

**Section 1915(b) Waiver  
Proposal For  
MCO, PIHP, PAHP, PCCM Programs  
And  
FFS Selective Contracting Programs**

October 2, 2007

# Table of Contents

Instructions – see separate document

## Proposal

Facesheet	3
Section A: Program Description	5
Part I: Program Overview	5
A. Statutory Authority	6
B. Delivery Systems	8
C. Choice of MCOs, PIHPs, PAHPs, and PCCMs	10
D. Geographic Areas Served by the Waiver	11
E. Populations Included in Waiver	12
F. Services	15
Part II: Access	19
A. Timely Access Standards	19
B. Capacity Standards	23
C. Coordination and Continuity of Care Standards	25
Part III: Quality	29
Part IV: Program Operations	33
A. Marketing	33
B. Information to Potential Enrollees and Enrollees	35
C. Enrollment and Disenrollment	37
D. Enrollee Rights	41
E. Grievance System	42
F. Program Integrity	45
Section B: Monitoring Plan	47
Part I: Summary Chart of Monitoring Activities	49
Part II: Details of Monitoring Activities	53
Section C: Monitoring Results	57
Section D: Cost Effectiveness	59
Part I: State Completion Section	59
Part II: Appendices D1-7	89

# Proposal for a Section 1915(b) Waiver MCO, PIHP, PAHP and/or PCCM Program

## Facesheet

*Please fill in and submit this Facesheet with each waiver proposal, renewal, or amendment request.*

The **State of Texas** requests a waiver/amendment under the authority of section 1915(b) of the Act. The Medicaid agency will directly operate the waiver.

The **name of the waiver program** is **Texas Medicaid Primary Care Case Management**. (Please list each program name if the waiver authorizes more than one program.).

**Type of request.** This is an:

- X** initial request for new waiver. All sections are filled.
- amendment request for existing waiver, which modifies Section/Part \_\_\_\_\_
  - Replacement pages are attached for specific Section/Part being amended (note: the State may, at its discretion, submit two versions of the replacement pages: one with changes to the old language highlighted (to assist CMS review), and one version with changes made, i.e. not highlighted, to actually go into the permanent copy of the waiver).
  - Document is replaced in full, with changes highlighted
- renewal request
  - This is the first time the State is using this waiver format to renew an existing waiver. The full preprint (i.e. Sections A through D) is filled out.
  - The State has used this waiver format for its previous waiver period. Sections C and D are filled out.
    - Section A is  replaced in full
    - carried over from previous waiver period. The State:
      - assures there are no changes in the Program Description from the previous waiver period.
      - assures the same Program Description from the previous waiver period will be used, with the exception of changes noted in attached replacement pages.

Section B is  replaced in full  
 carried over from previous waiver period. The State:  
 assures there are no changes in the Monitoring  
Plan from the previous waiver period.  
 assures the same Monitoring Plan from the  
previous waiver period will be used, with  
exceptions noted in attached replacement pages

**Effective Dates:** This waiver/renewal/amendment is requested for a period of 2 years; effective **February 1, 2008** and ending **January 31, 2010**. (For beginning date for an initial or renewal request, please choose first day of a calendar quarter, if possible, or if not, the first day of a month. For an amendment, please identify the implementation date as the beginning date, and end of the waiver period as the end date)

**State Contact:** The State contact person for this waiver is **Betsy Johnson** and can be reached by telephone at **(512) 491-1199** or fax at **(512) 491-1953**, or e-mail at **Betsy.Johnson@hhsc.state.tx.us**. (Please list for each program)

## **Section A: Program Description**

### **Part I: Program Overview**

#### **Tribal consultation**

HHSC submitted letters to the three official Indian tribes detailing the Texas Medicaid Primary Care Case Management (PCCM) program's background and program description. In addition, HHSC requested feedback from the tribes on HHSC's plans to permit the Texas Medicaid claims administrator to negotiate PCCM hospital contracts and discount rates with non-TEFRA (Tax Equity Fiscal Responsibility Act) hospitals.

#### **Program History**

Initiated as a pilot program, PCCM began serving Medicaid enrollees in the Gulf coast areas of Jefferson, Chambers, and Galveston counties in December 1993. PCCM expanded to its current 202 counties in September, 2005. Medicaid enrollees in the Texas Medicaid PCCM program receive health care services through primary care providers – doctors, health centers, clinics, specially trained nurses and hospitals. Approximately 700,000 Medicaid enrollees in 202 Texas counties now receive their health care through PCCM.

Medicaid PCCM enrollees, upon determination of eligibility, have the option to select a PCCM primary care provider. PCCM enlists primary care providers to serve as a medical home, where enrollees receive the majority of their primary care and obtain referrals to specialty care. Although enrollees are required to receive services and referrals through their primary care provider, referrals may be made to any Medicaid-enrolled provider. In addition, primary care providers are responsible for hospital admissions and obtaining prior authorizations for elective inpatient and outpatient procedures.

Under contract with HHSC, the Texas Medicaid & Healthcare Partnership (TMHP) administers the PCCM program. The waiver would permit the Texas Medicaid claims administrator, TMHP, to negotiate PCCM hospital contracts and discount rates with non-TEFRA (Tax Equity Fiscal Responsibility Act) hospitals. This reimbursement methodology would result in cost savings for the State and improve the State's ability to manage the Medicaid program in a more cost-effective and efficient manner. HHSC has the oversight authority to approve final negotiated hospital contracts and rates.

HHSC is requesting that the waiver application be approved for a two-year period beginning February 1, 2008 and ending January 31, 2010. This waiver application is expected to result in cost savings for the State for each year of the two-year period covering 2008 through 2010.

## A. Statutory Authority

1. **Waiver Authority**. The State's waiver program is authorized under section 1915(b) of the Act, which permits the Secretary to waive provisions of section 1902 for certain purposes. Specifically, the State is relying upon authority provided in the following subsection(s) of the section 1915(b) of the Act (if more than one program authorized by this waiver, please list applicable programs below each relevant authority):

- a.  **1915(b)(1)** – The State requires enrollees to obtain medical care through a primary care case management (PCCM) system or specialty physician services arrangements. This includes mandatory capitated programs.
- b.  **1915(b)(2)** - A locality will act as a central broker (agent, facilitator, negotiator) in assisting eligible individuals in choosing among PCCMs or competing MCOs/PIHPs/PAHPs in order to provide enrollees with more information about the range of health care options open to them.
- c.  **1915(b)(3)** - The State will share cost savings resulting from the use of more cost-effective medical care with enrollees by providing them with additional services. The savings must be expended for the benefit of the Medicaid beneficiary enrolled in the waiver. Note: this can only be requested in conjunction with section 1915(b)(1) or (b)(4) authority.
- d.  **1915(b)(4)** - The State requires enrollees to obtain services only from specified providers who undertake to provide such services and meet reimbursement, quality, and utilization standards which are consistent with access, quality, and efficient and economic provision of covered care and services. The State assures it will comply with 42 CFR 431.55(f).

The 1915(b)(4) waiver applies to the following programs

- MCO
- PIHP
- PAHP
- PCCM (Note: please check this item if this waiver is for a PCCM program that limits who is eligible to be a primary care case manager. That is, a program that requires PCCMs to meet certain quality/utilization criteria beyond the minimum requirements required to be a fee-for-service Medicaid contracting provider.)
- FFS Selective Contracting program (please describe)

2. **Sections Waived.** Relying upon the authority of the above section(s), the State requests a waiver of the following sections of 1902 of the Act (if this waiver authorizes multiple programs, please list program(s) separately under each applicable statute):

- a. \_\_\_ **Section 1902(a)(1)** - Statewideness--This section of the Act requires a Medicaid State plan to be in effect in all political subdivisions of the State. This waiver program is not available throughout the State.
- b. \_\_\_ **Section 1902(a)(10)(B)** - Comparability of Services--This section of the Act requires all services for categorically needy individuals to be equal in amount, duration, and scope. This waiver program includes additional benefits such as case management and health education that will not be available to other Medicaid beneficiaries not enrolled in the waiver program.
- c. X **Section 1902(a)(23)** - Freedom of Choice--This Section of the Act requires Medicaid State plans to permit all individuals eligible for Medicaid to obtain medical assistance from any qualified provider in the State. Under this program, free choice of providers is restricted. That is, beneficiaries enrolled in this program must receive certain services through an MCO, PIHP, PAHP, or PCCM
- d. \_\_\_ **Section 1902(a)(4)** - To permit the State to mandate beneficiaries into a single PIHP or PAHP, and restrict disenrollment from them. (If state seeks waivers of additional managed care provisions, please list here).
- e. \_\_\_ **Other Statutes and Relevant Regulations Waived** - Please list any additional section(s) of the Act the State requests to waive, and include an explanation of the request.

## B. Delivery Systems

1. **Delivery Systems**. The State will be using the following systems to deliver services:

a. \_\_\_ **MCO:** Risk-comprehensive contracts are fully-capitated and require that the contractor be an MCO or HIO. Comprehensive means that the contractor is at risk for inpatient hospital services and any other mandatory State plan service in section 1905(a), or any three or more mandatory services in that section. References in this preprint to MCOs generally apply to these risk-comprehensive entities.

b. \_\_\_ **PIHP:** Prepaid Inpatient Health Plan means an entity that:  
(1) provides medical services to enrollees under contract with the State agency, and on the basis of prepaid capitation payments or other payment arrangements that do not use State Plan payment rates; (2) provides, arranges for, or otherwise has responsibility for the provision of any inpatient hospital or institutional services for its enrollees; and (3) does not have a comprehensive risk contract. Note: this includes MCOs paid on a non-risk basis.

\_\_\_ The PIHP is paid on a risk basis.

\_\_\_ The PIHP is paid on a non-risk basis.

c. \_\_\_ **PAHP:** Prepaid Ambulatory Health Plan means an entity that: (1) provides medical services to enrollees under contract with the State agency, and on the basis of prepaid capitation payments, or other payment arrangements that do not use State Plan payment rates; (2) does not provide or arrange for, and is not otherwise responsible for the provision of any inpatient hospital or institutional services for its enrollees; and (3) does not have a comprehensive risk contract. This includes capitated PCCMs.

\_\_\_ The PAHP is paid on a risk basis.

\_\_\_ The PAHP is paid on a non-risk basis.

d. **X** **PCCM:** A system under which a primary care case manager contracts with the State to furnish case management services. Reimbursement is on a fee-for-service basis. Note: a capitated PCCM is a PAHP.

- e.  **Fee-for-service (FFS) selective contracting:** A system under which the State contracts with specified providers who are willing to meet certain reimbursement, quality, and utilization standards. Reimbursement is:  
 the same as stipulated in the state plan  
 is different than stipulated in the state plan (please describe)  
**In the state plan, hospitals are reimbursed at 100 percent of the Medicaid rate. In selective contracting, the Medicaid contractor, TMHP, negotiates discounted rate reimbursements with contracted hospitals.**
- f.  **Other:** (Please provide a brief narrative description of the model.)

2. **Procurement.** The State selected the contractor in the following manner. Please complete for each type of managed care entity utilized (e.g. procurement for MCO; procurement for PIHP, etc):

- Competitive** procurement process (e.g. Request for Proposal or Invitation for Bid that is formally advertised and targets a wide audience)  
 **Open** cooperative procurement process (in which any qualifying contractor may participate)  
 **Sole source** procurement  
 **Other** (please describe)

## C. Choice of MCOs, PIHPs, PAHPs, and PCCMs

### 1. Assurances.

\_\_\_ The State assures CMS that it complies with section 1932(a)(3) of the Act and 42 CFR 438.52, which require that a State that mandates Medicaid beneficiaries to enroll in an MCO, PIHP, PAHP, or PCCM must give those beneficiaries a choice of at least two entities.

\_\_\_ The State seeks a waiver of section 1902(a)(4) of the Act, which requires States to offer a choice of more than one PIHP or PAHP per 42 CFR 438.52. Please describe how the State will ensure this lack of choice of PIHP or PAHP is not detrimental to beneficiaries' ability to access services.

2. Details. The State will provide enrollees with the following choices (please replicate for each program in waiver):

- \_\_\_ Two or more MCOs
- \_\_\_ Two or more primary care providers within one PCCM system.
- X A PCCM or one or more MCOs
- \_\_\_ Two or more PIHPs.
- \_\_\_ Two or more PAHPs.
- \_\_\_ Other: (please describe)

### 3. Rural Exception.

\_\_\_ The State seeks an exception for rural area residents under section 1932(a)(3)(B) of the Act and 42 CFR 438.52(b), and assures CMS that it will meet the requirements in that regulation, including choice of physicians or case managers, and ability to go out of network in specified circumstances. The State will use the rural exception in the **following areas** ("rural area" must be defined as any area other than an "urban area" as defined in 42 CFR 412.62(f)(1)(ii)):

### 4. 1915(b)(4) Selective Contracting

- \_\_\_ Beneficiaries will be limited to a single provider in their service area (please define service area).
- X Beneficiaries will be given a choice of providers in their service area.

**D. Geographic Areas Served by the Waiver**

1. **General.** Please indicate the area of the State where the waiver program will be implemented. (If the waiver authorizes more than one program, please list applicable programs below item(s) the State checks.

**Statewide** -- all counties, zip codes, or regions of the State

**Less than Statewide**

2. **Details.** Regardless of whether item 1 or 2 is checked above, please list in the chart below the areas (i.e., cities, counties, and/or regions) and the name and type of entity or program (MCO, PIHP, PAHP, HIO, PCCM or other entity) with which the State will contract.

City/County/Region	Type of Program (PCCM, MCO, PIHP, or PAHP)	Name of Entity (for MCO, PIHP, PAHP)
<b>Attachment A</b>	<b>PCCM</b>	<b>Texas Medicaid &amp; Healthcare Partnership</b>

## E. Populations Included in Waiver

Please note that the eligibility categories of Included Populations and Excluded Populations below may be modified as needed to fit the State's specific circumstances.

1. **Included Populations**. The following populations are included in the Waiver Program:

**Section 1931 Children and Related Populations** are children including those eligible under Section 1931, poverty-level related groups and optional groups of older children.

Mandatory enrollment  
 Voluntary enrollment

**Section 1931 Adults and Related Populations** are adults including those eligible under Section 1931, poverty-level pregnant women and optional group of caretaker relatives.

Mandatory enrollment  
 Voluntary enrollment

**Blind/Disabled Adults and Related Populations** are beneficiaries, age 18 or older, who are eligible for Medicaid due to blindness or disability. Report Blind/Disabled Adults who are age 65 or older in this category, not in Aged.

Mandatory enrollment  
 Voluntary enrollment

**Blind/Disabled Children and Related Populations** are beneficiaries, generally under age 18, who are eligible for Medicaid due to blindness or disability.

Mandatory enrollment  
 Voluntary enrollment

**Aged and Related Populations** are those Medicaid beneficiaries who are age 65 or older and not members of the Blind/Disabled population or members of the Section 1931 Adult population.

Mandatory enrollment  
 Voluntary enrollment

\_\_\_ **Foster Care Children** are Medicaid beneficiaries who are receiving foster care or adoption assistance (Title IV-E), are in foster-care, or are otherwise in an out-of-home placement.

- \_\_\_ Mandatory enrollment
- \_\_\_ Voluntary enrollment

\_\_\_ **TITLE XXI SCHIP** is an optional group of targeted low-income children who are eligible to participate in Medicaid if the State decides to administer the State Children's Health Insurance Program (SCHIP) through the Medicaid program.

- \_\_\_ Mandatory enrollment
- \_\_\_ Voluntary enrollment

2. **Excluded Populations.** Within the groups identified above, there may be certain groups of individuals who are excluded from the Waiver Program. For example, the "Aged" population may be required to enroll into the program, but "Dual Eligibles" within that population may not be allowed to participate. In addition, "Section 1931 Children" may be able to enroll voluntarily in a managed care program, but "Foster Care Children" within that population may be excluded from that program. Please indicate if any of the following populations are excluded from participating in the Waiver Program:

**X** **Medicare Dual Eligible**--Individuals entitled to Medicare and eligible for some category of Medicaid benefits. (Section 1902(a)(10) and Section 1902(a)(10)(E))

**X** **Poverty Level Pregnant Women** -- Medicaid beneficiaries, who are eligible only while pregnant and for a short time after delivery. This population originally became eligible for Medicaid under the SOBRA legislation.

**X** **Other Insurance**--Medicaid beneficiaries who have other health insurance.

**X** **Reside in Nursing Facility or ICF/MR**--Medicaid beneficiaries who reside in Nursing Facilities (NF) or Intermediate Care Facilities for the Mentally Retarded (ICF/MR).

**X** **Enrolled in Another Managed Care Program**--Medicaid beneficiaries who are enrolled in another Medicaid managed care program

\_\_\_ **Eligibility Less Than 3 Months**--Medicaid beneficiaries who would have less than three months of Medicaid eligibility remaining upon enrollment into the program.

**Participate in HCBS Waiver**--Medicaid beneficiaries who participate in a Home and Community Based Waiver (HCBS, also referred to as a 1915(c) waiver).

**American Indian/Alaskan Native**--Medicaid beneficiaries who are American Indians or Alaskan Natives and members of federally recognized tribes.

**Special Needs Children (State Defined)**--Medicaid beneficiaries who are special needs children as defined by the State. Please provide this definition.

**SCHIP Title XXI Children** – Medicaid beneficiaries who receive services through the SCHIP program.

**Retroactive Eligibility** – Medicaid beneficiaries for the period of retroactive eligibility.

**Other** (Please define):

**Children in Foster Care -- Medicaid beneficiaries who are receiving foster care or adoption assistance (Title IV-E), are in foster-care, or are otherwise in an out-of-home placement.**

**Medically Needy Program enrollees -- medical coverage provided to children through age 18 whose family income is below 100 percent of the federal poverty income limits.**

## F. Services

List all services to be offered under the Waiver in Appendices D2.S. and D2.A of Section D, Cost-Effectiveness.

### 1. Assurances.

- X The State assures CMS that services under the Waiver Program will comply with the following federal requirements:
- Services will be available in the same amount, duration, and scope as they are under the State Plan per 42 CFR 438.210(a)(2).
  - Access to emergency services will be assured per section 1932(b)(2) of the Act and 42 CFR 438.114.
  - Access to family planning services will be assured per section 1905(a)(4) of the Act and 42 CFR 431.51(b)
- \_\_\_\_\_ The State seeks a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP or PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any. (See note below for limitations on requirements that may be waived).
- \_\_\_\_\_ The CMS Regional Office has reviewed and approved the MCO, PIHP, PAHP, or PCCM contracts for compliance with the provisions of 42 CFR 438.210(a)(2), 438.114, and 431.51 (Coverage of Services, Emergency Services, and Family Planning) as applicable. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.
- \_\_\_\_\_ This is a proposal for a 1915(b)(4) FFS Selective Contracting Program only and the managed care regulations do not apply. The State assures CMS that services will be available in the same amount, duration, and scope as they are under the State Plan.

Note: Section 1915(b) of the Act authorizes the Secretary to waive most requirements of section 1902 of the Act for the purposes listed in sections 1915(b)(1)-(4) of the Act. However, within section 1915(b) there are prohibitions on waiving the following subsections of section 1902 of the Act for any type of waiver program:

- Section 1902(s) -- adjustments in payment for inpatient hospital services furnished to infants under age 1, and to children under age 6 who receive inpatient hospital services at a Disproportionate Share Hospital (DSH) facility.
- Sections 1902(a)(15) and 1902(bb) – prospective payment system for FQHC/RHC

- Section 1902(a)(10)(A) as it applies to 1905(a)(2)(C) – comparability of FQHC benefits among Medicaid beneficiaries
- Section 1902(a)(4)(C) -- freedom of choice of family planning providers
- Sections 1915(b)(1) and (4) also stipulate that section 1915(b) waivers may not waive freedom of choice of emergency services providers.

2. **Emergency Services.** In accordance with sections 1915(b) and 1932(b) of the Act, and 42 CFR 431.55 and 438.114, enrollees in an MCO, PIHP, PAHP, or PCCM must have access to emergency services without prior authorization, even if the emergency services provider does not have a contract with the entity.

\_\_\_ The PAHP, PAHP, or FFS Selective Contracting program does not cover emergency services.

