



**Texas Association of Health Plans**  
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February 6, 2024

Texas Health and Human Services Commission

Re: Calendar Year 2023 Pay-for-Quality Program Concerns

Dear Director Zalkovsky,

We are reaching out to request that the Texas Health and Human Services Commission (HHSC) consider aligning the 2023 Pay-for-Quality Program (P4Q) program with the experience managed care organizations (MCOs) face as the result of the Public Health Emergency (PHE) unwinding.

We respectfully request that HHSC consider factoring in the NCQA Quality Compass benchmark trends for 2023 because they better reflect national trends. HHSC's Medical P4Q program is set up to assess performance using measurement year 2021 metrics for Performance Against Benchmarks for HEDIS measures. It is important to note that measurement year 2021 was completely different than what MCOs experienced in measurement year 2023 with the PHE unwind. Factoring in these trends to Texas will ensure that consideration of the overall effects that the PHE unwind has had on enrollment and retroactive coverage is accounted for in the pay-for-quality analysis.

Aligning Texas Medicaid's expected quality of care outcomes with these national trends is not only a good policy but also a necessity in light of the challenges that have emerged during the Medicaid unwinding process.

We have observed some of HHSC's benchmarks have experienced year-over-year increases that exceed national standards and do not accurately reflect the prevailing trends and current dynamics of health care, especially in the context of the ongoing challenges following the PHE. The challenges experienced during the unwinding process, such as members erroneously losing coverage and then regaining eligibility retroactively, have led to concerns in the calculation of MCOs' P4Q ratings.



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These retroactive adjustments create an illusion of continuous coverage. However, this is misleading because it includes members in calculations who, in reality, faced gaps in coverage and likely gaps in care. As these members lost coverage, MCOs were unable to engage in normal outreach efforts to assist our members in closing care gaps which have made it increasingly more difficult for MCOs to ensure optimal health care outcomes. Due to the coverage shift related to the unwinding, HHSC's current benchmarks are not realistic and do not align with the practical realities MCOs faced during this period.

To address the issues that have merged due to fluctuations in continuous coverage, we respectfully request HHSC consider the Texas and national trends in the measurement year 2022. The NCQA Quality Compass trends, released in 2023, offer an accurate reflection of the health care landscape during a period still heavily influenced by the ongoing effects of the pandemic and PHE unwinding.

For example, the HEDIS technical specifications for Childhood Immunizations Combo 10 focuses on members having all 24 vaccinations in the set, which requires some series of immunizations to be completed by their 2<sup>nd</sup> birthday that occurs in 2023. MCOs are reporting significantly higher numbers of members who received retroactive coverage than ever before. As a result, the percentage of children who received their 24 vaccinations before their second birthday decreased. MCOs will not be able to achieve benchmarks when members with extended coverage gaps are included.

Similarly, in prenatal and postpartum care (PPC) measures, once again, retroactive eligibility impacts the timeliness of care, yet these Medicaid members are still factored into MCO ratings. The unwinding process has also introduced increased volatility in numerator and denominator changes in the measurement calculations, which is atypical outside of the PHE context.

Furthermore, our concerns extend to HHSC's use of 2021 data as the baseline for improvement-over-self. The utilization of emergency department (ED) and hospital services, which declined significantly during the PHE, is now reverting to normal patterns. Using 2021 as a baseline does not account for this shift, nor does it consider the increased reliance on ED services by members who lost coverage and any impact on PPE data with retro eligibility factoring in. This change in utilization patterns, exacerbated by the pandemic's impact on diseases like upper respiratory conditions and childhood asthma, has also negatively influenced ED and hospital admissions.



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These factors, coupled with the Potentially Preventable Event (PPE) measurement relying on prior year access and eligibility, which was substantially lower due to PHE dynamics, further complicate the situation.

Considering state performance with Texas and national trends would not only provide a more accurate and fair assessment of MCO performance that takes into account the unique challenges posed by the pandemic and the unwinding process but would also better reflect the original intent of the P4Q program. This program was based on the premise that benchmarks should be realistically achievable and within the control of MCOs to improve.

We believe this can be accomplished by:

1) Applying a reduction to the “performance against self” and “performance against benchmark” to account for the unprecedented PHE unwind enrollment trends that were impacted by retroactive eligibility and resulted in gaps in coverage.

*Advantages and Considerations*

- Adjust the overall impact to account for the actual experience.
- Streamlines calculation to address impact at the global level as opposed to a plan-by-plan review.
- Adjustment could be average across the general experienced gaps in coverage across all health plans.

2) Excluding the dollars subject to 100 percent rebate from the three percent at risk, as this results in a duplication of the disincentive and inflates experience rebate amount.

*Advantages and Considerations*

- This results in a rebate payment on dollars not received.
- Adjusting to the actual at-risk calculation would avoid intentionally inflating the penalty.
- This modeling more accurately applies the at-risk percentage to actual net premium revenue retained by the health plans.

Thank you for your attention and your consideration to this important matter. We look forward to a collaborative effort in ensuring that the benchmarks set for Medicaid MCOs in Texas are both fair and reflective of the national standards.

Sincerely,



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A handwritten signature in black ink that reads "Jamie Dudensing". The signature is written in a cursive, flowing style.

Jamie Dudensing, RN

CEO

Texas Association of Health Plans