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DOCUMENT HISTORY LOG

STATUS ¹	DOCUMENT REVISION ²	EFFECTIVE DATE	DESCRIPTION ³
Baseline	2.0	September 1, 2017	<p>Initial version Uniform Managed Care Manual Chapter 6.2.15 “Dental Pay-for-Quality Program”</p> <p>Version 2.0 applies to contracts issued as a result of HHSC RFP number X29-12-0003.</p>
Revision	2.1	September 1, 2019	<p>“A. Measures” is updated to clarify which DQA measures specifications are used to calculate P4Q results and the agency’s discretion to remove measures that have significant specification changes after the start of the Measurement Year. This revision also adds 2020-2021 measures. “Table 2. 2020-2021 Measures for Dental Pay-for-Quality Program” was added.</p> <p>“B. Methodology” is updated to include 2020-2021 Neutral Zones. And Tables 5-7 were added to show specific Neutral Zones for Measurement Years 2019-2021.</p> <p>“D. Glossary” is updated with additional definitions and examples.</p>



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Revision	2.2	January 1, 2021	<p>Version 2.2 applies to contracts issued as a result of HHSC RFP number HHS0002879.</p> <p>“Table of Contents” is added.</p> <p>“II. Dental P4Q Program” is updated to reflect the listed measure and benchmark changes:</p> <ul style="list-style-type: none"> • suspension of the 2020 program (II.A.1), • addition of a Bonus Pool methodology (II.A.2, II.C, II.E.3) • providing the 2021-2022 Upper Threshold of the Neutral Zone by MCO Notice, • addition of P4Q exceptions (II.D), • and changing notifications timelines (II.F).
Revision	2.2.1	April 14, 2021	Accessibility approved version.



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Revision	2.3	September 1, 2021	<p>“II. Dental P4Q Program” is updated to reflect the following changes:</p> <ul style="list-style-type: none"> • Clarifies that HHSC will: <ul style="list-style-type: none"> ○ Review measures and methodology at least every other year, ○ Make every reasonable effort to communicate biennial review changes prior to the Measurement Year, and ○ Make every reasonable effort to communicate changes due to unforeseen circumstances at least 30 days prior to the end of the Measurement Year (II.A); • Suspends the program for Measurement Year 2021; • Defines Measurement Years 2022-2023 measures (II.A.1); • Changes the reference year to the prior Measurement Year beginning with Measurement Year 2022 (II.B, II.C); • Clarifies that the Upper Threshold of the Neutral Zone will be at least 0.5 (II.B.1); • Clarifies that per-member cost will be calculated by the EQRO (II.B.1); • Adds additional information on example calculations (II.E); • Clarifies that plans will have 20 days to review measure results
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			<p>prior to P4Q recoupment and distribution calculation (II.E.5);</p> <ul style="list-style-type: none"> • Removes language providing for preliminary meeting times (II.E.5); • Clarifies that distributions will be made by voucher (II.5.e); and • Makes edits for plain language throughout.
Revision	2.4	January 1, 2023	<ul style="list-style-type: none"> • Table 3 2022-2023 Dental Pay-for-Quality Program At-Risk Measures updated DQA Measure: “Topical Fluoride for Children at Elevated Caries Risk, Dental Health Services” to “Topical Fluoride for Children”. • In description of DQA measure, removed at elevated risk for cavities and added “as a dental or oral health service”. • Updated DQA measure names in example final calculation Table 12

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 6.2.15

This chapter applies to Dental Contractors providing Texas Medicaid and CHIP dental services to Members through dental health plans.

II. Dental P4Q Program

HHSC expects the Dental Contractors providing Texas Medicaid and CHIP dental services to continually improve performance to ensure Members are receiving quality care and services. This chapter details the methodology and measures for the dental Pay-for-Quality (P4Q) program beginning with calendar year 2018 data. The model defined in this UCM chapter will continue to apply to the Measurement Years that follow unless superseded by subsequent amendments to this chapter.