3. **Family Planning Services.** In accordance with sections 1905(a)(4) and 1915(b) of the Act, and 42 CFR 431.51(b), prior authorization of, or requiring the use of network providers for family planning services is prohibited under the waiver program. Out-of-network family planning services are reimbursed in the following manner:

\_\_\_ The MCO/PIHP/PAHP will be required to reimburse out-of-network family planning services

\_\_\_ The MCO/PIHP/PAHP will be required to pay for family planning services from network providers, and the State will pay for family planning services from out-of-network providers

\_\_\_ The State will pay for all family planning services, whether provided by network or out-of-network providers.

\_\_\_ Other (please explain):

Family planning services are not included under the waiver.

4. **FQHC Services.** In accordance with section 2088.6 of the State Medicaid Manual, access to Federally Qualified Health Center (FQHC) services will be assured in the following manner:

\_\_\_ The program is **voluntary**, and the enrollee can disenroll at any time if he or she desires access to FQHC services. The MCO/PIHP/PAHP/PCCM is not required to provide FQHC services to the enrollee during the enrollment period.

X The program is **mandatory** and the enrollee is guaranteed a choice of at least one MCO/PIHP/PAHP/PCCM which has at least one FQHC as a participating provider. If the enrollee elects not to select a MCO/PIHP/PAHP/PCCM that gives him or her access to FQHC services, no FQHC services will be required to be furnished to the enrollee while the enrollee is enrolled with the MCO/PIHP/PAHP/PCCM he or she selected. Since reasonable access to FQHC services will be available under the waiver program, FQHC services outside the program will not be available. Please explain how the State will guarantee all enrollees will have a choice of at least one MCO/PIHP/PAHP/PCCM with a participating FQHC:

**PCCM is an open network. Enrollees have a choice of any PCCM enrolled provider or clinic, and have access to any PCCM enrolled hospital for non-emergency services. The PCCM contractor is contractually obligated to adhere to access to care and continuity of care standards.**

\_\_\_ The program is **mandatory** and the enrollee has the right to obtain FQHC services **outside** this waiver program through the regular Medicaid Program.

5. **EPSDT Requirements.**

X The managed care programs(s) will comply with the relevant requirements of sections 1905(a)(4)(b) (services), 1902(a)(43) (administrative requirements including informing, reporting, etc.), and 1905(r) (definition) of the Act related to Early, Periodic Screening, Diagnosis, and Treatment (EPSDT) program.

6. **1915(b)(3) Services.**

\_\_\_ This waiver includes 1915(b)(3) expenditures. The services must be for medical or health-related care, or other services as described in 42 CFR Part 440, and are subject to CMS approval. Please describe below what these expenditures are for each waiver program that offers them. Include a description of the populations eligible, provider type, geographic availability, and reimbursement method.

7. **Self-referrals.**

X The State requires MCOs/PIHPs/PAHPs/PCCMs to allow enrollees to self-refer (i.e. access without prior authorization) under the following circumstances or to the following subset of services in the MCO/PIHP/PAHP/PCCM contract:

- **Emergency services**
- **Family planning**

- **THSteps (EPSDT) services**
- **Early Childhood Intervention case management**
- **Case Management for Children and Pregnant Women**
- **Department of Assistive and Rehabilitative case management**
- **Department of State Health Services case management**
- **Department of Aging and Disability Services**
- **Obstetric or gynecological services**
- **School Health and Related Services**
- **Behavioral Health**
- **Vision care**

## Section A: Program Description

### Part II: Access

Each State must ensure that all services covered under the State plan are available and accessible to enrollees of the 1915(b) Waiver Program. Section 1915(b) of the Act prohibits restrictions on beneficiaries' access to emergency services and family planning services.

#### A. Timely Access Standards

##### 1. Assurances for MCO, PIHP, or PAHP programs.

\_\_\_\_\_ The State assures CMS that it complies with section 1932(c)(1)(A)(i) of the Act and 42 CFR 438.206 Availability of Services; in so far as these requirements are applicable.

\_\_\_\_\_ The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP or PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

\_\_\_\_\_ The CMS Regional Office has reviewed and approved the MCO, PIHP, or PAHP contracts for compliance with the provisions of section 1932(c)(1)(A)(i) of the Act and 42 CFR 438.206 Availability of Services. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

*If the 1915(b) Waiver Program does not include a PCCM component, please continue with Part II.B. Capacity Standards.*

2. Details for PCCM program. The State must assure that Waiver Program enrollees have reasonable access to services. Please note below the activities the State uses to assure timely access to services.

a. X **Availability Standards.** The State's PCCM Program includes established maximum distance and/or travel time requirements, given beneficiary's normal means of transportation, for waiver enrollees' access to the following providers. For each provider type checked, please describe the standard.

1.  PCPs (please describe): **Access standard requires that a PCP is located within 30 miles of the PCCM enrollee's primary residence.**
2.  Specialists (please describe): **Access standard requires that a specialist is located within 75 miles of a PCCM enrollee's primary residence.**
3.  Ancillary providers (please describe):
4.  Dental (please describe):
5.  Hospitals (please describe): **Access standard requires that a PCCM hospital is located within 75 miles of a PCCM enrollee's primary residence.**
6.  Mental Health (please describe): **Clients self-refer to any Medicaid enrolled mental health provider.**
7.  Pharmacies (please describe):
8.  Substance Abuse Treatment Providers (please describe):
9.  Other providers (please describe):

b.  **Appointment Scheduling** means the time before an enrollee can acquire an appointment with his or her provider for both urgent and routine visits. The State's PCCM Program includes established standards for appointment scheduling for waiver enrollee's access to the following providers.

1.  PCPs (please describe): **Enrollees receive routine medical care within two weeks after the enrollee's request; physical/wellness exams within four to eight weeks after the request.**
2.  Specialists (please describe): **Specialists to whom PCPs refer enrollees must schedule appointments within the same acceptable medical standards as PCPs.**
3.  Ancillary providers (please describe):
4.  Dental (please describe):
5.  Mental Health (please describe):

6. \_\_\_ Substance Abuse Treatment Providers (please describe):
7. **X** Urgent care (please describe): **Urgent care must be received within twenty four hours after the request.**
8. **X** Other providers (please describe): **THSteps services for enrollees under the age of 21 must be provided in compliance with acceptable medical standards as noted above.**

**Enrollees must receive the initial prenatal care visit within 14 calendar days of the enrollee's request or by the 12<sup>th</sup> week of gestation.**

c. \_\_\_ **In-Office Waiting Times:** The State's PCCM Program includes established standards for in-office waiting times. For each provider type checked, please describe the standard.

1. \_\_\_ PCPs (please describe):
2. \_\_\_ Specialists (please describe):
3. \_\_\_ Ancillary providers (please describe):
4. \_\_\_ Dental (please describe):
5. \_\_\_ Mental Health (please describe):
6. \_\_\_ Substance Abuse Treatment Providers (please describe):
7. \_\_\_ Other providers (please describe):

d. **X** **Other Access Standards** (please describe): **PCPs are required to provide 24-hour, 7-day a week coverage for PCCM enrollees. Coverage can be provided through direct access to a PCP's office or through on-call arrangements with another office or service.**

3. **Details for 1915(b)(4) FFS selective contracting programs:** Please describe how the State assures timely access to the services covered under the selective contracting program.

**Among the indicators used to monitor PCCM providers' performance are:**

- **Office Site reviews – PCCM staff conducts provider performance assessments and track provider service activities as part of quality improvement. The results of the reviews are made part of the provider performance file and are considered as part of the recredentialing process.**
- **Admitting Privileges – Each PCCM provider should maintain membership on the medical staff of at least one PCCM-contracted hospital or have an arrangement with a PCP who has admitting privileges.**
- **Education Sessions – PCCM provides a series of educational sessions that include global program requirements, aspects of utilization management, and case management. Provider contracts require that each PCP attend at least one educational session per year.**

## B. Capacity Standards

### 1. Assurances for MCO, PIHP, or PAHP programs.

\_\_\_ The State assures CMS that it complies with section 1932(b)(5) of the Act and 42 CFR 438.207 Assurances of adequate capacity and services, in so far as these requirements are applicable.

\_\_\_ The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP or PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

\_\_\_ The CMS Regional Office has reviewed and approved the MCO, PIHP, or PAHP contracts for compliance with the provisions of section 1932(b)(5) and 42 CFR 438.207 Assurances of adequate capacity and services. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

*If the 1915(b) Waiver Program does not include a PCCM component, please continue with Part II, C. Coordination and Continuity of Care Standards.*

2. Details for PCCM program. The State must assure that Waiver Program enrollees have reasonable access to services. Please note below which of the strategies the State uses assure adequate provider capacity in the PCCM program.

a. \_\_\_ The State has set **enrollment limits** for each PCCM primary care provider. Please describe the enrollment limits and how each is determined.

b. X The State ensures that there are adequate number of PCCM PCPs with **open panels**. Please describe the State's standard. **The state requirement is that the PCCM contractor ensures at least one PCP with an open panel within 30 miles from an enrollee's residence; unless otherwise approved by the state.**

c. X The State ensures that there is an **adequate number** of PCCM PCPs under the waiver assure access to all services covered under the Waiver. Please describe the State's standard for adequate PCP capacity. **The state's standard is one PCP per 1500 enrollees.**

d.\_\_\_\_ The State **compares numbers of providers** before and during the Waiver. Please modify the chart below to reflect your State’s PCCM program and complete the following.

<b>Providers</b>	<b># Before Waiver</b>	<b># In Current Waiver</b>	<b># Expected in Renewal</b>
Pediatricians		<b>871</b>	
Family Practitioners		<b>1456</b>	
Internists		<b>694</b>	
General Practitioners		<b>see note below</b>	
OB/GYN and GYN		<b>361</b>	
FQHCs		<b>71</b>	
RHCs		<b>254</b>	
Nurse Practitioners		<b>0</b>	
Nurse Midwives		<b>48</b>	
Indian Health Service Clinics		<b>0</b>	
Additional Types of Provider to be in PCCM			
1. Multi-Specialty Clinic		<b>306</b>	
2.			
3.			
4.			

\*Please note any limitations to the data in the chart above here:

**General and Family Practitioners are included in one provider type.**

e. X The State ensures adequate **geographic distribution** of PCCMs. Please describe the State’s standard.

**The state requires at least one PCP for every 1500 enrollees within a 30 mile radius from an enrollee’s residence. The PCP may operate within an enrollee’s county of residence or a neighboring county.**

f. X **PCP:Enrollee Ratio.** The State establishes standards for PCP to enrollee ratios. Please calculate and list below the expected average PCP/Enrollee ratio for each area or county of the program, and then provide a statewide average. Please note any changes that will occur due to the use of physician extenders.

<i>Area(City/County/Region)</i>	<i>PCCM-to-Enrollee Ratio</i>
See Attachment B	
<i>Statewide Average: (e.g. 1:500 and 1:1,000)</i>	

g. \_\_\_ **Other capacity standards** (please describe):

3. **Details for 1915(b)(4) FFS selective contracting programs:** Please describe how the State assures provider capacity has not been negatively impacted by the selective contracting program. Also, please provide a detailed capacity analysis of the number of beds (by type, per facility) – for facility programs, or vehicles (by type, per contractor) – for non-emergency transportation programs, needed per location to assure sufficient capacity under the waiver program. This analysis should consider increased enrollment and/or utilization expected under the waiver.

**Contracted hospital facilities must offer the same array of specialty services that the market offered prior to selective contracting. The state authorizes all hospital contracts and reviews/approves any hospital terminations. PCCM hospital contract negotiators are tasked with recruitment and retention of facilities based on size, type, capacity (# of beds), and services offered (trauma, emergency, and OB-GYN).**

**Detailed Capacity Analysis (facility) – See Attachment C**

## C. Coordination and Continuity of Care Standards

### 1. Assurances For MCO, PIHP, or PAHP programs.

\_\_\_ The State assures CMS that it complies with section 1932(c)(1)(A)(i) of the Act and 42 CFR 438.208 Coordination and Continuity of Care, in so far as these regulations are applicable.

\_\_\_ The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP or PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

\_\_\_ The CMS Regional Office has reviewed and approved the MCO, PIHP, or PAHP contracts for compliance with the provisions of section 1932(c)(1)(A)(i) of the Act and 42 CFR 438.208 Coordination and Continuity of Care. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

### 2. Details on MCO/PIHP/PAHP enrollees with special health care needs.

The following items are required.

a. \_\_\_ The plan is a PIHP/PAHP, and the State has determined that based on the plan's scope of services, and how the State has organized the delivery system, that the **PIHP/PAHP need not meet the requirements** for additional services for enrollees with special health care needs in 42 CFR 438.208. Please provide justification for this determination.

b. \_\_\_ **Identification.** The State has a mechanism to identify persons with special health care needs to MCOs, PIHPs, and PAHPs, as those persons are defined by the State. Please describe.

c. \_\_\_ **Assessment.** Each MCO/PIHP/PAHP will implement mechanisms, using appropriate health care professionals, to assess each enrollee identified by the State to identify any ongoing special conditions that require a course of treatment or regular care monitoring. Please describe.

- d. \_\_\_ **Treatment Plans.** For enrollees with special health care needs who need a course of treatment or regular care monitoring, the State requires the MCO/PIHP/PAHP to produce a treatment plan. If so, the treatment plan meets the following requirements:
1. \_\_\_ Developed by enrollees' primary care provider with enrollee participation, and in consultation with any specialists' care for the enrollee
  2. \_\_\_ Approved by the MCO/PIHP/PAHP in a timely manner (if approval required by plan)
  3. \_\_\_ In accord with any applicable State quality assurance and utilization review standards.
- e. \_\_\_ **Direct access to specialists.** If treatment plan or regular care monitoring is in place, the MCO/PIHP/PAHP has a mechanism in place to allow enrollees to directly access specialists as appropriate for enrollee's condition and identified needs.

3. **Details for PCCM program.** The State must assure that Waiver Program enrollees have reasonable access to services. Please note below the strategies the State uses assure coordination and continuity of care for PCCM enrollees.

- a. X Each enrollee selects or is assigned to a **primary care provider** appropriate to the enrollee's needs.
- b. \_\_\_ Each enrollee selects or is assigned to a **designated health care practitioner** who is primarily responsible for coordinating the enrollee's overall health care.
- c. X Each enrollee receives **health education/promotion** information. Please explain.  
**Upon enrollment each PCCM enrollee receives a packet that contains a PCCM Client Handbook, containing contact and resource information, and a list of all participating PCCM providers and hospitals. Additionally, PCCM enrollees and providers receive health education, wellness, and promotional information through Community Health Services, a community-based outreach service that facilitates the coordination of health-related services required by PCCM enrollees and providers to promote and ensure the medical home concept of PCCM.**
- d. X Each provider maintains, for Medicaid enrollees, **health records** that meet the requirements established by the State, taking into account professional standards.

- e. **X** There is appropriate and confidential **exchange of information** among providers.
- f. **X** Enrollees receive information about specific health conditions that require **follow-up** and, if appropriate, are given training in self-care.
- g. **X** Primary care case managers **address barriers** that hinder enrollee compliance with prescribed treatments or regimens, including the use of traditional and/or complementary medicine.
- h.      **Additional case management** is provided (please include how the referred services and the medical forms will be coordinated among the practitioners, and documented in the primary care case manager's files).
- i. **X** **Referrals:** Please explain in detail the process for a patient referral. In the description, please include how the referred services and the medical forms will be coordinated among the practitioners, and documented in the primary care case managers' files.

**PCCM operates an open specialty referral network. PCPs can refer patients to any Texas Medicaid-enrolled specialist for covered services that PCPs cannot provide. PCPs may make a referral to another PCP or specialist during periods of absence or unavailability, or if an enrollee requests a second medical opinion.**

**Medically necessary referrals to specialists do not require prior authorization from PCCM or a referral form, but do require that the specialist review the case with the PCP to fully understand the services being requested. Referrals from a PCP must be documented in both the PCP's and the specialist's records.**

**For all referrals, PCPs furnish the specialist with complete information on treatment procedures and diagnostic tests performed prior to the referral. The referral specifies:**

- A. Initial diagnosis/diagnoses**
- B. Reason for the referral**
- C. Services requested from the referral specialist**
- D. Number of authorized visits (if more than one)**
- E. PCP's TPI**

**PCPs must be involved in any specialist-to-specialist referral. A referral specialist sends a report to the PCP for updating of the patient's medical records indicating the outcome of the patient's treatment. If ongoing treatment for a condition is required, the PCP specifies the period of time or number of visits authorized for ongoing**

treatments to be given by the specialist. The PCP's TPI must be entered on all claims submitted by the specialist, indicating that the PCP authorized the services for the patient.

To ensure continuity of care for PCCM enrollees, the specialist must maintain communication with the enrollee's PCP. This communication ensures that the PCP's medical records adequately document the specialist services provided, all results or findings, and all recommendations.

4. **Details for 1915(b)(4) only programs:** If applicable, please describe how the State assures that continuity and coordination of care are not negatively impacted by the selective contracting program.

To ensure continuity and coordination of care is not negatively impacted by the selective contracting program, the state requires that all hospital contracts or hospital terminations are reviewed and approved prior to any action on the part of the PCCM contractor. Contracted hospital facilities must offer the same array of specialty services that the market offered prior to selective contracting. PCCM hospital contract negotiator is tasked with recruitment and retention of facilities based on size, type, capacity (# of beds), and services offered (trauma, emergency, and OB-GYN). Additionally, recruitment may be focused on facilities where PCCM PCPs have admitting privileges.

## Section A: Program Description

### Part III: Quality

#### 1. Assurances for MCO or PIHP programs.

\_\_\_\_\_ The State assures CMS that it complies with section 1932(c)(1)(A)(iii)-(iv) of the Act and 42 CFR 438.202, 438.204, 438.210, 438.214, 438.218, 438.224, 438.226, 438.228, 438.230, 438.236, 438.240, and 438.242 in so far as these regulations are applicable.

\_\_\_\_\_ The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

\_\_\_\_\_ The CMS Regional Office has reviewed and approved the MCO, PIHP, or PAHP contracts for compliance with the provisions of section 1932(c)(1)(A)(iii)-(iv) of the Act and 42 CFR 438.202, 438.204, 438.210, 438.214, 438.218, 438.224, 438.226, 438.228, 438.230, 438.236, 438.240, and 438.242. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

\_\_\_\_\_ Section 1932(c)(1)(A)(iii)-(iv) of the Act and 42 CFR 438.202 requires that each State Medicaid agency that contracts with MCOs and PIHPs submit to CMS a written strategy for assessing and improving the quality of managed care services offered by all MCOs and PIHPs. The State assures CMS that this **quality strategy** was initially submitted to the CMS Regional Office on \_\_\_\_\_.

\_\_\_\_\_ The State assures CMS that it complies with section 1932(c)(2) of the Act and 42 CFR 438 Subpart E, to arrange for an annual, independent, **external quality review** of the outcomes and timeliness of, and access to the services delivered under each MCO/ PIHP contract. Note: EQR for PIHPs is required beginning March 2004. Please provide the information below (modify chart as necessary):

Program	Name of Organization	Activities Conducted		
		EQR study	Mandatory Activities	Optional Activities
MCO				
PIHP				

2. **Assurances For PAHP program.**

\_\_\_ The State assures CMS that it complies with section 1932(c)(1)(A)(iii)-(iv) of the Act and 42 CFR 438.210, 438.214, 438.218, 438.224, 438.226, 438.228, 438.230 and 438.236, in so far as these regulations are applicable.

\_\_\_ The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

\_\_\_ The CMS Regional Office has reviewed and approved the PAHP contracts for compliance with the provisions of section 1932(c) (1)(A)(iii)-(iv) of the Act and 42 CFR 438.210, 438.214, 438.218, 438.224, 438.226, 438.228, 438.230 and 438.236. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

3. **Details for PCCM program.** The State must assure that Waiver Program enrollees have access to medically necessary services of adequate quality. Please note below the strategies the State uses to assure quality of care in the PCCM program.

a. X The State has developed a set of overall quality **improvement guidelines** for its PCCM program. Please attach. **See Attachment D.**

b. X **State Intervention:** If a problem is identified regarding the quality of services received, the State will intervene as indicated below. Please check which methods the State will use to address any suspected or identified problems.

