



**2004 QUALITY IMPROVEMENT WORK PLAN
4th Quarter Updates**

2004 HEALTH NET QUALITY IMPROVEMENT WORK PLAN

PURPOSE

The purpose of the Health Net Quality Improvement (QI) Work Plan is to provide structure and direction to carry out planned activities designed to meet the established goals and objectives of the Quality Improvement Program. The QI Work Plan reflects quality initiatives for Health Net Health Plan of Oregon, Inc. members and Health Net Life, Inc. members who reside in Oregon and Washington. The QI Work Plan is updated quarterly to reflect any changes and report on progress made on QI activities.

QUALITY IMPROVEMENT PROGRAM GOALS

- Develop and maintain an integrated Quality Improvement Program that provides structure for promoting and achieving excellence in all areas through continuous quality improvement.
- Monitor the quality of care and services provided by participating providers, medical groups, organizational providers, managed behavioral health organizations, and delegated entities to Health Plan members.
- Use an ongoing, systematic approach to monitor, evaluate, and improve the quality, appropriateness, availability, and accessibility of medical care and services provided to Health Plan members.
- Identify opportunities for improvement in the health status of members through the development and implementation of health promotion, preventive education, and disease management programs.

I. PROGRAM DOCUMENTS AND EVALUATION				
Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
<p>A. Program Evaluation Complete UM and QI Program Evaluations ORS731.244, 743.819, ORS 743.804, 743.807 OID SB21 836-053-1130 ORS 743.814(2), OAR 836-053-1170(1)</p>	<ul style="list-style-type: none"> Review UM and QI Work Plan and develop annual evaluation based on activities and outcomes. Submit to appropriate committee(s) for review and approval. 	Medical Dir. QI Manager Dir. Health Serv.	1 st Qtr.	<p>1st Qtr:</p> <ul style="list-style-type: none"> 2003 QI Evaluation reviewed/approved by QIC via email with final review by Dr Glass on <u>3/16/04</u> 2003 UM Program Evaluation reviewed/approved by QIC on <u>3/16/04</u> (information included in 2004 QI Program Evaluation) <p>2nd Qtr:</p> <ul style="list-style-type: none"> 2003 QI Evaluation reviewed/approved by Board of Directors on <u>4/14/04</u> 2003 UQC Program Evaluation reviewed/approved by QIC on 6/8/04 <p>3rd Qtr: N/A 4th Qtr: N/A</p>
<p>B. Work Plan Identify Annual UM and QI Work Plan Goals/Activities ORS731.244, 743.819; ORS 743.804, 743.807; 836-053-1130 ORS 743.814(2), OAR 836-053-1170(1)</p>	<ul style="list-style-type: none"> Based on a review of the previous years program evaluations and new initiatives develop UM and QI Work Plan goals and objectives including responsible person(s) and proposed completion date. Update Work Plan to report progress, outcomes and/or changes in initiatives. Submit to appropriate committee(s) for review and approval. 	Medical Dir. QI Manager Dir. Health Serv.	1 st Qtr.	<p>1st Qtr:</p> <ul style="list-style-type: none"> 2003 QI/UM Work Plan updated for 4th Qtr on <u>3/10/04</u> 2004 QI/UM Work Plan reviewed/approved by Board of Directors on <u>4/14/04</u> <p>2nd Qtr:</p> <ul style="list-style-type: none"> 2004 QI/UM Work Plan updated for 1st Qtr on <u>4/22/04</u> <p>3rd Qtr:</p> <ul style="list-style-type: none"> 2004 QI/UM Work Plan updated for 2nd Qtr on <u>7/16/04</u> <p>4th Qtr:</p> <ul style="list-style-type: none"> 2004 QI/UM Work Plan updated for 3rd Qtr on <u>10/18/04</u> 2005 QI/UM Work Plan reviewed/approved by QIC on

