NC DEPARTMENT OF
HEALTH AND
HUMAN SERVICES
Division of Health Benefits

2024 Quality Strategy Evaluation

Review Period: June 2021–June 2024

May 2025

HSAG HEALTH SERVICES ADVISORY GROUP

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1. Executive Summary

Overview

The North Carolina Department of Health and Human Services (the Department) developed its *Medicaid Managed Care Quality Strategy* (Quality Strategy) in accordance with Title 42 of the Code of Federal Regulations (42 CFR) at 42 CFR §438.340 et seq., which also requires an evaluation of the effectiveness of the quality strategy conducted within the previous three years.

In September 2015, the North Carolina (NC) General Assembly enacted Session Law 2015-245, directing the transition of the State's Medicaid program from a predominantly fee-for-service structure to a capitated managed care structure. Since that time, the Department has collaborated with the General Assembly and stakeholders to plan and implement this directive. The Department is committed to transitioning the state to Medicaid managed care to advance high-value care, improve population health, engage and support beneficiaries and providers, and establish a sustainable program with predictable costs. The Department published its first Quality Strategy on June 16, 2021, and published a revised version on April 11, 2023.

The Department's Division of Health Benefits (DHB) contracted Health Services Advisory Group, Inc. (HSAG), its external quality review organization (EQRO), to conduct an evaluation of the Quality Strategy to assess whether NC Medicaid has met or made progress on its Quality Strategy goals. HSAG collaborated with DHB to define the scope of the Quality Strategy evaluation (Evaluation) in accordance with the guidance in the Centers for Medicare & Medicaid Services (CMS) *Medicaid and Children's Health Insurance Program (CHIP) Managed Care Quality Strategy Toolkit, June 2021*[1] (CMS' QS Toolkit).

The Evaluation consisted of:

- An analysis of applicable measures of the Quality Strategy's goals and objectives for improvement made over time against baseline data.
- An analysis of whether the Department's managed care quality provisions, as detailed in its Quality Strategy, are aligned and focus on consistent aims and goals.
- An analysis of whether the State's managed care quality provisions, as detailed in its Quality Strategy, address managed care plan (MCP) performance on the Child and Adult Core Set measures.
- An analysis of DHB's responsiveness to external quality review (EQR) recommendations.

HSAG used the above analyses to determine the following:

- Whether the State is making progress on its Quality Strategy goals and objectives.
- Whether the State is continuing with or revising its goals and objectives based on the Evaluation.

[1] Centers for Medicare & Medicaid Services. *Medicaid and Children's Health Insurance Program (CHIP) Managed Care Quality Strategy Toolkit, June 2021*. Available at: https://www.medicaid.gov/sites/default/files/2021-12/managed-care-quality-strategy-toolkit.pdf. Accessed on: Oct 15, 2024.

- A description of how the State modified its approach in its revised Quality Strategy if it did not meet or make progress on its goals and objectives.

Methodology

This Evaluation used data collected during calendar year (CY) 2021 and CY 2022, representing measurement year (MY) 2021 through MY 2022.[2] It should be noted that the majority of NC Medicaid beneficiaries spent the first half of MY 2021 in traditional fee-for-service Medicaid (known as "NC Medicaid Direct") before transitioning to managed care in July of 2021. The limited data made it difficult to identify overarching trends over time. Data for CY 2023 were incorporated in this Evaluation when available.

The following criteria were used to select quality measures for inclusion in the Evaluation:

- Alignment with the Quality Strategy goals.
- Alignment with the CMS Core Measure Sets, as recommended in CMS' QS Toolkit.
- Alignment with measures used to assess Standard Plan[3] contract performance.
- Validation of adherence to measure steward technical specifications (i.e., auditor-locked rates).

The body of this report will only present data on a subset of measures that clearly relate to the priority quality measures identified in the Department's Quality Strategy and were collected and reported by the Medicaid managed care health plans (health plans)[4].

In this Evaluation, HSAG selected 43 performance measures (including measure indicators) to evaluate the Department's progress toward meeting its Quality Strategy goals.

Enrollee Experience Measures

For enrollee experience measures reported from Consumer Assessment of Healthcare Providers and Systems (CAHPS) Health Plan Surveys[5], HSAG compared the positive ratings in MY 2022 and MY 2023 to the National Committee for Quality Assurance (NCQA) Quality Compass®[,6,7] Benchmark and Compare Quality Data to determine which NCQA national percentile range the scores fell within.

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2 MY 2021 and MY 2022 represent administrative rates calculated in alignment with the applicable administrative technical specifications for the MY.

3 Implementation dates for the Prepaid Inpatient Health Plans (PIHPs) and Tailored Plans (TPs) did not allow for comparisons; future Quality Strategy Evaluations will include those health plans in assessments. This Evaluation did not include specific assessment of data and measures for the Eastern Band of Cherokee Indians Tribal Option.

4 The Department requires the collection and reporting of measures for all health plans, as established in its Quality Strategy. Not all measures were selected for evaluation.

5 CAHPS® is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ).

6 Quality Compass® is a registered trademark of the NCQA.

7 National Committee for Quality Assurance. *Quality Compass®: Benchmark and Compare Quality Data 2023.* Washington, DC: NCQA, September 2023. Quality Compass® 2023 data are used with the permission of NCQA. Quality Compass 2023 includes certain CAHPS data. Any data display, analysis, interpretation, or conclusion based on these data is solely that of the authors, and NCQA specifically disclaims responsibility for any such display, analysis, interpretation, or conclusion. Quality Compass is a registered trademark of NCQA. CAHPS® is a registered trademark of AHRQ.

Benchmarking data (e.g., Quality Compass) are the proprietary intellectual property of NCQA; therefore, this report does not display actual percentile values. Table 1-1 displays the percentile distributions used to assign star ratings to enrollee experience measures.