1. X Provide education and informal mailings to beneficiaries and PCCMs;

2. X Initiate telephone and/or mail inquiries and follow-up;

3. X Request PCCM's response to identified problems;

4. X Refer to program staff for further investigation;

5. \_\_\_ Send warning letters to PCCMs;

6. X Refer to State's medical staff for investigation;

7. X Institute corrective action plans and follow-up;

8. X Change an enrollee's PCCM;

- 9. \_\_\_ Institute a restriction on the types of enrollees;
- 10. **X** Further limit the number of assignments;
- 11. **X** Ban new assignments;
- 12. **X** Transfer some or all assignments to different PCCMs;
- 13. **X** Suspend or terminate PCCM agreement;
- 14. **X** Suspend or terminate as Medicaid providers; and
- 15. **X** Other (explain): **The State is responsible for monitoring the contractual obligations set forth for the Medicaid contractor. Monitoring guidelines are attached.**

c. \_\_\_ **Selection and Retention of Providers:** This section provides the State the opportunity to describe any requirements, policies or procedures it has in place to allow for the review and documentation of qualifications and other relevant information pertaining to a provider who seeks a contract with the State or PCCM administrator as a PCCM. This section is required if the State has applied for a 1915(b)(4) waiver that will be applicable to the PCCM program.

Please check any processes or procedures listed below that the State uses in the process of selecting and retaining PCCMs. The State (please check all that apply):

- 1. \_\_\_ Has a documented process for selection and retention of PCCMs (please submit a copy of that documentation).
- 2. **X** Has an initial credentialing process for PCCMs that is based on a written application and site visits as appropriate, as well as primary source verification of licensure, disciplinary status, and eligibility for payment under Medicaid.
- 3. **X** Has a recredentialing process for PCCMs that is accomplished within the time frame set by the State and through a process that updates information obtained through the following (check all that apply):
  - A. **X** Initial credentialing

B. \_\_\_ Performance measures, including those obtained through the following (check all that apply):

- \_\_\_ The utilization management system.
- \_\_\_ The complaint and appeals system.
- \_\_\_ Enrollee surveys.
- \_\_\_ Other (Please describe).

4. \_\_\_ Uses formal selection and retention criteria that do not discriminate against particular providers such as those who serve high risk populations or specialize in conditions that require costly treatment.
5. X Has an initial and recertification process for PCCMs other than individual practitioners (e.g., rural health clinics, federally qualified health centers) to ensure that they are and remain in compliance with any Federal or State requirements (e.g., licensure).
6. X Notifies licensing and/or disciplinary bodies or other appropriate authorities when suspensions or terminations of PCCMs take place because of quality deficiencies.
7. \_\_\_ Other (please describe).

d. \_\_\_ **Other quality standards** (please describe):

4. **Details for 1915(b)(4) only programs:** Please describe how the State assures quality in the services that are covered by the selective contracting program. Please describe the provider selection process, including the criteria used to select the providers under the waiver. These include quality and performance standards that the providers must meet. Please also describe how each criteria is weighted:

**PCCM facilities must be Medicaid enrolled and in compliance with standard Medicaid regulations. The criteria used to select a PCCM hospital facility is as follows:**

- **Must be a Medicaid-enrolled facility**
- **Must be an acute care facility**
- **Provide trauma services**
- **Provide emergency room care**
- **Provide OB-GYN care for delivery of newborns**

**PCPs with admitting privileges at any PCCM-enrolled facility are required to be credentialed by the state in accordance with established credentialing criteria and are monitored for compliance with PCP roles, responsibilities, and contractual requirements.**

## Section A: Program Description

### Part IV: Program Operations

#### A. Marketing

**Marketing** includes indirect MCO/PIHP/PAHP or PCCM administrator marketing (e.g., radio and TV advertising for the MCO/PIHP/PAHP or PCCM in general) and direct MCO/PIHP/PAHP or PCCM marketing (e.g., direct mail to Medicaid beneficiaries).

##### 1. Assurances

X The State assures CMS that it complies with section 1932(d)(2) of the Act and 42 CFR 438.104 Marketing activities; in so far as these regulations are applicable.

\_\_\_\_\_ The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP or PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

\_\_\_\_\_ The CMS Regional Office has reviewed and approved the MCO, PIHP, PAHP, or PCCM contracts for compliance with the provisions of section 1932(d)(2) of the Act and 42 CFR 438.104 Marketing activities. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

\_\_\_\_\_ This is a proposal for a 1915(b)(4) FFS Selective Contracting Program only and the managed care regulations do not apply.

##### 2. Details

###### a. **Scope of Marketing**

1. X The State does not permit direct or indirect marketing by MCO/PIHP/PAHP/PCCM or selective contracting FFS providers .

2. \_\_\_\_\_ The State permits indirect marketing by MCO/PIHP/PAHP/PCCM or selective contracting FFS providers (e.g., radio and TV advertising for the MCO/PIHP/PAHP or PCCM in general). Please list types of indirect marketing permitted.

3. \_\_\_ The State permits direct marketing by MCO/PIHP/PAHP/PCCM or selective contracting FFS providers (e.g., direct mail to Medicaid beneficiaries). Please list types of direct marketing permitted.

**b. Description.** Please describe the State's procedures regarding direct and indirect marketing by answering the following questions, if applicable.

1. \_\_\_ The State prohibits or limits MCOs/PIHPs/PAHPs/PCCMs/selective contracting FFS providers from offering gifts or other incentives to potential enrollees. Please explain any limitation or prohibition and how the State monitors this.
2. \_\_\_ The State permits MCOs/PIHPs/PAHPs/PCCMs/selective contracting FFS providers to pay their marketing representatives based on the number of new Medicaid enrollees he/she recruited into the plan. Please explain how the State monitors marketing to ensure it is not coercive or fraudulent:
3. \_\_\_ The State requires MCO/PIHP/PAHP/PCCM/selective contracting FFS providers to translate marketing materials into the languages listed below (If the State does not translate or require the translation of marketing materials, please explain):

The State has chosen these languages because (check any that apply):

- i. \_\_\_ The languages comprise all prevalent languages in the service area. Please describe the methodology for determining prevalent languages.
- ii. \_\_\_ The languages comprise all languages in the service area spoken by approximately \_\_\_ percent or more of the population.
- iii. \_\_\_ Other (please explain):

## B. Information to Potential Enrollees and Enrollees

### 1. Assurances.

The State assures CMS that it complies with Federal Regulations found at section 1932(a)(5) of the Act and 42 CFR 438.10 Information requirements; in so far as these regulations are applicable.

The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP or PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

The CMS Regional Office has reviewed and approved the MCO, PIHP, PAHP, or PCCM contracts for compliance with the provisions of section 1932(a)(5) of the Act and 42 CFR 438.10 Information requirements. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

This is a proposal for a 1915(b)(4) FFS Selective Contracting Program only and the managed care regulations do not apply.

### 2. Details.

#### a. **Non-English Languages**

Potential enrollee and enrollee materials will be translated into the **prevalent non-English languages** listed below (If the State does not require written materials to be translated, please explain):

The State defines prevalent non-English languages as:  
(check any that apply):

1.  The languages spoken by significant number of potential enrollees and enrollees. Please explain how the State defines "significant."
2.  The languages spoken by approximately 10 percent or more of the potential enrollee/ enrollee population.
3.  Other (please explain):

Please describe how **oral translation** services are available to all potential enrollees and enrollees, regardless of language spoken.  
**Spanish is the pre-dominant non-English language spoken in Texas.  
Information and materials will be translated into any language**

**spoken by at least 10 percent of the population within a service area. The state requires that PCCM offers the capability to communicate with non-English or Spanish speaking enrollees in up to five additional languages.**

\_\_\_ The State will have a **mechanism** in place to help enrollees and potential enrollees understand the managed care program. Please describe.

**b. Potential Enrollee Information**

Information is distributed to potential enrollees by:

- \_\_\_ State
- \_\_\_ contractor (please specify) \_\_\_\_\_

\_\_\_ There are no potential enrollees in this program. (Check this if State automatically enrolls beneficiaries into a single PIHP or PAHP)

**c. Enrollee Information**

The State has designated the following as responsible for providing required information to enrollees:

- (i) \_\_\_ the State
- (ii) X State contractor (please specify): **Texas Medicaid & Healthcare Partnership or subsequently named Texas Medicaid contractor**
- (ii) \_\_\_ the MCO/PIHP/PAHP/PCCM/FFS selective contracting provider

## C. Enrollment and Disenrollment

### 1. Assurances.

The State assures CMS that it complies with section 1932(a)(4) of the Act and 42 CFR 438.56 Disenrollment; in so far as these regulations are applicable.

The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP or PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any. (Please check this item if the State has requested a waiver of the choice of plan requirements in section A.I.C)

The CMS Regional Office has reviewed and approved the MCO, PIHP, PAHP, or PCCM contracts for compliance with the provisions of section 1932(a)(4) of the Act and 42 CFR 438.56 Disenrollment requirements. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

This is a proposal for a 1915(b)(4) FFS Selective Contracting Program only and the managed care regulations do not apply.

2. Details. Please describe the State's enrollment process for MCOs/PIHPs/PAHP/PCCMs and FFS selective contracting provider by checking the applicable items below.

a.  **Outreach.** The State conducts outreach to inform potential enrollees, providers, and other interested parties of the managed care program. Please describe the outreach process, and specify any special efforts made to reach and provide information to special populations included in the waiver program:

### b. **Administration of Enrollment Process.**

State staff conducts the enrollment process.

The State contracts with an independent contractor(s) (i.e., enrollment broker) to conduct the enrollment process and related activities.

The State assures CMS the enrollment broker contract meets the independence and freedom from conflict of interest requirements in section 1903(b) of the Act and 42 CFR 438.810.

Broker name: **MAXIMUS or subsequently named enrollment broker**

Please list the functions that the contractor will perform:

choice counseling

enrollment

other (please describe): **auto-assignment of PCPs**

State allows MCO/PIHP/PAHP or PCCM to enroll beneficiaries. Please describe the process.

c. **Enrollment.** The State has indicated which populations are mandatorily enrolled and which may enroll on a voluntary basis in Section A.I.E.

This is a **new** program. Please describe the **implementation schedule** (e.g. implemented statewide all at once; phased in by area; phased in by population, etc.):

This is an existing program that will be **expanded** during the renewal period. Please describe the **implementation schedule** (e.g. new population implemented statewide all at once; phased in by area; phased in by population, etc.):

If a potential enrollee **does not select** an MCO/PIHP/PAHP or PCCM within the given time frame, the potential enrollee will be **auto-assigned** or default assigned to a plan.

i.  Potential enrollees will have **up to 105 days/month(s)** to choose a plan/**PCP**.

ii.  Please describe the auto-assignment process and/or algorithm. In the description please indicate the factors considered and whether or not the auto-assignment process assigns persons with special health care needs to an MCO/PIHP/PAHP/PCCM who is their current provider or who is capable of serving their particular needs.

**A new enrollee has up to 105 days to select a primary care provider for a newborn and up to 75 days to select a primary care provider for a non-newborn, before a PCP is auto-assigned. Auto-assignments are systematic and occur monthly. The enrollee's geographical proximity to a provider (within 30 miles of enrollee residence) in addition to the enrollee's family affiliation and claims history is considered when assigning a primary care provider. Other factors include whether or not a provider is willing to accept new patients, the number of patients a provider chooses to serve and the enrollee's age and gender. For example, an adult would not be auto-assigned to a pediatrician; a male would not be auto-assigned to an OB-GYN. Enrollees who lose and regain eligibility within 6 months are auto-assigned to the last PCP of record.**

- \_\_\_ The State **automatically enrolls** beneficiaries
  - \_\_\_ on a mandatory basis into a single MCO, PIHP, or PAHP in a rural area (please also check item A.I.C.3)
  - \_\_\_ on a mandatory basis into a single PIHP or PAHP for which it has requested a waiver of the requirement of choice of plans (please also check item A.I.C.1)
  - \_\_\_ on a voluntary basis into a single MCO, PIHP, or PAHP. The State must first offer the beneficiary a choice. If the beneficiary does not choose, the State may enroll the beneficiary as long as the beneficiary can opt out at any time without cause. Please specify geographic areas where this occurs: \_\_\_\_\_
  
- \_\_\_ The State provides **guaranteed eligibility** of \_\_\_ months (maximum of 6 months permitted) for MCO/PCCM enrollees under the State plan.
  
- \_\_\_ The State allows otherwise mandated beneficiaries to request **exemption** from enrollment in an MCO/PIHP/PAHP/PCCM. Please describe the circumstances under which a beneficiary would be eligible for exemption from enrollment. In addition, please describe the exemption process:
  
- X** The State **automatically re-enrolls** a beneficiary with the same PCCM or MCO/PIHP/PAHP if there is a loss of Medicaid eligibility of **6** months or less.

**d. Disenrollment:**

- X** The State allows enrollees to **disenroll** from/transfer between MCOs/PIHPs/PAHPs and PCCMs. Regardless of whether plan or State makes the determination, determination must be made no later than the first day of the second month following the month in which the enrollee or plan files the request. If determination is not made within this time frame, the request is deemed approved.
  - i. \_\_\_ Enrollee submits request to State.
  - ii. **X** Enrollee submits request to MCO/PIHP/PAHP/PCCM. The entity may approve the request, or refer it to the State. The entity may not disapprove the request.
  - iii. \_\_\_ Enrollee must seek redress through MCO/PIHP/PAHP/PCCM grievance procedure before determination will be made on disenrollment request.
  
- \_\_\_ The State **does not permit disenrollment** from a single PIHP/PAHP (authority under 1902 (a)(4) authority must be requested), or from an MCO, PIHP, or PAHP in a rural area.
  
- \_\_\_ The State has a **lock-in** period (i.e. requires continuous enrollment with MCO/PIHP/PAHP/PCCM) of \_\_\_ months (up to 12 months permitted). If so, the State assures it meets the requirements of 42 CFR 438.56(c).

Please describe the good cause reasons for which an enrollee may request disenrollment during the lock-in period (in addition to required good cause reasons of poor quality of care, lack of access to covered services, and lack of access to providers experienced in dealing with enrollee's health care needs):

X The State **does not have a lock-in**, and enrollees in MCOs/PIHPs/PAHPs and PCCMs are allowed to terminate or change their enrollment without cause at any time. The disenrollment/transfer is effective no later than the first day of the second month following the request.

X The State permits **MCOs/PIHPs/PAHPs and PCCMs to request disenrollment** of enrollees. Please check items below that apply:

i. X MCO/PIHP/PAHP and PCCM can request reassignment of an enrollee for the following reasons:

- **Enrollee is not included in the PCP's scope of practice.**
- **Enrollee is non-compliant with medical advice.**
- **Enrollee/PCP relationship is not mutually agreeable.**
- **Enrollee consistently displays unacceptable office decorum.**

ii. X The State reviews and approves all MCO/PIHP/PAHP/PCCM-initiated requests for enrollee transfers or disenrollments.

iii. \_\_\_ If the reassignment is approved, the State notifies the enrollee in a direct and timely manner of the desire of the MCO/PIHP/PAHP/PCCM to remove the enrollee from its membership or from the PCCM's caseload.

iv. \_\_\_ The enrollee remains an enrollee of the MCO/PIHP/PAHP/PCCM until another MCO/PIHP/PAHP/PCCM is chosen or assigned.

## **D. Enrollee rights.**

### **1. Assurances.**

X The State assures CMS that it complies with section 1932(a)(5)(B)(ii) of the Act and 42 CFR 438 Subpart C Enrollee Rights and Protections.

\_\_\_\_\_ The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP or PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

\_\_\_\_\_ The CMS Regional Office has reviewed and approved the MCO, PIHP, PAHP, or PCCM contracts for compliance with the provisions of section 1932(a)(5)(B)(ii) of the Act and 42 CFR Subpart C Enrollee Rights and Protections. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

\_\_\_\_\_ This is a proposal for a 1915(b)(4) FFS Selective Contracting Program only and the managed care regulations do not apply.

X The State assures CMS it will satisfy all HIPAA Privacy standards as contained in the HIPAA rules found at 45 CFR Parts 160 and 164.

## E. Grievance System

1. **Assurances for All Programs.** States, MCOs, PIHPs, PAHPs, and States in PCCM and FFS selective contracting programs are required to provide Medicaid enrollees with access to the State fair hearing process as required under 42 CFR 431 Subpart E, including:

- a. informing Medicaid enrollees about their fair hearing rights in a manner that assures notice at the time of an action,
- b. ensuring that enrollees may request continuation of benefits during a course of treatment during an appeal or reinstatement of services if State takes action without the advance notice and as required in accordance with State Policy consistent with fair hearings. The State must also inform enrollees of the procedures by which benefits can be continued for reinstated, and
- c. other requirements for fair hearings found in 42 CFR 431, Subpart E.

X The State assures CMS that it complies with Federal Regulations found at 42 CFR 431 Subpart E.

2. **Assurances For MCO or PIHP programs.** MCOs/PIHPs are required to have an internal grievance system that allows an enrollee or a provider on behalf of an enrollee to challenge the denial of coverage of, or payment for services as required by section 1932(b)(4) of the Act and 42 CFR 438 Subpart H.

\_\_\_ The State assures CMS that it complies with section 1932(b)(4) of the Act and 42 CFR 438 Subpart F Grievance System, in so far as these regulations are applicable.

\_\_\_ The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

\_\_\_ The CMS Regional Office has reviewed and approved the MCO or PIHP contracts for compliance with the provisions of section 1932(b)(4) of the Act and 42 CFR 438 Subpart F Grievance System. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

3. **Details for MCO or PIHP programs.**

a. **Direct access to fair hearing.**

\_\_\_ The State **requires** enrollees to **exhaust** the MCO or PIHP grievance and appeal process before enrollees may request a state fair hearing.

\_\_\_ The State **does not require** enrollees to **exhaust** the MCO or PIHP grievance and appeal process before enrollees may request a state fair hearing.

**b. Timeframes**

\_\_\_ The State's timeframe within which an enrollee, or provider on behalf of an enrollee, must file an **appeal** is \_\_\_ days (between 20 and 90).

\_\_\_ The State's timeframe within which an enrollee must file a **grievance** is \_\_\_ days.

**c. Special Needs**

\_\_\_ The State has special processes in place for persons with special needs. Please describe.

4. **Optional grievance systems for PCCM and PAHP programs.** States, at their option, may operate a PCCM and/or PAHP grievance procedure (distinct from the fair hearing process) administered by the State agency or the PCCM and/or PAHP that provides for prompt resolution of issues. These grievance procedures are strictly voluntary and may not interfere with a PCCM, or PAHP enrollee's freedom to make a request for a fair hearing or a PCCM or PAHP enrollee's direct access to a fair hearing in instances involving terminations, reductions, and suspensions of already authorized Medicaid covered services.

X The State has a grievance procedure for its X PCCM and/or \_\_\_ PAHP program characterized by the following (please check any of the following optional procedures that apply to the optional PCCM/PAHP grievance procedure):

X The grievance procedure is operated by:

\_\_\_ the State

X the State's contractor. Please identify: **Texas Medicaid & Healthcare Partnership**

\_\_\_ the PCCM

\_\_\_ the PAHP.

X Please describe the types of requests for review that can be made in the PCCM and/or PAHP grievance system (e.g. grievance, appeals)

- **Appeal – a request for review of an action.**
- **Complaint/Grievance – expression of dissatisfaction, expressed in writing, received from a provider or enrollee regarding the delivery of service(s).**
- **Fair Hearing – a state-established forum for enrollees denied benefits.**

- Has a committee or staff who review and resolve requests for review. Please describe if the State has any specific committee or staff composition or if this is a fiscal agent, enrollment broker, or PCCM administrator function.  
**The state's PCCM contractor has internal staff that review and resolve complaints/grievances. If the complaint/grievance is unresolved after the contractor's determination, the provider or enrollee may appeal the decision to the state for review and final determination.**
- Specifies a time frame from the date of action for the enrollee to file a request for review, which is: \_\_\_\_\_ (please specify for each type of request for review)
- Has time frames for resolving requests for review. Specify the time period set: **within 30 days of receipt of the complaint or grievance.** (please specify for each type of request for review)
- Establishes and maintains an expedited review process for the following reasons:\_\_\_\_\_. Specify the time frame set by the State for this process\_\_\_\_\_
- Permits enrollees to appear before State PCCM/ PAHP personnel responsible for resolving the request for review.
- Notifies the enrollee in writing of the decision and any further opportunities for additional review, as well as the procedures available to challenge the decision.
- Other (please explain):

## F. Program Integrity

### 1. Assurances.

X The State assures CMS that it complies with section 1932(d)(1) of the Act and 42 CFR 438.610 Prohibited Affiliations with Individuals Barred by Federal Agencies. The State assures that it prohibits an MCO, PCCM, PIHP, or PAHP from knowingly having a relationship listed below with:

- (1) An individual who is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in nonprocurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549, or
- (2) An individual who is an affiliate, as defined in the Federal Acquisition Regulation, of a person described above.

