



Process 1 – MCO Payments

Step 1. HHSC Pays MCOs Monthly Capitated Actuarially Sound Rate
 Step 2. MCOs Adjudicate Provider Claims through Normal Processes
 Step 3. MCOs submit Encounter Data to HHSC

Process 2 – Provider Interim Payments

Step 1. Provider Submits Required Data to HHSC
 Step 2. HHSC Directs MCOs to Pay Providers Monthly Payment Based Upon Historical Claims
 Step 3. MCOs Issue Monthly Payment To Provider

Process 3 – Provider Payment Reconciliation

Step 1. HHSC Calculates Reconciliation of Historical to Actual Utilization
 Step 2. HHSC informs MCOs of Any Necessary Recoupments and Redistributions of Program Funds to Providers
 Step 3. MCOs Execute Recoupments and Redistributions so All Providers Receive a Uniform Rate Increase Based Upon Actual Claims