Table 1-1—NCQA National Percentile Distributions Used to Assign Star Ratings

Stars	Percentiles
★★★★★ Excellent	At or above the 90th percentile
★★★★ Very Good	At or between the 75th and 89th percentiles
★★★ Good	At or between the 50th and 74th percentiles
★★ Fair	At or between the 25th and 49th percentiles
★ Poor	Below the 25th percentile

Quality of Care and Services Measures

In addition, HSAG assessed selected Healthcare Effectiveness Data and Information Set (HEDIS®)[8] and Pediatric Quality Indicators (PDI) and Prevention Quality Indicators (PQI)[9] measures to consider whether the statewide managed care performance[10] rate had improved from MY 2021[11] to MY 2022, using the following targets:

- No improvement: no improvement from baseline (declined or less than 0.1 percent improvement)
- Improvement: 0.1–5 percent relative improvement[12] from baseline
- Moderate improvement: 6–10 percent relative improvement from baseline
- Substantial improvement: Greater than 10 percent relative improvement from baseline

[8] HEDIS® is a registered trademark of the NCQA.
[9] PQI and PDI measures are developed by the Agency for Healthcare and Research Quality.
[10] The MY 2022 statewide managed care rate is calculated as the s*um of all health plan numerator events/sum of all health plan denominators (auditor approved rates)*, calculated for Standard Plans only unless otherwise noted. Note that the rates presented may show variation from the final HSAG-validated rates due to potential differences in source data (e.g., supplemental data sources, etc.) and rate reporting timeframes (i.e., rates are finalized earlier for the *NC Medicaid Quality Measure Performance Results and Targets for the AMH Measure Set* than for HSAG performance measure validation).
[11] The MY 2021 NC Medicaid Program rate includes combined results of all five Standard Plans, EBCI Tribal Option, and Medicaid Direct.
[12] Relative improvement is calculated as *(new value – old value) / old value * 100*, reported as a percentage.

HSAG also compared the MY 2022 statewide managed care rate to publicly reported NCQA national Medicaid HMO averages.[13] For those measures, HSAG assigned a rating using the following scale:

- Below: MY 2022 rate was below the national average.
- Met: MY 2022 rate achieved the national average.
- Exceeded: MY 2022 rate was greater than the national average.

Not all performance measures were able to be assessed for comparisons to prior year and national averages. HSAG included at least one assessment rating for each selected measure.

Assessment of Effectiveness

Key Findings

HSAG determined the following key findings:

- DHB's quality provisions for improvement, as detailed in its Quality Strategy Aims, were tied to a Quality Strategy program objective (performance measure).
- The Quality Strategy program objectives were assessed and reported annually.
- DHB included consistent measures across its goals and objectives and those it used to measure health plan performance and improvement.
- Performance improvements were realized in all three Quality Strategy Aims.
- HSAG noted that DHB identified barriers and a viable strategy for continued improvement or overcoming those barriers for measures that did not demonstrate improvement.

Table 1-2 displays the key findings by Aim and Goal.

Table 1-2—Key Findings by Aim and Goal

Key Findings		
Aim	**Goal**	**Findings**
Aim 1: Better Care Delivery	Goal 1: Ensure appropriate access to care	For adult and child survey respondents for both the NC Medicaid Program and NC Managed Care Rate, results met or exceeded the national 50th percentile in 2023. Both adult and child survey measure results demonstrated improvements when 2023 was compared to 2022. However, provider survey results demonstrated both statewide and health plan-specific opportunities for improvement.
	Goal 2: Drive equitable, patient-centered, whole-person care	For adult and child survey respondents for the NC Medicaid Program, results met or exceeded the national 50th percentile in 2023. All adult and child ratings remained the same or improved when 2023 results were compared to 2022.

[13] HEDIS Measures and Technical Resources for *Medicaid Excluding PPOs and EPOs*. HEDIS Measures. Available at: https://www.ncqa.org/hedis/measures/. Accessed on: Oct 10, 2024.

Key Findings		
Aim	**Goal**	**Findings**
Aim 2: Healthier People, Healthier Communities	Goal 3: Promote wellness and prevention	Although child and adolescent immunizations did not demonstrate improvement, the health plan rates for well-child visits in the first 30 months of life and most women's health measures achieved improvements when compared to pre-managed care performance. Results of the Home- and Community-Based Services (HCBS) CAHPS surveys indicated positive experiences with multiple composite measures. The Department demonstrated its commitment to this goal with the direction of health plan performance improvement projects to address performance and outcomes for immunizations and women's health, as well as continuation of the HCBS CAHPS survey to assess experiences with receipt of Long-Term Services and Supports (LTSS) services.
	Goal 4: Improve chronic condition management	All six measures performed below national averages in 2022. However, when 2022 performance was compared to 2021, all four behavioral health measures demonstrated improvement.
	Goal 5: Work with communities to improve population health	Although performance rates for the three smoking and tobacco use cessation indicators declined in 2023 compared to 2022, the NC Medicaid Program performed at or better than the national 50th percentile for all three measure indicators. One opioid measure and all three Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents measure indicators showed improvement in 2022 when compared to 2021.
Aim 3: Smarter Spending	Goal 6: Pay for value	Seven of nine measures showed improvement when compared to 2021 rates.

Detailed results are included in Section 2 of this report.

HSAG noted that DHB made this progress despite the coronavirus disease 2019 (COVID-19) public health emergency (PHE) that began in CY 2020.

COVID-19-Related Considerations

COVID-19 testing, cases, and hospitalizations overwhelmed the healthcare system nationally in 2020. Beneficiaries delayed preventive and other necessary care. To address the impact, healthcare systems adopted additional access options, including telehealth. The COVID-19 PHE continued to impact enrollee care during MY 2021 and MY 2022. To support the increased use of telehealth services necessitated by the PHE and to align with telehealth guidance from CMS and other stakeholders, NCQA updated 40 HEDIS measure specifications in MY 2020 to include the use of telehealth services.

NCQA continued to monitor the impact of COVID-19 on health plan business operations during MY 2022, including its potential effect on medical record data collection due to imposed travel bans, limited access to provider offices, quarantines, and risk to health plan staff. Due to the PHE, healthcare

practices deferred elective visits, modified their practices to safely accommodate in-person visits, and increased the use of telemedicine; however, enrollees may not have chosen or had the ability to access care during MY 2021 and 2022 due to health concerns and factors relating to the PHE, which may have impacted health plans' HEDIS performance measure results. Although PHE restrictions continued to subside during 2022, health plans' HEDIS performance measure results may have continued to be impacted. In evaluating quality measure performance, these circumstances should be considered.