The prohibited relationships are:

- (1) A director, officer, or partner of the MCO, PCCM, PIHP, or PAHP;
- (2) A person with beneficial ownership of five percent or more of the MCO's, PCCM's, PIHP's, or PAHP's equity;
- (3) A person with an employment, consulting or other arrangement with the MCO, PCCM, PIHP, or PAHP for the provision of items and services that are significant and material to the MCO's, PCCM's, PIHP's, or PAHP's obligations under its contract with the State.

X The State assures that it complies with section 1902(p)(2) and 42 CFR 431.55, which require section 1915(b) waiver programs to exclude entities that:

- 1) Could be excluded under section 1128(b)(8) of the Act as being controlled by a sanctioned individual;
- 2) Has a substantial contractual relationship (direct or indirect) with an individual convicted of certain crimes described in section 1128(b)(8)(B) of the Act;
- 3) Employs or contracts directly or indirectly with an individual or entity that is
  - a. precluded from furnishing health care, utilization review, medical social services, or administrative services pursuant to section 1128 or 1128A of the Act, or
  - b. could be excluded under 1128(b)(8) as being controlled by a sanctioned individual.

### 2. Assurances For MCO or PIHP programs

— The State assures CMS that it complies with section 1932(d)(1) of the Act and 42 CFR 438.608 Program Integrity Requirements, in so far as these regulations are applicable.

\_\_\_\_\_ State payments to an MCO or PIHP are based on data submitted by the MCO or PIHP. If so, the State assures CMS that it is in compliance with 42 CFR 438.604 Data that must be Certified, and 42 CFR 438.606 Source, Content, Timing of Certification.

\_\_\_\_\_ The State seeks a waiver of a waiver of section 1902(a)(4) of the Act, to waive one or more of more of the regulatory requirements listed above for PIHP or PAHP programs. Please identify each regulatory requirement for which a waiver is requested, the managed care program(s) to which the waiver will apply, and what the State proposes as an alternative requirement, if any.

\_\_\_\_\_ The CMS Regional Office has reviewed and approved the MCO or PIHP contracts for compliance with the provisions of section 1932(d)(1) of the Act and 42 CFR 438.604 Data that must be Certified; 438.606 Source, Content, Timing of Certification; and 438.608 Program Integrity Requirements. If this is an initial waiver, the State assures that contracts that comply with these provisions will be submitted to the CMS Regional Office for approval prior to enrollment of beneficiaries in the MCO, PIHP, PAHP, or PCCM.

## Section B: Monitoring Plan

Per section 1915(b) of the Act and 42 CFR 431.55, states must assure that 1915(b) waiver programs do not substantially impair access to services of adequate quality where medically necessary. To assure this, states must actively monitor the major components of their waiver program described in Part I of the waiver preprint:

Program Impact	(Choice, Marketing, Enrollment/Disenrollment, Program Integrity, Information to Beneficiaries, Grievance Systems)
Access	(Timely Access, PCP/Specialist Capacity, Coordination and Continuity of Care)
Quality	(Coverage and Authorization, Provider Selection, Quality of Care)

For each of the programs authorized under this waiver, this Part identifies how the state will monitor the major areas within Program Impact, Access, and Quality. It acknowledges that a given monitoring activity may yield information about more than one component of the program. For instance, consumer surveys may provide data about timely access to services as well as measure ease of understanding of required enrollee information. As a result, this Part of the waiver preprint is arranged in two sections. The first is a chart that summarizes the activities used to monitor the major areas of the waiver. The second is a detailed description of each activity.

MCO and PIHP programs. The Medicaid Managed Care Regulations in 42 CFR Part 438 put forth clear expectations on how access and quality must be assured in capitated programs. Subpart D of the regulation lays out requirements for MCOs and PIHPs, and stipulates they be included in the contract between the state and plan. However, the regulations also make clear that the State itself must actively oversee and ensure plans comply with contract and regulatory requirements (see 42 CFR 438.66, 438.202, and 438.726). The state must have a quality strategy in which certain monitoring activities are required: network adequacy assurances, performance measures, review of MCO/PIHP QAPI programs, and annual external quality review. States may also identify additional monitoring activities they deem most appropriate for their programs.

For MCO and PIHP programs, a state must check the applicable monitoring activities in Section II below, but may attach and reference sections of their quality strategy to provide details. If the quality strategy does not provide the level of detail required below, (e.g. frequency of monitoring or responsible personnel), the state may still attach the quality strategy, but must supplement it to be sure all the required detail is provided.

PAHP programs. The Medicaid Managed Care regulations in 42 CFR 438 require the state to establish certain access and quality standards for PAHP programs, including plan assurances on network adequacy. States are not required to have a written quality strategy for PAHP programs. However, states must still actively oversee and monitor PAHP programs (see 42 CFR 438.66 and 438.202(c)).

PCCM programs. The Medicaid Managed Care regulations in 42 CFR Part 438 establishes certain beneficiary protections for PCCM programs that correspond to the waiver areas under “Program Impact.” However, generally the regulations do not stipulate access or quality standards for PCCM programs. State must assure access and quality in PCCM waiver programs, but have the flexibility to determine how to do so and which monitoring activities to use.

1915(b)(4) FFS Selective Contracting Programs: The Medicaid Managed Care Regulations do not govern fee-for-service contracts with providers. States are still required to ensure that selective contracting programs do not substantially impair access to services of adequate quality where medically necessary.

## Section B: Monitoring Plan

### Part I. Summary Chart of Monitoring Activities

Please use the chart on the next page to summarize the activities used to monitor major areas of the waiver program. The purpose is to provide a “big picture” of the monitoring activities, and that the State has at least one activity in place to monitor each of the areas of the waiver that must be monitored.

Please note:

- **MCO, PIHP, and PAHP** programs -- there must be at least one checkmark in each column.
- **PCCM and FFS selective contracting** programs – there must be at least one checkmark in each sub-column under “Evaluation of Program Impact.” There must be at least one check mark in one of the three sub-columns under “Evaluation of Access.” There must be at least one check mark in one of the three sub-columns under “Evaluation of Quality.”
- **If this waiver authorizes multiple programs**, the state may use a single chart for all programs or replicate the chart and fill out a separate one for each program. If using one chart for multiple programs, the state should enter the program acronyms (MCO, PIHP, etc.) in the relevant box.

Part I. Summary Chart of Monitoring Activities (continued)

Monitoring Activity	Evaluation of Program Impact					Evaluation of Access			Evaluation of Quality			
	Choice	Marketing	Enroll/Disenroll	Program Integrity	Information to Beneficiaries	Grievance	Timely Access	PCP/Specialist Capacity	Coordination/Continuity	Coverage/Authorization	Provider Selection	Quality of Care
Accreditation for Non-duplication												
Accreditation for Participation												
Consumer Self-Report data				X	X	X	X	X	X			X
Data Analysis (non-claims)			X			X	X			X		
Enrollee Hotlines					X	X	X			X		
Focused Studies												
Geographic mapping								X				
Independent Assessment												
Measure any Disparities by Racial or Ethnic Groups				X								
Network Adequacy Assurance by Plan				X			X	X	X	X	X	X
Ombudsman												
On-Site Review				X					X	X		X
Performance Improvement Projects			X	X	X	X				X	X	X

Monitoring Activity	Evaluation of Program Impact						Evaluation of Access			Evaluation of Quality		
	Choice	Marketing	Enroll/Disenroll	Program Integrity	Information to Beneficiaries	Grievance	Timely Access	PCP/Specialist Capacity	Coordination/Continuity	Coverage/Authorization	Provider Selection	Quality of Care
Performance Measures			X	X	X	X				X		X
Periodic Comparison of # of Providers		X		X								
Profile Utilization by Provider Caseload												
Provider Self-Report Data				X				X	X		X	X
Test 24/7 PCP Availability	X			X			X		X		X	X—
Utilization Review												
Other: (describe)												

## Section B: Monitoring Plan

### Part II: Details of Monitoring Activities

Please check each of the monitoring activities below used by the State. A number of common activities are listed below, but the State may identify any others it uses. If federal regulations require a given activity, this is indicated just after the name of the activity. If the State does not use a required activity, it must explain why.

For each activity, the state must provide the following information:

- Applicable programs (if this waiver authorizes more than one type of managed care program)
- Personnel responsible (e.g. state Medicaid, other state agency, delegated to plan, EQR, other contractor)
- Detailed description of activity
- Frequency of use
- How it yields information about the area(s) being monitored

a. \_\_\_\_\_ Accreditation for Non-duplication (i.e. if the contractor is accredited by an organization to meet certain access, structure/operation, and/or quality improvement standards, and the state determines that the organization's standards are at least as stringent as the state-specific standards required in 42 CFR 438 Subpart D, the state deems the contractor to be in compliance with the state-specific standards)

- \_\_\_ NCQA
- \_\_\_ JCAHO
- \_\_\_ AAAHC
- \_\_\_ Other (please describe)

b. \_\_\_\_\_ Accreditation for Participation (i.e. as prerequisite to be Medicaid plan)

- \_\_\_ NCQA
- \_\_\_ JCAHO
- \_\_\_ AAAHC
- \_\_\_ Other (please describe)

c. \_\_\_\_\_ Consumer Self-Report data

- \_\_\_ CAHPS (please identify which one(s))
- \_\_\_ State-developed survey
- \_\_\_ Disenrollment survey
- \_\_\_ Consumer/beneficiary focus groups

- d.  Data Analysis (non-claims)
- Denials of referral requests
  - Disenrollment requests by enrollee
    - From plan
    - From PCP within plan
  - Grievances and appeals data
  - PCP termination rates and reasons
  - Other (please describe)

- **Applicable program - PCCM**
- **Personnel responsible - State**
- **Detailed description of activity – review monthly, quarterly, and ad hoc reports to determine trends that may impact the program. Any trends identified require clarification from the contractor and a plan of action to make any identified process improvements.**
- **Frequency of use - monthly**
- **How it yields information about the area(s) being monitored – The reporting tools can be used to provide trending information to make proactive process improvements.**

- e.  Enrollee Hotlines operated by State

- **Applicable program - PCCM**
- **Personnel responsible – Medicaid Contractor**
- **Detailed description of activity – The Medicaid contractor operates Contact Center toll-free lines available to PCCM providers and enrollees Monday through Friday, 7 a.m. until 7 p.m., Central time. Additionally, PCCM enrollees have 24 hour, 7 day a week access to a Clinical nursesline. Community Health Services receives provider and enrollee calls Monday through Friday, 8 a.m. until 5 p.m., and providers and enrollees can leave after-hours voice messages.**
- **Frequency of use - ongoing**
- **How it yields information about the area(s) being monitored – Call Center Operations reports provide valuable data to the vendor and the state regarding the type and frequency of caller requests and issues. That data can be useful in improving call center quality and response times.**

- f. \_\_\_\_\_ Focused Studies (detailed investigations of certain aspects of clinical or non-clinical services at a point in time, to answer defined questions. Focused studies differ from performance improvement projects in that they do not require demonstrable and sustained improvement in significant aspects of clinical care and non-clinical service).

- g.  Geographic mapping of provider network
- **Applicable program - PCCM**
  - **Personnel responsible – Medicaid Contractor**
  - **Detailed description of activity – The Medicaid contractor provides geographic mapping of PCCM regions to demonstrate network adequacy and as a tool to support provider recruitment efforts.**
  - **Frequency of use - ongoing**
  - **How it yields information about the area(s) being monitored – maps can be used to demonstrate areas of focus for provider retention and recruitment based on changing enrollee populations.**
- h. \_\_\_\_\_ Independent Assessment of program impact, access, quality, and cost-effectiveness (**Required** for first two waiver periods)
- i. \_\_\_\_\_ Measurement of any disparities by racial or ethnic groups
- j. \_\_\_\_\_ Network adequacy assurance submitted by plan [**Required** for MCO/PIHP/PAHP]
- k. \_\_\_\_\_ Ombudsman
- l.  On-site review
- **Applicable program - PCCM**
  - **Personnel responsible – Medicaid Contractor**
  - **Detailed description of activity – The Medicaid contractor performs medical record review and office standards audits as part of the PCP credentialing and recredentialing process. Providers must maintain an acceptable office environment and maintain patient records accordingly.**
  - **Frequency of use - ongoing**
  - **How it yields information about the area(s) being monitored – If a provider is found marginally compliant with requirements, he/she will receive training and education to correct any noted deficiencies.**
- m. \_\_\_\_\_ Performance Improvement projects [**Required** for MCO/PIHP]
- \_\_\_\_\_ Clinical
- \_\_\_\_\_ Non-clinical
- n. \_\_\_\_\_ Performance measures [**Required** for MCO/PIHP]
- Process
- Health status/outcomes
- Access/availability of care
- Use of services/utilization
- Health plan stability/financial/cost of care
- Health plan/provider characteristics
- Beneficiary characteristics

- o. \_\_\_\_\_ Periodic comparison of number and types of Medicaid providers before and after waiver
- p. \_\_\_\_\_ Profile utilization by provider caseload (looking for outliers)
- q. \_\_\_\_\_ Provider Self-report data  
 \_\_\_\_\_ Survey of providers  
 \_\_\_\_\_ Focus groups
- r.  Test 24 hours/7 days a week PCP availability
- **Applicable program - PCCM**
  - **Personnel responsible – Medicaid Contractor**
  - **Detailed description of activity – The Medicaid contractor monitors after-hours PCP availability and reports findings to the state monthly. Providers found to be non-compliant are notified immediately and given a corrective action plan that must show improvement within 30 days.**
  - **Frequency of use – ongoing, reported monthly**
  - **How it yields information about the area(s) being monitored – If a provider is found non-compliant with a requirement, he/she is notified immediately and must adhere to a corrective action plan.**
- s. \_\_\_\_\_ Utilization review (e.g. ER, non-authorized specialist requests)
- t.  Other: (please describe)
- **Applicable program - PCCM**
  - **Personnel responsible – State**
  - **Detailed description of activity – HHSC provides ongoing monitoring of the contractor activities through on-site reviews and audits. The Medicaid contractor is notified of any deficiencies, in writing, with clear guidelines on corrective measures. HHSC also completes follow-up to ensure that corrective measures have been taken and documented as part of the contractor’s procedure (if applicable).**
  - **Frequency of use – ongoing**
  - **How it yields information about the area(s) being monitored – HHSC can validate the contractor’s compliance with state directives, contractual obligations, and ensure that reporting data received from the contractor via monthly performance reports is consistent with internal processes and procedures.**

## Section C: Monitoring Results

Section 1915(b) of the Act and 42 CFR 431.55 require that the State must document and maintain data regarding the effect of the waiver on the accessibility and quality of services as well as the anticipated impact of the project on the State's Medicaid program. In Section B of this waiver preprint, the State describes how it will assure these requirements are met. For an initial waiver request, the State provides assurance in this Section C that it will report on the results of its monitoring plan when it submits its waiver renewal request. For a renewal request, the State provides evidence that waiver requirements were met for the most recent waiver period. Please use Section D to provide evidence of cost-effectiveness.

CMS uses a multi-pronged effort to monitor waiver programs, including rate and contract review, site visits, reviews of External Quality Review reports on MCOs/PIHPs, and reviews of Independent Assessments. CMS will use the results of these activities and reports along with this Section to evaluate whether the Program Impact, Access, and Quality requirements of the waiver were met.

This is an initial waiver request. The State assures that it will conduct the monitoring activities described in Section B, and will provide the results in Section C of its waiver renewal request.

This is a renewal request.

This is the first time the State is using this waiver format to renew an existing waiver. The State provides below the results of the monitoring activities conducted during the previous waiver period.

The State has used this format previously, and provides below the results of monitoring activities conducted during the previous waiver.

For each of the monitoring activities checked in Section B of the previous waiver request, the State should:

- **Confirm** it was conducted as described in Section B of the previous waiver preprint. If it was not done as described, please explain why.
- **Summarize the results** or findings of each activity. CMS may request detailed results as appropriate.
- **Identify problems** found, if any.
- **Describe plan/provider-level corrective action**, if any, that was taken. The State need not identify the provider/plan by name, but must provide the rest of the required information.
- **Describe system-level program changes**, if any, made as a result of monitoring findings.

Please replicate the template below for each activity identified in Section B:

Strategy:

Confirmation it was conducted as described:

Yes

No. Please explain:

Summary of results:

Problems identified:

Corrective action (plan/provider level)

Program change (system-wide level)

## Section D – Cost-Effectiveness

**Please follow the Instructions for Cost-Effectiveness (in the separate Instructions document) when filling out this section.** Cost-effectiveness is one of the three elements required of a 1915(b) waiver. States must demonstrate that their waiver cost projections are reasonable and consistent with statute, regulation and guidance. The State must project waiver expenditures for the upcoming two-year waiver period, called Prospective Year 1 (P1) and Prospective Year 2 (P2). The State must then spend under that projection for the duration of the waiver. In order for CMS to renew a 1915(b) waiver, a State must demonstrate that the waiver was less than the projection during the retrospective two-year period.

A complete application includes the State completing the seven Appendices and the Section D. State Completion Section of the Preprint:

- Appendix D1. Member Months
- Appendix D2.S Services in the Actual Waiver Cost
- Appendix D2.A Administration in the Actual Waiver Cost
- Appendix D3. Actual Waiver Cost
- Appendix D4. Adjustments in Projection
- Appendix D5. Waiver Cost Projection
- Appendix D6. RO Targets
- Appendix D7. Summary Sheet

States should complete the Appendices first and then describe the Appendices in the State Completion Section of the Preprint. Each State should modify the spreadsheets to reflect their own program structure. Technical assistance is available through each State's CMS Regional Office.

### Part I: State Completion Section

#### A. Assurances

- a. [Required] Through the submission of this waiver, the State assures CMS:
  - The fiscal staff in the Medicaid agency has reviewed these calculations for accuracy and attests to their correctness.
  - The State assures CMS that the actual waiver costs will be less than or equal to or the State's waiver cost projection.
  - Capitated rates will be set following the requirements of 42 CFR 438.6(c) and will be submitted to the CMS Regional Office for approval.
  - Capitated 1915(b)(3) services will be set in an actuarially sound manner based only on approved 1915(b)(3) services and their administration subject to CMS RO prior approval.

- The State will monitor, on a regular basis, the cost-effectiveness of the waiver (for example, the State may compare the PMPM Actual Waiver Cost from the CMS 64 to the approved Waiver Cost Projections). If changes are needed, the State will submit a prospective amendment modifying the Waiver Cost Projections.
  - The State will submit quarterly actual member month enrollment statistics by MEG in conjunction with the State's submitted CMS-64 forms.
- b. Name of Medicaid Financial Officer making these assurances:  
**Thomas Suehs**\_\_\_\_\_
- c. Telephone Number: **512-424-6526**
- d. E-mail: **Thomas.Suehs@hhsc.state.tx.us**
- e. The State is choosing to report waiver expenditures based on  
  **X**   date of payment.  
     date of service within date of payment. The State understands the additional reporting requirements in the CMS-64 and has used the cost effectiveness spreadsheets designed specifically for reporting by date of service within day of payment. The State will submit an initial test upon the first renewal and then an initial and final test (for the preceding 4 years) upon the second renewal and thereafter.

