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| <b>Quality Improvement Cost Financial<br/>Statistical Report (QI FSR) Instructions</b> |   | <b>Version 2.0</b>    |

### DOCUMENT HISTORY LOG

| STATUS <sup>1</sup> | DOCUMENT REVISION <sup>2</sup> | EFFECTIVE DATE   | DESCRIPTION <sup>3</sup>   |
|---------------------|--------------------------------|------------------|--|
| Baseline            | 2.0                            | November 1, 2016 | <p>Initial version Uniform Managed Care Manual Chapter 5.3.1.62, "Quality Improvement Cost Financial Statistical Report (QI FSR) Instructions."</p> <p>This chapter applies to contracts issued as a result of HHSC RFP numbers 529-08-0001, 529-10-0020, 529-12-0002, 529-12-0003, 529-2-0042, 529-13-0071, and 529-15-0001 for reporting transactions occurring on or after September 1, 2016.</p> |
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<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represented as "Baseline" for initial issuances, "Revision" for changes to the Baseline version, and "Cancellation" for withdrawn versions.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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## **Objective**

Chapter 5.3.1.62 provides instructions necessary to complete the Quality Improvement Cost Financial Statistical Report (QI FSR) and the Data Certification Form.

All MCOs contracting with the State of Texas to arrange for or to provide healthcare to enrollees in the STAR, STAR+PLUS, CHIP, STAR Health, STAR Kids, or the Dental Program must submit an aggregate QI FSR in accordance with the Contract for Services between HHSC and MCO, and in accordance with the instructions below.

Please note this Chapter does not apply to the Texas Dual Eligibles Integrated Care Demonstration (Dual Demonstration) Project or QI costs incurred from participation in a Dual Eligibles Medicare-Medicaid Plan (MMP). Do not include any MMP costs in the aggregate Admin FSR.

## **General**

All QI FSRs must be completed using the locked Microsoft Excel template provided by HHSC. Data integrity is critical to the automated compilation of the data. Do not alter the file name, sheet names, existing cell locations, or formatting of the data in the file and sheets. Do not add or delete any columns or rows. **Any deviations from the locked template will render the QI FSR unreadable by the software application and therefore unacceptable to HHSC.**

All shaded data fields in the FSR represent fields where data input is required. In order to maintain consistency please ensure that the data input is in black. All data fields not shaded represents referenced data or calculations. All line numbers in these instructions refer to the line numbers in column A on each worksheet.

**Cells can be linked within the template but there can be no outside links to the MCO Accounting Systems or other contractor sources.**

## **FSR Page Headers**

Header information entered on Part 1 populates header data for all the other sheets; please make sure Part 1 is entered correctly. Enter the following information on Part 1:

**MCO Name:** Select the MCO's name from the drop-down menu.

**State Fiscal Year:** Select the State Fiscal Year (SFY) from the drop-down menu.

**Submission Date:** Enter the month, day, and year, e.g., 6/30/2015.



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**Submission Type:** Enter the type of FSR, e.g., Quarterly; Year End + 90 Days; Year End + 210 Days,  
**Rptg Period End Date:** Enter month, day, and year, e.g., 5/31/2015.

### **Part 1: Quality Improvement Costs by Spending Type**

See **Cost Principles for Expenses**, Chapter 6.1 of the Uniform Managed Care Manual for allowable Quality Improvement expenses. Include only QI expenses that are directly or indirectly in support of the Texas Medicaid service delivery area operations of the MCO. For all expenses other than depreciation, include only paid QI expenses in the Final FSR.

The following note is included on Part 1 of the QIFSR “**Note: Unless an item is specifically stated otherwise, reporting of all amounts in the QI Cost FSR is on an incurred basis (that is, reported in the period corresponding to dates the services were incurred, rather than to date paid). All prior quarters’ data must be updated to reflect the most recent actuals.**”

**Enter** the appropriate amounts on the following lines.

Line 1 Salaries, wages, and benefits, excl. bonuses - Enter amounts incurred as salary, wages, or benefits to employees and other staff. Include Temps, Part-time staff, and non-employee staff that are paid as independent contractors. Include payroll taxes and overtime. Also include reimbursement of employee relocation expenses and professional licensing fees such as RNs and CPAs. Exclude bonuses, and the payroll taxes on bonuses.

Line 2 Bonuses - Enter bonuses and the payroll taxes on bonuses, and any associated gross-ups.

Line 3 Rent, Lease, or Mortgage Payment for Office Space - Enter rent paid for space used by the MCO.

Line 4 Utilities (if not incl. in rent), excl. Phone/Telecom - Enter payments for utility services used in support of QI activities.

Line 5 Furniture, Fixtures, and other Equipment Purchased, un-capitalized. - Enter furniture, fixture or equipment purchases that by their nature or amount were not eligible for depreciation.



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Line 6 Supplies, Postage, Freight, and Printing - Enter amounts paid for supplies, postage, freight, and printing services.

Line 7 Maintenance, Repairs, Custodial, and Security - Enter expenses paid for maintenance, repairs, custodial and security services.

Line 8 Professional Services - Enter the cost of professional or consulting services rendered by persons or organizations that are members of a particular profession or possess a special skill.