				<u>12/28/04</u>
Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
C. Program Descriptions Update UM & QI Program Descriptions ORS 731.244, 743.819; ORS 743.804, 743.807; 836-053-1130 ORS 743.814(2) and OAR 836-053-1170(1)	<ul style="list-style-type: none"> Review the UM & QI Program Descriptions and update as needed. Submit to appropriate committee(s) for review and approval. 	Medical Dir. QI Manager Dir. Health Serv.	1 st Qtr.	1 st Qtr: N/A 2 nd Qtr: <ul style="list-style-type: none"> 2004 QI Description reviewed/ approved by Board of Directors on <u>4/14/04</u> 3 rd Qtr: N/A 4 th Qtr: <ul style="list-style-type: none"> 2005 UM Program Description reviewed/approved by QIC on <u>12/28/04</u> 2005 QI Program Description reviewed/approved by QIC on <u>12/28/04</u>
D. Policies and Procedures Develop or update policies/procedures as necessary for annual review	<ul style="list-style-type: none"> Review / revise Quality Improvement policies on annual basis and present to appropriate QIC for approval. 	QI Manager	Annual	4 th Qtr: <ul style="list-style-type: none"> QI Policies and Procedures reviewed/approved by QIC on <u>10/26/04</u>
E. Regulatory Compliance ORS 743.814	<ul style="list-style-type: none"> Submit Annual QI Report to state by June 30, 2004 Submit Annual UM Report to state by June 30, 2004 	QI Manager Dir. Health Serv.	6/04	2 nd Qtr: <ul style="list-style-type: none"> Annual QI Report submitted to state on <u>6/29/04</u>. Annual UM Report submitted to state on <u>6/29/04</u>.
II. HEALTH PLAN PERFORMANCE AND MEMBER SATISFACTION				
Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
A. Key Indicators As a key driver in member satisfaction, monitor the quality of services provided to members and compare results with established standards/regulatory requirements.	Key Indicators have been established for 13 quality of service measures. An analysis of the reports is conducted on an ongoing basis and identifies improvement opportunities. KEY INDICATORS <u>Claims</u> <ul style="list-style-type: none"> TAT ≤ 30 days - 95% TAT-Adjustments - ≤ 2 days 	Claims Manager Claims Quality Assurance	Ongoing	1 st Qtr:: <ul style="list-style-type: none"> <u>9</u> out of <u>16</u> indicators were met for 1st Qtr. No trends identified or Corrective Action needed 2 nd Qtr: <ul style="list-style-type: none"> <u>9</u> out of <u>16</u> indicators were met for 2nd Qtr.

	<ul style="list-style-type: none"> Quality - 98% <p><u>Customer Service</u></p> <ul style="list-style-type: none"> Abandonment Rate - $\leq 5\%$ Call hold time in seconds - ≤ 30 Quality - $\geq 97\%$ Service Level - $\geq 85\%$ calls answered ≤ 30 seconds <p><u>Membership Accounting</u></p> <ul style="list-style-type: none"> Reconciliation/Unapplied Cash - ≤ 4 days New/Renewing Grp Processing - ≤ 2 days TAT: Application Processing - ≤ 2 days <p><u>Grievances & Appeals</u></p> <ul style="list-style-type: none"> Total A&G Processed - ≤ 5 per 1000 members % Initial Reviews Overturned - $\leq 40\%$ % Subsequent Level Reviews Overturned - $\leq 25\%$ OID Complaints - ≤ 3 Resolved w/in regulatory TAT - 100% <p><u>Provider Relations</u></p> <ul style="list-style-type: none"> Electronic Claims Submissions - 51% of claims volume 	<p>Manager</p> <p>CS Manager</p> <p>Membership Accounting Manager</p> <p>Dir Product Development</p> <p>Contracting Manager</p>		<ul style="list-style-type: none"> An analysis on the types of G&A is being conducted to determine what complaints may have been eliminated by resolution at the CS level or through administrative changes. <p>3rd Qtr:</p> <ul style="list-style-type: none"> <u>8</u> out of <u>16</u> indicators were met for 3rd Qtr. TAT standards were not met for application processing in membership accounting due to staff turnover. With the staffing shortage, the focus was on accuracy standards -vs- TAT to reduce an impact to other departments. Membership Accounting will be fully staffed in late November. G&A standards were not met and an initiative is in place to help reduce the number of complaints that become formal grievances <p>4th Qtr:</p> <ul style="list-style-type: none"> <u>11</u> out of <u>16</u> indicators were met for 4th Qtr. <p>ANNUAL</p> <ul style="list-style-type: none"> <u>10</u> out of <u>16</u> indicators were met for 2004.
Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
<p>B. Member Satisfaction Analysis Continuously monitor the feedback provided informally at employer/broker meetings, Health Net staff, and formally through member complaints, grievances and appeals, and</p>	<p>Conduct a review of complaints, G&As, and informal feedback to identify service issues.</p> <ul style="list-style-type: none"> Review based on volume Identify top complaints types <ul style="list-style-type: none"> Use sub-categories for drill-down analysis Track and trend information to identify the 	<p>Dir. Product Development</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> Initiative currently in place to review/modify Rx prior authorization process with the goal of: <ul style="list-style-type: none"> Reducing the total # of Rx-related G&As, Streamlining the prior

member satisfaction surveys, if applicable.

need for quality initiatives, improved communication, and a review of benefits structure.

- Develop quality initiatives as needed to address service concerns, implement and evaluate outcomes.

authorization process, specifically for new members on chronic medications,

- Revise prior authorization criteria where appropriate, and
- Improving overall member satisfaction with the benefit.

2nd Qtr:

- The following Rx Initiatives were implemented:
 - Removed PA on selected agents.
 - Replaced PA for some medications and incorporated Electronic Step Therapy (“EST”) edits, which automates the processing of prescriptions.
 - Continuity of Care policy implemented for new members,
 - Modified criteria for PA’s on some drugs .

3rd Qtr:

- Continuity of Care (COC) Policy - Although formal measurements will not be in place until Q1-05, informal feedback on this initiative, has been positive. There has been over a 20% decrease in Rx-related Grievances and Appeals from Q1-2004 to Q3-2004.