**B. For Renewal Waivers only (not conversion)- Expedited or Comprehensive Test**—To provide information on the waiver program to determine whether the waiver will be subject to the Expedited or Comprehensive cost effectiveness test.  
*Note: All waivers, even those eligible for the Expedited test, are subject to further review at the discretion of CMS and OMB.*

- a.      The State provides additional services under 1915(b)(3) authority.
- b.      The State makes enhanced payments to contractors or providers.
- c.      The State uses a sole-source procurement process to procure State Plan services under this waiver.
- d.      Enrollees in this waiver receive services under another 1915(b) waiver program that includes additional waiver services under 1915(b)(3) authority; enhanced payments to contractors or providers; or sole-source procurement processes to procure State Plan services. *Note: do not mark this box if this is a waiver for transportation services and dental pre-paid ambulatory health plans (PAHPs) that has overlapping populations with*

*another waiver meeting one of these three criteria. For transportation and dental waivers alone, States do not need to consider an overlapping population with another waiver containing additional services, enhanced payments, or sole source procurement as a trigger for the comprehensive waiver test. However, if the transportation services or dental PAHP waiver meets the criteria in a, b, or c for additional services, enhanced payments, or sole source procurement then the State should mark the appropriate box and process the waiver using the Comprehensive Test.*

If you marked any of the above, you must complete the entire preprint and your renewal waiver is subject to the Comprehensive Test. If you did not mark any of the above, your renewal waiver (not conversion or initial waiver) is subject to the Expedited Test:

- Do not complete **Appendix D3**
- Attach the most recent waiver Schedule D, and the corresponding completed quarters of CMS-64.9 waiver and CMS-64.21U Waiver and CMS 64.10 Waiver forms, and
- Your waiver will not be reviewed by OMB *at the discretion of CMS and OMB.*

The following questions are to be completed in conjunction with the Worksheet Appendices. All narrative explanations should be included in the preprint. Where further clarification was needed, we have included additional information in the preprint.

**C. Capitated portion of the waiver only: Type of Capitated Contract**

The response to this question should be the same as in **A.I.b.**

- a. \_\_\_ MCO
- b. \_\_\_ PIHP
- c. \_\_\_ PAHP
- d. \_\_\_ Other (please explain):

**D. PCCM portion of the waiver only: Reimbursement of PCCM Providers**

Under this waiver, providers are reimbursed on a fee-for-service basis. PCCMs are reimbursed for patient management in the following manner (please check and describe):

- a. \_\_\_ Management fees are expected to be paid under this waiver. The management fees were calculated as follows.
  - 1. \_\_\_ First Year: \$ \_\_\_ per member per month fee
  - 2. \_\_\_ Second Year: \$ \_\_\_ per member per month fee
  - 3. \_\_\_ Third Year: \$ \_\_\_ per member per month fee
  - 4. \_\_\_ Fourth Year: \$ \_\_\_ per member per month fee
- b. \_\_\_ Enhanced fee for primary care services. Please explain which services will be affected by enhanced fees and how the amount of the enhancement was determined.

c.\_\_\_\_ Bonus payments from savings generated under the program are paid to case managers who control beneficiary utilization. Under **D.I.H.d.**, please describe the criteria the State will use for awarding the incentive payments, the method for calculating incentives/bonuses, and the monitoring the State will have in place to ensure that total payments to the providers do not exceed the Waiver Cost Projections (Appendix D5). Bonus payments and incentives for reducing utilization are limited to savings of State Plan service costs under the waiver. Please also describe how the State will ensure that utilization is not adversely affected due to incentives inherent in the bonus payments. The costs associated with any bonus arrangements must be accounted for in Appendix D3. Actual Waiver Cost. d.\_\_\_\_ Other reimbursement method/amount. \$\_\_\_\_\_ Please explain the State's rationale for determining this method or amount.

**E. Appendix D1 – Member Months**

Please mark all that apply.

For Initial Waivers only:

- a.  Population in the base year data
  - 1.  Base year data is from the same population as to be included in the waiver.
  - 2.  Base year data is from a comparable population to the individuals to be included in the waiver. (Include a statement from an actuary or other explanation, which supports the conclusion that the populations are comparable.)
- b.  For an initial waiver, if the State estimates that not all eligible individuals will be enrolled in managed care (i.e., a percentage of individuals will not be enrolled because of changes in eligibility status and the length of the enrollment process) please note the adjustment here.
- c.  [Required] Explain the reason for any increase or decrease in member months projections from the base year or over time: **Growth in children's caseload**
- d.  [Required] Explain any other variance in eligible member months from BY to P2:  **None**
- e.  [Required] List the year(s) being used by the State as a base year: **4/2006 – 3/2007**. If multiple years are being used, please explain: **This is the latest current complete data available.**
- f.  [Required] Specify whether the base year is a State fiscal year (SFY), Federal fiscal year (FFY), or other period  **Other** .
- g.  [Required] Explain if any base year data is not derived directly from the State's MMIS fee-for-service claims data:  **Data was derived directly from the State's MMIS fee-for-service claims data.**

For Conversion or Renewal Waivers:

- a.  [Required] Population in the base year and R1 and R2 data is the population under the waiver.

- b. \_\_\_\_ For a renewal waiver, because of the timing of the waiver renewal submittal, the State did not have a complete R2 to submit. Please ensure that the formulas correctly calculated the annualized trend rates. *Note: it is no longer acceptable to estimate enrollment or cost data for R2 of the previous waiver period.*
- c. \_\_\_\_ [Required] Explain the reason for any increase or decrease in member months projections from the base year or over time:  
\_\_\_\_\_
- d. \_\_\_\_ [Required] Explain any other variance in eligible member months from BY/R1 to P2: \_\_\_\_
- e. \_\_\_\_ [Required] Specify whether the BY/R1/R2 is a State fiscal year (SFY), Federal fiscal year (FFY), or other period: \_\_\_\_\_.

**F. Appendix D2.S - Services in Actual Waiver Cost**

For Initial Waivers:

- a.  [Required] Explain the exclusion of any services from the cost-effectiveness analysis. For States with multiple waivers serving a single beneficiary, please document how all costs for waiver covered individuals taken into account. **Only In-patient hospital services are included in this waiver.**

For Conversion or Renewal Waivers:

- a. \_\_\_\_ [Required] Explain if different services are included in the Actual Waiver Cost from the previous period in **Appendix D3** than for the upcoming waiver period in **Appendix D5**. Explain the differences here and how the adjustments were made on **Appendix D5**: \_\_\_\_\_
- b. \_\_\_\_ [Required] Explain the exclusion of any services from the cost-effectiveness analysis. For States with multiple waivers serving a single beneficiary, please document how all costs for waiver covered individuals taken into account: \_\_\_\_\_

**G. Appendix D2.A - Administration in Actual Waiver Cost**

[Required] The State allocated administrative costs between the Fee-for-service and managed care program depending upon the program structure. *Note: initial programs will enter only FFS costs in the BY. Renewal and Conversion waivers will enter all waiver and FFS administrative costs in the R1 and R2 or BY.*

For Initial Waivers:

- a. For an initial waiver, please document the amount of savings that will be accrued in the State Plan services. Savings under the waiver must be great

enough to pay for the waiver administration costs in addition to those costs in FFS. Please state the aggregate budgeted amount projected to be spent on each additional service in the upcoming waiver period in the chart below. **Appendix D5** should reflect any savings to be accrued as well as any additional administration expected. The savings should at least offset the administration.

Additional Administration Expense	Savings projected in State Plan Services	Inflation projected	Amount projected to be spent in Prospective Period
<i>Savings due to negotiated In-patient rates.</i>	<i>\$9,660,587 savings or 1.23 PMPM</i>	<i>4.35% Annually</i>	<i>\$10,407,952 or 1.32 PMPM P1</i> <i>\$10,860,698 or 1.38 PMPM P2</i>
Total	<i>Appendix D5 should reflect this.</i>		<i>Appendix D5 should reflect this.</i>

The allocation method for either initial or renewal waivers is explained below:

- a. \_\_\_ The State allocates the administrative costs to the managed care program based upon the number of waiver enrollees as a percentage of total Medicaid enrollees. *Note: this is appropriate for MCO/PCCM programs.*
- b. \_\_\_ The State allocates administrative costs based upon the program cost as a percentage of the total Medicaid budget. It would not be appropriate to allocate the administrative cost of a mental health program based upon the percentage of enrollees enrolled. *Note: this is appropriate for statewide PIHP/PAHP programs.*
- c. **X** Other (Please explain).  
**The State allocates Medicaid administrative costs by taking the percentage all Medicaid clients enrolled in the base program (which includes FFS and PCCM clients) and the percentage of all Medicaid clients enrolled in each waiver program, and then allocating those percentages of the total administrative costs to the base program and each waiver program.**

**H. Appendix D3 – Actual Waiver Cost**

- a.\_\_\_\_ The State is requesting a 1915(b)(3) waiver in **Section A.I.A.1.c** and will be providing non-state plan medical services. The State will be spending a portion of its waiver savings for additional services under the waiver.

For an initial waiver, in the chart below, please document the amount of savings that will be accrued in the State Plan services. The amount of savings that will be spent on 1915(b)(3) services must be reflected on **Column T of Appendix D5** in the initial spreadsheet Appendices. Please include a justification of the amount of savings expected and the cost of the 1915(b)(3) services. Please state the aggregate budgeted amount projected to be spent on each additional service in the upcoming waiver period in the chart below. This amount should be reflected in the State’s Waiver Cost Projection for P1 and P2 on **Column W in Appendix D5**.

**Chart: Initial Waiver State Specific 1915(b)(3) Service Expenses and Projections**

<b>1915(b)(3) Service</b>	<b>Savings projected in State Plan Services</b>	<b>Inflation projected</b>	<b>Amount projected to be spent in Prospective Period</b>
<i>(Service Example: 1915(b)(3) step-down nursing care services financed from savings from inpatient hospital care. See attached documentation for justification of savings.)</i>	<i>\$54,264 savings or .03 PMPM</i>	<i>9.97% or \$5,411</i>	<i>\$59,675 or .03 PMPM P1 \$62,488 or .03 PMPM P2</i>
<b>Total</b>	<i>(PMPM in Appendix D5 Column T x projected member months should correspond)</i>		<b>(PMPM in Appendix D5 Column W x projected member months should correspond)</b>

For a renewal or conversion waiver, in the chart below, please state the actual amount spent on each 1915(b)(3) service in the retrospective waiver period. This amount must be built into the State’s Actual Waiver Cost for

R1 and R2 (BY for Conversion) on **Column H in Appendix D3**. Please state the aggregate amount of 1915(b)(3) savings budgeted for each additional service in the upcoming waiver period in the chart below. This amount must be built into the State's Waiver Cost Projection for P1 and P2 on **Column W in Appendix D5**.

**Chart: Renewal/Conversion Waiver State Specific 1915(b)(3) Service Expenses and Projections**

<b>1915(b)(3) Service</b>	<b>Amount Spent in Retrospective Period</b>	<b>Inflation projected</b>	<b>Amount projected to be spent in Prospective Period</b>
<i>(Service Example: 1915(b)(3) step-down nursing care services financed from savings from inpatient hospital care. See attached documentation for justification of savings.)</i>	<i>\$1,751,500 or \$.97 PMPM R1</i>	<i>8.6% or \$169,245</i>	<i>\$2,128,395 or 1.07 PMPM in P1</i>
	<i>\$1,959,150 or \$1.04 PMPM R2 or BY in Conversion</i>		<i>\$2,291,216 or 1.10 PMPM in P2</i>
<b>Total</b>	<b>(PMPM in Appendix D3 Column H x member months should correspond)</b>		<b>(PMPM in Appendix D5 Column W x projected member months should correspond)</b>

- b. \_\_\_ The State is including voluntary populations in the waiver. Describe below how the issue of selection bias has been addressed in the Actual Waiver Cost calculations:
- c. \_\_\_ Capitated portion of the waiver only -- Reinsurance or Stop/Loss Coverage: Please note how the State will be providing or requiring reinsurance or stop/loss coverage as required under the regulation. States may require MCOs/PIHPs/PAHPs to purchase reinsurance. Similarly, States may provide stop-loss coverage to MCOs/PIHPs/PAHPs when MCOs/PIHPs/PAHPs exceed certain payment thresholds for individual enrollees. Stop loss provisions usually set limits on maximum days of

coverage or number of services for which the MCO/PIHP/PAHP will be responsible. If the State plans to provide stop/loss coverage, a description is required. The State must document the probability of incurring costs in excess of the stop/loss level and the frequency of such occurrence based on FFS experience. The expenses per capita (also known as the stoploss premium amount) should be deducted from the capitation year projected costs. In the initial application, the effect should be neutral. In the renewal report, the actual reinsurance cost and claims cost should be reported in Actual Waiver Cost.

Basis and Method:

1. \_\_\_ The State does not provide stop/loss protection for MCOs/PIHPs/PAHPs, but requires MCOs/PIHPs/PAHPs to purchase reinsurance coverage privately. No adjustment was necessary.
2. \_\_\_ The State provides stop/loss protection (please describe):

d. \_\_\_ Incentive/bonus/enhanced Payments for both Capitated and fee-for-service Programs:

1. \_\_\_ [For the capitated portion of the waiver] the total payments under a capitated contract include any incentives the State provides in addition to capitated payments under the waiver program. The costs associated with any bonus arrangements must be accounted for in the capitated costs (**Column D of Appendix D3 Actual Waiver Cost**). Regular State Plan service capitated adjustments would apply.
  - i. Document the criteria for awarding the incentive payments.
  - ii. Document the method for calculating incentives/bonuses, and
  - iii. Document the monitoring the State will have in place to ensure that total payments to the MCOs/PIHPs/PAHPs do not exceed the Waiver Cost Projection.
2. \_\_\_ For the fee-for-service portion of the waiver, all fee-for-service must be accounted for in the fee-for-service incentive costs (**Column G of Appendix D3 Actual Waiver Cost**). For PCCM providers, the amount listed should match information provided in **D.I.D Reimbursement of Providers**. Any adjustments applied would need to meet the special criteria for fee-for-service

incentives if the State elects to provide incentive payments in addition to management fees under the waiver program (**See D.I.I.e and D.I.J.e**)

- i. Document the criteria for awarding the incentive payments.
- ii. Document the method for calculating incentives/bonuses, and
- iii. Document the monitoring the State will have in place to ensure that total payments to the MCOs/PIHPs/PAHPs/PCCMs do not exceed the Waiver Cost Projection.

### **Current Initial Waiver Adjustments in the preprint**

#### **I. Appendix D4 – Initial Waiver – Adjustments in the Projection OR Conversion Waiver for DOS within DOP**

Initial Waiver Cost Projection & Adjustments (If this is a Conversion or Renewal waiver for DOP, skip to J. Conversion or Renewal Waiver Cost Projection and Adjustments): States may need to make certain adjustments to the Base Year in order to accurately reflect the waiver program in P1 and P2. If the State has made an adjustment to its Base Year, the State should note the adjustment and its location in Appendix D4, and include information on the basis and method used in this section of the preprint. Where noted, certain adjustments should be mathematically accounted for in Appendix D5.

The following adjustments are appropriate for initial waivers. Any adjustments that are required are indicated as such.

- a. **State Plan Services Trend Adjustment** – the State must trend the data forward to reflect cost and utilization increases. The BY data already includes the actual Medicaid cost changes to date for the population enrolled in the program. This adjustment reflects the expected cost and utilization increases in the managed care program from BY to the end of the waiver (P2). Trend adjustments may be service-specific. The adjustments may be expressed as percentage factors. Some states calculate utilization and cost increases separately, while other states calculate a single trend rate encompassing both utilization and cost increases. The State must document the method used and how utilization and cost increases are not duplicative if they are calculated separately. **This adjustment must be mutually exclusive of programmatic/policy/pricing changes and CANNOT be taken twice. The State must document how it ensures there is no duplication with programmatic/policy/pricing changes.**

1. X [Required, if the State's BY is more than 3 months prior to the beginning of P1] The State is using actual State cost increases to trend past data to the current time period (*i.e., trending from 1999 to present*) The actual trend rate used is: 7.74%. Please document how that trend was calculated: **4.35% annual adjusted for the nine month gap between the base year and P-1.**

2. X [Required, to trend BY to P1 and P2 in the future] When cost increases are unknown and in the future, the State is using a predictive trend of either State historical cost increases or national or regional factors that are predictive of future costs (same requirement as capitated ratesetting regulations) (*i.e., trending from present into the future*).
- i.        State historical cost increases. Please indicate the years on which the rates are based: base years\_\_\_\_\_ In addition, please indicate the mathematical method used (multiple regression, linear regression, chi-square, least squares, exponential smoothing, etc.). Finally, please note and explain if the State's cost increase calculation includes more factors than a price increase such as changes in technology, practice patterns, and/or units of service PMPM.
  - ii. X National or regional factors that are predictive of this waiver's future costs. Please indicate the services and indicators used medical costs trend from the Bureau of Labor Statistics. Please indicate how this factor was determined to be predictive of this waiver's future costs. Finally, please note and explain if the State's cost increase calculation includes more factors than a price increase such as changes in technology, practice patterns, and/or units of service PMPM.
3.        The State estimated the PMPM cost changes in units of service, technology and/or practice patterns that would occur in the waiver separate from cost increase. Utilization adjustments made were service-specific and expressed as percentage factors. The State has documented how utilization and cost increases were not duplicated. This adjustment reflects the changes in utilization between the BY and the beginning of the P1 and between years P1 and P2.
- i. Please indicate the years on which the utilization rate was based (if calculated separately only).
  - ii. Please document how the utilization did not duplicate separate cost increase trends.
- b. X **State Plan Services Programmatic/Policy/Pricing Change Adjustment:** This adjustment should account for any programmatic changes that are not cost neutral and that affect the Waiver Cost Projection. Adjustments to the BY data are typically for changes that occur after the BY (or after the collection of the BY data) and/or during P1 and P2 that affect the overall Medicaid program. For example, changes in rates, changes brought about by legal action, or changes brought about by legislation. For example, Federal mandates, changes in hospital payment from per diem rates to Diagnostic Related Group (DRG) rates or changes in the benefit coverage of the FFS program. **This adjustment must be mutually exclusive of trend and CANNOT be taken twice. The State must document how it ensures there is no duplication with trend.** If the State is changing one of the aspects noted above in the FFS State Plan then the State needs to estimate

the impact of that adjustment. *Note: FFP on rates cannot be claimed until CMS approves the SPA per the 1/2/01 SMD letter. Prior approval of capitation rates is contingent upon approval of the SPA.*

Others:

- Additional State Plan Services (+)
- Reductions in State Plan Services (-)
- Legislative or Court Mandated Changes to the Program Structure or fee schedule not accounted for in cost increases or pricing (+/-)

1.  The State has chosen not to make an adjustment because there were no programmatic or policy changes in the FFS program after the MMIS claims tape was created. In addition, the State anticipates no programmatic or policy changes during the waiver period.

2. \_\_\_ An adjustment was necessary. The adjustment(s) is(are) listed and described below:

i. \_\_\_ The State projects an externally driven State Medicaid managed care rate increases/decreases between the base and rate periods.

For each change, please report the following:

A. \_\_\_ The size of the adjustment was based upon a newly approved State Plan Amendment (SPA). PMPM size of adjustment \_\_\_\_\_

B. \_\_\_ The size of the adjustment was based on pending SPA. Approximate PMPM size of adjustment \_\_\_\_\_

C. \_\_\_ Determine adjustment based on currently approved SPA. PMPM size of adjustment \_\_\_\_\_

**D. \_\_\_ Determine adjustment for Medicare Part D dual eligibles.**

E. \_\_\_ Other (please describe):

ii. \_\_\_ The State has projected no externally driven managed care rate increases/decreases in the managed care rates.

iii. \_\_\_ Changes brought about by legal action (please describe):

For each change, please report the following:

A. \_\_\_ The size of the adjustment was based upon a newly approved State Plan Amendment (SPA). PMPM size of adjustment \_\_\_\_\_

B. \_\_\_ The size of the adjustment was based on pending SPA. Approximate PMPM size of adjustment \_\_\_\_\_

C. \_\_\_ Determine adjustment based on currently approved SPA. PMPM size of adjustment \_\_\_\_\_

D. \_\_\_ Other (please describe):

iv. \_\_\_ Changes in legislation (please describe):

For each change, please report the following:

A. \_\_\_ The size of the adjustment was based upon a newly approved State Plan Amendment (SPA). PMPM size of adjustment \_\_\_\_\_

- B. \_\_\_ The size of the adjustment was based on pending SPA.  
Approximate PMPM size of adjustment \_\_\_\_\_
- C. \_\_\_ Determine adjustment based on currently approved SPA.  
PMPM size of adjustment \_\_\_\_\_
- D. \_\_\_ Other (please describe):
- v. \_\_\_ Other (please describe):
  - A. \_\_\_ The size of the adjustment was based upon a newly approved State Plan Amendment (SPA). PMPM size of adjustment \_\_\_\_\_
  - B. \_\_\_ The size of the adjustment was based on pending SPA.  
Approximate PMPM size of adjustment \_\_\_\_\_
  - C. \_\_\_ Determine adjustment based on currently approved SPA.  
PMPM size of adjustment \_\_\_\_\_
  - D. \_\_\_ Other (please describe):

c. \_\_\_ **X Administrative Cost Adjustment\***: The administrative expense factor in the initial waiver is based on the administrative costs for the eligible population participating in the waiver for fee-for-service. Examples of these costs include per claim claims processing costs, per record PRO review costs, and Surveillance and Utilization Review System (SURS) costs. *Note: one-time administration costs should not be built into the cost-effectiveness test on a long-term basis. States should use all relevant Medicaid administration claiming rules for administration costs they attribute to the managed care program.* If the State is changing the administration in the fee-for-service program then the State needs to estimate the impact of that adjustment.

