

SECTION II: TYPE OF STATE DIRECTED PAYMENT

8. In accordance with 42 C.F.R. § 438.6(c)(2)(ii)(A), describe in detail how the payment arrangement is based on the utilization and delivery of services for enrollees covered under the contract. The State should specifically discuss what must occur in order for the provider to receive the payment (e.g., utilization of services by managed care enrollees, meet or exceed a performance benchmark on provider quality metrics).

Texas proposes four capitated components with the following quality metrics for participating Nursing Facilities (NFs):

Component One (Quality Assurance and Performance Improvement)

- The total value of Component One will be equal to 110 percent of the non-federal share of the QIPP. Component One will be open only to non-state government owned (NSGO) providers.
- As a condition of participation in QIPP, NFs must: (a) hold a monthly quality assurance and performance improvement (QAPI) meeting (in accordance with 42 C.F.R. § 483.75 requirements for quarterly meetings) (b) conduct a performance improvement project (PIP) on a CMS long-stay MDS quality measure and report on its progress at the beginning and end of the program year, and (c) serve at least one Medicaid member per payment period.
- The interim allocation of funds, based on historical Medicaid fee-for-service and STAR+PLUS days of service, across qualifying non-state government-owned nursing facilities will be reconciled to the actual distribution of Medicaid nursing facility days of service across these nursing facilities during the program period; the actual distribution of funds will be captured by Health and Human Services Commission's (HHSC's) Medicaid contractors for fee-for-service and managed care 120 days after the last day of the program period. Detailed information regarding the process for reconciliation can be found in Attachment A1.

Component Two (Workforce Development)

- The total value of Component Two will be equal to 40 percent of the remaining QIPP funds after accounting for the funding of Components One and Four.

Attachment A – QIPP FY 2023 Preprint question 8

- Component Two will be open to all provider types. Allocation of funds across qualifying non-state government-owned and private nursing facilities will be proportional, based upon historical Medicaid days of nursing facility service.
- Monthly payments to nursing facilities will be triggered by the achievement of performance requirements on equally weighted quality metrics related to RN coverage.
- As a condition of participation, all QIPP providers must submit a workforce development plan in the form of a PIP and report progress at the beginning and end of the program year.

Component Three (Minimum Data Set CMS Quality Measures)

- The total value of Component Three will be equal to 60 percent of the remaining QIPP funds after accounting for the funding of Components One and Four. Component Three will be open to all provider types, and funds will be distributed quarterly.
- Allocation of funds across qualifying non-state government-owned and private nursing facilities will be proportional, based upon historical Medicaid days of nursing facility service.
- Quarterly payments to nursing facilities will be triggered by the achievement of performance requirements on four equally-weighted quality metrics which relate to Long-Stay Minimum Data Set (MDS) quality measures.

Component Four (Infection Prevention and Control Program)

- The total value of Component Four will be equal to 16 percent of the total funds of the QIPP. Component Four is open only to NSGO providers, and funds are distributed quarterly.
- Allocation of funds across qualifying non-state government-owned nursing facilities will be proportional, based upon historical Medicaid days of nursing facility service.
- HHSC designates one quality metric for Component Four that entails staged performance targets over the four quarters of the program year.