A. Measures

The measures included in the dental P4Q program are listed in Tables 1-4. These measures apply to programs under the Texas Medicaid and CHIP Dental Services Managed Care Contract. Technical specifications for these measures can be found at the Dental Quality Alliance (DQA) website¹. DQA data year measure specifications are typically released in September of the Measurement Year. For example, 2018 Measurement Year utilizes DQA 2018 data year measure specifications. If HHSC determines that a measure changed significantly during the Measurement Year, the agency may remove the measure and redistribute the at-risk percentage for that measure equally among the other measures. Plans will be notified of any changes to the at-risk percentages as soon as possible. HHSC will make every reasonable effort to communicate any changes at least 30 days prior to the end of the Measurement Year.

HHSC will review the P4Q measures and methodology at least every other year (biennially). HHSC will make every reasonable effort to communicate changes prior to the beginning of the Measurement Year to which it pertains,² and Dental Contractors will be given an opportunity to comment on any changes.

¹ Dental Quality Alliance website: <http://www.ada.org/en/science-research/dental-quality-alliance>

² For 2021 and 2022, some changes were communicated after the start of the Measurement Year due to time constraints associated with the COVID-19 pandemic.



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1. Dental P4Q At-Risk Measures

Tables 1-3 show the measures at risk of recoupment for Measurement Years 2018-2019 and -2022-2023. HHSC suspended the P4Q program for Measurement Years 2020-2021 because of the COVID-19 pandemic.

Table 1. 2018 Dental Pay-for-Quality Program At-Risk Measures

Measure	Description	Medicaid Age	CHIP Age
DQA Measure: Oral Evaluation, Dental Services	Percentage of enrolled children: <ul style="list-style-type: none"> who received a comprehensive or periodic oral evaluation within the reporting year³ 	0-20 years	0-18 years
DQA Measure: Topical Fluoride for Children at Elevated Caries Risk, Dental Health Services	Percentage of enrolled children: <ul style="list-style-type: none"> at “elevated” risk for cavities (i.e. “moderate” or “high”) and received at least 2 topical fluoride applications within the reporting year 	1-20 years	1-18 years
DQA Measure: Sealants for 6-9 year-old Children at Elevated Risk, Dental Services	Percentage of enrolled children: <ul style="list-style-type: none"> at “elevated” risk for cavities (i.e. “moderate” or “high”) and received a sealant on a permanent first molar tooth within the reporting year 	6-9 years	6-9 years

³ For the dental P4Q program, the reporting year is the Measurement Year.



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Measure	Description	Medicaid Age	CHIP Age
DQA Measure: Sealants for 10-14 year-old Children at Elevated Risk, Dental Services	Percentage of enrolled children: <ul style="list-style-type: none"> at “elevated” risk for cavities (i.e. “moderate” or “high”) and received a sealant on a permanent second molar tooth within the reporting year 	10-14 years	10-14 years

Table 2. 2019 Dental Pay-for-Quality Program At-Risk Measures

Measure	Description	Medicaid Age	CHIP Age
DQA Measure: Oral Evaluation, Dental Services	Percentage of enrolled children: <ul style="list-style-type: none"> who received a comprehensive or periodic oral evaluation within the reporting year 	0-20 years	0-18 years
DQA Measure: Topical Fluoride for Children at Elevated Caries Risk, Dental Health Services	Percentage of enrolled children: <ul style="list-style-type: none"> at “elevated” risk for cavities (i.e. “moderate” or “high”) and received at least 2 topical fluoride applications within the reporting year 	1-20 years	1-18 years



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Table 3. 2022-2023 Dental Pay-for-Quality Program At-Risk Measures