Conclusions

Overall results show that, while the Department made considerable progress in addressing its Quality Strategy goals, opportunities for improvement remain available. The Department is committed to continuous improvement and is maintaining quality goals and associated measures in its Quality Strategy, with modifications to reflect updates to statewide priorities and new program launches. HSAG noted that the inclusion of established performance targets for all quality measures in future Quality Strategies will allow for a more comprehensive evaluation of DHB's progress in meeting its priority goals. The Department's Quality Strategy indicates that the Department will set a benchmark for each measure (with the exception of measures of contraceptive care) to assess at least a 5 percent improvement year-over-year in measure performance (or 5 percent reduction for measures where a lower rate is better); the Department is encouraged to quantify those rates in its future Quality Strategies.

2. Analysis

Quality Strategy Goals

In accordance with 42 CFR §438.340(c)(2)(i), this section evaluates the effectiveness of the Quality Strategy. In its 2023 Quality Strategy, the Department identified program goals and objectives in three central Aims, as displayed in Table 2-1.

Table 2-1—DHB 2021–2024 Quality Strategy Aims

Aims	Goals	Objectives
Aim 1: Better Care Delivery *Make health care more person-centered, coordinated, and accessible.*	**Goal 1: Ensure appropriate access to care**	Objective 1.1: Ensure equitable, timely access to care
		Objective 1.2: Maintain Medicaid provider engagement
	Goal 2: Drive equitable, patient-centered, whole-person care	Objective 2.1: Promote patient engagement in care
		Objective 2.2: Link patients to appropriate care management and care coordination services
		Objective 2.3: Address behavioral and physical health comorbidities
Aim 2: Healthier People, Healthier Communities *Improve the health of North Carolinians through prevention, better treatment of chronic conditions and better behavioral health care, working collaboratively with community partners.*	**Goal 3: Promote wellness and prevention**	Objective 3.1: Promote child health, development, and wellness
		Objective 3.2: Promote women's health, including maternal morbidity and mortality
		Objective 3.3: Maximize Long Term Services and Supports (LTSS) populations' quality of life and community inclusion
	Goal 4: Improve chronic condition management	Objective 4.1: Improve behavioral health care
		Objective 4.2: Improve diabetes management
		Objective 4.3: Improve asthma management
		Objective 4.4: Improve hypertension management

Aims	Goals	Objectives
Aim 2: Healthier People, Healthier Communities **(Continued)**	**Goal 5: Work with communities to improve population health**	Objective 5.1: Address unmet health-related resource needs
		Objective 5.2: Address the opioid crisis
		Objective 5.3: Address tobacco use
		Objective 5.4: Promote health equity
		Objective 5.5: Address obesity
Aim 3: Smarter Spending *Pay for value rather than volume, incentivize innovation and ensure appropriate care.*	**Goal 6: Pay for value**	Goal 6: Pay for value

The program goals were inclusive of the populations served by Medicaid, including women and infant health, consumers with behavioral health needs, consumers with chronic conditions, and healthy children and adults with a central focus on health equity.

Performance Measures

To assess key priorities to drive continuous quality improvement efforts, the Department selected a set of measures that align with the Aims, Goals, and Objectives of the Quality Strategy. The Department and its managed care plans—Standard Plans (SPs), Prepaid Inpatient Health Plans (PIHPs), and Tailored Plans (TPs)—are accountable for performance on the measures in Table 2-2. As the PIHPs did not launch until April 2023 and the TPs did not launch until July 2024, data for PIHP and TP measures were not considered for this Evaluation.

Table 2-2—Measures Tracked to Quality Strategy Goals

Measure	Steward
Aim 1: Better Care Delivery	
Goal 1: Ensure appropriate access to care	
Getting Care Quickly (Adult & Child)	AHRQ[14]
Getting Needed Care (Adult & Child)	AHRQ
Goal 2: Drive Equitable, Patient-centered, Whole-person Care	
Rating of All Health Care (Adult & Child)	AHRQ
Rating of Personal Doctor (Adult & Child)	AHRQ
Customer Service (Adult & Child)	AHRQ

[14] AHRQ: Agency for Healthcare Research and Quality.

Measure	Steward
Coordination of Care (Adult & Child)	AHRQ
*Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications** (*SSD*)	NCQA
Aim 2: Healthier People, Healthier Communities	
Goal 3: Promote Wellness and Prevention	
Childhood Immunization Status (CIS) Combination 10	NCQA
Well-Child Visits in the First 30 Months of Life (W30) First 15 Months	NCQA
Well-Child Visits in the First 30 Months of Life (W30) 15–30 Months	NCQA
Immunizations for Adolescents (IMA) Combination 2	NCQA
Cervical Cancer Screening (CCS)	NCQA
Chlamydia Screening in Women (CHL)	NCQA
PPC Prenatal Care	NCQA
PPC Postpartum Care	NCQA
Low Birth Weight	DHHS[15]
Goal 4: Improve Chronic Condition Management	
Follow-Up After Hospitalization for Mental Illness (FUH) 7-Day follow up	NCQA
Follow-Up After Hospitalization for Mental Illness (FUH) 30-Day follow up	NCQA
Antidepressant Medication Management (AMM) Initiation	NCQA
Antidepressant Medication Management (AMM) Continuation	NCQA
Hemoglobin A1c Control for Patients With Diabetes (HBD): Adequate Control	NCQA
Hemoglobin A1c Control for Patients With Diabetes (HBD): Poor Control	NCQA
Controlling High Blood Pressure (CBP)	NCQA
Goal 5: Work with Communities to Improve Population Health	
Rate of Screening for Health-Related Resource Needs (HRRN)	DHHS
Concurrent Use of Prescription Opioids and Benzodiazepines (COB)	PQA[16]
*Continuity of Pharmacotherapy for Opioid Use Disorder**	USC[17]
Medical Assistance with Smoking and Tobacco Use Cessation (MSC)	AHRQ
Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents (WCC) • *Total BMI Percentile Documentation* • *Total Counseling for Nutrition* • *Total Counseling for Physical Activity*	NCQA

[15] DHHS: North Carolina Department of Health and Human Services.
[16] PQA: Pharmacy Quality Alliance.
[17] USC: University of Southern California.

