



COLORADO

**Department of Health Care
Policy & Financing**

FY 2023–2024 Quality of Care Grievances Audit Report

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*This report was produced by Health Services Advisory Group, Inc.,
for the Colorado Department of Health Care Policy & Financing*



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1. Executive Summary

The Department of Health Care Policy & Financing (the Department) defines “quality of care (QOC) concern” as a matter regarding QOC, patient access, or patient safety that represents a concern which requires action by the managed care entity (MCE) or the Department. “Grievance” is defined as an expression of dissatisfaction about any matter other than an adverse benefit determination.¹⁻¹ If a member complaint or grievance constitutes an expression of dissatisfaction about the QOC, it should be treated as a potential QOC grievance (QOCG). The Department uses the Centers for Medicare & Medicaid Services’ (CMS’) definition of “quality of care grievance.”¹⁻² The MCEs must consider and process each QOCG as a potential QOC concern. This report will use the term QOCG, which will include the subset of quality of care concerns (QOCCs) and potentially significant patient safety issues. The Department requested that Health Services Advisory Group, Inc. (HSAG), audit each Medicaid managed care organization (MCO) and Regional Accountable Entity (RAE) (collectively referred to as “MCEs”) to investigate how they responded to and investigated potential QOCGs, to assess a sample of potential QOCG cases for each MCE for compliance with the MCE’s own policies and procedures, and to evaluate their compliance with any MCE contract requirements in place during the review period of fiscal year (FY) 2023–2024. For additional information about the background of this project and the methodology used, please refer to Section 3—Methodology.

HSAG reviewed a total of 86 potential QOCGs that were identified and investigated by the nine MCEs. This review was focused specifically on the QOCG process and was not a comprehensive review of the member grievance process. Each MCE had their own definition for QOC, QOCC, and QOCGs and their own processes for investigating QOCGs. All nine MCEs used severity rating scales and included details in their written policies explaining the procedures for using the severity rating scale. All nine MCEs used a two-level review, with the second review using a physician and/or physician committee. Of the 86 cases reviewed, 51 cases were substantiated and led to actions including tracking/trending, assigning staff member training/education, requesting documentation of policies, reporting to regulatory agencies, or developing a corrective action plan (CAP). Most MCEs did not, however, have policies or procedures to address follow-up with the member to determine if the member’s immediate healthcare needs were being met. When a member grievance is determined to be a QOCC, most MCEs closed the grievance and sent a resolution letter informing the member that the grievance has been resolved by sending it to the quality team for review. Most MCEs also did not have clear policies and procedures related to reporting the receipt of QOCGs or submitting the QOC summary to the Department.

For additional information about the statewide findings of this project, please refer to Section 2—Findings and Assessment. For additional information about MCE-specific findings, please refer to Appendix A through Appendix I.

¹⁻¹ Title 42 of the Code of Federal Regulations (42 CFR) §438.400(b). The Department follows the “grievance” definition as outlined by 42 CFR §438.400(b).

¹⁻² “Quality of care grievances” are complaints about the QOC received in hospitals or other provider settings. Additional information is available at: [Grievances | CMS](#). Accessed on: May 7, 2023.

2. Findings and Assessment

Findings

Definition

While all nine MCEs submitted policies and procedures to describe their processes for responding to member complaints about QOC and investigating potential QOCGs, the MCEs used different operating definitions to guide their processes.

Table 2-1 summarizes each MCE’s QOC-related definitions.