Measure	Description	Medicaid Age	CHIP Age
DQA Measure: Oral Evaluation, Dental Services	Percentage of enrolled children: <ul style="list-style-type: none"> who received a comprehensive or periodic oral evaluation within the reporting year 	0-20 years	0-18 years
DQA Measure: Topical Fluoride for Children	Percentage of enrolled children: <ul style="list-style-type: none"> who received at least 2 topical fluoride applications within the reporting year as a dental or oral health service 	1-20 years	1-18 years
DQA Measure: Sealant Receipt on Permanent 1st Molars, One Sealant and All Four Sealants	Percentage of enrolled children, who have ever received sealants on permanent first molar teeth: <ul style="list-style-type: none"> at least one sealant all four first molars sealed by the 10th birthdate 	Turned age 10 during Measurement Year	Turned age 10 during Measurement Year
DQA Measure: Sealant Receipt on Permanent 2nd Molars, One Sealant and All Four Sealants	Percentage of enrolled children, who have ever received sealants on permanent second molar teeth: <ul style="list-style-type: none"> at least one sealant all four second molars sealed by the 15th birthdate 	Turned age 15 during Measurement Year	Turned age 15 during Measurement Year

2. Dental P4Q Bonus Pool Measures

Table 4 shows the measures included in the new Bonus Pool for 2022-2023.



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Table 4. 2022-2023 Dental Pay-for-Quality Program Bonus Pool Measures

Measure	Description	Medicaid Age	CHIP Age
DQA Measure: Ambulatory Care Sensitive Emergency Department Visits for Dental Caries in Children	Number of emergency department (ED) visits for caries-related reasons per 100,000 Member months for children ⁴	0-20 years	0-18 years
DQA Measure: Care Continuity, Dental Services	Percentage of all children enrolled in two consecutive years who received a comprehensive or periodic oral evaluation in both years	1-20 years	1-18 years

B. At-Risk Methodology

In each calendar year, 1.5 percent of each Dental Contractor’s capitation is at-risk of recoupment. If a Dental Contractor’s performance declines beyond a certain threshold amount on the dental P4Q measures, HHSC will recoup up to 1.5 percent of the original baseline capitation. If a Dental Contractor’s performance improves beyond a certain threshold amount, the Dental Contractor will be eligible to receive up to 1.5 percent of the original baseline capitation in addition to the capitation received for the year contingent on the availability of funds. Capitation percentages are spread across measures. For a measure with multiple submeasures, the measure’s percentage will be split evenly among the associated submeasures. The capitation maximum by measure for 2018 and 2019 are shown in Tables 5-8. Since Measurement Year 2021, the maximum capitation at risk percentage by measure has been published in an official MCO notice on TexConnect

⁴ For the dental P4Q program, the reporting year is the Measurement Year.



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prior to the start of the Measurement Year and updated in this chapter as soon as is feasible.

For Measurement Years 2018-2019, each Dental Contractor’s Measurement Year performance was compared to rates from two years prior, referred to as the Reference Year. For example, performance for Measurement Year 2019 was compared to performance for Measurement Year 2017. Beginning with Measurement Year 2022, Measurement Year performance will be compared to the prior Measurement Year. This means Measurement Year 2022 will be compared to Measurement Year 2021.

If the net result of aggregating the results of all individual measures is greater than or equal to zero, HHSC will not recoup. If any Dental Contractor’s performance decreases such that its capitation is subject to recoupment, the funds recouped will be available for distribution to another Dental Contractor.

1. Neutral Zone

For every measure, there is a Neutral Zone describing the range of performance in the Measurement Year for which there will be no recoupment or distribution. For Measurement Year 2018, no recoupment will be assessed for performance on a measure unless the Measurement Year rate is equal to or less than -0.5 percentage points from the Reference Year rate. The -0.5 percentage points change from the Reference Year rate will be applicable in 2018 to allow for adjustments to the new model. Beginning with Measurement Year 2019, the Lower Threshold of the Neutral Zone will be the Reference Year rate.

To be eligible for a distribution, performance on a measure must be greater than the Upper Threshold of the Neutral Zone, which is shown in Tables 5-8. The Upper Threshold of the Neutral Zone is calculated based on the State Program Rate for the most recent historic two-year performance on the measure at the time of publication +0.5 percentage points. The Upper Threshold of the Neutral Zone will be at least 0.5 but not exceed three percentage points. Beginning with Measurement Year 2022⁵, Upper Thresholds will be published in an official MCO notice on TexConnect prior to the start of the Measurement Year and updated in this chapter as soon as is feasible.

