



MEDICARE-MEDICAID COORDINATION OFFICE

DATE: July 29, 2020
TO: Medicare-Medicaid Plans
FROM: Lindsay P. Barnette
Director, Models, Demonstrations and Analysis Group
SUBJECT: Quality Withhold Updates for Medicare-Medicaid Plans

The purpose of this memorandum is to provide information regarding the Calendar Year (CY) 2019 and CY 2020 quality withhold analyses for Medicare-Medicaid Plans (MMPs) in light of impacts from the Coronavirus Disease 2019 (COVID-19) public health emergency (PHE). This memorandum also announces the release of the *Medicare-Medicaid Capitated Financial Alignment Model Core Quality Withhold Technical Notes for Demonstration Years (DY) 2 through 8*. Should you have any questions regarding these updates, please contact the Medicare-Medicaid Coordination Office at mmcocapsmodel@cms.hhs.gov.

CY 2019 Quality Withhold Analysis

As previously communicated in the April 2, 2020 HPMS memorandum, CMS released an interim final rule with comment period (IFC) in response to the COVID-19 PHE.¹ The IFC indicates that CMS will not require Medicare health plans to submit Healthcare Effectiveness Data and Information Set (HEDIS) 2020 measures covering the 2019 measurement year. To account for this change, MMPs will automatically receive a “met” designation for the unreported HEDIS measures included in the CY 2019 quality withhold analysis.² For all other CY 2019 measures that are reportable, we will evaluate MMPs on their performance per usual (i.e., we will compare MMP performance rates to benchmarks and gap closure targets as applicable in order to determine if the MMP met the minimum performance threshold for the measure). The intent of this approach is to hold MMPs accountable for their performance on measures that were reportable, without placing greater weight on those measures when determining the overall results.

¹ See <https://www.cms.gov/files/document/covid-final-ifc.pdf>.

² For Michigan MMPs, two additional state-specific quality withhold measures were also deemed unreportable. Michigan MMPs will automatically receive a “met” designation for those measures as well.

CY 2020 Quality Withhold Analysis

Due to the COVID-19 PHE, the Secretary of Health and Human Services issued a nationwide Section 1135 waiver.³ Additionally, major disaster declarations were issued for all states where MMPs currently operate, and all MMP service areas qualify as Federal Emergency Management Agency (FEMA)-designated Individual Assistance areas.⁴ As a result, for the CY 2020 quality withhold analysis, all MMPs are eligible for the adjustment for extreme and uncontrollable circumstances, based on the criteria for identifying affected MMPs as articulated in the April 1, 2019 HPMS memorandum and the Core Quality Withhold Technical Notes for DY 2 through 8.

Consistent with the guidance first provided on April 1, 2019, affected MMPs will receive the full quality withhold payment from CMS and the state for CY 2020, provided that the MMP fully reports all applicable quality withhold measures.⁵ The IFC indicates that CMS will not require submission of the 2020 Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey data for Medicare health and drug plans. Therefore, lack of CAHPS measure reporting will not affect MMPs' ability to qualify for the adjustment for extreme and uncontrollable circumstances.⁶ At this time, we expect that MMPs will report all other CY 2020 measures per usual; however, if reporting expectations change, we will issue updated guidance to MMPs accordingly.

Core Quality Withhold Technical Notes for DY 2 through 8

Included with this memorandum is the final *Medicare-Medicaid Capitated Financial Alignment Model Core Quality Withhold Technical Notes for DY 2 through 8*. This document replaces the former version for DY 2 through 5 issued on March 14, 2018. CMS and states will evaluate MMP performance in accordance with this document for all forthcoming quality withhold determinations.

We released a draft of this document for public comment on December 20, 2019. We thank those organizations that provided feedback on the proposed revisions. The comments identified opportunities for us to clarify the timing, application, and impact of the changes:

- Several commenters expressed concern regarding the retroactive suspension of the Controlling Blood Pressure measure from the quality withhold analysis for CY 2018 and CY 2019. While we understand the preference to receive notification in advance of the measurement year, given the timing of the measure steward's updates for CY 2018, advanced notice was not possible. Suspension of this measure was the result of substantial

³ See <https://www.phe.gov/emergency/news/healthactions/section1135/Pages/covid19-13March20.aspx>.

⁴ See <https://www.fema.gov/disasters>.

⁵ See <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/MMPInformationandGuidance/Downloads/QualityWithholdDisasterAdjustmentMemo.pdf>.

⁶ For Texas MMPs, an additional state-specific quality withhold measure is collected through CAHPS. Lack of reporting for this measure also will not affect Texas MMPs' ability to qualify for the adjustment for extreme and uncontrollable circumstances.

specification changes that were finalized by the measure steward after the start of the measurement year. That said, going forward we will continue to endeavor to provide the earliest possible notification regarding any measure suspensions or other changes.

- For the Medication Adherence for Diabetes Medications measure, several commenters suggested a staggered increase to the benchmark to provide MMPs additional time to work toward the updated goal. However, as with most quality withhold measures, this measure is subject to the gap closure target methodology, such that MMPs do not have to meet the benchmark outright. Instead, MMPs can pass the measure based on incremental improvement toward the benchmark each year. For more information, please refer to the Gap Closure Targets section within the Core Quality Withhold Technical Notes.
- Certain commenters questioned whether we considered MMP performance when setting benchmarks. As noted in the memorandum that accompanied the draft release, we based our proposed benchmark updates on analyses of both national and MMP performance trends. We believe that benchmark setting should consider all available and relevant data to help determine appropriate targets for MMPs. Some commenters also requested more information about MMP performance for these measures. We remind those commenters that MMP performance data are published annually on the Capitated Model webpage.⁷
- Several commenters provided feedback regarding the proposed benchmark update for the Plan All-Cause Readmissions measure. Upon further consideration of the recent specification changes and other concerns about impacts to this measure, we decided to delay the implementation of a revised benchmark to CY 2022. We will evaluate performance trends and provide the revised benchmark as soon as possible. In the meantime, we encourage MMPs to continue to invest in performance improvement strategies for this measure.

While we are finalizing the Core Quality Withhold Technical Notes for DY 2 through 8 as previously drafted (with the exception of the Plan All-Cause Readmissions measure), we remind MMPs that we will evaluate only a subset of measures for CY 2019 and that all MMPs are eligible for the adjustment for extreme and uncontrollable circumstances in CY 2020. We recognize that the COVID-19 PHE may affect performance on quality withhold measures beyond CY 2020. We will continue to monitor impacts and adjust performance expectations as needed.

As noted above, if you have any questions about the information in this memorandum, please contact the Medicare-Medicaid Coordination Office at mmcocapsmodel@cms.hhs.gov.

⁷ See <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/CapitatedModel>.