Measure	Steward
Aim 3: Smarter Spending	
Goal 6: Pay for Value	
Total Cost of Care (TCOC)	HealthPartners
Plan All-Cause Readmissions[18]	NCQA
Avoidable Pediatric Utilization[19] • *PDI 14, 15, 16, 18*	AHRQ
Avoidable Adult Utilization[19] • *PQI 01, 05, 08, 15*	AHRQ

**TP specific measure.*

Results

Aim 1: Better Care Delivery

Goal 1: Ensure appropriate access to care

Access to care is essential to promote and maintain health, manage and prevent disease, and promote health equity. Access to primary care helps ensure enrollees have an appropriate point of entry for screening, treatment, and preventive services and can help direct patients to the appropriate level of care, reducing unnecessary emergency department utilization.[20]

To assess enrollees' perception of access to care, DHB contracted with its EQRO to administer and report the results of the CAHPS Health Plan Surveys. The goal of the CAHPS surveys is to provide performance feedback that is actionable and aids in improving overall care. DHB selected two CAHPS measures as quality strategy measures to evaluate access to care: *Getting Care Quickly* and *Getting Needed Care*.

HSAG assessed results of the 2022 and 2023 CAHPS surveys for this evaluation, with comparison to national benchmarks. A star rating was assigned from one (★) to five (★★★★★) stars, where one star is below the national 25th percentile and five stars is greater than or equal to the national 90th percentile.

[18] Prevention Quality Indicators (PQI), developed by AHRQ, help identify hospital admissions that might have been avoided through access to high-quality outpatient care.

[19] Pediatric Quality Indicators (PDI), developed by AHRQ, focus on potentially preventable complications and hospital events for pediatric patients.

[20] *Basu S, Phillips RS. Reduced Emergency Department Utilization after Increased Access to Primary Care. PLoS Med. 2016;13(9):e1002114. doi:10.1371/journal.pmed.1002114.*

Table 2-3 provides the star ratings for each measure for the NC Medicaid Program and NC Managed Care Rate when the positive ratings were compared to NCQA national percentiles.

Table 2-3—NC Medicaid Program and NC Managed Care Rate Star Ratings When Positive Ratings Results Were Compared to NCQA National Percentiles

Measures	NC Medicaid Program Compared to National Percentiles		NC Managed Care Rate Compared to National Percentiles	
	2022	2023	2022	2023
Getting Needed Care				
Adult	★★★ 83.9%	★★★★ 85.95%	★★ 81.2%	★★★ 82.96%
Child	★★ 83.6%	★★★ 85.96%	★★ 82.8%	★★★ 85.74%
Getting Care Quickly				
Adult	★★★★ 85.0%	★★★★ 85.19%	★★★ 82.7%	★★★ 83.72%
Child	★★ 85.6%	★★★ 87.95%	★★ 85.1%	★★★ 87.72%

Star Assignments Based on Positive Ratings Compared to NCQA National Percentiles: ★★★★★ 90th Percentile or Above ★★★★ 75th–89th Percentiles ★★★ 50th–74th Percentiles ★★ 25th–49th Percentiles ★ Below 25th Percentile

For adult and child survey respondents for both the NC Medicaid Program and NC Managed Care Rate, results met or exceeded the national 50th percentile in 2023. Both adult and child survey measure results demonstrated improvements when 2023 was compared to 2022.

In addition to surveying enrollees and parents/caretakers of enrollees, DHB administered a survey to organizations providing primary care and/or OB/GYN services to evaluate providers' experiences with the health plans. The 2023 Medicaid Provider Experience Survey was compared to 2022 results and demonstrated that providers rated the health plans better on support for addressing social determinants of health. The survey results also identified opportunities for improvement related to timeliness to answer questions and/or resolve problems, customer/member support services for patients, access to medical specialists for Medicaid patients, and access to needed drugs for Medicaid patients. DHB received recommendations for statewide and health plan-specific approaches to address areas of improvement.

Goal 2: Drive Equitable, Patient-centered, Whole-person Care

NC Medicaid has focused on the integration of behavioral and physical health care through the promotion of adolescent, maternal, and social/emotional screenings and increasing provider support for the appropriate management of depression and other behavioral health conditions. The Department selected five priority measures for Goal 2. HSAG reviewed four CAHPS measures; one HEDIS measure, *Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using*

Antipsychotic Medications, was not included in this Evaluation due to timing of the TP launch. Table 2-4 provides the star ratings for each measure for the NC Medicaid Program and NC Managed Care Rate when the positive ratings were compared to NCQA national percentiles.

Table 2-4—NC Medicaid Program and NC Managed Care Star Ratings When Positive Ratings Results Were Compared to NCQA National Percentiles

Measures	NC Medicaid Program Compared to National Percentiles		NC Managed Care Rate Compared to National Percentiles	
	2022	2023	2022	2023
Rating of All Health Care				
Adult	★★ 74.3%	★★★★ 78.16%	★★★ 77.0%	★★★★ 78.57%
Child	★★★ 89.0%	★★★ 88.04%	★★★ 88.8%	★★★ 88.05%
Rating of Personal Doctor				
Adult	★★★★ 87.2%	★★★★ 86.63%	★★★ 84.5%	★★★ 83.97%
Child	★★ 89.4%	★★★ 90.70%	★★ 89.2%	★★★ 90.63%
Customer Service				
Adult	★★★ 90.3%	★★★★ 91.90%	★★ 87.3%	★★ 88.19%
Child	★ 82.5%	★★★ 88.73%	★ 82.0%	★★★ 89.18%
Coordination of Care				
Adult	★★★★ 88.2%	★★★★ 87.66%	★★★ 85.5%	★★★ 86.02%
Child	★★ 83.0%	★★★ 84.71%	★★ 82.2%	★★★ 84.64%

Star Assignments Based on Positive Ratings Compared to NCQA National Percentiles: ★★★★★ 90th Percentile or Above ★★★★ 75th–89th Percentiles ★★★ 50th–74th Percentiles ★★ 25th–49th Percentiles ★ Below 25th Percentile

For adult and child survey respondents for the NC Medicaid Program, results met or exceeded the national 50th percentile in 2023. All adult and child ratings remained the same or improved when 2023 results were compared to 2022.