Line 9 Computer hardware/Software purchased, uncapitalized. - Enter computer hardware and software purchases (including licenses) which by their nature or amount were not eligible for depreciation. See HHSC's Cost Principles for rules regarding capitalized items.

Line 10 Phone/telecom/cell phones/T1 Broadband - Enter the monthly operating expense, but do not include hardware purchases.

Line 11 Equipment Lease or Rent, excluding Phone/Telecom - Enter cost of rentals or leases related to equipment used in support of QI activities.

Line 12 Membership Dues - Enter amounts paid for staff actively involved in QI activities.

Line 13 Outreach (excl. Salaries) - Enter paid cost of outreach activities.

Line 14 Application Fees - Enter cost of any applications to organizations or entities that are required to maintain qualifications or certifications related to the QI function.

Line 15 Inspection/Evaluation fees - Enter amounts paid for inspections of facilities or evaluations of QI processes/procedures.

Line 16 Data Collection Expenses - Enter the cost of collecting data to support internal or external reporting requirements.

Line 17 Outsourced Services - Enter cost of all outsourced/contracted QI activities which are not accounted for elsewhere on the FSR. This can include QI data gathering and analysis).

Line 18 Data Analysis Expenses - Enter non-payroll costs associated with analysis of QI data.



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Line 19 Reporting Expenses (Printing, Distribution, and Publication) - Enter non-payroll cost of generating required reports.

Line 20 Quality Assurance Reviews - Amounts paid to external entities for validating MCO Quality Programs

Line 21 Travel Expenses - Enter the direct cost for transportation, lodging, subsistence, etc. incurred by employees traveling on official business specifically related to QI activities.

Line 22 Depreciation and Amortization - Enter applicable depreciation and amortization for the period for assets utilized in the support of QI activities.

Lines 23-26 Other Expenses - Enter expenses not included above.

Line 27 Total Quality Improvement Expenses - Calculated as sum of Lines 1 through 26.

### **Part 1a: Quality Improvement Expenses - Distribution by Type of Service**

#### **Care Coordination/Case Management**

Lines 1 through 15 Enter costs associated with any of the qualified functions listed. Lines 14 and 15 can be used to collect costs for Care Coordination/Case Management functions not otherwise listed.

#### **Disease Management**

Lines 16 through 19 Enter costs associated with any of the qualified functions listed for Disease Management. Lines 18 and 19 can be used to collect costs for Disease Management functions not otherwise listed.

#### **Health Information Technology**

Lines 20 through 24 Enter costs associated with any of the qualified functions listed for Health Information Technology. Provide a description for each line.

#### **Other QI Costs**

Lines 26 through 29 Other QI Costs Enter expenses not included above. Provide a brief description.



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Line 30 Total QI Expenses: Calculated as sum of lines 1 through 29. Must match Part 1, Line 27, "Total Quality Improvement Expenses."

**Part 1b: Quality Improvement Expenses - Distribution by Program/Member Month**

Program

Lines 1 through 7 Enter QI Costs by Program. QI costs should be assigned to each Program based on the MCO's assessment of the level of QI resources devoted to those Programs. QI costs within each Program are allocated to plan code by the percentage of revenue method.

Line 8 Total QI Expenses Calculated as sum of lines 1 through 7. Total costs must match to Part 1, Line 27

Member Months

Lines 9 through 15 Member-Months Enter Member-Months for the applicable Programs.

Line 16 Total Member-Months Calculated as sum of lines 9 through 15 above.

Quality Improvement Costs per Member per Month

Lines 17 through 23 Calculated QI Costs PMPM

**Part 1c: Quality Improvement Expenses - Allocation to Programs / SDAs**

Line 1-7 Gross Revenue per FSR calculated as sum of lines 9 through 40 that correspond to the Program stated in column B.

Line 8 Total Gross Revenue calculated as sum of lines 1 through 7.

Line 9 through 40 Gross Revenues per FSR: Program/Service Delivery Area Enter the monthly gross revenues for each program/service area.

Lines 41 through 72 Allocated Quality Improvement Expenses by Revenue Distribution

Each cell in this matrix is based on a calculation using "Gross Revenues, per FSR" in the matrix of Lines 9 through 40, and "HHSC Managed Care Quality Improvement Costs - Program" in the matrix of Lines 1 through 7 on Part 1b.

Line 73 Total Allocated Quality Improvement Expenses Calculated as sum of lines 41 through 72 above.



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### **Data Certification Form**

#### **General Instructions:**

1. The Data Certification Form must be submitted with the FSR Reports, and it must be signed by the CEO, CFO, or equivalent.
2. Certification of certain financial data is a Federal requirement.
3. It is acceptable to include the Data Certification Form pasted into the Certification tab as a PDF.

#### **Instructions for Completing Specific Data Fields:**

The name of the MCO, Document name, date of submission, state fiscal year (SFY), Program and service area will populate from header information entered in Part 1.

Data Field 4 – Enter the quarter designation, e.g., “Q3.”

Data Field 7 – Type or print the name and title of the person signing the Certification.

Data Field 9 – Sign the Certification.

Data Field 10 – Enter the date the form is signed without using a formula.