

April 2024

CMS Medicaid Managed Care Final Rule – Quality and Access Requirements

Overview

On April 22, 2024, CMS finalized updates to the [Managed Care Final Rule](#) and regulations with an effective date of July 9, 2024. This regulation, originally proposed in April 2023, includes sweeping changes to Medicaid managed care that will impact payment, operations, oversight, and compliance standards. This rule pairs with two other final rules published in April that focus on improving Medicaid eligibility and access to Medicaid services.

This Mercer Government Flash focuses on **regulatory changes impacting quality and access-related** topics, including required appointment wait time and network adequacy standards, annual member experience surveys, new quality rating system (QRS) requirements, and state quality strategies. Additionally, you can find our other published Flash focused on financial topics, including In Lieu of Services (ILOS), state directed payments (SDPs), medical loss ratios (MLRs), and comparative rate analyses [here](#).

Appointment Wait Times and Network Adequacy Standards

Appointment Wait Times

The Final Rule establishes “routine appointment” wait time standards for mental health and substance use disorder (SUD), OB/GYN, primary care, and an additional state-chosen service category. States must continue to maintain quantitative network adequacy standards, in addition to adopting these new appointment wait time standards. States must ensure 90% compliance (as documented in secret shopper surveys) with maximum wait time standards of:

- **10 days for mental health and SUD services**
- **15 days for OB/GYN and primary care services**

Network Exceptions

If a state provides an exception to a qualitative standard, it must consider provider payment rates in its process for approving network adequacy compliance exceptions.

Secret Shopper Surveys

Compliance with new appointment wait time standards and provider directory accuracy will be monitored through secret shopper surveys. States are required to contract with an independent entity to administer the surveys, and results will be included in the annual network certification report to CMS.

Network Access Remedy Plans

Remedy plans and regular reporting to CMS are required if issues are identified.

Annual Member Experience Surveys

States are required to administer enrollee experience surveys, which are intended to inform operational improvements within the program. **Results of the member survey will be incorporated in the state's annual Managed Care Program Annual Report to CMS.**

Quality Rate System

The 2016 and 2020 Medicaid managed care rules outlined a structure for states to build Medicaid managed care QRSs. The Final Rule solidifies these previous regulations by requiring states to:

- Adopt the CMS-developed QRS framework with limited flexibility to adopt a state-developed methodology approved by CMS. Upon request of the state, CMS may permit a one-time extension of the first quality ratings.
- Use 18 mandatory performance measures for quality reporting.
- Operate a QRS website with information comparing managed care organizations' (MCOs') quality, and information on benefits provided, prescription drug coverage, and network providers as a tool for a member's plan selection with certain elements of the website phased in over time. CMS may allow an extension of certain website features upon request of the state.
- Offer beneficiary/user support to help navigate the QRS website.

CMS will provide information on the mandatory measure set by August 1, 2025, and issue a technical resource manual on the Medicaid managed care QRS some time in 2027.

External Quality Review and State Quality Strategies

The Final Rule makes additional changes to External Quality Review Organization (EQRO) activities/reporting and state Quality Strategies:

- EQROs are now able to complete several new activities, including secret shopper surveys and member experience surveys, as well as complete evaluations of Quality Strategies, state directed payments, and ILOS. **States can receive a 75% federal medical assistance percentage claiming rate for this work if it is performed by an EQRO.** The required EQRO review period is a 12-month period that is the most recently concluded contract year or calendar year when the review is conducted.
- States must post Quality Strategies for public comment at each three-year renewal period, even without significant changes.
- Results of a state's three-year review/evaluation of its Quality Strategy must be posted online.
- Report retention and CMS notification requirements are finalized.
- CMS did not finalize their proposed change to the EQRO technical report due date, so that will remain April 30 each year.

Effective Dates

Although the Final Rules go into effect 60 days post-publication, many provisions become effective at various points in the future. The table below is meant to be a shorthand for teams to reference when considering the impacts of the rules.

Policy	Effective Date
Appointment Wait Times and Network Adequacy Standards	
Network exceptions must consider provider payment	First contract/rating year period after July 9, 2026 (i.e., January 1, 2027–July 1, 2027, depending on state-specific contracting/rating year)
Appointment wait times	First contract/rating year period after July 9, 2027 (i.e., January 1, 2028–July 1, 2028, depending on state-specific contract/rating year)
Secret shopper surveys	First contract/rating year period after July 9, 2028 (i.e., January 1, 2029–July 1, 2029, depending on state-specific contracting/rating year)
Network access remedy plans	
Annual Member Experience Surveys	First contract/rating year period after July 9, 2027 (i.e., January 1, 2028–July 1, 2028, depending on state-specific contract/rating year)
QRS	
CMS publishes the list of measures for QRS	August 1, 2025
CMS publishes a QRS Technical Resource Manual	Calendar Year 2027
State adoption of CMS-developed QRS framework or CMS approval of state-developed QRS methodology	December 31, 2028
QRS website	No sooner than December 31, 2030, with some ability to request extension on certain website features
External Quality Review and State Quality Strategies	
New EQRO activities allowed	July 9, 2024
States must notify CMS within 14 calendar days of posting its External Quality Review (EQR) technical report on its website	
Public comment for Quality Strategies required	July 9, 2025

Results of a state’s three-year review/evaluation of its Quality Strategy must be posted online	
Requires a specific EQR review period	December 31, 2025
States must maintain at least the previous five years of EQR technical reports on their website	
EQR technical reports include quantitative assessments from the network adequacy validation	

Caveats and Limitations

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