Aim 2: Healthier People, Healthier Communities

Goal 3: Promote Wellness and Prevention

Goal 3 reflects a continuous emphasis on improving the health of women and children in North Carolina. The Department chose eight measures to support Goal 3: *Childhood Immunization Status (Combination 10), Immunizations for Adolescents (Combination 2), Well-Child Visits in the First 30 Months of Life, Cervical Cancer Screening, Chlamydia Screening in Women, Prenatal Care, Postpartum Care,* and *Low Birth Weight*. HSAG assessed seven of the eight measures for this evaluation; *Low Birth Weight* was not assessed as DHB continued to establish technical specifications for collecting and reporting of the measure.

Immunizations and Well-Child Visits

Access to primary care is particularly important for children and adolescents. Child and adolescent immunizations promote health and wellness among pediatric populations by preventing serious illness and complications from disease. Well visits allow providers to monitor growth and development at recommended intervals and ensure opportunities for immunizations, anticipatory guidance, and age-appropriate screenings. Table 2-5 displays the results of analysis of the priority measures evaluated.

Table 2-5—Trended Results of Aim 2, Goal 3 Objectives for Immunizations and Well-Child Visits

Measure	MY 2021 NC Medicaid Program Rate	MY 2022 Managed Care Rate	Improvement Rating	Comparison to National Average Rating
Childhood Immunization Status (Combination 10)[21]	34.30%	26.44%	No improvement	Below
Immunizations for Adolescents (Combo 2)[22]	30.29%	29.34%	No improvement	Below
Well-Child Visits in the First 30 Months of Life: First 15 Months	62.06%	63.01%	Improvement	Exceeded
Well-Child Visits in the First 30 Months of Life: 15 Months–30 Months	66.44%	69.04%	Improvement	Below

Upon implementation of managed care, DHB directed the SPs to conduct a performance improvement project (PIP) to address low childhood immunization performance. The performance indicator for the

[21] Combination 10 consists of 10 distinct vaccine series: diphtheria, tetanus, and acellular pertussis (DTaP); polio (IPV); measles, mumps, and rubella (MMR); haemophilus influenza type B (HiB); hepatitis B (HepB); chicken pox (VZV); pneumococcal conjugate (PCV); hepatitis A (HepA); rotavirus (RV), and influenza (flu).

[22] Combination 2 consists of three vaccines: meningococcal (MCV4); tetanus, diphtheria, acellular pertussis (Tdap); and the complete human papillomavirus (HPV) series.

Improving Childhood Immunization With Combo 10 PIP was the HEDIS *Childhood Immunization Status (Combo 10)* measure, which assesses the percentage of children 2 years of age who completed the *Combo 10* vaccine series.

Women's Health

Early detection of health conditions via recommended screenings can lead to a greater range of treatment options, lower health care costs, and improve health outcomes.[23] Women's preconception, interconception, and maternal care is essential to improving women and children's health and birth outcomes. Health care visits prior to and early in pregnancy help promote safe deliveries and address potential risks for both mothers and babies. Similarly, health care visits in the weeks after delivery allow providers to screen for and treat potential postpartum care needs, such as postpartum depression or physical complications.[24] Table 2-6 displays the results of analysis of the priority measures evaluated for women's health.

Table 2-6—Trended Results of Aim 2, Goal 3 Objectives for Women's Health

Measure	MY 2021 NC Medicaid Program Rate *	MY 2022 Managed Care Rate	Improvement Rating	Comparison to National Average Rating
Screenings				
Cervical Cancer Screening	40.72%	49.03%	Substantial improvement	Below
Chlamydia Screening	56.79%	58.24%	Improvement	Exceeded
Prenatal and Postpartum Care (PPC)				
Timeliness of Prenatal Care	41.86%	51.82%	Substantial improvement	Below
Postpartum Care	53.73%	64.59%	Substantial improvement	Below

** Rates reflective of administrative data only*

[23] American Cancer Society Recommendations for the Early Detection of Breast Cancer. American Cancer Society. Updated January 14, 2022. Available at: https://www.cancer.org/cancer/types/breast-cancer/screening-tests-and-early-detection/american-cancer-society-recommendations-for-the-early-detection-of-breast-cancer.html. Accessed on: Oct 4, 2024.

[24] Optimizing postpartum care. ACOG Committee Opinion No. 736. American College of Obstetricians and Gynecologists. Obstet Gynecol 2018;131:e140–50. Available at: https://www.acog.org/clinical/clinical-guidance/committee-opinion/articles/2018/05/optimizing-postpartum-care. Accessed on: Oct 4, 2024.

Performance rates for all Women's Health measures improved when compared to pre-managed care rates. When compared to national averages, only *Chlamydia Screening* exceeded the national average. HSAG noted that:

- Rates were positively impacted by the health plans' use of hybrid collection methodology, which combines administrative claims data with medical record data to provide a more complete picture of care.
- NC Medicaid allows providers to bill all services normally provided in routine maternity care (including antepartum care, delivery, and postpartum care) using a single global billing package. This in turn impacts the ability to identify the first instance of prenatal care and, albeit less often, postpartum care via claims and encounters data. To more accurately capture instances of prenatal care, NC Medicaid promoted the use of the 0500F CPT code to report the first prenatal encounter and the 0503F code to report postpartum care separate from global billing codes.

In addition, DHB required the SPs to conduct PIPs to increase the percentage of deliveries that had timely prenatal and postpartum care.