Table 2-1—Definitions Used by the MCEs

MCE	Definitions
RAE 1—Rocky Mountain Health Plans (RMHP)	<p>No definition of quality of care concern or grievance in policy.</p> <p><i>Quality of Care</i>—The degree to which health services for enrollees/members increase the likelihood of the desired health outcomes and are consistent with current professional knowledge.</p>
RAE 2—Northeast Health Partners (NHP)	<p><i>Potential Quality of Care Concern</i>—A clinical or system variance warranting further review and investigation to determine the provider’s contribution to a quality issue or deviation from the standard of care or service.</p> <p><i>Quality of Care Issue</i>—An action or failure to take action on the part of a provider that has the potential to decrease the likelihood of a positive health outcome and/or is inconsistent with current professional knowledge and/or puts the safety of the member at risk.</p>
RAE 3—Colorado Access (COA)	<p><i>Quality of Care Concern</i>—A concern that care provided did not meet a professionally recognized standard of healthcare.</p> <p><i>Quality of Care Grievance</i>—A complaint made regarding a provider’s competence, conduct, and/or care provided that could adversely affect the health or welfare of a member.</p>
RAE 4—Health Colorado, Inc. (HCI)	<p><i>Potential Quality of Care Concern</i>—A clinical or system variance warranting further review and investigation to determine the provider’s contribution to a quality issue or deviation from the standard of care or service.</p> <p><i>Quality of Care Issue</i>—An action or failure to take action on the part of a provider that has the potential to decrease the likelihood of a positive health outcome and/or is inconsistent with current professional knowledge and/or puts the safety of the member at risk.</p>

MCE	Definitions
RAE 5—COA	<p><i>Quality of Care Concern</i>—A concern that care provided did not meet a professionally recognized standard of healthcare.</p> <p><i>Quality of Care Grievance</i>—A complaint made regarding a provider’s competence, conduct, and/or care provided that could adversely affect the health or welfare of a member.</p>
RAE 6—Colorado Community Health Alliance (CCHA)	<p><i>Quality of Care Issue</i>—An identified issue that prompts a review focused on determining whether the quality of the services meets professionally recognized standards of care. QOC issues include potential, suspected, and realized events that may or may not have resulted in harm incurred by member(s).</p>
RAE 7—CCHA	<p><i>Quality of Care Issue</i>—An identified issue that prompts a review focused on determining whether the quality of the services meets professionally recognized standards of care. QOC issues include potential, suspected, and realized events that may or may not have resulted in harm incurred by member(s).</p>
Denver Health Medical Plan (DHMP)	<p>DHMP’s own policies and procedures submitted, DHMP did not explicitly define “QOCG” or “QOCC.” COA, DHMP’s delegate, defined QOCC and QOCG as:</p> <p><i>Quality of Care Concern</i>—A concern that care provided did not meet a professionally recognized standard of healthcare.</p> <p><i>Quality of Care Grievance</i>—A complaint made regarding a provider’s competence, conduct, and/or care provided that could adversely affect the health or welfare of a member.</p>
Rocky Mountain Health Plans Medicaid Prime (RMHP Prime)	<p>No definition of quality of care concern or grievance in policy.</p> <p><i>Quality of Care</i>—The degree to which health services for enrollees/members increase the likelihood of the desired health outcomes and are consistent with current professional knowledge.</p>

Number of QOCG Cases Investigated

Table 2-2 presents the number of QOCG cases each MCE reported investigating during calendar year (CY) 2023, and the average member population for each MCE.

Table 2-2—Number of Cases Investigated by MCE

MCE	# of Investigated Cases	Average Population
RAE 1—RMHP	10	236,902
RAE 2—NHP	9	105,063

MCE	# of Investigated Cases	Average Population
RAE 3—COA	10	358,256
RAE 4—HCI	9	147,327
RAE 5—COA	10	159,263
RAE 6—CCHA	10	186,450
RAE 7—CCHA	10	213,239
DHMP	8	101,840
RMHP Prime	10	51,824
Total	86	1,560,164

Severity Level

All nine MCEs reference using a severity rating scale for QOCG investigations. All nine MCEs had clearly written policies related to severity level ratings, and the review of records demonstrated implementation of the policies as written.

Table 2-3 describes the severity rating scale for each MCE.