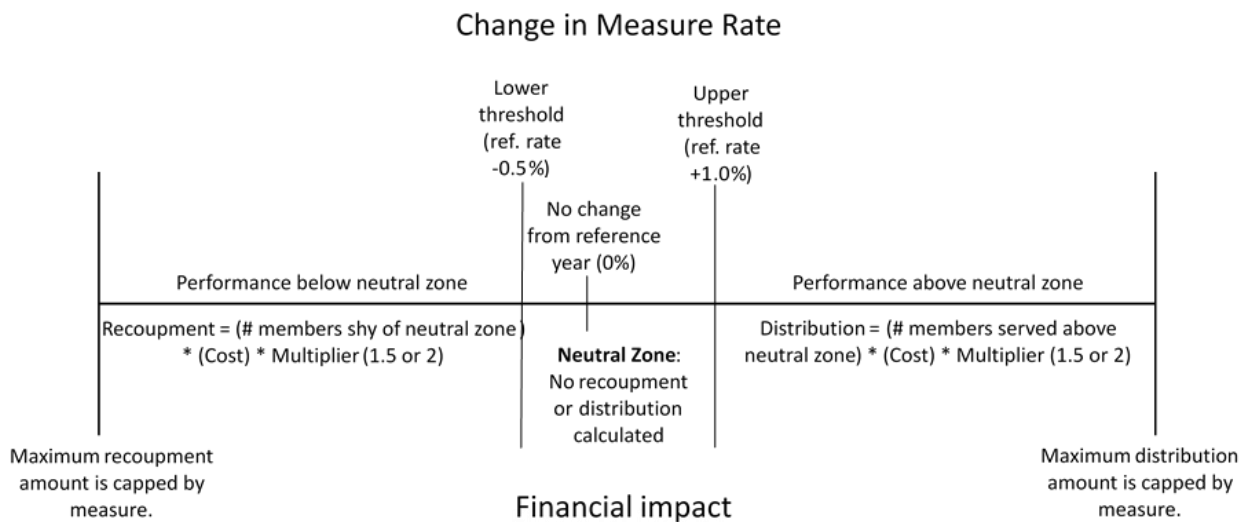
⁵ This change originally took effect for Measurement Year 2021, but the program was suspended due to the COVID-19 pandemic.



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Figure 1 illustrates the general concept of the Neutral Zone.

Figure 1. Recoupment and Earned Capitation Calculated for One Measure



The diagram above shows an example Neutral Zone range of -0.5 percent < Measurement Year rate < 1 percent. The actual Neutral Zone will vary by measure and year.

For measure rates above the Upper Threshold of the Neutral Zone, distribution funds will be calculated by multiplying the number of Members above the Neutral Zone by a per-member cost and by a Multiplier, as shown in Tables 5-8 For measure rates below the Lower Threshold of the Neutral Zone, recoupments will be calculated by multiplying the number of Members below the Neutral Zone by a per-member cost and by a Multiplier, also as shown in Tables 5-8 For measures that apply to small, targeted populations (such as Members at elevated risk for dental caries), larger Multipliers will be applied than for measures with larger populations (such as all Members).

The average per-member cost data is calculated by the Texas Medicaid External Quality Review Organization (EQRO) based on statewide dental data. For Measurement Years 2018 and 2019, the per-member cost was calculated using prior year data and published in the UMCM. Beginning with Measurement Year 2022, costs will be calculated using



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prior year data, published in an official MCO notice on TexConnect prior to the start of the Measurement Year and updated in this chapter as soon as is feasible. This allows the recoupment or distribution to more accurately reflect performance.