4th Qtr:

- A review of Grievances and Appeals was conducted to identify any trends related to LOB, category or determinations for specific issues.
- A review of the impact on 7/2002 benefit language changes on G&A received in 2003/2004 was conducted. Overall results demonstrate the changes had a positive impact on G&A through either a reduction in the total number

				<p>of Grievances or by increasing the number of Grievances that were upheld for a specific issue.</p> <ul style="list-style-type: none"> Rx-related G&A continue to decrease from 43.3% of total G&A in Q1 to 13.7% of total G&A in Q4. <p>Annual Review:</p> <ul style="list-style-type: none">
HEALTH NET ONE INITIATIVES				
<p>C. Interactive Voice Response (IVR) Consolidation Achieve a 'one company' IVR experience for Members and Providers by moving to one common platform utilizing a single set of options.</p>	<ul style="list-style-type: none"> Provide a consistent self-service functionality throughout all Call Centers Develop reporting capability Create an architecture that will support future enhancements Increase user functionality through a speech enabled claims status application and fax back of eligibility to Providers 	CS Manager	3 rd Qtr.	<p>1st Qtr:</p> <ul style="list-style-type: none"> Health Net CT and NJ went live in Q1 with CA and OR scheduled to launch on 6/15/04 in conjunction with Website Consolidation. <p>2nd Qtr:</p> <ul style="list-style-type: none"> IVR update for HNOR was postponed until Q3 <p>3rd Qtr:</p> <ul style="list-style-type: none"> Internal and external user acceptance testing taking place for IVR. <p>4th Qtr:</p> <ul style="list-style-type: none"> Interactive Voice Response (IVR) was successfully launched on 11/11/04. Features include: <ul style="list-style-type: none"> A speech-enabled system that responds to spoken requests Claims status information that includes member financial responsibility and check number, and Single-call convenience, allowing customers to obtain information for multiple members on the same call. <p>Additional self-service function will be added in 2005</p>
<p>D. E-services Increase enrollment by Group Administrators in online enrollment and billing process to</p>	<ul style="list-style-type: none"> Implement EFT payment process to E-services Continue marketing E-Services program to group administrators through promotions 	MA Manager	Ongoing	<p>1st Qtr:</p> <ul style="list-style-type: none"> Enrollment through Q1: 309 employer groups (10.35%) <p>2nd Qtr:</p>

<p>20% by year-end. (2003 goal accepted for 2004 due to delay in adding EFT payment process).</p>	<p>in employer newsletters and promotional inserts in billing materials.</p>			<ul style="list-style-type: none"> • Enrollment through Q2: 354 employer groups (11.2%) • There are on-going promotions of E-Services by Health Net associates, on the website, and in Employer's Admin materials. • Additional opportunities to promote the on-line billing service will be reviewed in Q3. <p>3rd Qtr:</p> <ul style="list-style-type: none"> • Enrollment through Q3: 399 employer groups (12.5%) • Promotion of the service will be included in an employer newsletter for Q4. <p>4th Qtr:</p> <ul style="list-style-type: none"> • Enrollment through Q4: 387 employer groups (12%) • Promotion of the service was delayed until 2005.
<p>E. Website Consolidation Consolidate websites between all HN Plans.</p>	<ul style="list-style-type: none"> • Provide a secure portal with interactive capabilities to complete self-service functions for Members, Employers, Providers, and Agent. 	<p>CS Manager</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> • On track for launching enhanced website for all HN Plan - 06/15/04. <p>2nd Qtr:</p> <ul style="list-style-type: none"> • User Acceptance Testing (UAT) for Provider Pre-Registration begins 4/12/04. • Health Net launched new and enhanced Web site with improved navigation and functionality to allow for better communication and service to customers. <p>3rd Qtr:</p> <ul style="list-style-type: none"> • Website strategy meetings held weekly, corrections and enhancement are discussed and implemented on weekly basis. <p>4th Qtr:</p> <ul style="list-style-type: none"> • Provider Registration enhancement planning in process.