Table 2-3—Severity Rating Scale Used by Each MCE

MCE	Severity Rating Scale
RAE 1—RMHP	Four severity level assignments: <i>No Issue, Minor, Moderate, and Serious</i>
RAE 2—NHP	The Quality Connect system gives the potential QOC case an automatic preliminary rating of <i>Minimal, Moderate, or Major</i> ; however, the case will get a final determination of <i>Unable to Determine, Unfounded, or Founded</i> .
RAE 3—COA	Two-factor severity rating; possible 0–3 <i>Level of Harm</i> score and possible 0–5 <i>Action Required</i> score.
RAE 4—HCI	The Quality Connect system gives the potential QOC case an automatic preliminary rating of <i>Minimal, Moderate, or Major</i> ; however, the case will get a final determination of <i>Unable to Determine, Unfounded, or Founded</i> .
RAE 5—COA	Two-factor severity rating; possible 0–3 <i>Level of Harm</i> score and possible 0–5 <i>Action Required</i> score.
RAE 6—CCHA	Two-factor severity rating; possible 0–5 severity level assignment and possible 0–5 remedial action step.

MCE	Severity Rating Scale
RAE 7—CCHA	Two-factor severity rating; possible 0–5 severity level assignment and possible 0–5 remedial action step.
DHMP	<i>QOC Nurse Job Aid</i> described use of severity ratings of <i>Substantiated</i> , <i>Unsubstantiated</i> , and <i>Inconclusive</i> .
RMHP Prime	Four severity level assignments: <i>No Issue</i> , <i>Minor</i> , <i>Moderate</i> , and <i>Serious</i>

Qualifications of Staff Members Investigating Cases

The nine MCEs used a two-level review: the first review was performed by a professional with various qualifications and/or degrees appropriate for investigating cases; and the second review was performed by a physician and/or physician committee for cases that the first reviewed met criteria for a physician review.

Collectively, the records reviewed demonstrated that the MCEs used professionals with the following qualifications and/or degrees to review and investigate QOCGs:

- Nurse
- Medical director
- Clinical quality analyst
- Master’s degree
- Licensed clinical social worker (LCSW)
- Quality experience

Overview of Sampled Cases

HSAG categorized the cases reviewed into four broad categories of case type:

- Quality of care or service (in general terms)
- Appropriateness of treatment, diagnosis, or level of care
- Lack of communication, coordination, or discharge planning
- Suicide, suicide attempt, serious harm, elopement

Figure 2-1 presents the percentage of cases reviewed in each case type category.

Figure 2-1—Percentage of Case Types

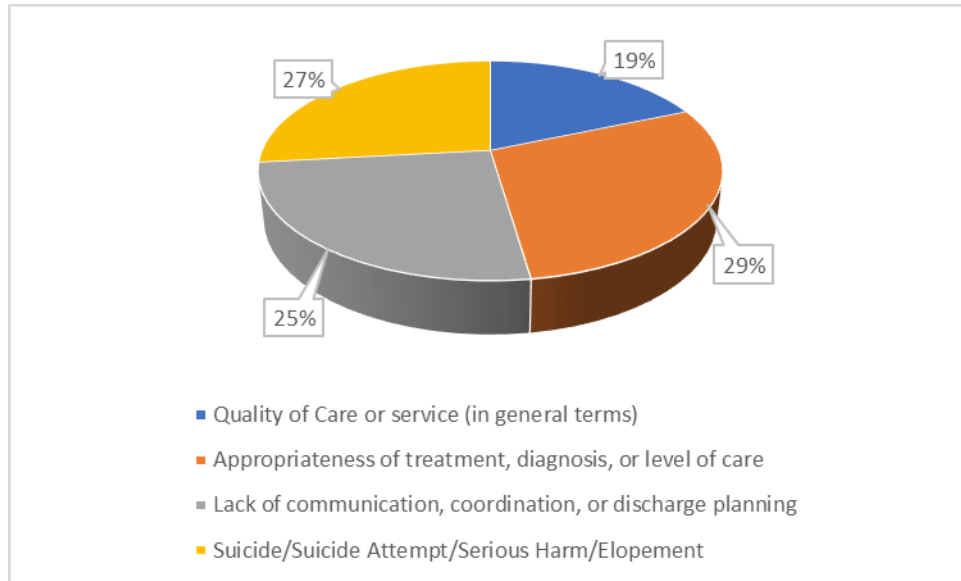


Figure 2-2 and Figure 2-3 demonstrate the percentage of members in the sample within self-reported race and ethnicity categories:

Figure 2-2—Reported Race Categories

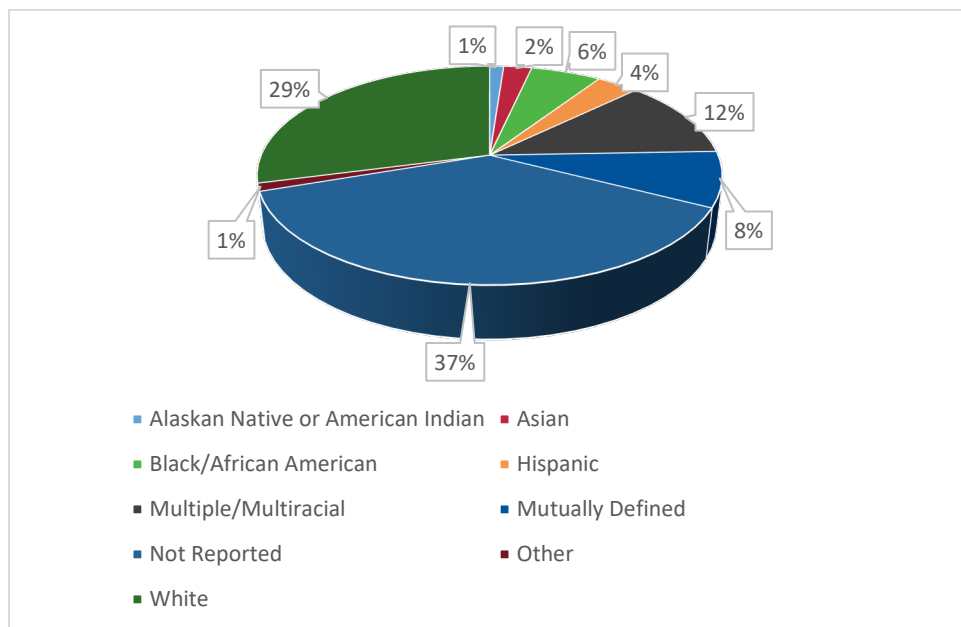
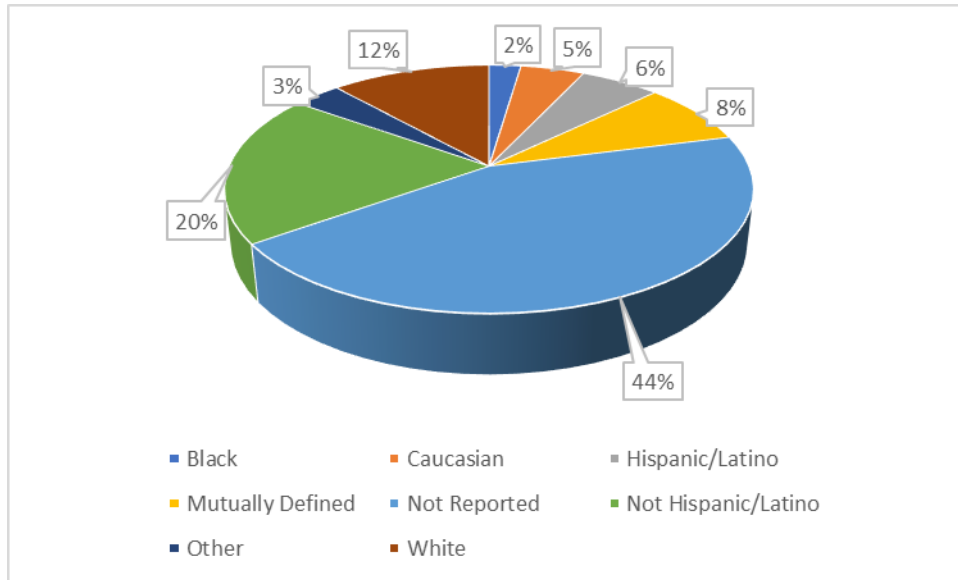


Figure 2-3—Ethnicity Categories Reported



Adherence to Internal Policies and Procedures

Through a review of records, HSAG determined that each of the nine MCEs followed, or mostly followed, its policies and procedures for investigating, analyzing, tracking, trending, and closing QOCC investigations according to its stated policies and procedures. Two MCEs (DHMP and NHP) did not follow their own timelines for completing the QOCC investigation, in three of the cases reviewed. When a member grievance is determined to be a QOCC, most MCEs closed the grievance and sent a resolution letter informing the member that the grievance has been resolved by sending it to the quality team for review.