HCBS CAHPS

In 2023, DHB directed its EQRO to administer the HCBS CAHPS survey. The goal of the HCBS CAHPS survey was to gather direct feedback from Medicaid members receiving HCBS about their experiences and the quality of the long-term services and supports they receive. Overall, respondents' positive experiences with receiving transportation to medical appointments, their personal safety and respect, and planning their time and activities were significantly higher in 2023 than their national benchmark counterparts.[25] DHB elected to continue the HCBS CAHPS survey in future years to continue comparisons and evaluations of opportunities for improvement.

Goal 4: Improve Chronic Condition Management

NC Medicaid is focused on improving the management of chronic diseases with the greatest impact on beneficiaries, including behavioral health, diabetes, and cardiovascular disease. Through the transformation of its Medicaid delivery system, the Department seeks to advance a coordinated, whole-person system of care across all delivery models. The Department chose four measures to support Goal 4: *Follow-Up After Hospitalization for Mental Illness, Antidepressant Medication Management, Hemoglobin A1c Control for Patients With Diabetes,* and *Controlling High Blood Pressure*.

[25] HCBS CAHPS Database benchmarks were not available for 2023 at the time the report was prepared; therefore, 2021 data were used for this comparative analysis; therefore, caution should be exercised when comparing the 2021 HCBS CAHPS Database benchmarks to the 2023 results.

Behavioral Health

Individuals with behavioral health needs often have comorbid physical conditions requiring medical care. Clinical evidence and best practices from other states suggest integration and coordination of physical and behavioral health care can significantly improve the quality of care received.[26]

For individuals hospitalized for mental illness, follow-up services are critical in monitoring mental well-being, detecting potential medication problems, and preventing readmissions. For individuals with depression, clinical guidelines emphasize the importance of effective clinical management in increasing patients' medication compliance, monitoring treatment effectiveness and identifying and managing side effects.[27] Table 2-7 displays the results of analysis of the priority behavioral health measures evaluated.

Table 2-7—Trended Results of Aim 2, Goal 4 Objectives for Behavioral Health

Measure	MY 2021 NC Medicaid Program Rate	MY 2022 Managed Care Rate	Improvement Rating	Comparison to National Average Rating
Follow-Up After Hospitalization for Mental Illness				
7-Day Follow-Up	24.49%	32.45%	Substantial improvement	Below
30-Day Follow-Up	42.10%	53.97%	Substantial improvement	Below
Antidepressant Medication Management				
Acute Phase	54.12%	58.11%	Moderate improvement	Below
Continuation Phase	33.90%	36.43%	Moderate improvement	Below

Although all four measure indicators performed below the national average, all achieved improvements when compared to MY 2021 rates.

Diabetes

In 2021, around 11 percent of adults enrolled in NC Medicaid were diagnosed with diabetes.[28] The hemoglobin A1C (or HbA1c test) is a blood test that measures average blood sugar levels and is a

[26] Hwang et al. Effects of integrated delivery system on cost and quality. Am J Managed Care. 2013;19(5):e175-e184.
[27] Kelley, R. Ben-Hamadi, V.N. Joish, P.E. Greenberg. 2010. "Employer burden of mild, moderate, and severe major depressive disorder: Mental health services utilization and costs, and work performance." Depression and Anxiety; 27(1) 78–89.
[28] BRFSS Report: Medicaid, Final 2021. North Carolina Department of Health and Human Services. Available at: https://schs.dph.ncdhhs.gov/data/brfss/medicaid/docs/Medicaid-2021-TABLES-FINAL.pdf. Accessed on: Oct 23, 2024.

commonly used test to help manage diabetes and provide critical information about blood glucose control and overall disease management. HSAG compared the statewide managed care rates to the NCQA Medicaid National Average for MY 2022. Table 2-8 displays the comparison.

Table 2-8—Trended Results of Aim 2, Goal 4 Objectives for Diabetes

Measure	MY 2022 Managed Care Rate	Comparison to National Average Rating
Hemoglobin A1c Control for Patients With Diabetes: Adequate Control	21.08%	Below
*Hemoglobin A1c Control for Patients With Diabetes: Poor Control**	76.57%	Below

**Lower rates signify better performance.*

Recognizing providers face challenges in reporting this measure, the Department is working with providers, health plans, and the state's Health Information Exchange to implement a strategy to improve data quality and reporting.

Controlling High Blood Pressure

Controlling high blood pressure is an important step in preventing heart attacks, stroke, and kidney disease, and in reducing the risk of developing other serious conditions.[29] Table 2-9 displays the results of the comparison between the MY 2022 managed care rate and the NCQA Medicaid national average.

Table 2-9—Trended Results of Aim 2, Goal 4 Objectives for Controlling High Blood Pressure

Measure	MY 2022 Managed Care Rate	Comparison to National Average Rating
Controlling High Blood Pressure	22.06%	Below

The MY 2022 managed care rate was below the national average. NC Medicaid has an opportunity for improvement related to this measure, and could consider the method that is used to collect and report this measure.

Goal 5: Work with Communities to Improve Population Health

NC Medicaid envisions and expects health plans to serve as active partners in improving community health and advancing population health goals, including addressing opioid misuse, tobacco use, and

[29] James, P.A., S. Oparil, B.L. Carter, W.C. Cushman, C. Dennison-Himmelfarb, et al. 2014. "Evidence-Based Guideline for the Management of High Blood Pressure in Adults: Report from the Panel Members Appointed to the Eight Joint National Committee (JNC8)." *JAMA* 311(5):507–20. doi:10.1001/jama.2013.284427.

obesity. The Department identified five priority measures for this goal: *Rate of Screening for Unmet Health-Related Resource Needs, Concurrent Use of Prescription Opioids and Benzodiazepines, Continuity of Pharmacotherapy for Opioid Use Disorder, Medical Assistance with Smoking and Tobacco Use Cessation,* and *Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents*. HSAG assessed three of the five measures for this evaluation; *Rate of Screening for Health-Related Resource Needs (HRRN)* was not assessed as the Department continued to establish technical specifications for collecting and reporting of the measure, and *Continuity of Pharmacotherapy for Opioid Use Disorder* was not included in this Evaluation due to timing of the TP launch.

