§ 438.242 Health information systems.

(a) General rule. The State must ensure, through its contracts, that each MCO and PIHP maintains a health information system that collects, analyzes, integrates, and reports data and can achieve the objectives of this subpart. The system must provide information on areas including, but not limited to, utilization, grievances and appeals, and disenrollments for other than loss of Medicaid eligibility.

(b) Basic elements of a health information system. The State must require, at a minimum, that each MCO and PIHP comply with the following:

1. Collect data on enrollee and provider characteristics as specified by the State, and on services furnished to enrollees through an encounter data system or other methods as may be specified by the State.

2. Ensure that data received from providers is accurate and complete by:
   (i) Verifying the accuracy and timeliness of reported data;
   (ii) Screening the data for completeness, logic, and consistency; and
   (iii) Collecting service information in standardized formats to the extent feasible and appropriate.

3. Make all collected data available to the State and upon request to CMS, as required in this subpart.

Subpart E—External Quality Review

Source: 68 FR 3635, Jan. 24, 2003, unless otherwise noted.

§ 438.320 Definitions.

As used in this subpart—

EQR stands for external quality review.

EQRO stands for external quality review organization.

External quality review means the analysis and evaluation by an EQRO, of aggregated information on quality, timeliness, and access to the health care services that an MCO or PIHP, or their contractors furnish to Medicaid recipients.

External quality review organization means an organization that meets the competence and independence requirements set forth in §438.354, and performs external quality review, other EQR-related activities as set forth in §438.358, or both.

Financial relationship means—

1. A direct or indirect ownership or investment interest (including an option or nonvested interest) in any entity. This direct or indirect interest may be in the form of equity, debt, or other means and includes any indirect ownership or investment interest no matter how many levels removed from a direct interest; or

2. A compensation arrangement with an entity.

Quality, as it pertains to external quality review, means the degree to which an MCO or PIHP increases the likelihood of desired health outcomes of its enrollees through its structural and operational characteristics and through the provision of health services that are consistent with current professional knowledge.