Case Outcomes

Of the 86 cases reviewed, 51 cases were substantiated and led to actions including tracking/trending, assigning staff member training/education, requesting documentation of policies, reporting to regulatory agencies, or developing a CAP.

Regulatory Agency Reporting

Table 2-4 presents each MCE and its practices, stated in policy and during interviews, for reporting QOCC investigations to regulatory agencies.

Table 2-4—MCE Regulatory Agency Reporting

MCE	Regulatory Agency Reporting
RAE 1—RMHP	Reported to the State medical board, other applicable licensing boards, and the Colorado Department of Public Health and Environment (CDPHE), if appropriate.
RAE 2—NHP	Reported to the appropriate State licensing board and/or regulatory agencies.
RAE 3—COA	Notification to the appropriate regulatory agencies, licensing boards, or law enforcement agencies.
RAE 4—HCI	Reported to the appropriate State licensing board and/or regulatory agencies.
RAE 5—COA	Notification to the appropriate regulatory agencies, licensing boards, or law enforcement agencies.
RAE 6—CCHA	Reported to the Colorado Department of Regulatory Agencies (DORA), Professions and Occupations Board.
RAE 7—CCHA	Reported to the DORA, Professions and Occupations Board.
DHMP	If the allegations are found to be substantiated and harm occurred to the member, the case must be reported to the State and any other applicable regulatory body.
RMHP Prime	Reported to the State medical board, other applicable licensing boards, and the CDPHE, if appropriate.

Assessment and Opportunities for Improvement

All MCEs had processes for investigating QOCs or other QOC issues brought to the MCEs. Each MCE used a different definition of QOC, QOCs, QOCs, and different investigation processes. Through a review of records, HSAG determined that each of the nine MCEs followed, or mostly followed, its own policies and procedures. HSAG identified the following best practices and strengths among the MCEs:

- All nine MCEs used a two-factor rating scale to determine the severity level of the cases investigated. Although the scales varied among MCEs, HSAG found this practice provided the MCEs with a more detailed way to assess and understand the issues and/or actions needed.
- All nine MCEs used a two-level review, with the second review completed by a physician and/or physician committee.
- Two MCEs (RMHP and RMHP Prime) not only investigated the issue reported, but also looked for other possible issues, if any. RMHP implemented the use of letters of inquiry (LOI) to ask specific questions that could not be answered with medical records alone. HSAG recognized this procedure as a best practice, one that allowed RMHP to evaluate additional information and aid in identifying and addressing QOCs.

- Six of the nine MCE’s policies (CCHA RAE 6 and RAE 7, COA RAE 3 and RAE 5, and RMHP RAE 1 and RMHP Prime) documented the procedures for following up with the member to determine if immediate healthcare needs are being met, or screened the QOCG for imminent threat to patient safety, and if present, the issue is to be referred to the appropriate team for member follow-up.

Recommendations

Statewide Recommendations for the MCEs

Based on the findings, HSAG concluded that the most common recommendations for the MCEs were:

- Update applicable policies and procedures to address how MCEs are to follow up to ensure that the member’s immediate healthcare needs are being met, regardless of where the QOCG originates. If immediate follow-up is not indicated, the MCEs should define procedural steps regarding how other MCE departments are to reach out to members and assist with any non-emergent healthcare needs.
- Add language to the member materials (e.g., member handbook, quick reference guide, member newsletters) defining both “member grievance” and “QOCG,” offering examples of what is considered a QOCG, and providing additional detail regarding how a member can submit a QOCG.
- Implement a process for notifying the Department that a QOCG has been received and document the process for submitting a QOC summary to ensure compliance with the MCE contract.