Opioid Use

In the last decade, the opioid epidemic has taken a significant toll on North Carolina's communities. In 2021, an average of 11 North Carolinians died each day from a drug overdose and there were over 15,000 ED visits related to drug overdose.[30] Opioid prescribing patterns can exacerbate trends in both opioid overdoses and opioid-related deaths. Table 2-10 displays the results of analysis of the priority measure evaluated.

Table 2-10—Trended Results of Aim 2, Goal 5 Objectives for Opioid Use

Measure	MY 2021 NC Medicaid Program Rate	MY 2022 Managed Care Rate	Improvement Rating
*Concurrent Use of Prescription Opioids and Benzodiazepines**	13.06%	11.97%	Moderate improvement

**Lower percentages are better on this measure.*

NC Medicaid's pharmacy policy changes have led to improvement in opioid prescribing patterns over the last four years, and NC Medicaid is an active partner in the NCDHHS' Opioid and Substance Use Action Plan. Comparative analysis of the MY 2022 managed care rate showed moderate improvement from the MY 2021 rate.

Smoking and Tobacco Use Cessation

To assess enrollees' perception of medical providers' assistance with smoking and tobacco use cessation, the Department selected one CAHPS measure with three measure indicators as a quality strategy measure. HSAG assessed results of the 2022 and 2023 CAHPS surveys for this evaluation, with comparison to national benchmarks. Table 2-11 displays the results.

[30] North Carolina Opioid Action Plan Data Dashboard 2021. NCDHHS. Available at: https://www.ncdhhs.gov/opioid-andsubstance-use-action-plan-data-dashboard. Accessed on: Oct 23, 2024.

Table 2-11—Trended Results of Aim 2, Goal 5 Objectives for Smoking and Tobacco Use Cessation

Measures	NC Medicaid Program[31] Compared to National Percentiles		NC Managed Care Rate[32] Compared to National Percentiles	
	2022	2023	2022	2023
Medical Assistance with Smoking and Tobacco Use Cessation (Adult CAHPS only)				
Advising Smokers and Tobacco Users to Quit	★★★★★ 82.1%	★★★★ 78.87%	★★★★★ 82.5%	★★★ 76.16%
Discussing Cessation Medications	★★★★ 56.1%	★★★ 54.14%	★★★ 54.9%	★★ 49.11%
Discussing Cessation Strategies	★★★★ 52.5%	★★★ 47.15%	★★★ 46.9%	★★ 43.15%

As displayed in Table 2-11, although performance rates declined in 2023 compared to 2022, the NC Medicaid Program performed at or better than the national 50th percentile for all three measure indicators.

Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents

Childhood obesity has both immediate and long-term effects on health and well-being. The *Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents* measure captures whether doctors are documenting body mass index (BMI), counseling for nutrition, and counseling for physical activity for children and adolescents. Table 2-12 displays the results of analysis of the priority measure and indicators evaluated.

Table 2-12—Trended Results of Aim 2, Goal 5 Objectives for Weight Assessment and Counseling for Nutrition and Physical Activity

Measure	MY 2021 NC Medicaid Program Rate	MY 2022 Managed Care Rate	Improvement Rating	Comparison to National Average Rating
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents (WCC)				
Total BMI Percentile Documentation	29.07%	59.15%	Substantial improvement	Below
Total Counseling for Nutrition	15.70%	24.44%	Substantial improvement	Below
Total Counseling for Physical Activity	6.76%	11.61%	Substantial improvement	Below

[31] NC Medicaid Program includes combined results of all five Standard Plans, EBCI Tribal Option, and Medicaid Direct.
[32] NC Managed Care Rate includes combined results of all five Standard Plans.

When compared to MY 2021, managed care performance in MY 2022 achieved substantial improvement for all three measure indicators. Managed care rates performed below national averages, which may be explained in part by a lack of consistent documentation for the related services. North Carolina recently added coverage for diagnosis codes associated with *Weight Assessment and Counseling for Nutrition and Physical Activity* to address these gaps.

Aim 3: Smarter Spending

Goal 6: Pay for Value

NC Medicaid is committed to paying for value rather than volume, incentivizing innovation, and ensuring appropriate care. The Department prioritized the collection of four measures to assist in evaluating and understanding general trends related to appropriate control of chronic conditions: *Total Cost of Care, Plan All-Cause Readmissions, Avoidable Pediatric Utilization*, and *Avoidable Adult Utilization*. HSAG assessed *Plan All-Cause Readmissions* and eight associated measures related to *Avoidable Pediatric Utilization* and *Avoidable Adult Utilization*.

Although *Total Cost of Care* was not evaluated, HSAG noted that DHB contracted with its EQRO to develop and implement a *Total Cost of Care* interactive dashboard, providing data analytics on an array of resource use and total cost indices and developing reporting dashboards, as well as building, maintaining, and hosting a web-based portal for providers, health plans, and DHB.

Plan All-Cause Readmissions and Avoidable Utilization

Potentially avoidable utilization is defined as hospital care that is unplanned and can be prevented through improved care, care coordination, or effective community-based care.[33] A "readmission" occurs when a patient is discharged from the hospital and then admitted back into the hospital within a short period of time. A high rate of patient readmissions may indicate inadequate quality of care in the hospital and/or a lack of appropriate post-discharge planning and care coordination. Readmission rates (and the associated spending) can be addressed through high-quality transition and aftercare efforts, including ensuring beneficiaries have follow-up primary care and specialist visits as well as appropriate medication reconciliation and management.

HSAG compared the MY 2021 NC Medicaid Program and MY 2022 managed care rates for Pay for Value measures. Table 2-13 displays the comparison.

[33] As defined by Maryland Health Services Cost Review Commission.