- 1. \_\_\_ No adjustment was necessary and no change is anticipated.
- 2. \_\_\_ **X** An administrative adjustment was made.
  - i. \_\_\_ FFS administrative functions will change in the period between the beginning of P1 and the end of P2. Please describe:
    - A. \_\_\_ Determine administration adjustment based upon an approved contract or cost allocation plan amendment (CAP).
    - B. \_\_\_ Determine administration adjustment based on pending contract or cost allocation plan amendment (CAP).
    - C. \_\_\_ **X** Other (please describe):  
**This is a trend/inflation adjustment, based on previous historical trends for similar populations. 3.0% annual adjusted for the nine month gap between the base year and P-1.**
  - ii. \_\_\_ FFS cost increases were accounted for.
    - A. \_\_\_ Determine administration adjustment based upon an approved contract or cost allocation plan amendment (CAP).

- B. \_\_\_\_ Determine administration adjustment based on pending contract or cost allocation plan amendment (CAP).
- C. \_\_\_\_ Other (please describe):
- iii. \_\_\_\_ [Required, when State Plan services were purchased through a sole source procurement with a governmental entity. No other State administrative adjustment is allowed.] If cost increase trends are unknown and in the future, the State must use the lower of: Actual State administration costs trended forward at the State historical administration trend rate or Actual State administration costs trended forward at the State Plan services trend rate. Please document both trend rates and indicate which trend rate was used.
  - A. Actual State Administration costs trended forward at the State historical administration trend rate. Please indicate the years on which the rates are based: base years \_\_\_\_\_. In addition, please indicate the mathematical method used (multiple regression, linear regression, chi-square, least squares, exponential smoothing, etc.). Finally, please note and explain if the State's cost increase calculation includes more factors than a price increase.
  - B. Actual State Administration costs trended forward at the State Plan Service Trend rate. Please indicate the State Plan Service trend rate from **Section D.I.I.a.** above \_\_\_\_\_.

\* For Combination Capitated and PCCM Waivers: If the capitated rates are adjusted by the amount of administration payments, then the PCCM Actual Waiver Cost must be calculated less the administration amount. For additional information, please see Special Note at end of this section.

- d. **1915(b)(3) Adjustment:** The State must document the amount of State Plan Savings that will be used to provide additional 1915(b)(3) services in **Section D.I.H.a** above. The Base Year already includes the actual trend for the State Plan services in the program. This adjustment reflects the expected trend in the 1915(b)(3) services between the Base Year and P1 of the waiver and the trend between the beginning of the program (P1) and the end of the program (P2). Trend adjustments may be service-specific and expressed as percentage factors.
  - 1. \_\_\_\_ [Required, if the State's BY is more than 3 months prior to the beginning of P1 to trend BY to P1] The State is using the actual State historical trend to project past data to the current time period (*i.e., trending from 1999 to present*). The actual documented trend is: \_\_\_\_\_. Please provide documentation.

- 2.\_\_\_\_ [Required, when the State’s BY is trended to P2. No other 1915(b)(3) adjustment is allowed] If trends are unknown and in the future (*i.e., trending from present into the future*), the State must use the State’s trend for State Plan Services.
- i. State Plan Service trend
    - A. Please indicate the State Plan Service trend rate from **Section D.I.I.a.** above \_\_\_\_\_.
- e. **Incentives (not in capitated payment) Trend Adjustment:** If the State marked **Section D.I.H.d** , then this adjustment reports trend for that factor. Trend is limited to the rate for State Plan services.
- 1. List the State Plan trend rate by MEG from **Section D.I.I.a.**\_\_\_\_\_
  - 2. List the Incentive trend rate by MEG if different from **Section D.I.I.a**
  - 3. Explain any differences:
- f. **Graduate Medical Education (GME) Adjustment:** 42 CFR 438.6(c)(5) specifies that States can include or exclude GME payments for managed care participant utilization in the capitation rates. However, GME payments on behalf of managed care waiver participants must be included in cost-effectiveness calculations.
- 1.\_\_\_\_ We assure CMS that GME payments are included from base year data.
  - 2.\_\_\_\_ We assure CMS that GME payments are included from the base year data using an adjustment. (Please describe adjustment.)
  - 3.\_\_\_\_ Other (please describe):
- If GME rates or the GME payment method has changed since the Base Year data was completed, the Base Year data should be adjusted to reflect this change and the State needs to estimate the impact of that adjustment and account for it in **Appendix D5**.
- 1.\_\_\_\_ GME adjustment was made.
    - i.\_\_\_\_ GME rates or payment method changed in the period between the end of the BY and the beginning of P1 (please describe).
    - ii.\_\_\_\_ GME rates or payment method is projected to change in the period between the beginning of P1 and the end of P2 (please describe).
  - 2.\_\_\_\_ No adjustment was necessary and no change is anticipated.

*Method:*

1. \_\_\_ Determine GME adjustment based upon a newly approved State Plan Amendment (SPA).
2. \_\_\_ Determine GME adjustment based on a pending SPA.
3. \_\_\_ Determine GME adjustment based on currently approved GME SPA.
4. \_\_\_ Other (please describe):

- g. **Payments / Recoupments not Processed through MMIS Adjustment:** Any payments or recoupments for covered Medicaid State Plan services included in the waiver but processed outside of the MMIS system should be included in the Waiver Cost Projection. Any adjustments that would appear on the CMS-64.9 Waiver form should be reported and adjusted here. Any adjustments that would appear on the CMS summary form (line 9) would not be put into the waiver cost-effectiveness (e.g., TPL, probate, fraud and abuse). Any payments or recoupments made should be accounted for in **Appendix D5**.

1. \_\_\_ Payments outside of the MMIS were made. Those payments include (please describe):
2. \_\_\_ Recoupments outside of the MMIS were made. Those recoupments include (please describe):
3. \_\_\_ The State had no recoupments/payments outside of the MMIS.

- h. **Copayments Adjustment:** This adjustment accounts for any copayments that are collected under the FFS program but will not be collected in the waiver program. States must ensure that these copayments are included in the Waiver Cost Projection if not to be collected in the capitated program.

*Basis and Method:*

1. \_\_\_ Claims data used for Waiver Cost Projection development already included copayments and no adjustment was necessary.
2. \_\_\_ State added estimated amounts of copayments for these services in FFS that were not in the capitated program. Please account for this adjustment in Appendix D5.
3. \_\_\_ The State has not to made an adjustment because the same copayments are collected in managed care and FFS.
4. \_\_\_ Other (please describe):

If the State's FFS copayment structure has changed in the period between the end of the BY and the beginning of P1, the State needs to estimate the impact of this change adjustment.

1. \_\_\_ No adjustment was necessary and no change is anticipated.
2. \_\_\_ The copayment structure changed in the period between the end of the BY and the beginning of P1. Please account for this adjustment in Appendix D5.

*Method:*

1. \_\_\_ Determine copayment adjustment based upon a newly approved State Plan Amendment (SPA).
2. \_\_\_ Determine copayment adjustment based on pending SPA.
3. \_\_\_ Determine copayment adjustment based on currently approved copayment SPA.
4. \_\_\_ Other (please describe):

- i. **Third Party Liability (TPL) Adjustment:** This adjustment should be used only if the State is converting from fee-for-service to capitated managed care, and will delegate the collection and retention of TPL payments for post-pay recoveries to the MCO/PIHP/PAHP. If the MCO/PIHP/PAHP will collect and keep TPL, then the Base Year costs should be reduced by the amount to be collected.

*Basis and method:*

1. \_\_\_ No adjustment was necessary
2. \_\_\_ Base Year costs were cut with post-pay recoveries already deducted from the database.
3. \_\_\_ State collects TPL on behalf of MCO/PIHP/PAHP enrollees
4. \_\_\_ The State made this adjustment: \*
  - i. \_\_\_ Post-pay recoveries were estimated and the base year costs were reduced by the amount of TPL to be collected by MCOs/PIHPs/PAHPs. Please account for this adjustment in **Appendix D5.**
  - ii. \_\_\_ Other (please describe):

- j. **Pharmacy Rebate Factor Adjustment** : Rebates that States receive from drug manufacturers should be deducted from Base Year costs if pharmacy services are included in the fee-for-service or capitated base. If the base year costs are not reduced by the rebate factor, an inflated BY would result. Pharmacy rebates should also be deducted from FFS costs if pharmacy services are impacted by the waiver but not capitated.

*Basis and Method:*

1. \_\_\_ Determine the percentage of Medicaid pharmacy costs that the rebates represent and adjust the base year costs by this percentage. States may want to make separate adjustments for prescription versus over the counter drugs and for different rebate percentages by population. States may assume that the rebates for the targeted population occur in the same proportion as the rebates for the total Medicaid population *which includes accounting for Part D dual eligibles*. Please account for this adjustment in **Appendix D5**.
  2. \_\_\_ The State has not made this adjustment because pharmacy is not an included capitation service and the capitated contractor's providers do not prescribe drugs that are paid for by the State in FFS *or Part D for the dual eligibles*.
  3. \_\_\_ Other (please describe):
- k. **Disproportionate Share Hospital (DSH) Adjustment:** Section 4721 of the BBA specifies that DSH payments must be made solely to hospitals and not to MCOs/PIHPs/PAHPs. Section 4721(c) permits an exemption to the direct DSH payment for a limited number of States. If this exemption applies to the State, please identify and describe under "Other" including the supporting documentation. Unless the exemption in Section 4721(c) applies or the State has a FFS-only waiver (e.g., selective contracting waiver for hospital services where DSH is specifically included), DSH payments are not to be included in cost-effectiveness calculations.
1. \_\_\_ We assure CMS that DSH payments are excluded from base year data.
  2. \_\_\_ We assure CMS that DSH payments are excluded from the base year data using an adjustment.
  3. \_\_\_ Other (please describe):

1. **Population Biased Selection Adjustment** (Required for programs with Voluntary Enrollment): Cost-effectiveness calculations for waiver programs with voluntary populations must include an analysis of the population that can be expected to enroll in the waiver. If the State finds that the population most likely to enroll in the waiver differs significantly from the population that will voluntarily remain in FFS, the Base Year costs must be adjusted to reflect this.
  1. \_\_\_ This adjustment is not necessary as there are no voluntary populations in the waiver program.
  2. \_\_\_ This adjustment was made:
    - a. \_\_\_ Potential Selection bias was measured in the following manner:
    - b. \_\_\_ The base year costs were adjusted in the following manner:
  
- m. **FQHC and RHC Cost-Settlement Adjustment:** Base Year costs should not include cost-settlement or supplemental payments made to FQHCs/RHCs. The Base Year costs should reflect fee-for-service payments for services provided at these sites, which will be built into the capitated rates.
  1. \_\_\_ We assure CMS that FQHC/RHC cost-settlement and supplemental payments are excluded from the Base Year costs. Payments for services provided at FQHCs/RHCs are reflected in the following manner:
  2. \_\_\_ We assure CMS that FQHC/RHC cost-settlement and supplemental payments are excluded from the base year data using an adjustment.
  3. \_\_\_ *We assure CMS that Medicare Part D coverage has been accounted for in the FQHC/RHC adjustment.*
  4. \_\_\_ Other (please describe):

**Special Note section:**

**Waiver Cost Projection Reporting: Special note for new capitated programs:**

The State is implementing the first year of a new capitated program (converting from fee-for-service reimbursement). The first year that the State implements a capitated program, the State will be making capitated payments for future services while it is reimbursing FFS claims from retrospective periods. This will cause State expenditures in the initial period to be much higher than usual. In order to adjust for this double payment, the State should not use the first quarter of costs (immediately following implementation) from the CMS-64 to calculate future Waiver Cost Projections, unless the State can distinguish and exclude dates of services prior to the implementation of the capitated program.

- a. \_\_\_ The State has excluded the first quarter of costs of the CMS-64 from the cost-effectiveness calculations and is basing the cost-effectiveness projections on the remaining quarters of data.
- b. \_\_\_ The State has included the first quarter of costs in the CMS-64 and excluded claims for dates of services prior to the implementation of the capitated program.

**Special Note for initial combined waivers (Capitated and PCCM) only:**  
**Adjustments Unique to the Combined Capitated and PCCM Cost-effectiveness Calculations** -- Some adjustments to the Waiver Cost Projection are applicable only to the capitated program. When these adjustments are taken, there will need to be an offsetting adjustment to the PCCM Base year Costs in order to make the PCCM costs comparable to the Waiver Cost Projection. **In other words, because we are creating a single combined Waiver Cost Projection applicable to the PCCM and capitated waiver portions of the waiver, offsetting adjustments (positive and/or negative) need to be made to the PCCM Actual Waiver Cost for certain *capitated-only* adjustments.** When an offsetting adjustment is made, please note and include an explanation and your calculations. The most common offsetting adjustment is noted in the chart below and indicated with an asterisk (\*) in the preprint.

Adjustment	Capitated Program	PCCM Program
Administrative Adjustment	The Capitated Waiver Cost Projection includes an administrative cost adjustment. That adjustment is added into the combined Waiver Cost Projection adjustment. (This in effect adds an amount for administration to the Waiver Cost Projection for both the PCCM and Capitated program. You must now remove the impermissible costs from the PCCM With Waiver Calculations -- See the next column)	The PCCM Actual Waiver Cost must include an exact offsetting addition of the amount of the PMPM Waiver Cost Projection adjustment. (While this may seem counter-intuitive, adding the exact amount to the PCCM PMPM Actual Waiver Cost will subtract out of the equation: PMPM Waiver Cost Projection – PMPM Actual Waiver Cost = PMPM Cost-effectiveness).

- n. **Incomplete Data Adjustment (DOS within DOP only)**– The State must adjust base period data to account for incomplete data. When fee-for-service data is summarized by date of service (DOS), data for a particular period of time is usually incomplete until a year or more after the end of the period. In order to use recent DOS data, the State must calculate an estimate of the services ultimate value after all claims have been reported . Such incomplete data adjustments are referred to in different ways, including “lag factors,” “incurred but not reported (IBNR) factors,” or incurring factors. If date of payment (DOP) data is used,

completion factors are not needed, but projections are complicated by the fact that payments are related to services performed in various former periods.

*Documentation of assumptions and estimates is required for this adjustment.*

1. \_\_\_ Using the special DOS spreadsheets, the State is estimating DOS within DOP. Incomplete data adjustments are reflected in the following manner on **Appendix D5** for services to be complete and on **Appendix D7** to create a 12-month DOS within DOP projection:
  2. \_\_\_ The State is using Date of Payment only for cost-effectiveness – no adjustment is necessary.
  3. \_\_\_ Other (please describe):
- o. **PCCM Case Management Fees (Initial PCCM waivers only)** – The State must add the case management fees that will be claimed by the State under new PCCM waivers. There should be sufficient savings under the waiver to offset these fees. The new PCCM case management fees will be accounted for with an adjustment on **Appendix D5**.
1. \_\_\_ This adjustment is not necessary as this is not an initial PCCM waiver in the waiver program.
  2. \_\_\_ This adjustment was made in the following manner:
- p. **Other adjustments:** Federal law, regulation, or policy change: If the federal government changes policy affecting Medicaid reimbursement, the State must adjust P1 and P2 to reflect all changes.
- Once the State’s FFS institutional excess UPL is phased out, CMS will no longer match excess institutional UPL payments.
    - ◆ Excess payments addressed through transition periods should not be included in the 1915(b) cost-effectiveness process. Any State with excess payments should exclude the excess amount and only include the supplemental amount under 100% of the institutional UPL in the cost effectiveness process.
    - ◆ For all other payments made under the UPL, including supplemental payments, the costs should be included in the cost effectiveness calculations. This would apply to PCCM enrollees and to PAHP, PIHP or MCO enrollees if the institutional services were provided as FFS wrap-around. The recipient of the supplemental payment does not matter for the purposes of this analysis.
1. \_\_\_ **X** No adjustment was made.
  2. \_\_\_ This adjustment was made (Please describe) This adjustment must be mathematically accounted for in **Appendix D5**.

**J. Appendix D4 -- Conversion or Renewal Waiver Cost Projection and Adjustments.**

If this is an Initial waiver submission, skip this section: States may need to make certain adjustments to the Waiver Cost Projection in order to accurately reflect the waiver program. If the State has made an adjustment to its Waiver Cost Projection, the State should note the adjustment and its location in **Appendix D4**, and include information on the basis and method, and mathematically account for the adjustment in **Appendix D5**.

CMS should examine the Actual Waiver Costs to ensure that if the State did not implement a programmatic adjustment built into the previous Waiver Cost Projection, that the State did not expend funds associated with the adjustment that was not implemented.

If the State implements a one-time only provision in its managed care program (typically administrative costs), the State should not reflect the adjustment in a permanent manner. CMS should examine future Waiver Cost Projections to ensure one-time-only adjustments are not permanently incorporated into the projections.

- a. **State Plan Services Trend Adjustment** – the State must trend the data forward to reflect cost and utilization increases. The R1 and R2 (BY for conversion) data already include the actual Medicaid cost changes for the population enrolled in the program. This adjustment reflects the expected cost and utilization increases in the managed care program from R2 (BY for conversion) to the end of the waiver (P2). Trend adjustments may be service-specific and expressed as percentage factors. Some states calculate utilization and cost separately, while other states calculate a single trend rate. The State must document the method used and how utilization and cost increases are not duplicative if they are calculated separately. **This adjustment must be mutually exclusive of programmatic/policy/pricing changes and CANNOT be taken twice. The State must document how it ensures there is no duplication with programmatic/policy/pricing changes.**

1. \_\_\_ [Required, if the State’s BY or R2 is more than 3 months prior to the beginning of P1] The State is using actual State cost increases to trend past data to the current time period (*i.e., trending from 1999 to present*) The actual trend rate used is: \_\_\_\_\_. Please document how that trend was calculated:
2. \_\_\_ [Required, to trend BY/R2 to P1 and P2 in the future] When cost increases are unknown and in the future, the State is using a predictive trend of either State historical cost increases or national or regional factors that are predictive of future costs (same requirement as capitated ratesetting regulations) (*i.e., trending from present into the future*).

- i. \_\_\_\_ State historical cost increases. Please indicate the years on which the rates are based: base years\_\_\_\_\_. In addition, please indicate the mathematical method used (multiple regression, linear regression, chi-square, least squares, exponential smoothing, etc.). Finally, please note and explain if the State's cost increase calculation includes more factors than a price increase such as changes in technology, practice patterns, and/or units of service PMPM.
    - ii. \_\_\_\_ National or regional factors that are predictive of this waiver's future costs. Please indicate the services and indicators used \_\_\_\_\_. In addition, please indicate how this factor was determined to be predictive of this waiver's future costs. Finally, please note and explain if the State's cost increase calculation includes more factors than a price increase such as changes in technology, practice patterns, and/or units of service PMPM.
  3. \_\_\_\_ The State estimated the PMPM cost changes in units of service, technology and/or practice patterns that would occur in the waiver separate from cost increase. Utilization adjustments made were service-specific and expressed as percentage factors. The State has documented how utilization and cost increases were not duplicated. This adjustment reflects the changes in utilization between R2 and P1 and between years P1 and P2.
    - i. Please indicate the years on which the utilization rate was based (if calculated separately only).
    - ii. Please document how the utilization did not duplicate separate cost increase trends.
- b. \_\_\_\_ **State Plan Services Programmatic/Policy/Pricing Change Adjustment:**

These adjustments should account for any programmatic changes that are not cost neutral and that affect the Waiver Cost Projection. For example, changes in rates, changes brought about by legal action, or changes brought about by legislation. For example, Federal mandates, changes in hospital payment from per diem rates to Diagnostic Related Group (DRG) rates or changes in the benefit coverage of the FFS program. **This adjustment must be mutually exclusive of trend and CANNOT be taken twice. The State must document how it ensures there is no duplication with trend.** If the State is changing one of the aspects noted above in the FFS State Plan then the State needs to estimate the impact of that adjustment. *Note: FFP on rates cannot be claimed until CMS approves the SPA per the 1/2/01 SMD letter. Prior approval of capitation rates is contingent upon approval of the SPA.* The R2 data was adjusted for changes that will occur after the R2 (BY for conversion) and during P1 and P2 that affect the overall Medicaid program.

