

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-10 Medicare Quality Improvement Organization	Centers for Medicare & Medicaid Services (CMS)
Transmittal 31	Date: July 21, 2017

SUBJECT: QIO Manual Chapter 15 – “Performance Evaluation”

I. SUMMARY OF CHANGES: This revision of the QIO Manual addresses procedures for public notice of general criteria and standards for evaluation of QIO contractor performance, and procedures for contract renewal.

EFFECTIVE DATE: * July 21, 2017

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: * July 21, 2017

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	15/Table of Contents
R	15/15100/Authorities
D	15/15110/Provisions of the Notice
D	15/15120/Uses of Evaluation Criteria
R	15/15200/Timing
R	15/15210/Methods of Evaluation
R	15/15220/Renewal/Non-renewal
R	15/15400/Performance Improvement Plans
D	15/15420/Performance Plan Expectations
D	15/15500/Statutory Basis
D	15/15510/Grounds for Termination
D	15/15520/Recommendation to Initiate Termination
D	15/15530/Notice of Intent to Terminate Contract
D	15/15540/Termination Panel
D	15/15700/Introduction
D	15/15710/Boxing of Records – General

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
D	15/15720/Boxing of Review Records
D	15/15730/Boxing of Data
D	15/15740/Boxing of Miscellaneous Records
D	15/15750/Retention of Financial Records

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of work. The contractor is not obliged to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Manual Instruction

Quality Improvement Organization Manual

Chapter 15 - Performance Evaluation

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- 15100 *Authorities*
- 15200 *Timing*
- 15210 *Methods of Evaluation*
- 15220 *Renewal/Non-renewal*
- 15400 *Performance Improvement Plans*

15100/Authorities

(Rev.31, Issued: 07-21-17, Effective: 07-21-17, Implementation: 07-21-17)

Section 1153 of the Social Security Act (the Act) generally provides authority for CMS to enter into contracts with QIOs for the performance of QIO functions described in section 1154. CMS may modify, renew, or discontinue all or part of one or more tasks for one or more states or territories in the QIO service area or any other part of the contract.

Sections 1153(c)(2) and (4) of the Act provide for CMS to assess the quality and effectiveness of each QIO in carrying out the functions specified in its contract when evaluating QIO performance.

Section 1153(h)(1) of the Act requires CMS to publish notices in the Federal Register whenever it makes significant policy and/or procedural changes that substantially affect performance of QIO contract obligations 30-days before such change is to take effect.

*Section 1153 (h)(2) of the Act requires the Secretary to publish in the Federal Register the general criteria and standards used for evaluating performance of QIO contract obligations, **and provide an opportunity for public comment.***

Section 1153 (h)(3) of the Act requires CMS to regularly provide each QIO an assessment of its performance in relation to the performance of other QIOs.

15200/Timing

(Rev.31, Issued: 07-21-17, Effective: 07-21-17, Implementation: 07-21-17)

CMS publishes Federal Register notices for each type of QIO contract that it plans to award for each QIO contract award cycle. These notices provide the opportunity for public comment on the general criteria and standards CMS will use to evaluate QIO performance based on the tasks or subtasks in the statement of work and the evaluation and performance measures included in QIO contracts as required by Section 1153 (h)(2) of the Act.

After QIO contracts are awarded, CMS may revise contract performance criteria to adjust evaluation measures, adjust the expected minimum thresholds for satisfactory performance, or add or remove criteria from a contractual task for any reason, including, but not limited to, experience with the amount of improvement achieved during the contract cycle, information gathered through evaluation of the performance overall, or any unforeseen circumstances through negotiation of contract modifications or change orders. CMS negotiations with QIOs of any contract change (modification) or non-competitive renewal are administered by the cognizant CMS contracting authority in accordance with authorities of 48 CFR Federal Acquisition Regulations and notices are not posted in the Federal Register unless required by section 1153(h)(1).

15210/Methods of Evaluation

(Rev.31, Issued: 07-21-17, Effective: 07-21-17, Implementation: 07-21-17)

Substantial elements of QIO contracts are performance-based, *such that* a QIO is assessed relative to specific performance measures established in the contract. Performance on these measures can be used to objectively make determinations about non-competitive renewals and/or be used as objective criteria in competitive procurements. Additionally, *CMS may also* assess QIO performance based on *annual routine assessment*, regularly scheduled teleconferences, data analysis, off-site reviews of QIO project activities, *contract deliverables, reporting*, data reports, interviews with QIO staff, *customer satisfaction and/or* an examination of other pertinent records.

CMS follows federal acquisition regulations when assessing QIO contractor performance on the contract. CMS conducts contract performance monitoring activities throughout the contract term and will act upon findings as necessary.

CMS performs regular formal assessment of each QIO's overall contract performance based on the general evaluation criteria and standards identified in each QIO contract. The assessment is provided to the QIO through the CMS Contracting Officer using the Contractor Performance Assessment Reporting System (CPARS) criteria used in performance evaluations: Quality, Schedule/Timeliness, Cost/Price Control, Business Relations, Management, and Small Business. CMS considers the published general evaluation criteria and standards within the Quality sub-factor within the CPARS assessment of overall contractor performance.

CMS performs regular program impact assessments and may contract with an independent entity to perform assessment of overall QIO Program performance. Program evaluations are conducted separately from individual QIO contractual performance evaluations. CMS makes QIO Program performance assessment results available to each QIO as part of regular QIO program evaluations.

15220/Renewal/Non-renewal

(Rev.31, Issued: 07-21-17, Effective: 07-21-17, Implementation: 07-21-17)

One of the purposes of the evaluation process is to make determinations on whether QIOs are eligible for non-competitive contract renewals. Details of the renewal/non-renewal process can be found in the QIO contract.

15400/Performance Improvement Plans

(Rev.31, Issued: 07-21-17, Effective: 07-21-17, Implementation: 07-21-17)

CMS may request a QIO to provide a corrective action (Performance Improvement Plan) to address noted deficiencies.