III. NETWORK MANAGEMENT (Adequacy and Access)				
Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
<p>A. Network Adequacy Continuously monitor the network adequacy of covered health services available to members to ensure established state and federal standards are met.</p>	<ul style="list-style-type: none"> Monitor the adequacy of covered health services including PCPs, High volume Specialists, Hospital/Facilities, ancillary providers to members based on the industry standards: Complete applicable HSD reports to monitor the adequacy of health services available to Medicare members 	Contracting Manager	Ongoing	<p>1st Qtr:</p> <ul style="list-style-type: none"> Continuously monitoring changes in network. Fill gaps as necessary. <p>2nd Qtr:</p> <ul style="list-style-type: none"> No additional activity conducted in Q2 beyond standard monitoring <p>3rd Qtr:</p> <ul style="list-style-type: none"> No additional activity conducted in Q3 beyond standard monitoring <p>4th Qtr:</p> <ul style="list-style-type: none"> No additional activity conducted in Q4 beyond standard monitoring
<p>B. Access Continuously monitor the access to covered health services available by PCPs and to select Specialists to ensure that established standards are met.</p>	<ul style="list-style-type: none"> Monitor appointment availability at various levels of care Review ARC Cycle 5 Table – Tbl_Access Survey within appropriate date range. Identify the number of Providers, which score less than 100. 	Quality Manager	Quarterly	<p>1st Qtr:</p> <ul style="list-style-type: none"> <u>61</u> out of <u>62</u>, (<u>98.3%</u>) contracted PCPs and OB-GYNs met 100% of access standards for ARC Cycle 5 Reviews – 1/1/04 to 3/31/04. <p>2nd Qtr:</p> <ul style="list-style-type: none"> <u>42</u> out of <u>42</u>, (<u>100%</u>) contracted PCPs and OB-GYNs met 100% of access standards for ARC Cycle 5 Reviews – 4/1/04 to 6/30/04. June data updated on 10/23/04 <p>3rd Qtr:</p> <ul style="list-style-type: none"> <u>55</u> out of <u>55</u>, (<u>100%</u>) contracted PCPs and OB-GYNs met 100% of access standards for ARC Cycle 5 Reviews – 7/1/04 to 9/30/04. September data not available at time of Q3 updates <p>4th Qtr:</p> <ul style="list-style-type: none"> <u>40</u> out of <u>40</u>, (<u>100%</u>) contracted PCPs and OB-GYNs met 100% of access standards for ARC Cycle 5 Reviews – 10/1/04 to 12/31/04. Q3 data was updated to include September information.

IV. QUALITY AND SAFETY OF CARE AND/OR SERVICES				
Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
<p>A. Provider Education Offer contracted PCP providers the opportunities to receive advanced training/continuing education credits by sponsoring accredited Conferences/Seminars.</p>	<ul style="list-style-type: none"> Identify accredited programs. Develop effective marketing programs to maximize participation by contracted PCP Providers. Evaluate effectiveness of Conference and marketing efforts. 	<p>Medical Dir.</p> <p>Contracting Manager</p>	<p>1st Qtr.</p> <p>3rd Qtr.</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> Provider Contracting is in the process of coordinating a Decision Power Symposium for providers scheduled for June 17, 2004 which will include a lecture by Dr Weinberg on practice variations. Invitations will be sent to Medical Directors and Executives from large IPAs, PPGs, and Hospitals. <p>2nd Qtr:</p> <ul style="list-style-type: none"> Health Net hosted a reception and dinner including a presentation by Dr. David Wennberg, co-author of the Dartmouth Atlas of Health Care and the Foundation of Informed Decision Making on practice variation, or how medical care and procedures vary from region. Attendees included key employers, brokers, providers and Health Net executives. <p>3rd Qtr:</p> <ul style="list-style-type: none"> Provider Manual updates in process with distribution scheduled in Q4. <p>4th Qtr:</p> <ul style="list-style-type: none"> Provider Manual updated and posted on the Health Net web site. Manual was also available on CD upon request. Health Net sponsored Pri-Med conference December. Topics included information regarding the management and use of pharmacotherapies in chronic and other disease states including

				<p>Diabetes, Cardiovascular disease, Allergies, Depression, Migraines, and Respiratory Track Infections.</p> <ul style="list-style-type: none"> Formal training developed for select contracted Provider Groups and include information on Options Plus, clean claims submission, Prior Authorization guidelines, Decision Power/Smart Registry, Web access, IVR, and Provider disputes. Meetings will be conducted bi-annually. Evaluation of the training will include formal and informal feedback/surveys. Provider appeals will also be tracked to measure impact of trainings.
Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
<p>B. Quality of Care/Safety and Services Continuously monitor the quality of care/safety and services provided to members by participating providers</p>	<ul style="list-style-type: none"> Review quality of care/services issues based on established Quality Indicators for HNOR participating provider. Review quality of care/service issues reported by members Track and trend providers with multiple complaints/quality of care/service concerns and address as needed Review turn around time to close quality of care/service cases and establish new standard. 	<p>Medical Dir. Dir. Health Serv. Contracting Manager</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> Total Cases received: <u>55</u> - Quality of Care Issues: <u>55</u> - Quality of Service Issues: <u>0</u> Total Cases Closed: <u>55</u> Level 1: <u>49</u> Level 2: <u>2</u> Level 3: <u>4</u> Level 4: <u>0</u> PRC Review: <u>5</u> Trends: <u>None Identified</u> <p>2nd Qtr:</p> <ul style="list-style-type: none"> Total Cases received: <u>63</u> - Quality of Care Issues: <u>63</u> - Quality of Service Issues: <u>0</u> Total Cases Closed: <u>69</u> Level 1: <u>65</u> Level 2: <u>1</u> Level 3: <u>2</u> Level 4: <u>1</u> PRC Review: <u>6</u> Trends: <u>None Identified</u> <p>3rd Qtr:</p> <ul style="list-style-type: none"> Total Cases received: <u>83</u> - Quality of Care Issues: <u>83</u> - Quality of Service Issues: <u>0</u>