Others:

  - Additional State Plan Services (+)
  - Reductions in State Plan Services (-)

- Legislative or Court Mandated Changes to the Program Structure or fee schedule not accounted for in Cost increase or pricing (+/-)
  - Graduate Medical Education (GME) Changes - This adjustment accounts for **changes** in any GME payments in the program. 42 CFR 438.6(c)(5) specifies that States can include or exclude GME payments from the capitation rates. However, GME payments must be included in cost-effectiveness calculations.
  - Copayment Changes - This adjustment accounts for changes from R2 to P1 in any copayments that are collected under the FFS program, but not collected in the MCO/PIHP/PAHP capitated program. States must ensure that these copayments are included in the Waiver Cost Projection if not to be collected in the capitated program. If the State is changing the copayments in the FFS program then the State needs to estimate the impact of that adjustment.
1. \_\_\_ The State has chosen not to make an adjustment because there were no programmatic or policy changes in the FFS program after the MMIS claims tape was created. In addition, the State anticipates no programmatic or policy changes during the waiver period.
  2. \_\_\_ An adjustment was necessary and is listed and described below:
    - i. \_\_\_ The State projects an externally driven State Medicaid managed care rate increases/decreases between the base and rate periods. For each change, please report the following:
      - A. \_\_\_ The size of the adjustment was based upon a newly approved State Plan Amendment (SPA). PMPM size of adjustment \_\_\_\_\_
      - B. \_\_\_ The size of the adjustment was based on pending SPA. Approximate PMPM size of adjustment \_\_\_\_\_
      - C. \_\_\_ Determine adjustment based on currently approved SPA. PMPM size of adjustment \_\_\_\_\_
      - D. \_\_\_ *Determine adjustment for Medicare Part D dual eligibles.***
      - E. \_\_\_ Other (please describe):**
    - ii. \_\_\_ The State has projected no externally driven managed care rate increases/decreases in the managed care rates.
    - iii. \_\_\_ The adjustment is a one-time only adjustment that should be deducted out of subsequent waiver renewal projections (i.e., start-up costs). Please explain:
    - iv. \_\_\_ Changes brought about by legal action (please describe): For each change, please report the following:
      - A. \_\_\_ The size of the adjustment was based upon a newly approved State Plan Amendment (SPA). PMPM size of adjustment \_\_\_\_\_
      - B. \_\_\_ The size of the adjustment was based on pending SPA. Approximate PMPM size of adjustment \_\_\_\_\_

- C. \_\_\_ Determine adjustment based on currently approved SPA.  
PMPM size of adjustment \_\_\_\_\_
  - D. \_\_\_ Other (please describe):
  - v. \_\_\_ Changes in legislation (please describe):  
For each change, please report the following:
    - A. \_\_\_ The size of the adjustment was based upon a newly approved State Plan Amendment (SPA). PMPM size of adjustment \_\_\_\_\_
    - B. \_\_\_ The size of the adjustment was based on pending SPA.  
Approximate PMPM size of adjustment \_\_\_\_\_
    - C. \_\_\_ Determine adjustment based on currently approved SPA.  
PMPM size of adjustment \_\_\_\_\_
    - D. \_\_\_ Other (please describe):
  - vi. \_\_\_ Other (please describe):
    - A. \_\_\_ The size of the adjustment was based upon a newly approved State Plan Amendment (SPA). PMPM size of adjustment \_\_\_\_\_
    - B. \_\_\_ The size of the adjustment was based on pending SPA.  
Approximate PMPM size of adjustment \_\_\_\_\_
    - C. \_\_\_ Determine adjustment based on currently approved SPA.  
PMPM size of adjustment \_\_\_\_\_
    - D. \_\_\_ Other (please describe):
- c. \_\_\_ **Administrative Cost Adjustment:** This adjustment accounts for **changes** in the managed care program. The administrative expense factor in the renewal is based on the administrative costs for the eligible population participating in the waiver for managed care. Examples of these costs include per claim claims processing costs, additional per record PRO review costs, and additional Surveillance and Utilization Review System (SURS) costs; as well as actuarial contracts, consulting, encounter data processing, independent assessments, EQRO reviews, etc. *Note: one-time administration costs should not be built into the cost-effectiveness test on a long-term basis. States should use all relevant Medicaid administration claiming rules for administration costs they attribute to the managed care program.* If the State is changing the administration in the managed care program then the State needs to estimate the impact of that adjustment.
- 1. \_\_\_ No adjustment was necessary and no change is anticipated.
  - 2. \_\_\_ An administrative adjustment was made.
    - i. \_\_\_ Administrative functions will change in the period between the beginning of P1 and the end of P2. Please describe:
    - ii. \_\_\_ Cost increases were accounted for.
      - A. \_\_\_ Determine administration adjustment based upon an approved contract or cost allocation plan amendment (CAP).

- B. \_\_\_ Determine administration adjustment based on pending contract or cost allocation plan amendment (CAP).
  - C. \_\_\_ State Historical State Administrative Inflation. The actual trend rate used is: \_\_\_\_\_. Please document how that trend was calculated:
  - D. \_\_\_ Other (please describe):
- iii. \_\_\_ [Required, when State Plan services were purchased through a sole source procurement with a governmental entity. No other State administrative adjustment is allowed.] If cost increase trends are unknown and in the future, the State must use the lower of: Actual State administration costs trended forward at the State historical administration trend rate or Actual State administration costs trended forward at the State Plan services trend rate. Please document both trend rates and indicate which trend rate was used.
- A. Actual State Administration costs trended forward at the State historical administration trend rate. Please indicate the years on which the rates are based: base years \_\_\_\_\_. In addition, please indicate the mathematical method used (multiple regression, linear regression, chi-square, least squares, exponential smoothing, etc.). Finally, please note and explain if the State's cost increase calculation includes more factors than a price increase.
  - B. Actual State Administration costs trended forward at the State Plan Service Trend rate. Please indicate the State Plan Service trend rate from **Section D.I.J.a.** above \_\_\_\_\_.
- d. **1915(b)(3) Trend Adjustment:** The State must document the amount of 1915(b)(3) services in the R1/R2/BY **Section D.I.H.a** above. The R1/R2/BY already includes the actual trend for the 1915(b)(3) services in the program. This adjustment reflects the expected trend in the 1915(b)(3) services between the R2/BY and P1 of the waiver and the trend between the beginning of the program (P1) and the end of the program (P2). Trend adjustments may be service-specific and expressed as percentage factors.
1. \_\_\_ [Required, if the State's BY or R2 is more than 3 months prior to the beginning of P1 to trend BY or R2 to P1] The State is using the actual State historical trend to project past data to the current time period (*i.e., trending from 1999 to present*). The actual documented trend is: \_\_\_\_\_. Please provide documentation.

- 2.\_\_\_\_ [Required, when the State’s BY or R2 is trended to P2. No other 1915(b)(3) adjustment is allowed] If trends are unknown and in the future (*i.e., trending from present into the future*), the State must use the lower of State historical 1915(b)(3) trend or the State’s trend for State Plan Services. Please document both trend rates and indicate which trend rate was used.
- i. State historical 1915(b)(3) trend rates
    1. Please indicate the years on which the rates are based: base years\_\_\_\_\_
    2. Please indicate the mathematical method used (multiple regression, linear regression, chi-square, least squares, exponential smoothing, etc.):
  - ii. State Plan Service Trend
    1. Please indicate the State Plan Service trend rate from **Section D.I.J.a.** above \_\_\_\_\_.
- e. **Incentives (not in capitated payment) Trend Adjustment:** Trend is limited to the rate for State Plan services.
1. List the State Plan trend rate by MEG from **Section D.I.J.a** \_\_\_\_\_
  2. List the Incentive trend rate by MEG if different from **Section D.I.J.a.** \_\_\_\_\_
  3. Explain any differences:
- f. **Other Adjustments** including but not limited to federal government changes. (Please describe):
- If the federal government changes policy affecting Medicaid reimbursement, the State must adjust P1 and P2 to reflect all changes.
  - Once the State’s FFS institutional excess UPL is phased out, CMS will no longer match excess institutional UPL payments.
    - ◆ Excess payments addressed through transition periods should not be included in the 1915(b) cost-effectiveness process. Any State with excess payments should exclude the excess amount and only include the supplemental amount under 100% of the institutional UPL in the cost effectiveness process.
    - ◆ For all other payments made under the UPL, including supplemental payments, the costs should be included in the cost effectiveness calculations. This would apply to PCCM enrollees and to PAHP, PIHP or MCO enrollees if the institutional services were provided as FFS wrap-around. The recipient of the supplemental payment does not matter for the purposes of this analysis.
  - **Pharmacy Rebate Factor Adjustment (Conversion Waivers Only)\*:** Rebates that States receive from drug manufacturers should be deducted from Base Year costs if pharmacy services are included in the

capitated base. If the base year costs are not reduced by the rebate factor, an inflated BY would result. Pharmacy rebates should also be deducted from FFS costs if pharmacy services are impacted by the waiver but not capitated.

*Basis and Method:*

1. \_\_\_ Determine the percentage of Medicaid pharmacy costs that the rebates represent and adjust the base year costs by this percentage. States may want to make separate adjustments for prescription versus over the counter drugs and for different rebate percentages by population. States may assume that the rebates for the targeted population occur in the same proportion as the rebates for the total Medicaid population *which includes accounting for Part D dual eligibles*. Please account for this adjustment in **Appendix D5**.
2. \_\_\_ The State has not made this adjustment because pharmacy is not an included capitation service and the capitated contractor's providers do not prescribe drugs that are paid for by the State in FFS *or Part D for the dual eligibles*.
3. \_\_\_ Other (please describe):

1. \_\_\_ No adjustment was made.

2. \_\_\_ This adjustment was made (Please describe). This adjustment must be mathematically accounted for in **Appendix D5**.

**K. Appendix D5 – Waiver Cost Projection**

The State should complete these appendices and include explanations of all adjustments in **Section D.I.I and D.I.J** above.

**L. Appendix D6 – RO Targets**

The State should complete these appendices and include explanations of all trends in enrollment in **Section D.I.E.** above.

**M. Appendix D7 – Summary**

- a. Please explain any variance in the overall percentage change in spending from BY/R1 to P2.
  1. Please explain caseload changes contributing to the overall annualized rate of change in **Appendix D7 Column I**. This response should be consistent with or the same as the answer given by the State in **Section D.I.E.c & d**:

**There is a growth in the children's caseload.**

2. Please explain unit cost changes contributing to the overall annualized rate of change in **Appendix D7 Column I**. This response should be consistent with or the same as the answer given by the State in the State's explanation of cost increase given in **Section D.I.I and D.I.J: None**.
3. Please explain utilization changes contributing to the overall annualized rate of change in **Appendix D7 Column I**. This response should be consistent with or the same as the answer given by the State in the State's explanation of utilization given in **Section D.I.I and D.I.J: None**.

Please note any other principal factors contributing to the overall annualized rate of change in **Appendix D7 Column I**. **None**.

## **Section D – Cost-Effectiveness**

### **Part II: Appendices D.1-7**

Please see attached Excel spreadsheets.

Row # / Column Letter

B C D E F G H I J K L M N O

Quarterly CMS Targets for RO CMS-64 Review PCCM I/P Initial Waiver  
State of Texas

Projected Year 1

Medicaid Eligibility Group (MEG)	Total Projected Year 1 Member Months (P1)	P1 Projected PMPM Costs (Totals weighted on Projected Year 1 Member Months)					Total PMPM Projected Service Costs (Column H-G)
		Total PMPM State Plan Service Cost Projection	Total PMPM Incentive Cost Projection	Total PMPM 1915(b)(3) Service Cost Projection	Total PMPM Administration Cost Projection	Total PMPM Projected Waiver Costs	
PCCM IP	8,598,296	\$ 74.49	\$ -	\$ 0.00	\$ 6.47	\$ 80.96	\$ 74.49
<b>Total</b>	<b>8,598,296</b>						
<b>P1 PMPM Casemix for P1 (P1 MMs)</b>		<b>\$ 74.49</b>	<b>\$ -</b>	<b>\$ 0.00</b>	<b>\$ 6.47</b>	<b>\$ 80.96</b>	

Medicaid Eligibility Group (MEG)	Q1 Quarterly Projected Costs			Q2 Quarterly Projected Costs			Q3 Quarterly Projected Costs			Q4 Quarterly Projected Costs			Total P1 Projected Waiver Costs
	Member Months Projections	64.9WAV/64.21UWAV Service Costs include incentives	64.10 WAV Administration Costs	Member Months Projections	64.9WAV/64.21UWAV Service Costs include incentives	64.10 WAV Administration Costs	Member Months Projections	64.9WAV/64.21UWAV Service Costs include incentives	64.10 WAV Administration Costs	Member Months Projections	64.9WAV/64.21UWAV Service Costs include incentives	64.10 WAV Administration Costs	
PCCM IP	2,136,245	\$ 159,118,876.79	\$ 13,821,218.81	2,140,322	\$ 159,422,553.40	\$ 13,847,596.45	2,151,661	\$ 160,267,142.37	\$ 13,920,958.27	2,170,068	\$ 161,638,193.52	\$ 14,040,049.09	\$ 696,076,588.69
<b>Total</b>	<b>2,136,245</b>	<b>\$ 159,118,876.79</b>	<b>\$ 13,821,218.81</b>	<b>2,140,322</b>	<b>\$ 159,422,553.40</b>	<b>\$ 13,847,596.45</b>	<b>2,151,661</b>	<b>\$ 160,267,142.37</b>	<b>\$ 13,920,958.27</b>	<b>2,170,068</b>	<b>\$ 161,638,193.52</b>	<b>\$ 14,040,049.09</b>	<b>\$ 696,076,588.69</b>

Projected Year 2

Medicaid Eligibility Group (MEG)	Total Projected Year 2 Member Months (P2)	P2 Projected PMPM Costs (Totals weighted on Projected Year 2 Member Months)					Total PMPM Projected Service Costs (Column H-G)
		Total PMPM State Plan Service Cost Projection	Total PMPM Incentive Cost Projection	Total PMPM 1915(b)(3) Service Cost Projection	Total PMPM Administration Cost Projection	Total PMPM Projected Waiver Costs	
PCCM IP	8,887,160	\$ 77.73	\$ -	\$ 0.00	\$ 6.66	\$ 84.39	\$ 77.73
<b>Total</b>	<b>8,887,160</b>						
<b>P2 PMPM Casemix for P2 (P2 MMs)</b>		<b>\$ 77.73</b>	<b>\$ -</b>	<b>\$ 0.00</b>	<b>\$ 6.66</b>	<b>\$ 84.39</b>	

Medicaid Eligibility Group (MEG)	Q5 Quarterly Projected Costs			Q6 Quarterly Projected Costs			Q7 Quarterly Projected Costs			Q8 Quarterly Projected Costs			Total P2 Projected Waiver Costs
	Member Months Projections	64.9WAV/64.21UWAV Service Costs include incentives	64.10 WAV Administration Costs	Member Months Projections	64.9WAV/64.21UWAV Service Costs include incentives	64.10 WAV Administration Costs	Member Months Projections	64.9WAV/64.21UWAV Service Costs include incentives	64.10 WAV Administration Costs	Member Months Projections	64.9WAV/64.21UWAV Service Costs include incentives	64.10 WAV Administration Costs	
PCCM IP	2,185,512	\$ 169,869,846.09	\$ 14,564,168.79	2,202,615	\$ 171,199,184.01	\$ 14,678,142.53	2,235,005	\$ 173,716,710.48	\$ 14,893,988.26	2,264,028	\$ 175,972,535.45	\$ 15,087,396.42	\$ 749,981,972.03
<b>Total</b>	<b>2,185,512</b>	<b>\$ 169,869,846.09</b>	<b>\$ 14,564,168.79</b>	<b>2,202,615</b>	<b>\$ 171,199,184.01</b>	<b>\$ 14,678,142.53</b>	<b>2,235,005</b>	<b>\$ 173,716,710.48</b>	<b>\$ 14,893,988.26</b>	<b>2,264,028</b>	<b>\$ 175,972,535.45</b>	<b>\$ 15,087,396.42</b>	<b>\$ 749,981,972.03</b>

P Q R S T U

**Quarterly CMS Targets for RO CMS-64 Review Renewal**

**State of Texas**

Projection for Upcoming PCCM I/P Waiver Period  
 Projections for RO CMS-64 Certification - Aggregate Cost

Projected Year 1 - 01/01/08 - 12/31/08

Waiver Form	Medicaid Eligibility Group (MEG)	Q1 Quarterly Projected Costs Start 1/1/2008	Q2 Quarterly Projected Costs Start 4/1/2008	Q3 Quarterly Projected Costs Start 7/1/2008	Q4 Quarterly Projected Costs Start 10/1/2008
64.9 Waiver Form	PCCM I/P	\$ 159,118,876.79	\$ 159,422,553.40	\$ 160,267,142.37	\$ 161,638,193.52
64.10 Waiver Form		\$ 13,821,218.81	\$ 13,847,596.45	\$ 13,920,958.27	\$ 14,040,049.09

Projected Year 2 - 01/01/09 - 12/31/09

Waiver Form	Medicaid Eligibility Group (MEG)	Q5 Quarterly Projected Costs Start 1/1/2009	Q6 Quarterly Projected Costs Start 4/1/2009	Q7 Quarterly Projected Costs Start 7/1/2009	Q8 Quarterly Projected Costs Start 10/1/2009
64.9 Waiver Form	PCCM I/P	\$ 169,869,846.09	\$ 171,199,184.01	\$ 173,716,710.48	\$ 175,972,535.45
64.10 Waiver Form		\$ 14,564,168.79	\$ 14,678,142.53	\$ 14,893,988.26	\$ 15,087,396.42

V W X Y Z AA AB AC AD AE AF AG AH AI

Quarterly CMS Targets for RO Cost-Effectiveness Monitoring

State of Texas

Projection for Upcoming PCCM IP Waiver Period

Worksheet for RO PMPM Cost-Effectiveness Monitoring

Projected Year 1 -01/01/08 - 12/31/08

Waiver Form	Medicaid Eligibility Group (MEG)	State Completion Section - For Waiver Submission													
		P1 Projected PMPM From Column I (services) From Column G (Administration)			RO Completion Section - For ongoing monitoring			RO Completion Section - For ongoing monitoring			RO Completion Section - For ongoing monitoring				
64.9 Waiver Form	PCCM I/P	\$	74.4												
64.10 Waiver Form	All MEGS	\$	6.4												

  

Waiver Form	Medicaid Eligibility Group (MEG)	Q1 Quarterly Actual Costs			Q2 Quarterly Actual Costs			Q3 Quarterly Actual Costs			Q4 Quarterly Actual Costs		
		Member Months Actuals Start 1/1/2008	Actual Aggregate Waiver Form Costs	Actual PMPM Costs	Member Months Actuals Start 4/1/2008	Actual Aggregate Waiver Form Costs	Actual PMPM Costs	Member Months Actuals Start 7/1/2008	Actual Aggregate Waiver Form Costs	Actual PMPM Costs	Member Months Actuals Start 10/1/2008	Actual Aggregate Waiver Form Costs	Actual PMPM Costs
64.9 Waiver Form	PCCM I/P			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
64.10 Waiver Form	All MEGS			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!

