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DOCUMENT HISTORY LOG

STATUS ¹	DOCUMENT REVISION ²	EFFECTIVE DATE	DESCRIPTION ³
Baseline	2.0	December 20, 2019	Initial version of Uniform Managed Care Manual Chapter 19.1, "Contractor Requirements for HHSC Operational Reviews." Chapter 19.1 applies to contracts issued as a result of HHSC RFP numbers 529-12-0002, 529-10-0020, 529-13-0042, 529-15-0001, 529-13-0071, 529-18-0001, 529-12-0003, HHS0002877, and HHS0002881.
Revision	2.0.1	March 27, 2020	Accessibility approved version.

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represented as "Baseline" for initial issuances, "Revision" for changes to the Baseline version, and "Cancellation" for withdrawn versions

² 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.

³ Brief description of the changes to the document made in the revision.



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I. APPLICABILITY OF CHAPTER 19.1

This chapter applies to Managed Care Organizations (MCOs) participating in the CHIP, STAR, STAR+PLUS, STAR Health, and STAR Kids Programs. This chapter also applies to Dental Maintenance Organizations (DMOs) and Medical Transportation Organizations (MTOs) who contract with HHSC. References to “Medicaid” or the “Medicaid Managed Care Program(s)” apply to the STAR, STAR+PLUS, STAR Health, and STAR Kids Programs. The requirements in this chapter apply to all Programs, except where noted.

II. PURPOSE

HHSC may conduct an operational review of each applicable Contractor at least every two years. This chapter outlines the requirements of an MCO, DMO, and/or MTO during an operational review. For purposes of this chapter, the term Contractor refers to MCOs, DMOs, and MTOs.

The reviews will evaluate the Contractor’s compliance with implementation and operational functioning of contractual, state, and federal requirements, and will allow HHSC to identify and make recommendations for areas of improvement.

HHSC may conduct desk reviews and initiate onsite reviews as needed and without notice to monitor contractual requirements and performance.

III. CONTRACT PROVISIONS

In accordance with the section(s) of the managed care contracts relating to operational reviews and ongoing monitoring efforts HHSC may conduct desk or onsite reviews as part of its routine Contract monitoring efforts.

HHSC and its contractors, at their discretion, will review, evaluate, and assess the development and implementation of the Medicaid Contractor’s policies and procedures related to the timely and appropriate delivery of Services and Deliverables as required under this Contract.

HHSC may conduct operational reviews at both the Contractors’ and Subcontractors’ locations, as well as remotely.

IV. PRE-ONSITE REVIEW REQUIREMENTS

Deliverable Requests

In preparation for the desk and onsite operational reviews, HHSC will provide a timeline for operational activities and required Deliverables. The Contractor must cooperate by adhering to all deadlines specified by HHSC. Deliverables may include policies, procedures, job descriptions, employee rosters, contracts, records, logs, and other



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requested materials. The Contractor must submit all requested Deliverables to HHSC via its specified delivery method. HHSC will provide file delivery instructions in the operational review modules and associated trainings.

The Contractor must make available during the onsite review any additional documents or data not requested during the desk review.

MCO Deliverables must be:

1. Accurate;
2. Applicable to the contract references included;
3. Filled out completely, with all corresponding checklists;
4. In valid and accessible file formats; and
5. Submitted by the due date included on the timeline through the specified delivery method and to other appropriate mailboxes.

Documentation provided in response to HHSC’s requests should be reflective of documented processes being utilized at the time the Contractor received the operational review notification letter. Should the Contractor revise any documentation used to demonstrate Contract compliance due to updated HHSC contractual direction, or state or federal guidance after receiving the operational review notification letter, the Contractor will submit updated documents with a document history log that identifies the specific documents changed, and the corresponding direction from HHSC requiring the change. This applies to policies and procedures, staff procedure documents, and other documentation outlining the Contractor’s business processes.

If the Contractor does not follow the Deliverables submission instructions, HHSC may conduct additional onsite or desk reviews, and take corrective actions to address the issue.

Onsite Preparation

The Contractor must discuss the operational review agenda with HHSC and establish webinar capabilities for HHSC departments participating in the onsite review from a remote location.

V. ONSITE REVIEW REQUIREMENTS

Resources

The Contractor must ensure all applicable Contractor personnel, as outlined on the operational review agenda, are available during review activities. In addition, the Contractor must provide an appropriate private workspace and internet access for HHSC staff. When possible, HHSC will provide advance notice of the number of onsite staff requiring private workspace as well as the duration the workspace will be required.



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Overview Presentations

The Contractor will create overview presentations for subjects including, but not limited to, those listed in the onsite notification letter and on the operational review agenda. Subject matter experts must be available to present and answer questions. HHSC may request additional information and/or clarification as a result of the overview presentations during an onsite visit. HHSC will work with Contractor to establish a timeframe for any additional information or clarification requested.

Interviews/Observations

The Contractor must make staff available for interviews and observation periods as requested by HHSC. HHSC will accommodate the use of webinar or teleconference functionality when possible. However, HHSC may require offsite staff to be physically present for interviews.

Staff required for interviews include, but are not limited to, the following:

MCO/DMO:

- a. Claims staff;
- b. Complaints/appeals/fair hearings staff;
- c. Enrollment and capitation file processing staff;
- d. Member Advocates;
- e. Member and Provider Hotline staff;
- f. Pharmacy call center staff (excluding DMO);
- g. Prior authorization intake staff, nurses, and therapists;
- h. Service Coordinators (STAR+PLUS, STAR Health, and STAR Kids); and
- i. Service Managers (STAR Health, and STAR- excluding DMO).

MTO:

- a. Call center staff;
- b. Compliance staff and;
- c. Drivers.

HHSC may make changes to its roster of Contractor staff to interview and will provide notice to the Contractors at least five Business Days as to any roster changes.

Exit Meeting

The Contractor must participate in an exit meeting during which HHSC will share preliminary findings from the operational review. The exit meeting may occur onsite or via conference call within 7 Business Days from the last day of the onsite review. If the



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Contractor believes a finding has been incorrectly recorded, it must provide HHSC with a written explanation within 14 Business Days from the date of the exit meeting or conference call. This explanation must be based on the documentation provided as part of the original data request. No new documentation will be considered. HHSC will review the Contractor’s explanation and the outcome will be reflected in the final report.

VI. POST-ONSITE REVIEW REQUIREMENTS

Tailored Remedy Process

HHSC will assess the available tailored remedies under the Contract based on findings identified during the onsite review, which may include, items for immediate correction, corrective action plans, and liquidated damages. If the Contractor does not agree with the remedies assessed, it may follow the feedback procedures, which HHSC will provide at the time the remedies are assessed.

Monitoring Compliance

The Contractor must complete and close out all corrective action activities resulting from operational review findings. HHSC may conduct unannounced reviews at any time after the initial operational review to determine the progress in implementing recommendations and achieving compliance.

VII. TRAINING REQUIREMENTS

Contractors must participate in any HHSC annual trainings related to the operational review process. HHSC will provide adequate notice of trainings and associated content. The training format will include in-person and web-based platforms.