



<b>HHSC UNIFORM MANAGED CARE MANUAL</b> <b>FREW TIMELY CHECKUP REPORT</b> <b>INCENTIVES &amp; DISINCENTIVES</b> <b>METHODOLOGY</b>	CHAPTER <b>12.18</b>	PAGE <b>1 of 6</b>
	EFFECTIVE DATE <b>September 1, 2017</b>	
	<b>Version 2.2</b>	

**DOCUMENT HISTORY LOG**

STATUS <sup>1</sup>	DOCUMENT REVISION <sup>2</sup>	EFFECTIVE DATE	DESCRIPTION <sup>3</sup>
Baseline	N/A	June 5, 2010	Initial version of Chapter 12.18 “Frew Incentives and Disincentives Methodology”
Revision	1.1	March 5, 2011	Chapter 12.18 is revised to clarify incentives and disincentives for FY2008, 2009, and 2010; to add incentives and disincentives for FY2011; and to renumber sections.
Revision	1.2	September 1, 2011	Chapter 12.18 is revised to clarify incentives and disincentives for FY2011.
Revision	2.0	March 1, 2012	Revision 2.0 applies to contracts issued as a result of HHSC RFP numbers X29-10-0020, X29-06-0293, and X29-12-0002.  Chapter 12.18 is revised to add incentives and disincentives for FY2012 and FY2013, and to renumber sections.
Revision	2.1	October 1, 2015	Revision 2.1 applies to contracts issued as a result of HHSC RFP numbers X29-10-0020, X29-12-0002, X29-13-0042, X29-13-0071, and X29-15-0001.  The applicability statement is modified to include the STAR Kids program.  Part II. Is modified to change “Frew vs. Suehs” to “Frew vs. Traylor.”  Section III. “Texas Health Steps (THSteps) Medical Checkups Reports: Incentives and Disincentives for State Fiscal Years 2008, 2009, and 2010 Checkup Results” is deleted in its entirety.  Section IV. “Texas Health Steps (THSteps) Medical Checkups Reports: Incentives and Disincentives for State Fiscal Year 2011 Checkup Results” is deleted in its entirety.  Section V. “Texas Health Steps (THSteps) Medical Checkups Reports: Incentives and Disincentives for State Fiscal Years 2012 and 2013 Checkup Results” is renumbered as Section III. “Texas Health Steps (THSteps) Medical Checkups Reports: Incentives and Disincentives for SFY 2012 Reporting Years and After.”  Section VI. “Texas Health Steps (THSteps) Medical Checkups Reports: Incentives and Disincentives for State Fiscal Year 2011 Checkup Results” is deleted in its entirety.  Section VII. “Children of Migrant Farm Workers (CMFW)



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STATUS <sup>1</sup>	DOCUMENT REVISION <sup>2</sup>	EFFECTIVE DATE	DESCRIPTION <sup>3</sup>
			Reports: Incentives and Disincentives for SFY 2012 and 2013 (not applicable to STAR Health) is renumbered as Section IV. "Children of Migrant Farm Workers (CMFW) Reports: Incentives and Disincentives for SFY 2012 Reporting Years and After (not applicable to STAR Health)."
Revision	2.2	September 1, 2017	<p>Chapter 12.18 "Frew Incentives and Disincentives Methodology" is renamed "Frew Timely Checkup Report Incentives and Disincentives Methodology".</p> <p>Part II. Is modified to change "Frew vs. Traylor" to "Frew vs. Smith" and to remove the reference to Children of Migrant Farm Workers Reports.</p> <p>Part IV "Children of Migrant Farm Workers (CMFW) Reports: Incentives and Disincentives for SFY 2012 Reporting Years and After" is deleted in its entirety.</p>

<sup>1</sup> Status should be represented as "Baseline" for initial issuances, "Revision" for changes to the Baseline version, and "Cancellation" for withdrawn versions

<sup>2</sup> Revisions should be numbered according to the version of the issuance and sequential numbering of the revision—e.g., "1.2" refers to the first version of the document and the second revision.

<sup>3</sup> Brief description of the changes to the document made in the revision.



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Section I.  
"Applicability"  
modified by  
Version 2.1

### **I. Applicability of Chapter 12.18**

This chapter applies to Managed Care Organizations (MCOs) participating in the STAR, STAR+PLUS, STAR Health, and STAR Kids Programs. The requirements in this chapter apply to all of the above Programs, except where noted otherwise.

