



1 Tex. Admin. Code § 353.1302(c) Active Partnership Criteria

The Texas Health and Human Services (HHSC) Provider Finance Department is issuing this policy guidance regarding the criteria that demonstrate an active partnership between a non-state governmental entity and a nursing facility for the purposes of the Quality Incentive Payment Program (QIPP).

According to 1 Tex. Admin. Code § 353.1302(c), for the program period beginning September 1, 2024,¹ to be eligible to participate in QIPP as a non-state government-owned (NSGO) nursing facility, the nursing facility must:

1. be located in the state of Texas in the same county as, or if separate counties, a contiguous county of, the non-state governmental entity taking ownership of the facility;
2. must be owned by the non-state governmental entity for no less than four years prior to the first day of the program period; or
3. must be able to provide documentation of activities that demonstrate an active partnership that have occurred in the prior **two** months before application as well as a detailed plan for maintaining the partnership in the months following the application date through the end of the program period.

The criteria that demonstrate an active partnership have been in place since 1 Tex. Admin. Code § 353.1302, concerning Quality Incentive Payment Program for Nursing Facilities on or after September 1, 2019, was adopted in December 2018.

¹ For program periods beginning on or after September 1, 2025, the same active partnership criteria apply, except the NSGO nursing facility must be able to provide documentation of activities that demonstrate an active partnership that have occurred in the prior **nine** months before application as well as a detailed plan for maintaining the partnership in the months following the application date through the end of the program period.

While the recent amendment of 1 Tex. Admin. Code § 353.1302 moved the active partnership criteria from 1 Tex. Admin. Code § 353.1302(c)(1)(B) to 1 Tex. Admin. Code § 353.1302(c)(1)(E), the amendment did not change the criteria.

According to 1 Tex. Admin. § 353.1302(c)(1)(E), the following criteria demonstrate an active partnership **between the nursing facility and the NSGO that owns the nursing facility**:

1. Monthly meetings (in-person or virtual) with NF administrative staff to review the NF's clinical and quality operations and identify areas for improvement. Meetings should include:
 - a. patient observations;
 - b. regulatory findings;
 - c. review of Certification And Survey Provider Enhanced Reports (CASPER) reports, quality measures, grievances, staffing, risk, incidents, accidents, and infection control measures;
 - d. root cause analysis, if applicable; and
 - e. design of performance improvement plans.
2. Quarterly joint trainings on topics and trends in nursing home care best practices or on needed areas of improvement.
3. Annual, on-site inspections of the NF by a non-state governmental entity-sponsored Quality Assurance team.

The text of 1 Tex. Admin. § 353.1302 is clear that the active partnership must exist between the nursing facility and the non-state governmental entity that owns the nursing facility. Neither the nursing facility nor the non-state governmental entity are allowed to delegate responsibility for their participation in the active partnership to a contracted third-party. The only exception is when, in accordance with 1 Tex. Admin. Code §353.1302(c)(1)(E)(iii), a non-state governmental entity-sponsored Quality Assurance Team conducts an annual on-site inspection of the nursing facility.