Table 5. Medicaid: 2018 Neutral Zone Methodology for Each Measure

Measure	Neutral Zone (compared to Reference Year rate)	Average Per-Member Cost of Service	Multiplier	For each Member below/above Neutral Zone, recoupment/distribution is Multiplier times average cost.	Cap on recoupment or distribution
DQA Oral Evaluation, Dental Services	-0.5% to 2.0%	\$83	1.5	=\$83 * 1.5	1% capitation
DQA Topical Fluoride for Children at Elevated Caries Risk, Dental Health Services	-0.5% to 3.0%	\$29	2	=\$29 * 2	0.25% capitation
DQA Sealants for 6-9 year-old Children at Elevated Risk, Dental Services	-0.5% to 1.5%	\$79	2	=\$79 * 2	0.125% capitation



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Measure	Neutral Zone (compared to Reference Year rate)	Average Per-Member Cost of Service	Multiplier	For each Member below/above Neutral Zone, recoupment/distribution is Multiplier times average cost.	Cap on recoupment or distribution
DQA Sealants for 10-14 year-old Children at Elevated Risk, Dental Services	-0.5% to 1.5%	\$63	2	=\$63 * 2	0.125% capitation

Table 6. CHIP: 2018 Neutral Zone Methodology for Each Measure

Measure	Neutral Zone (compared to Reference Year rate)	Average Per-Member Cost of Service	Multiplier	For each Member below/above Neutral Zone, recoupment/distribution is Multiplier times average cost.	Cap on recoupment or distribution ⁶
DQA Oral Evaluation, Dental Services	-0.5% to 3.0%	\$42	1.5	=\$42 * 1.5	1% capitation

⁶ The cap applies to each Dental Contractor's own Premium Payments and applies separately to Children's Medicaid Dental Services and to CHIP.



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Measure	Neutral Zone (compared to Reference Year rate)	Average Per-Member Cost of Service	Multiplier	For each Member below/above Neutral Zone, recoupment/distribution is Multiplier times average cost.	Cap on recoupment or distribution ⁶
DQA Topical Fluoride for Children at Elevated Caries Risk, Dental Health Services	-0.5% to 3.0%	\$30	2	=\$30 * 2	0.25% capitation
DQA Sealants for 6-9 year-old Children at Elevated Risk, Dental Services	-0.5% to 1%	\$81	2	=\$81 * 2	0.125% capitation



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Table 7. Medicaid: 2019 Neutral Zone Methodology for Each Measure

Measure	Neutral Zone (compared to Reference Year rate)	Average Per-Member Cost of Service	Multiplier	For each Member below/above Neutral Zone, recoupment/distribution is Multiplier times average cost.	Cap on recoupment or distribution
DQA Measure Oral Evaluation, Dental Services	0% to 2.0%	\$83	1.5	=\$83 * 1.5	1.125% capitation
DQA Measure Topical Fluoride for Children at Elevated Caries Risk, Dental Services	0% to 3.0%	\$29	2	=\$29 * 2	0.375% capitation



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Table 8. CHIP: 2019 Neutral Zone Methodology for Each Measure

Measure	Neutral Zone (compared to Reference Year rate)	Average Per-Member Cost of Service	Multiplier	For each Member below/above Neutral Zone, recoupment/distribution is Multiplier times average cost.	Cap on recoupment or distribution ⁷
DQA Measure Oral Evaluation, Dental Services	0% to 3.0%	\$42	1.5	=\$42 * 1.5	1.125% capitation
DQA Measure Topical Fluoride for Children at Elevated Caries Risk, Dental Services	0% to 3.0%	\$30	2	=\$30 * 2	0.375% capitation

C. Bonus Pool Methodology

Beginning with Measurement Year 2021, a set of Bonus Pool measures was established to encourage improvement on measures not included in the At-Risk Measures. When

⁷ The cap applies to each Dental Contractor's own Premium Payments and applies separately to Children's Medicaid Dental Services and to CHIP.