Section II. "Frew  
Managed Care  
Incentives and  
Disincentives  
Methodology"  
modified by  
Versions 2.1 and  
2.2

### **II. Frew Managed Care Incentives and Disincentives Methodology**

As required by the "Frew vs. Smith Corrective Action Order: Managed Care," HHSC has developed an incentives and disincentives system associated with the Medicaid Managed Care Texas Health Steps Medical Checkups Reports. The incentives and disincentives apply to the Medicaid Managed Care Program. HHSC will calculate incentives and disincentives by MCO Program and Service Area. If an MCO operates a Program in more than one Service Area, HHSC will calculate incentives and disincentives for each Service Area separately.

Section III. "Texas Health Steps (THSteps) Medical Checkups Reports: Incentives and Disincentives for State Fiscal Years 2008, 2009, and 2010 Checkup Results" is deleted in its entirety by Version 2.1

Section IV "Texas Health Steps (THSteps) Medical Checkups Reports: Incentives and Disincentives for State Fiscal Year 2011 Checkup Results" added by Version 1.1, Modified by Version 1.2, and deleted in its entirety by Version 2.1

### **III. Texas Health Steps (THSteps) Medical Checkups Reports: Incentives and Disincentives**

Section V  
"Texas Health  
Steps (THSteps)  
Medical  
Checkups  
Reports:  
Incentives and  
Disincentives for  
State Fiscal  
Years 2012 and  
2013 Checkup  
Results" added  
by Version 2.0  
and renumbered  
as Section III by  
Version 2.1

#### **A. MCO Incentives**

- MCOs must submit annual checkup reports on:
  - New Members receiving a checkup within 90 days of enrollment; and
  - Existing Members receiving timely checkups.
- Annual reports will not be accepted as "final" by HHSC until the reports have been validated to the satisfaction of HHSC.
- The validation process is as follows:
  - The MCO report results will be compared to the validation report results produced by the External Quality Review Organization (EQRO).
  - In order to pass validation, the MCO's checkup participation rates for New Members and Existing Members for each Service Area must be within an eight (8) percent variance of the EQRO's results.



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- Calculations to determine the checkup participation rates for New and Existing Members are provided in UCMC Chapter 12.4. The percentages will be carried to two (2) decimal places.
- The variances between the MCO and EQRO calculations will be rounded to the nearest whole number (Example: A variance up to 8.50% will round to 8%, and 8.51% or higher will round to 9%.)
- If an MCO's checkup participation rates are not within the eight (8) percent variance, HHSC will notify the MCO of the validation failure and request that the MCO submit a revised report and provide a detailed description of the discrepancies identified with the reports, the cause of the discrepancies, and an explanation of what will be done to prevent future inaccurate reports.
- The MCO has five (5) days from the notification of validation failure to request additional data from HHSC in order to validate its report. The MCO will be responsible for paying all costs HHSC incurs for obtaining the additional data from the EQRO.
- If a request for additional data is made, the MCO has twenty (20) days from receipt of the additional data from HHSC to submit the revised report.
- If a request for additional data is not made, the MCO has twenty (20) days from the original notification of validation failure to submit the revised report.
- If the MCO's checkup participation rates calculated from the revised report still do not pass within the eight (8) percent variance, the MCO will not be included in the performance ranking (described below), and HHSC will indicate the reason for non-inclusion was due to the MCO's failure to produce an accurate report and meet a variance requirement.
- HHSC will continue to request a revised report from the MCO until the MCO's checkup participation rates fall within the eight (8) percent variance.
- HHSC will rank MCOs according to their checkup participation rates from highest to lowest by Program for New Members and by Service Area for Existing Members.

## **B. MCO Disincentives**

- HHSC will assess up to the maximum liquidated damages allowed by the contract for failure to submit timely, accurate, and complete reports.
- HHSC will require a Corrective Action Plan (CAP) for MCOs with 50 percent or fewer of their New and/or Existing Members birth through age 20 receiving timely THSteps checkups. The CAP must include specific activities addressing how the MCO will improve Members' participation in THSteps medical checkups.
- HHSC may impose additional remedies in accordance with the Contract.



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Section VI "Children of Migrant Farm Workers (CMFW) Reports: Incentives and Disincentives Prior to SFY 2012 (not applicable to STAR Health)" deleted in its entirety by Version 2.1

Section VII "Children of Migrant Farm Workers (CMFW) Reports: Incentives and Disincentives for SFY 2012 and 2013 (not applicable to STAR Health)" added by Version 2.0 and renumbered as Section IV. By Version 2.1 and deleted in its entirety by Version 2.2