				<ul style="list-style-type: none"> Total Cases Closed: <u>65</u> Level 1: <u>65</u> Level 2: <u>0</u> Level 3: <u>0</u> Level 4: <u>0</u> PRC Review: <u>0</u> Trends: <u>None Identified</u> <p>4th Qtr:</p> <ul style="list-style-type: none"> Total Cases received: <u>83</u> - Quality of Care Issues: <u>83</u> - Quality of Service Issues: <u>0</u> Total Cases Closed: <u>98</u> Level 1: <u>98</u> Level 2: <u>0</u> Level 3: <u>0</u> Level 4: <u>0</u> PRC Review: <u>2</u> Trends: <u>None Identified</u>
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V. UTILIZATION MANAGEMENT/PHARMACY

Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
<p>A. Inter-Rater-Reliability Audits Assure consistency in reviews. Implement McKesson inter-rater reliability audits for use of InterQual.</p>	<ol style="list-style-type: none"> Establish process Train staff Establish base line Establish target Monitor and evaluate Report outcomes 	Dir Health Services	Ongoing	<p>1st Qtr:</p> <ul style="list-style-type: none"> Audit process established and provided to staff and testing schedule created. Performance target of 90% established by Health Net, Inc. Baseline will be established once staff has completed testing. <p>2nd Qtr:</p> <ul style="list-style-type: none"> Initial HNOR testing completed 5/5/04. Average score = 71%. HNI identified concerns related to the quality of the tests. Corrective Action Plan: HN IRR Process Committee to review the 2004 McKesson materials and decide whether to use their tests or create internal standardized tests. Corrective Action Plan: Complete the McKesson Webex training in conjunction with HNAZ in mid-August 2004. <p>3rd Qtr:</p>

				<ul style="list-style-type: none"> Care Managers, Case Managers, Authorization Review Coordinators and Medical Director participated in McKesson Training August 17-19. Courses presented were on Acute Criteria and Procedure Criteria. A comparison of the 2003 test results will be made with the 2004 test results once completed. <p>4th Qtr:</p> <ul style="list-style-type: none"> Post training IRR testing completed. Comparison of 2003 versus 2004 test results will be completed in Q1 '05
<p>B. Timeliness of UM Decisions Assure utilization regulatory turn around times are met during transition to MC400</p>	<ol style="list-style-type: none"> Identify changes in medical management processes as result of system changes Establish training plan and tools Identify trainer Establish contingency plan Train staff Monitor, evaluate, and report outcomes pre and post conversion. 	<p>Dir Health Services Corp. Dir Performance Development Prior Authorization Supervisor</p>	<p>2nd Qtr:</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> Scheduled for Q2. <p>2nd Qtr:</p> <ul style="list-style-type: none"> MC400 conversion moved to 2005. Activity postponed until 2005. <p>3rd Qtr:</p> <ul style="list-style-type: none"> An audit of Inpatient Denials, including a review of timeliness was completed. No compliance issues were identified. <p>4th Qtr: N/A</p>
<p>C. Osteoporosis Outcomes Research Study</p>	<ul style="list-style-type: none"> Encourage treatment for postmenopausal women with osteoporotic fractures who are currently not treated with a pharmacological agent Increase the awareness of physicians and members in understanding the significance of osteoporosis fracture management, which will play a role in preventing subsequent fractures in such patients. 	<p>Medical Dir Dir. Pharmacy (Sheta Ara)</p>	<p>1st Qtr</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> No Activity in Q1 on project. <p>2nd Qtr:</p> <ul style="list-style-type: none"> No activity in Q2 on project. <p>3rd Qtr:</p> <ul style="list-style-type: none"> Data extraction in process. Cover letters have gone through the health plan review process. Expected mailing date of early November. <p>4th Qtr:</p> <ul style="list-style-type: none"> Osteoporosis mailing has been delayed until 2005 to secure IT resources and request more current publications from vendor.

Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
<p>D. SMART (Severant Multi-Center Research Trial) Program Improve the number of Health Net members on appropriate regimen for asthma</p>	<ul style="list-style-type: none"> • Ensure HN member's safety who are currently receiving long acting beta₂ agonist monotherapy treatment for asthma • Reinforce appropriate drug selection according to recognized national asthma guidelines. • Track monthly Rx claims data over a 3-month period after communications are sent to members/providers 	Dir. Pharmacy (Sheta Ara)	1 st Qtr	<p>1st Qtr:</p> <ul style="list-style-type: none"> • Developing physician cover letter, medical director cover letter, patient profile, adult patient letter and minor patient letters for distribution to appropriate physicians and members. <p>2nd Qtr:</p> <ul style="list-style-type: none"> • Mailing completed in May to 45 Health Net members and 39 physicians regarding appropriate drug use of long acting beta₂ agonist monotherapy treatment for asthma. • An evaluation of the effectiveness of the educational materials will begin in Q3. <p>3rd Qtr:</p> <ul style="list-style-type: none"> • Fax Back responses from physicians of 18 patients were received. The faxes were sent from 6/7/04 through 6/22/04. 5 patient did not want to consider an inhaled corticosteroid. One patient had COPD. The remaining 12 patients were considered to be a program success because the doctors office either scheduled follow up appointments or indicated that patient was also prescribed an inhaled corticosteroid. <p>4th Qtr: N/A</p>
<p>E. Guide to Appropriate Chronic Pain Management</p>	<ul style="list-style-type: none"> • Distribute Pain Management Guidelines to select providers. • Evaluate the usefulness/value of Guidelines through provider survey. • Evaluate the use of select pain agents using Rx database. 	Medical Dir Dir. Pharmacy (Sheta Ara)	1 st Qtr	<p>1st Qtr:</p> <ul style="list-style-type: none"> • Pain Management Guidelines Brochure created and printed. • Currently establishing list of Providers (PCP and selective surgical specialists) targeted to receive mailing. • Mailing scheduled for Q2. <p>2nd Qtr:</p>

			<ul style="list-style-type: none"> • No activity in Q2. Mailing delayed <p>3rd Qtr:</p> <ul style="list-style-type: none"> • Provider survey is going through the communication review process • Narcotic profile being developed by the clinical team. <p>4th Qtr:</p> <ul style="list-style-type: none"> • Pain tool being updated due to the removal of Vioxx. Mailing tentatively scheduled for Q1-2005.
<p>VI. DISEASE MANAGEMENT / HEALTH IMPROVEMENT</p>			

Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
<p>A. Decision Power</p>	<ul style="list-style-type: none"> • Implement in-bound calls • Implement out-bound calls 	<p>Medical Dir. Dir. Health Serv. Supv. Case Manager</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> • Inbound calls implemented 1/1/04. • Utilization for Q1 will be reviewed in Q2. <p>2nd Qtr:</p> <ul style="list-style-type: none"> • Outbound calls implemented 4/1/04. • Utilization reports are being developed and revised. Final reports will be reviewed in August 2004. <p>3rd Qtr:</p> <ul style="list-style-type: none"> • Revisions on reports delayed until Q4. • Educational mailings were sent to identified members with the following chronic diseases and/or conditions based on claims data: <ul style="list-style-type: none"> • Asthma, CAD , CHF , COPD, Diabetes, • Back, Women Health, Joint • Market analysis administered to a sample potential employers and current members and employers. The survey demonstrated Decision Power to be valuable among consumers. • Healthy Decision Kit in development, which will include regulatory notifications, information on Decision Power, Preventive Health and Immunization Guidelines, Flu Shots, Quitting Matters, and Depression Awareness/ Screenings. The mailing will be sent in Q4. <p>4th Qtr:</p> <ul style="list-style-type: none"> • Revisions on reports were not completed in Q4. • Healthy Decision Kit mailing was

				completed in Q4.
<p>B. Quitting Matters Evaluate effectiveness of member tobacco cessation program</p>	<ul style="list-style-type: none"> Review monthly enrollment reports since program launch 3/1/02. <ul style="list-style-type: none"> Number of members who inquire about the Quitting Matters program Number of members who enroll in the program. Quit rates for members enrolled in the program for one year. Evaluate overall effectiveness of tobacco cessation program by 12/31/04. 	<p>QI Manager</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> Total Processed Referrals to-date: <u>39</u> Total enrolled to-date: <u>4</u> Total Graduated: <u>3</u> <p>2nd Qtr:</p> <ul style="list-style-type: none"> Total Processed Referrals to-date: <u>41</u> Total enrolled to-date: <u>3</u> Total Graduated: <u>4</u> <p>3rd Qtr:</p> <ul style="list-style-type: none"> Total Processed Referrals to-date: <u>45</u> Total enrolled to-date: <u>6</u> Total Graduated: <u>4</u> Healthy Decision Kit in development which will include information on Quitting Matters. Information will be mailed to HNOR members w/ Decision Power in Q4 HN's Tobacco Cessation Program was transferred to MHN - "It's Your Life" Program in Q3. MHN is currently evaluating HN's Tobacco Cessation Programs and will present their recommendations for program changes, if applicable in Q4 or Q1-2005. <p>4th Qtr:</p> <ul style="list-style-type: none"> Total Processed Referrals to-date: <u>48</u> Total enrolled to-date: <u>5</u> MHN's report of HN's Tobacco Cessation program delayed until Q1-2005.
<p>Quality Improvement Goals</p>	<p>Activities Planned</p>	<p>Person(s) Responsible</p>	<p>Target Completion Date</p>	<p>Quarterly Update</p>
<p>MEDICARE C. Health Outcome Survey (HOS) (M+C Options Plus PPO product) HEDIS</p>	<ul style="list-style-type: none"> Work with National HEDIS to secure a vendor for 2005 reporting year Develop workplan/timeline for distributing surveys in 2005 Implement and evaluate outcomes 	<p>QI Manager</p>	<p>3rd Qtr.</p>	<p>3rd Qtr:</p> <ul style="list-style-type: none"> Per the CMS note dated 4/8/04 which stated, "...PPO Demo organizations are not required to participate in the HOS and CAHPS surveys" no activity