Table 2-13—Trended Results of Aim 3, Goal 6 Objectives for Pay for Value (Lower Rates are Better)

Measure	MY 2021 NC Medicaid Program Rate	MY 2022 Managed Care Rate	Improvement Rating
*Plan All-Cause Readmissions (Observed-to-Expected Ratio)**	0.93	0.81	Substantial improvement
Avoidable Pediatric Utilization[34]			
PDI-14: Asthma Admission Rate	4.63	5.22	No improvement
PDI-15: Diabetes Short-Term Complications Admission Rate	3.76	2.40	Substantial improvement
PDI-16: Gastroenteritis Admission Rate	1.15	1.44	No improvement
PDI-18: Urinary Tract Infection Admission Rate	1.25	0.84	Substantial improvement
Avoidable Adult Utilization[35]			
PQI-01: Diabetes Short-Term Complication Admission Rate	19.55	15.69	Substantial improvement
PQI-05: Chronic Obstructive Pulmonary Disease or Asthma in Older Adults Admission Rate	55.24	45.16	Substantial improvement
PQI-08: Heart Failure Admission Rate	32.34	25.56	Substantial improvement
PQI-15: Asthma in Younger Adults Admission Rate	2.63	2.04	Substantial improvement

**Lower rates are better on this measure, which displays the ratio of actual (observed) readmissions in relation to the risk-adjusted (expected) readmissions for any diagnosis within 30 days for beneficiaries 18 to 64 years of age.*

NC Medicaid demonstrated improvements in seven of the nine measures and indicators. The pediatric *Asthma Admission Rate* and *Gastroenteritis Admission Rate* did not demonstrate improvements when MY 2022 rates were compared to MY 2021. In every category, some utilization could have been avoided with improved access to high quality primary care and outpatient therapies, while some utilization may be attributed more to disease state and other complicating factors. In addition, individuals captured in these measures result from small sample sizes, leading to variance in the rates.

[34] These rates are displayed per 100,000 member months and do not represent a percentage rate. Lower scores are better.
[35] These rates are displayed per 100,000 member months and do not represent a percentage rate. Lower scores are better.

State Responsiveness to EQRO Recommendations

HSAG's annual EQR technical reports included several recommendations to assist DHB with improving and revising the Quality Strategy and associated activities. This section highlights those EQRO recommendations and DHB's responses.

Recommendation: Require the PHPs to continue PIP efforts to address childhood immunization and prenatal/postpartum care rates, including:

- Consider efforts to address vaccine hesitancy or any other barriers impacting performance on childhood immunization rates, especially for influenza vaccine rates.
- Consider continued efforts to provide education, resources, and discussion of best practices to encourage improvements to measures that capture access to care and promotion of wellness and prevention.

DHB Response: During the Evaluation period, *CIS—Combination 10* did not show marked improvement. Health plans reported results of root cause analyses related to immunizations and well-child visits to DHB during the Evaluation period via PIP efforts, with information related to targeted areas for continued improvement. The analyses included identification of barriers and interventions to promote improvements in immunization rates. During the Evaluation period, both PPC measure indicators realized substantial improvement, with health plans continuing PIP interventions to affect further improvements.

Recommendation: To address adult and child customer experience survey results related to Rating of Health Plan, Getting Needed Care, and Customer Service, the Department should encourage the health plans to review and adopt best practices for promoting enrollee engagement in care, including seeking input and observations and considering opportunities for positive and strategic messaging to enrollees about the health plan and how to address care gaps.

DHB Response: CAHPS survey results were shared with each health plan to provide a comprehensive review of opportunities for improvement. Annual survey analyses and comparisons will allow for the health plans to target interventions specific to their results.

Recommendation: To improve access to care, the health plans should conduct an in-depth review of provider types for which time and distance standards were not met and use analysis results to guide contracting efforts or implement additional strategies to address network gaps.

DHB Response: In accordance with the CMS network adequacy validation (NAV) EQRO protocol, DHB directed its EQRO to conduct a NAV activity in 2024. The NAV activity will provide supplemental information to assist the Department and the health plans with current efforts to identify and address any network gaps.

Recommendation: Ensure performance measure validation is conducted for the NC Medicaid Direct and Tailored Plans when data are available.

DHB Response: The Department has directed its EQRO to complete performance measure validation for the PIHPs and TPs when data are available. Results will be published in future EQRO technical reports and used to inform future quality strategies and priority measures.

Recommendation: Continue to critically evaluate the accuracy of the health plans' encounter data and ensure the health plans implement standard quality controls and develop standard data extraction procedures to ensure the accuracy of encounter data.

DHB Response: The Department has contracted with its EQRO to conduct encounter data validation. Results of the validations will be used to inform improvement efforts.

Appendix A. Acronyms List

AHRQ ..... Agency for Healthcare Research and Quality
BMI ..... Body mass index
CAHPS ..... Consumer Assessment of Healthcare Providers and Systems
CFR ..... Code of Federal Regulations
CHIP ..... Children's Health Insurance Program
CMS ..... Centers for Medicare & Medicaid Services
COVID-19 ..... Coronavirus disease 2019
CY ..... Calendar year
DHB ..... North Carolina Division of Health Benefits
DHHS ..... North Carolina Department of Health and Human Services
EBCI ..... Eastern Band of Cherokee Indians
EQR ..... External quality review
EQRO ..... External quality review organization
HbA1c ..... Hemoglobin A1c test
HCBS ..... Home- and community-based services
HEDIS ..... Healthcare Effectiveness Data and Information Set
HSAG ..... Health Services Advisory Group, Inc.
LTSS ..... Long-Term Services and Supports
MCP ..... Managed care plan
MY ..... Measurement year
NAV ..... Network adequacy validation
NC ..... North Carolina
NCQA ..... National Committee for Quality Assurance
OB/GYN ..... Obstetrics and gynecology provider
PHE ..... Public health emergency
PHP ..... Prepaid Health Plan
PIHP ..... Prepaid Inpatient Health Plan
PIP ..... Performance improvement project

PDI ..... Pediatric Quality Indicators
PQA ..... Pharmacy Quality Alliance
PQI ..... Prevention Quality Indicators
SP ..... Standard Plan
TP ..... Tailored Plan
VBP ..... Value-Based Purchasing