance identified through TEAMonitor Compliance Review.
- **Improving quality care outcomes for enrollees:** Issuing corrective action to address poor performance in the Washington Apple Health Plan Report Card and pay for better care outcomes through the value-based purchasing withhold.
- **Improving care coordination activities:** Increasing monitoring through complex discharge, children in crisis rapid care team, and other transitions of care.
- **Striving toward health equity by reducing disparities and providing culturally appropriate care:** Requiring health equity accreditation and requiring population-specific performance measures.

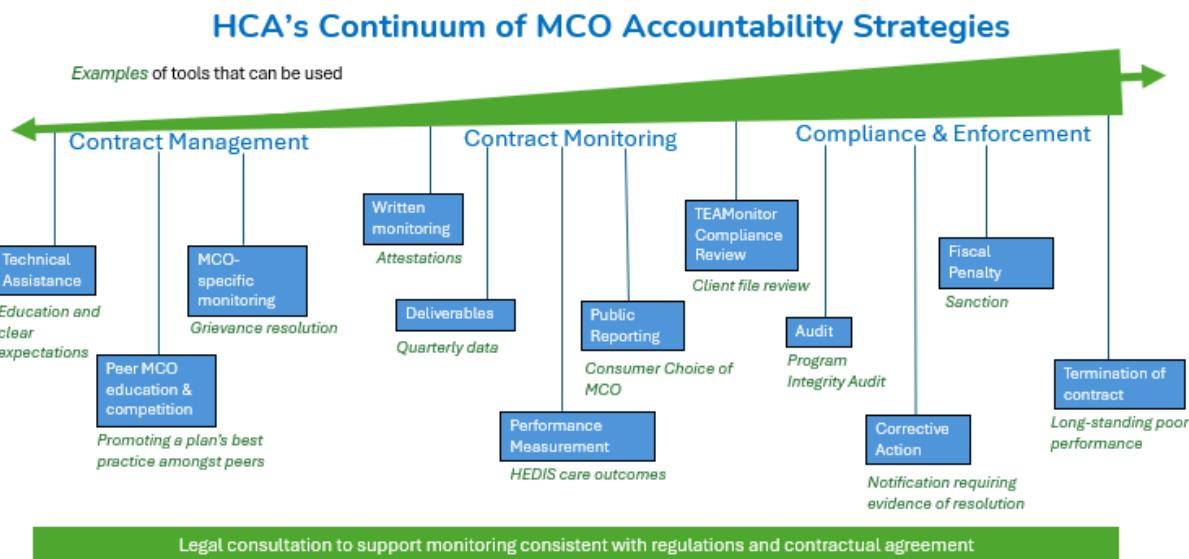
MCO performance is strongest when:

1. Expectations are clear, transparent, and supported by open feedback and ongoing communication. Feedback from partners, providers, and our clients is important to identify areas of focus for monitoring activities.
2. All monitoring activities are compliant with federal and state statutes and regulations as well as the IMC contract, using legal review and consultation to ensure actions are legally appropriate and defensible.
3. Each situation is assessed independently to apply the appropriate intensity of monitoring, escalating the use of tools over time as needed for each individual situation while allowing immediate use of stricter tools for extreme and concerning situations, such as client harm. A combination of accountability strategies can often be helpful to bring the desired level of attention to a topic.

HCA has found increased compliance when a range of both incentives and penalties are available. Some may perceive punitive action as important to ensure MCO compliance; however, penalties (such as sanctions, liquidated damages, or corrective action) are an effective mechanism and are not punitive.

Accountability continuum

HCA applies mechanisms across a continuum of intensity, from supportive education and technical assistance through contract management activities to structured contract monitoring to penalties for noncompliance through compliance and enforcement functions, such as corrective action and sanctions.



Examples of accountability tools

Accountability and compliance strategies include, but are not limited to, the following tools.

Accountability tool	Details
Technical assistance	Expectations provided to all MCOs clarifying expected performance and providing program guidance and resources. Usually used for new topics or clarifying existing expectations.
Program specific best practices	Asking for MCO response about a specific topic to redirect efforts as needed, identify lessons learned by each MCO, and make program wide changes to build upon the successes of individual MCOs. Usually used for new or emerging programs.

Accountability tool	Details
Peer education and competition	Supports MCOs in understanding what performance HCA is looking for and incentivizes MCOs to perform better than peers, such as sharing best practices and using benchmarking in rate development.
MCO-specific monitoring	Raising concerns to a specific MCO with written response required on how the MCO has resolved the issue, including evidence of compliance as appropriate (e.g., reporting availability of a provider who is not actively enrolled in Apple Health). Usually used as an initial tool to resolve poor performance from a certain MCO.
Written monitoring	Requiring a detailed response from all MCOs, including evidence of compliance. Examples include narrative, data, or policy & procedure review (usually to demonstrate detailed handling for a specific topic), or attestations with evidence of compliance (usually for new implementation or evaluating the status of a specific problematic topic).
Deliverables	Topic-specific monitoring at routine times, such as each quarter or year. Usually used to perform in-depth monitoring of a topic that is of high interest in appropriate handling (e.g., grievances and appeals), requires MCO information (e.g., provider network), or data unavailable by claims and encounters (e.g., program integrity monitoring for fraud, waste, and abuse).
Performance measurement	Data to support focused monitoring of key topics with oversight of the HCA's contracted external quality review organization (EQRO). This strategy is often paired with public posting for transparency and consumer choice of MCOs. Usually used for core areas of care that should be monitored long-term.
TEAMonitor compliance review	Formal monitoring activity to evaluate MCO compliance with the contract, including document review and enrollee file review. This is federally required to ensure compliance with federal regulations. Usually used for deep review of MCO performance in core areas.
Audit	Formal monitoring activity to perform a thorough review of a topic (e.g., program integrity audit to ensure appropriate use of Medicaid funding, audit to validate information systems design, audit to ensure reliable performance measure results are reported)
Corrective action	Formal notification of a specific MCO's non-compliance with the contract. This requires the MCO to submit a Corrective Action Plan (CAP) with how it will correct the issue. The CAP is monitored until the MCO confirms compliance with evidence on how the issue was resolved. Usually used for significant or long-standing non-compliance.
Fiscal penalties	Requiring financial payment through sanctions, non-performance penalties, or liquidated damages for non-compliance.
Termination of contract	Terminating contract with an MCO. Usually, this would be employed when there is significant and unresolved or long-standing non-performance identified.

Next Steps

HCA intends to continue to advance accountability strategies in order to drive change and increase performance within the managed care delivery system by building on recent successes. Monitoring tools help advance the state's priorities for managed care as well as to prioritize improved MCO performance in key areas. Current priorities for managed care accountability and compliance include the following:

- Improved care outcomes (by holding MCOs accountable to the Washington Apple Health Plan Report Card and other contract requirements).
- Paying for quality care outcomes, with focus on populations experiencing disparity (by requiring health equity focused measures in the value-based purchasing withhold and by increasing measurement of populations served to identify disparities).
- Access to behavioral health care (by implementing the secret shopper survey).
- Improved coordination (by ensuring appropriate use of in-state care through increased data reporting of out-of-state care and by measuring reentry outcomes for individuals releasing from incarceration).

More Information

To learn more about how HCA performs accountability and compliance functions, see the [Washington State Managed Care Quality Strategy](#).

To learn more about how the MCOs are currently performing, see the [Apple Health \(Medicaid\) and Managed Care Reports page](#). HCA's contracted External Quality Review Organization performs an annual assessment of the quality, access, and timeliness of care within the Apple Health managed care system. This assessment, called the Annual EQR Technical Report, is posted annually.