Statewide Recommendations for the Department

Based on the findings, HSAG recommends that the Department:

- Clarify the expectations related to the contract requirement of Department notification of QOCGs and receipt of QOC summaries for each QOCG.
- Provide the MCEs with direction related to the member follow-up contract requirement.

Background

The Department is required to contract with an external quality review organization (EQRO) to monitor, at least annually, the MCEs on a variety of topics, including grievances and appeals, medical management, and quality programming.³⁻¹ The MCEs are responsible for receiving, investigating, and resolving potential QOCGs brought to the MCE by members or their representatives and/or identified by the MCE. In an effort to understand QOCG activity in the State, and to design a robust monitoring mechanism, the Department requested that HSAG develop an audit designed to gather information regarding the processes for addressing QOCGs. This project was designed as a focus study with the goal of providing information to the Department for use in improving monitoring efforts, ultimately resulting in improved health outcomes for Colorado’s Medicaid members. The review period was January 1, 2023, through December 31, 2023.

Methodology

To evaluate each MCE’s process for managing, investigating, and resolving QOCGs during the CY 2023 review period, HSAG used the following methodology:

1. Document Request
2. Initial Document Review (of policies and procedures, workflows, etc.)
3. QOCG Case Review
4. Teleconference Interviews
5. Reporting

1. Document Request

HSAG requested that each MCE submit documents including policies and procedures, any related desktop protocols, process documents, and member and provider informational materials regarding QOCGs. In addition, HSAG requested that each MCE submit a complete list of QOCGs that warranted investigation during the CY 2023 review period, whether the final outcome was substantiated or not. HSAG selected a sample of up to 10 cases for review for each MCE. If the MCE had 10 or fewer cases within the review period, HSAG requested review materials for each case. The MCEs then submitted to HSAG all review materials for each case, which included documentation of the investigation of the QOCG and its resolution/outcome. Each MCE completed information and file transfers using HSAG’s Secure Access File Exchange (SAFE) site.

³⁻¹ 42 CFR §438.66(b).

2. Initial Document Review

During the initial document review, HSAG reviewed all submitted documentation, which included policies, procedures, and related documents, to understand how the MCEs defined QOCG and each MCE's standard procedures for addressing QOCGs.

3. QOCG Case Review

HSAG assessed the following:

- Definitions.
- Number of QOCG cases reported.
- Severity level definitions.
- Qualifications of staff members investigating cases.
- Case sample overview.
- Adherence to internal policies and procedures.
- Case outcomes.
- Regulatory agency reporting.

4. Teleconference Interviews

HSAG collaborated with each MCE and the Department to schedule and conduct teleconference interviews with key MCE staff members to:

1. Ensure mutual understanding of documents submitted.
2. Clarify and confirm organizational implementation of policies, procedures, and related documents.
3. Discuss the case review findings, opportunities for improvement (if any), and recommendations for process improvement, if applicable.

As a result of the initial document review, case review, and teleconference interviews, HSAG requested and reviewed additional documents as necessary.

5. Reporting

This report documents HSAG's findings of each MCE's process for addressing QOCGs. Section 2—Findings and Assessment provides statewide aggregated results and recommendations. Additionally, Appendix A through Appendix I include MCE-specific findings. Table 3-1 presents Colorado's MCEs.

Table 3-1—Colorado’s MCEs

Medicaid RAEs	Services Provided
RAE 1—RMHP RAE 2—NHP RAE 3—COA RAE 4—HCI RAE 5—COA RAE 6—CCHA RAE 7—CCHA	MH inpatient and outpatient services, substance use disorder (SUD) inpatient and outpatient services, and coordination of both physical health (PH) and behavioral health (BH) services for adults and children enrolled in Medicaid.
Medicaid MCOs	Services Provided
DHMP	PH primary, inpatient, outpatient, specialty, and acute care for a subset of adults and children who are RAE Region 5 members. MH and SUD inpatient and outpatient services for a subset of RAE Region 5 members.
RMHP Prime	PH primary, inpatient, outpatient, specialty, and acute care for a subset of RAE Region 1 members.