

Dear Managed Care Organizations' Representatives:

The Health and Human Services Commission (HHSC) is requesting Managed Care Organizations' (MCOs) evaluations of the Alternative Payment Models (APMs) with an Emergency Department (ED) component. These evaluations will be used for the report required by Section 531.0862(b), Texas Government Code, as added by S.B. 1136, 87th Legislature, Regular Session, 2021. The evaluations will also help HHSC staff assess the potential impact of APMs on ED utilization, quality, and costs.

The Medicaid Uniform Managed Care Contract (UMCC) requires Medicaid MCOs to evaluate the impact of the MCOs' APMs with providers on utilization, quality, and cost, as well as return on investment (ROI). This requirement is included under Section 8.1.7.8.2 *MCO Alternative Payment Models with Providers* (APM Performance Framework Components, #5):

5. Evaluate the impact of APMs on utilization, quality, and cost, as well as return on investment (ROI).

a. The MCOs must evaluate the impact of their APMs. Upon request, the MCOs must report on methodologies used for APM evaluations along with results and findings related to the APM's impact on utilization, quality, costs, provider satisfaction, or ROI.

HHSC will review the evaluations to identify common themes and will include aggregated findings in the report related to ED utilization required by Section 531.0862(b), Texas Government Code, as added by S.B. 1136, 87th Legislature, Regular Session, 2021.

HHSC requests that MCOs:

1. Submit their evaluations for APMs with the ED component for the last three (3) years.
 - If an APM has been operational for only one year, please provide one evaluation. However, if the APMs were operational for more than three years, please submit the last three (3) calendar years of analysis for that APM.
 - Evaluations should include analysis for all providers with whom an MCO has or has had one or more APMs with the ED component. For example, if an MCO has the same arrangement

with several hospitals, please submit an evaluation of the APM for each hospital. Even though the description of the APM might be similar, the impact for each hospital likely will be different.

- Evaluations can be submitted in different formats or can be a combination of formats, including Word, Excel, and PDF files.
 - Please use TexConnect to submit your evaluation(s).
2. Complete a survey. To better understand the number of MCOs that have one or more APMs with the ED component with one or more providers and the number of evaluations that will be submitted, HHSC is requesting that all MCOs fill out this survey by **5/10**.

<https://forms.office.com/r/2h5d1PwTD0>

If your MCO does not have one or more APMs with the ED component, please let us know in this survey that your MCO does not have any APMs of this type.

Evaluation Content

Based on the literature research, HHSC recommends that evaluation results cover the following areas:

1. Description of the APM arrangement, including types and number of providers, services areas, and the number of individuals impacted by each APM.
2. Years of operations: the evaluation should specify the implementation time and whether an APM is still active.
3. Financial framework: costs, savings, ROI, and APM structure – Category based on the HCP-LAN Framework [APM onepager v1 \(hcp-lan.org\)](#).
4. Performance goals and the results achieved, including spending/costs, utilization and quality-based goals.
5. Description of the evaluation methodology.
6. Data sources.
7. Description of lessons learned and challenges experienced.
8. Success highlights.

9. Any other information that MCOs already included in the evaluations.

Summary of the request:

- Please fill out the survey to let us know if your MCO has implemented APMs with ED component by **5/10/2024**.
<https://forms.office.com/r/2h5d1PwTD0>
- Submit evaluations of the APMs with ED component by **5/10/2024** using TexConnect.

We appreciate you working with us on this important area. If you have questions or comments, please send them to our mailbox DSQI@hhs.texas.gov with "APM evaluations- ED" in the subject line.

Regards,

DSQI team

(Natasha Boston)

MCO Quality Quarterly Meeting – Jan 17, 2024 (Natasha Boston)

S.B. 1136 (87th Legislature, 2021)

HHSC must report twice a year on efforts to coordinate with hospitals and other providers to:

- Identify and implement initiatives designed to reduce Medicaid recipients' use of ER services as a primary means of receiving health care benefits
- Encourage Medicaid providers and MCOs to continue implementing effective interventions and best practices that were developed and achieved under the DSRIP program

The Uniform Managed Care Contract requires that MCOs

- Evaluate the impact of their APMs
- Share the results, methodology, and findings if HHSC asks. Findings can be about utilization, quality, costs, provider satisfaction, or return on investment
- Report annually the net financial impact to providers participating in APMs

Many MCOs indicated in a survey for SB1136 that they have APMs related to reducing ED utilization

HHSC plans to ask you for evaluation results this month

- Submit your results by April 2024
- HHSC will review for common themes and include findings in an upcoming SB1136 report