Projected Year 2 - 01/01/09 - 12/31/09

Waiver Form	Medicaid Eligibility Group (MEG)	State Completion Section - For Waiver Submission											
		P1 Projected PMPM From Column I (services) From Column G (Administration)			RO Completion Section - For ongoing monitoring			RO Completion Section - For ongoing monitoring			RO Completion Section - For ongoing monitoring		
64.9 Waiver Form	PCCM I/P	\$	77.7										
64.10 Waiver Form	All MEGS	\$	6.6										

  

Waiver Form	Medicaid Eligibility Group (MEG)	Q5 Quarterly Actual Costs			Q6 Quarterly Actual Costs			Q7 Quarterly Actual Costs			Q8 Quarterly Actual Costs		
		Member Months Actuals Start 1/1/2009	Actual Aggregate Waiver Form Costs	Actual PMPM Costs	Member Months Actuals Start 4/1/2009	Actual Aggregate Waiver Form Costs	Actual PMPM Costs	Member Months Actuals Start 7/1/2009	Actual Aggregate Waiver Form Costs	Actual PMPM Costs	Member Months Actuals Start 10/1/2009	Actual Aggregate Waiver Form Costs	Actual PMPM Costs
64.9 Waiver Form	PCCM I/P			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!
64.10 Waiver Form	All MEGS			#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!

# Attachment A

## PCCM Counties

Anderson	Culberson	Hill	Menard	Somervell
Andrews	Dallam	Hopkins	Midland	Starr
Angelina	Dawson	Houston	Milam	Stephens
Archer	Deaf Smith	Howard	Mills	Sterling
Armstrong	Delta	Hudspeth	Mitchell	Stonewall
Austin	DeWitt	Hutchinson	Montague	Sutton
Bailey	Dickens	Irion	Moore	Swisher
Bandera	Dimmit	Jack	Morris	Taylor
Baylor	Donley	Jackson	Motley	Terrell
Bell	Duval	Jasper	Nacogdoches	Throckmorton
Blanco	Eastland	Jeff Davis	Newton	Titus
Borden	Ector	Jefferson	Nolan	Tom Green
Bosque	Edwards	Jim Hogg	Ochiltree	Trinity
Bowie	Erath	Jones	Oldham	Tyler
Brazos	Falls	Karnes	Orange	Upshur
Brewster	Fannin	Kenedy	Palo Pinto	Upton
Briscoe	Fayette	Kent	Panola	Uvalde
Brooks	Fisher	Kerr	Parmer	Val Verde
Brown	Foard	Kimble	Pecos	Van Zandt
Burleson	Franklin	King	Polk	Walker
Callahan	Freestone	Kinney	Potter	Ward
Cameron	Frio	Knox	Presidio	Washington
Camp	Gaines	Lamar	Rains	Webb
Carson	Gillespie	Lampasas	Randall	Wharton
Cass	Glasscock	LaSalle	Reagan	Wheeler
Castro	Goliad	Lavaca	Real	Wichita
Chambers	Gonzales	Leon	Red River	Wilbarger
Cherokee	Gray	Liberty	Reeves	Willacy
Childress	Grayson	Limestone	Roberts	Winkler
Clay	Gregg	Lipscomb	Robertson	Wood
Cochran	Grimes	Live Oak	Runnels	Yoakum
Coke	Hall	Llano	Rusk	Young
Coleman	Hamilton	Loving	Sabine	Zapata
Collingsworth	Hansford	Madison	San Augustine	Zavala
Colorado	Hardeman	Marion	San Jacinto	
Comanche	Hardin	Martin	San Saba	
Concho	Harrison	Mason	Schleicher	
Cooke	Hartley	Matagorda	Scurry	
Coryell	Haskell	Maverick	Shackelford	
Cottle	Hemphill	McCulloch	Shelby	
Crane	Henderson	McLennan	Sherman	
Crockett	Hidalgo	McMullen	Smith	

Attachment B

PCCM Access to Measures  
Client Access Within 30 Miles

HHS REGION	TOTAL CLIENTS	TOTAL CHILD	# Child w/PCP in 30 miles	% Child w/PCP in 30 miles	# Child w/o PCP in 30 miles	% Child w/o PCP in 30 miles	TOTAL ADULTS	# Adult w/PCP in 30 miles	% Adult w/PCP in 30 miles	# Adult w/o PCP in 30 miles	%Adult w/o PCP in 30 miles	TOTAL CLIENTS	# Clients w/hospital - 30 miles	% Clients w/hospital - 30 miles	# Clients w/o hospital - 30 miles	% Clients w/o hospital - 30 miles	# Clients w/o hospital - 75 miles	% Clients w/o hospital - 75 miles
REGION 1	34,675	30,104	29,937	99.45	167	0.55	4,571	4,531	99.12	40	0.88	34,675	34,573	99.71	102	0.29	13	0.04
REGION 2	43,240	35,605	35,569	99.90	36	0.10	7,635	7,593	99.45	42	0.55	43,240	42,920	99.26	320	0.74	0	0.00
REGION 3	19,886	16,563	16,561	99.99	2	0.01	3,323	3,311	99.64	12	0.36	19,886	19,707	99.10	179	0.90	54	0.27
REGION 4	89,046	73,722	73,709	99.98	13	0.02	15,324	15,286	99.75	38	0.25	89,046	88,738	99.65	308	0.35	0	0.00
REGION 5	67,665	54,799	54,791	99.99	8	0.01	12,866	12,840	99.80	26	0.20	67,665	66,393	98.12	1272	1.88	13	0.02
REGION 6	24,846	20,865	20,859	99.97	6	0.03	3,981	3,977	99.90	4	0.10	24,846	24,835	99.96	11	0.04	0	0.00
REGION 7	73,581	63,558	63,545	99.98	13	0.02	10,023	10,006	99.83	17	0.17	73,581	70,438	95.73	3143	4.27	10	0.01
REGION 8	42,581	36,416	36,394	99.94	22	0.06	6,165	6,154	99.82	11	0.18	42,581	41,141	96.62	1440	3.38	0	0.00
REGION 9	39,813	33,708	33,584	99.63	124	0.37	6,105	6,083	99.64	22	0.36	39,813	39,688	99.69	125	0.31	4	0.01
REGION 10	2,382	1,988	1,920	96.58	68	3.42	394	376	95.43	18	4.57	2,382	1,270	53.32	1112	46.68	763	32.03
REGION 11	273,197	243,770	243,649	99.95	121	0.05	29,427	29,397	99.90	30	0.10	273,197	267,654	97.97	5543	2.03	0	0.00
TOTALS	710,912	611,098	610,518	99.91	580	0.09	99,814	99,554	99.74	260	0.26	710,912	697,357	98.09	13,555	1.91	857	0.12

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 1 - High Plains	094117105	1	25
	094129602	1	60
	094141105	1	44
	094152802	1	18
	094180903	1	24
	094237702	1	62
	109588703	1	26
	112704504	1	25
	112730003	1	32
	121193005	1	43
	121787905	1	14
	126667806	1	27
	126840107	1	25
	127263503	1	100
	127313803	1	99
	127319504	1	72
	130618504	1	71
	130721710	1	30
	130826407	1	21
	130877708	1	31
	133250406	1	47
	133258705	1	78
	133457505	1	433
	133544006	1	40
	135238706	1	123
	136142011	1	41
	136328510	1	99
	137227806	1	24
	137245009	1	489
	137343308	1	25
	137999206	1	354
	139461107	2	1273
	163219201	1	74
	165305701	1	20
	178848102	1	115
	<i>Reg 1 - High Plains Total</i>		<u>36</u>
Reg 10 - Upper Rio Grande	094109802	1	255
	094188201	1	354
	094224502	1	40
	130601104	1	501
	133245406	1	238
	138351508	1	120
	138951211	1	335
	150967102	1	29
	162954501	1	
	176354201	1	25
<i>Reg 10 - Upper Rio Grande Total</i>		<u>10</u>	<u>1897</u>

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 11 - Lower South TX	020811801	1	69
	020933001	1	63
	020947001	1	188
	020973601	4	528
	020983501	1	10
	020991801	1	20
	094096702	1	81
	094113001	1	112
	094186602	1	161
	094217902	2	1020
	094221102	1	14
	094222902	1	138
	112679902	1	138
	112716902	1	60
	121775403	1	305
	132812205	1	188
	135035706	1	233
	136332705	1	44
	136361607	1	588
	136436606	1	85
	154504801	1	112
	160709501	1	42
	162033801	1	322
	163959301	1	8
	165241401	1	219
	<i>Reg 11 - Lower South TX Total</i>		<u>29</u>

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 2 - NW TX	020930601	1	218
	020989201	1	25
	020992601	1	20
	088189803	1	25
	094104901	1	45
	094131202	1	25
	094138703	1	32
	110856504	1	25
	112692202	1	14
	112702904	1	30
	112705203	1	187
	112707803	1	98
	119874904	1	41
	119875604	1	40
	121053602	1	28
	121692107	1	25
	121784603	1	27
	126842705	1	25
	127305405	1	49
	127310404	1	38
	130089906	1	25
	130613604	1	37
	133244705	1	85
	135034009	1	25
	135237906	1	542
	136144610	1	25
	136325111	1	39
	136330107	1	49
	137074409	1	83
	138353107	1	49
	138644310	1	525
	154632701	1	21
	168648701	1	40
	175860901	1	14
<i>Reg 2 - NW TX Total</i>		<u>34</u>	<u>2576</u>

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 3 - Metroplex	020908201	1	934
	020921501	1	174
	020927202	1	30
	020943901	1	378
	020950401	1	226
	020951201	1	172
	020966001	1	97
	020967801	1	162
	020982701	1	29
	021184901	1	256
	094140302	1	91
	094159302	1	17
	094178302	1	56
	094205401	1	15
	094207002	1	177
	094357302	1	17
	109010202	1	25
	111905902	1	169
	112677302	1	600
	112698903	1	211
	112701102	1	168
	112713602	1	130
	120726804	1	85
	120745806	1	18
	121776204	1	308
	121777003	1	60
	121790303	1	238
	121794503	1	98
	121800004	1	16
	121822403	1	45
	126675104	1	322
	127262703	1	104
	127295703	1	1062
	127296503	1	176
	127304703	1	36
	130606006	1	73
	130614405	1	369
	131036903	1	137
	131038504	1	148
	135223905	1	122
	136326908	2	300
	138349908	1	182
	138910807	1	322
	138950412	1	99
139174010	1	234	
139485012	1	995	
171461001	1	220	
172972501	1	69	
173574801	1	9	

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 3 - Metroplex	174941801	1	111
	175287501	1	554
	175289101	1	151
	177870603	1	75
	177913401	1	170
	184409401	1	99
<i>Reg 3 - Metroplex Total</i>		<u>56</u>	<u>11141</u>
Reg 4 - Upper East TX	017624002	1	30
	020812601	1	422
	020976901	1	280
	094095902	1	452
	094108002	1	358
	094127002	1	49
	094162702	1	96
	094190802	1	48
	094645102	1	601
	108821302	1	442
	110839103	1	166
	112667403	1	149
	120731803	1	60
	121816602	1	153
	121817401	1	30
	127278304	1	108
	127301305	1	50
	130612806	1	94
	130862905	1	49
	131035105	1	25
	131037704	1	100
	133249606	1	52
	133255305	1	63
	133545705	1	407
	136140407	1	49
	137319306	1	80
	138374715	1	44
	138913209	1	165
	139173209	1	117
	141858401	1	10
	162459501	1	20
	163111101	1	339
	168447401	1	37
<i>Reg 4 - Upper East TX Total</i>		<u>33</u>	<u>5145</u>

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 5 - SE TX	094148602	1	349
	094164302	1	146
	094227802	1	27
	112697102	1	50
	112706003	1	59
	112715104	1	36
	130605205	1	150
	130734007	1	18
	131030203	1	206
	133465808	1	54
	136381405	1	49
	136488705	1	205
	137279905	1	115
	138296208	2	703
	139172412	1	233
	163925401	1	244
	167224803	1	112
	<i>Reg 5 - SE TX Total</i>		<u>18</u>

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 6 - Gulf Coast	020817501	1	428
	020822501	1	121
	020834001	4	1134
	020841501	1	260
	020934801	1	103
	020940501	1	375
	020977701	1	49
	020988401	1	49
	020993401	1	30
	021010602	1	40
	021185601	1	24
	083290905	1	32
	094092602	1	1236
	094171801	1	25
	094185802	1	498
	094187402	1	232
	094198102	1	135
	094219502	1	29
	094225202	1	117
	094354003	1	98
	112671602	1	165
	112672402	1	523
	112700303	1	38
	112712802	1	206
	112718503	1	140
	112724302	1	155
	112727603	2	281
	121793703	1	127
	121802603	1	220
	121805903	1	64
	121807504	1	434
	121811703	1	468
	127300503	1	948
	127303903	1	185
	130959304	1	77
	131040104	1	98
	131044305	1	205
	131045004	1	49
	133355104	3	1032
	135033204	1	40
	136486105	1	237
	137805107	1	908
137949705	2	1495	
137962006	2	420	
139135109	1	456	
146021401	1	599	
146509801	1	84	
147714301	1	39	
148698701	1	25	

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 6 - Gulf Coast	152686501	1	17
	156405603	1	35
	160630301	1	84
	162457901	2	1052
	178815001	1	161
	181706601	1	792
<i>Reg 6 - Gulf Coast Total</i>		<u>64</u>	<u>16874</u>
Reg 7 - Central TX	020840701	1	30
	020860501	1	119
	020957901	1	127
	020990001	1	25
	094115502	1	36
	094119702	1	177
	094136102	1	59
	094151002	1	42
	094153604	1	30
	094160102	1	306
	094216102	1	195
	094226002	1	16
	111829102	1	170
	111915801	1	59
	112717702	1	203
	112725003	1	25
	121792903	1	49
	121819002	1	44
	127267603	1	292
	133252005	1	92
	133367602	1	44
	134772607	1	55
	135225404	1	444
	135226205	1	60
	136327710	1	58
	136489505	1	150
	137075109	1	40
	137249208	1	634
	137265806	2	479
	138962907	1	396
	140714001	1	20
	147918003	1	25
	149073203	1	25
158977201	1	17	
158980601	1	113	
162439701	1	23	
176692501	1	50	
181160601	1	106	
183086102	1	25	
<i>Reg 7 - Central TX Total</i>		<u>40</u>	<u>4860</u>

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 8 - Upper South TX	020844901	2	578
	020978501	1	18
	094118902	1	188
	094154402	6	2450
	110803703	1	77
	112673204	1	28
	112676501	1	244
	112688002	1	22
	112690603	1	48
	119877204	1	93
	121780403	1	65
	121782003	1	66
	121785303	1	35
	121808305	1	25
	127294003	1	142
	133260309	1	32
	135151206	1	44
	135233809	1	43
	136141205	1	642
	136412710	1	25
	136430906	1	84
	136491104	1	286
	137907508	1	306
	137909111	1	25
	137998405	1	88
	138411709	1	105
	138911609	1	49
	143840002	1	23
	158914501	1	30
	159156201	5	1535
163148301	1		
<i>Reg 8 - Upper South TX Total</i>		<u>41</u>	<u>7396</u>

**PCCM Contracted Acute Care Facilities**

<b>PHR Name</b>	<b>TPI #</b>	<b># of Facilities</b>	<b>Beds</b>
Reg 9 - West TX	091770005	1	16
	094121303	1	25
	094172602	1	14
	094204701	1	25
	112684902	1	49
	112693002	1	162
	112711003	1	146
	112728403	1	13
	121778805	1	25
	121781205	1	12
	121799406	1	20
	121806703	1	14
	127298103	1	85
	130616905	1	27
	131041905	1	44
	131042703	1	15
	131043506	1	150
	135235306	1	341
	136143806	1	371
	136145310	1	26
	136331910	1	49
	137226005	1	409
	138715115	1	25
	144752601	1	28
	160986901	1	78
	179272301	1	14
<i>Reg 9 - West TX Total</i>		<u>26</u>	<u>2183</u>
<b>Grand Total</b>		<b><u>387</u></b>	<b><u>63660</u></b>

# QUALITY MONITORING PLAN IMPLEMENTATION CALENDAR YEAR 2005

## OVERVIEW

The HHSC/MCD Claims Administration Contract Management Department's Quality Monitoring Plan (Plan) is designed to ensure that the provisions of the ACS-TMHP contract are met and that the performance standards and measures are satisfactorily achieved on a consistent basis.

The Plan depicts regular monitoring of performance, including quality assurance activities, based on a priority level, to ensure a proactive approach to the identification of issues and mitigation of risk. The Plan clearly identifies each performance standard/requirement and the associated contract reference, including incorporation of questions and answers and amendments. As amendments or change orders are executed, the plan is updated accordingly and revisions are distributed to all appropriate stakeholder personnel.

Each contractual reference has an associated priority. The priority level (1, 2, or 3) determines the monitoring frequency for the soft deliverables (performance measures) as monthly, quarterly, or on an exception basis, respectively for calendar year 2007. In the event exceptions or issues are detected through other means of reporting and/or monitoring, immediate remedial monitoring activities occur to identify and isolate the issue.

The monitoring frequencies for the hard deliverables (tangible reports, manuals, electronic data, etc.), which are depicted by gray shading, are dictated by the actual due date of daily, weekly, monthly, quarterly, etc. The monitoring activities are implemented through the hard deliverables monitoring process.

Due to the various programs and activities ACS State Healthcare, LLC, is charged with performing on behalf of the State, primary and secondary owners, which represent program expertise within the Medicaid/CHIP division and various State stakeholders, has been identified for each performance standard/requirement to ensure a comprehensive monitoring approach.

The primary owner is responsible for the development and implementation of the monitoring methodology for validating the performance and quality measures (e.g., policies and procedures), and coordinating with the secondary owner to compile and report the findings. The secondary owner, which shares responsibility for the oversight of the standard, provides the results of its review to the primary owner.

**QUALITY MONITORING PLAN IMPLEMENTATION  
CALENDAR YEAR 2005  
IMPLEMENTATION OF THE PLAN**

**Monitoring Activity**

As indicated above, the priority level determines the monitoring frequency. For calendar year 2007, the frequency is monthly for priority 1, quarterly for priority 2, and by exception for priority 3.

Each identified primary owner documented in the Plan was responsible for developing policies and procedures detailing how the respective performance and quality standards would be validated for ensuring the Contractor's compliance. The finalized date for the development of the policies and procedures was May 31, 2005.

Therefore, implementation of the monitoring activities is effective as of this month, July 2007. The Claims Administrator Contract Compliance unit will be responsible for oversight of the Plan implementation. The monthly schedule is as follows:

<b>Month of Monitoring</b>	<b>Priority 1 Monitoring Period</b>	<b>Priority 2 Monitoring Period</b>	<b>Priority 3 Monitoring Period</b>
July-07	June-07	Apr-07, May-07, June-07	By exception <sup>1</sup>
August-07	July-07	N/A	By exception <sup>1</sup>
September-07	Aug-07	N/A	By exception <sup>1</sup>
October-07	Sept-07	July-07, Aug-07, Sept-07	By exception <sup>1</sup>
November-07	Oct-07	N/A	By exception <sup>1</sup>
December-07	Nov-07	N/A	By exception <sup>1</sup>
January-08	Dec-07	Oct-07, Nov-07, Dec-07	By exception <sup>1</sup>

<sup>1</sup>By exception means some form of monitoring should occur if problems are identified by the State or complaints are received from customers to include State stakeholders.

**Reporting Results**

The results from the monitoring activities must be reported to HHSC/MCD Claims Administration Contract Management Department within 10 business days after the month the monitoring was performed. The primary owner, or designee, must use the HHSC Quality Assurance Documentation Form to report the monitoring results.

## **QUALITY MONITORING PLAN IMPLEMENTATION CALENDAR YEAR 2005**

The primary owner will indicate noted deficiencies (non-material and/or material) and a recommended remedy, if necessary. The HHSC/MCD Claims Administration Contract Management Department, with coordination from the primary owner, will report the non-material and/or material deficiency and remedy to ACS State Healthcare, LLC, per the progressive tailored remedy process, including but not limited to liquidated damages, as indicated in the Agreement.

### **File Maintenance**

The primary owner is responsible for maintaining a file with supporting documentation to substantiate monitoring results and it must be maintained for the entire term of the Agreement.

### **Contract Information**

If you have any questions regarding the Plan, please contact Judith Mitchell, Manager–Claims Administrator Contract Compliance at (512)491-1428 or [Judith.Mitchell@hhsc.state.tx.us](mailto:Judith.Mitchell@hhsc.state.tx.us).