



March 14, 2024

Ms. Jamie Dudensing, RN
CEO, Texas Association of Health Plans
1001 Congress Ave, Suite 300
Austin, TX 78701

Dear Ms. Dudensing:

Thank you for your February 26, 2024, letter to the Texas Health and Human Service Commission (HHSC) regarding the unprecedented cyberattack on Change Healthcare and the issues facing Medicaid health plans as a result of this attack. Executive Commissioner Young shared your letter with me to respond as I oversee the Texas Medicaid program. Specifically, your letter asks that HHSC either temporarily suspend the Uniform Managed Care Manual (UMCM) requirements relating to payment timelines or allow flexibility as needed.

HHSC acknowledges the cyberattack may have placed an unforeseen burden on managed care organization (MCO) resources and, for some, may have had a negative impact on contracted performance. Section 12.02 of the Uniform Managed Care Contract Terms and Conditions, relating to tailored remedies, allows HHSC to waive all or part of any applicable liquidated damages if it determines that an MCO has not met any contractual responsibilities or performance standards due to mitigating circumstances. MCOs should document the impact that the cyberattack had on performance when submitting the Non-Compliance Summary Reports (UMCM chapter 5.25). HHSC can evaluate the documented information about the impact of the cyberattack on performance and fairly consider mitigating circumstances.

HHSC appreciates the efforts made by MCOs to identify workarounds and innovative solutions to pay providers and minimize disruption to services. HHSC encourages MCOs to continue discussing concerns as a result of the cyberattack with HHSC.

Ms. Jamie Dudensing, RN
March 14, 2024
Page 2

Camisha D. Banks, Deputy Executive Commissioner for Managed Care, serves as the lead staff on this matter can be reached at Camisha.Banks@hhs.texas.gov.

Sincerely,

Emily Zalkovsky
State Medicaid Director