<p>NOTE: CAHPS surveys conducted by CMS</p>				<p>on HOS will be completed during the demonstration project which will conclude on December 31, 2005</p> <p>4th Qtr:</p> <ul style="list-style-type: none"> • Begin discussions with National HEDIS team to collect data for HEDIS reporting in 2005
<p>MEDICARE E. M+C Flu Shot Campaign Provide M+C Option's Plus members information regarding the importance of receiving a flu shot.</p>	<ul style="list-style-type: none"> • Develop reminder campaign with National Wellness • Receive approval by all appropriate individuals from each HN Plan. • Implement and evaluate outcomes 	<p>QI Manager</p>	<p>3rd Qtr.</p>	<p>3rd Qtr:</p> <ul style="list-style-type: none"> • Collaborating with other HN Plans to develop a Flu shot mailer <p>4th Qtr:</p> <ul style="list-style-type: none"> • Flu and Pneumonia shot reminder distributed to HNOR Medicare members, which addressed the vaccination shortage and communicated the importance that members still attempt to receive the immunization.
<p>MEDICARE F. Medicare Initiatives Provide Medicare Advantage members with educational reminders regarding Comprehensive Diabetes measurements and breast cancer screenings.</p>	<ul style="list-style-type: none"> • Coordinate initiatives with other HN Plans and OMPRO focusing on Diabetes Comprehensive Care, (HbA1c, DRE, and LDL) and Breast Cancer Screenings 	<p>QI Manager</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> • No Activity for Q1 <p>2nd Qtr:</p> <ul style="list-style-type: none"> • No Activity for Q2 <p>3rd Qtr:</p> <ul style="list-style-type: none"> • No Activity for Q3 <p>4th Qtr:</p> <ul style="list-style-type: none"> • Evaluation of DRE initiatives will be reviewed in 2005 • HNOR will offer Decision Power Program to Medicare members beginning in 2005. Marketing materials were developed and distributed to Medicare members in late Q4.

VII. CREDENTIALING AND RECREDENTIALING

Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
<p>A. Credential/Recredential Practitioners</p>	<ul style="list-style-type: none"> • Credential potential contracted Practitioners in accordance with regulatory requirement and within established HNOR performance standards within 60 days. 	<p>Credentialing Supervisor</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> • Total # of applications processed (initial and recredential): <u>488</u> • Total / % initial practitioners

	<ul style="list-style-type: none"> • Recredential contracted Practitioners every 3 years with regulatory requirements and within established performance HNOR performance standards within 60 days. • Key indicators - • 170 applications processed per month. • Files processed within 60 days. • Accuracy rate of 99.5% • Physicians not Board Certified submit complete information for exception. <p>(Note: Community standard for turn-around time for credentialing applications is within 90 days)</p>			<ul style="list-style-type: none"> • credentialed within 60 days: <u>96%</u> • Total / % recredentialled practitioners within 60 days: <u>98%</u> • Accuracy Rate (Goal 99.5): <u>99.5</u> • 162 files processed each month 4% below number required. <p>2nd Qtr:</p> <ul style="list-style-type: none"> • Total # of applications processed (initial and recredential): <u>482</u> • Total / % initial practitioners credentialed within 60 days: <u>99%</u> • Total / % recredentialled practitioners within 60 days: <u>99%</u> • Accuracy Rate (Goal 99.5): <u>99%</u> • 160 files processed each month 4% below number required. <p>3rd Qtr:</p> <ul style="list-style-type: none"> • Credentialing Reports currently being modified with the launch of the new Credentialing Software. <p>4th Qtr:</p> <ul style="list-style-type: none"> • Total # of applications processed (initial and recredential): <u>636</u> • Total / % initial practitioners credentialed within 60 days: <u>100%</u> • Total / % recredentialled practitioners within 60 days: <u>100%</u> • Accuracy Rate (Goal 99.5): <u>99.34%</u>
<p>B. Credential / Recredential Organizational Providers (OP)</p>	<ul style="list-style-type: none"> • Credential contracted OP within established HNOR performance standards • Recredential contracted OP every 3 years within established HNOR performance standards. Example: Freestanding LAB, Radiology, PT, Dialysis Centers. 	<p>Credentialing Supervisor</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> • Total OP Credentialed /Recredentialled: <u>16</u> • In process of credentialing ancillary Providers to meet CMS requirements. <p>2nd Qtr:</p> <ul style="list-style-type: none"> • Total OP Credentialed /Recredentialled: <u>42</u> • Note: 196 OP providers were “verified” to meet compliance with CMS in April

				2004. 3rd Qtr: <ul style="list-style-type: none"> Credentialing Reports currently being modified with the launch of the new Credentialing Software. 4th Qtr: <ul style="list-style-type: none"> Total OP Credentialed /Recredentialed: <u>17</u>
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VIII. DELEGATION

Quality Improvement Goals	Activities Planned	Person(s) Responsible	Target Completion Date	Quarterly Update
A. Delegation Audit Tools Review program assessment tools to ensure they are compliant with regulatory requirements and include Health Net performance standards regarding service levels	<ul style="list-style-type: none"> Review/revise delegation oversight assessment tools to incorporate regulatory changes, as needed. 	QI Manager	2nd Qtr.	1st Qtr: <ul style="list-style-type: none"> UM Audit tool will be modified in Q2 to include HB3654 – Mastectomy bill 2nd Qtr: <ul style="list-style-type: none"> UM Audit tool updated. 3rd Qtr: <ul style="list-style-type: none"> Claims Audit tool updated with WA regulation regarding claims acknowledgement. 4th Qtr: N/A

<p>B. Legislative Updates Provide Delegates updates, as needed, of any new or revised regulations.</p>	<ul style="list-style-type: none"> Review legislative changes from 2003 session and communicate information to Delegates, as needed Establish method of tracking distribution of information to Delegates. 	<p>Regulatory Compliance QI Manager</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> 2003 Oregon Legislative updates document, created by HN's Public Policy and Government Relations Manager, was distributed to Delegates 12/30/2003 There were no legislative updates in WA for 2003. <p>2nd Qtr:</p> <ul style="list-style-type: none"> No notices required in Q2. <p>3rd Qtr:</p> <ul style="list-style-type: none"> Appropriate Delegates notified of WA regulation regarding claims acknowledgement. <p>4th Qtr:</p> <ul style="list-style-type: none"> Appropriate Delegates notified of monthly WA regulatory report regarding network adequacy.
<p>C. Due Diligence Reviews Conduct due-diligence on all prospective delegates prior to contracting.</p>	<ul style="list-style-type: none"> Pre-delegation assessment on-site reviews completed on all prospective delegates Complete status report for each assessment Administer corrective action plan to meet HNOR standards/criteria, where applicable 	<p>QI Manager</p>	<p>Ongoing</p>	<p>1st Qtr:</p> <ul style="list-style-type: none"> Finalizing Safeguard Due Diligence review started in December 2003. Onsite audit will be completed by HNAZ in Q2. Coordinating EyeMed due diligence review with HNAZ. <p>2nd Qtr:</p> <ul style="list-style-type: none"> Onsite EyeMed assessment completed by HNAZ. Results due in Q3 will be shared with HNOR. <p>3rd Qtr:</p> <ul style="list-style-type: none"> Onsite EyeMed audit reviewed by HNOR. Additional information was requested and is due for review in Q4. Assessment completed on First Choice's Mental Health/Chemical Dependency UM program. <p>4th Qtr: N/A</p>
<p>D. Annual Assessments /</p>	<ul style="list-style-type: none"> Schedule annual on-site assessments 	<p>QI Manager</p>	<p>Ongoing</p>	<p>1st Qtr:</p>

<p>Corrective Action Plans Continuously monitor the quality of services provided to members by delegated entities and compare results with established Health Net Oregon’s performance standards/regulatory requirements.</p>	<ul style="list-style-type: none"> • Complete status report for each assessment • Maintain reports/binders for all delegated entities • Review monthly/quarterly reports provided by Delegates • Identify issues and implement Corrective action plan as needed • Monitor Corrective Action Plans • Conduct follow-up assessments, as needed 			<ul style="list-style-type: none"> • Total # Annual reviews/follow-up audits completed: 3 • Total # Delegates on CAP: <u>4</u> <ul style="list-style-type: none"> • MHN – UM, Claims, Credentialing • NAHP – Claims • Tuality – Credentialing • OHSU– Credentialing <p>2nd Qtr:</p> <ul style="list-style-type: none"> • Total # Annual reviews /follow-up audits completed: <u>2</u> • Total # Delegates on CAP: <u>5</u> <ul style="list-style-type: none"> • MHN – UM, Claims, Credentialing • NAHP – Claims, UM (Prior Auth Letters) • Tuality – Credentialing • Safeguard – Claims, EOB • TMG – Claims <p>3rd Qtr:</p> <ul style="list-style-type: none"> • Total # Annual reviews/ follow-up audits completed: <u>5</u> • Total # Delegates on CAP: <u>7</u> <ul style="list-style-type: none"> • MHN – Claims • NAHP – Claims, UM (Prior Auth Letters) • Safeguard – Claims • TMG – Claims • Tuality – Credentialing • OHSU – Credentialing • Primecare – Credentialing <p>4th Qtr:</p> <ul style="list-style-type: none"> • Total # Annual reviews/ follow-up audits completed: <u>4</u> • Total # Delegates on CAP: <u>8</u> <ul style="list-style-type: none"> • MHN – Claims, UM • NAHP – Claims, UM (Prior Auth Letters) • Safeguard – Claims • TMG – Claims, Enrollment
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ACKNOWLEDGEMENT AND APPROVED BY:

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