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HHSC recoups more funds than it disperses for the At-Risk Measures, the remaining funds will be included in a Bonus Pool. DMOs will be able to be able to earn bonus points for every full percentage point of increase beyond five percentage points for the Care Continuity measure or every full 0.1 decrease beyond 0.5 for the Emergency Department Visit measure as compared to the State Program Rate for the Reference Year. The Reference Year is the prior Measurement Year as described in section B. At-Risk Methodology. Points will be weighted according to market share separately for Medicaid and CHIP. Then Bonus Pool funds will be distributed proportionally by program. Bonus Pool funds will only be available when HHSC recoups more than it distributes for the At-Risk Measures.

An example calculation is shown in Table 11 in section E of this chapter.

D. Exceptions

1. New Dental Contractors

New Dental Contractors will be excluded from the P4Q program until two years after the first full Measurement Year of participation in the Children’s Medicaid Dental Services or CHIP Dental program.

For example, a new contractor joining the program on September 1, 2020, would be eligible for the 2023 P4Q program two years after their first full Measurement Year in the program (January 1 to December 31, 2021).

2. Low Denominators

Any DMO with a low denominator, as defined in the official Quality of Care reporting provided by the EQRO, on a measure in a given year is excluded for that measure. The DMO would not be held at risk and would not receive a distribution for that measure but would be accountable to all other measures and eligible for recoupment or distribution for overall program performance.

3. Data Errors

If there is a significant error in a DMO’s Encounter Data, HHSC may recoup up to the maximum percentage for each affected measure. If all measures are affected, HHSC may recoup the full 1.5 percent of At-Risk Capitation.



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4. Earnings Over Five Percent of Capitation

Federal regulations limit incentive distributions to five percent of capitation payments. If a DMO has merited incentive distributions in an amount that exceeds five percent of its capitation, HHSC will retain any funds in excess of the five percent limit.

E. Dental Pay-for-Quality Recoupment and Distribution

In the dental P4Q program, a portion of each dental health plan's capitation is held at-risk and is subject to recoupment based on the Dental Contractors' performance, as described in this chapter. Dental Contractors are also eligible to potentially receive a distribution of funds, as described in this chapter. The process that will be used to recoup and distribute funds based on Dental Contractors' dental P4Q performance is described below.

1. Example Recoupment

This is an example using a fictitious denominator and Reference Year rate to show how a recoupment is calculated for a single measure.

In Table 9, Dental Contractor A would need to serve 1,500,000 out of its 2,500,000 eligible Members in 2022 to match the Reference Year's Medicaid oral evaluation rate (60 percent). In this example, the Neutral Zone is assumed to be the same as 2019 at 59.5 to 62.0 percent.

Table 9. Dental Contractor A: Oral Evaluation for Children at Elevated Caries Risk, Dental Health Services Measure in Medicaid 2022 Measurement Year

2021 Rate	Lower Threshold of the Neutral Zone	Lower Threshold Count	Upper Threshold of the Neutral Zone	Upper Threshold Count	2022 Rate (Actual)	2022 Count Below Lower Threshold of the Neutral Zone
60.00%	59.50%	1,487,500	62.00%	1,550,000	59.46%	1,000



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The Lower Threshold of the Neutral Zone, or 59.5 percent of the 2022 denominator, equals 1,487,500 children. Dental Contractor A serves 1,486,500 children in the oral evaluation measure, which is 1,000 children less than the Lower Threshold of the Neutral Zone. In this example, the average cost per Member and Multiplier are assumed to be the same as 2019 at \$83 and 1.5, respectively.

The recoupment calculation for this measure is:

$$(1,000 \text{ Members}) * (\$83) * (1.5 \text{ Multiplier}) = \text{Recoupment of } \$124,500.00$$

The recoupment is capped by each measure. In this example, the maximum recoupment that could be assessed would be one percent of Dental Contractor A's Medicaid capitation.

2. Example Distribution

This is an example using a fictitious denominator and Reference Year rate to show how a distribution is calculated for a single measure.

In Table 10, Dental Contractor A would need to serve 720,000 of its 1,800,000 eligible Members in 2022 to match the Reference Year's Medicaid topical fluoride rate (40 percent). In this example, the Neutral Zone is assumed to be the same as 2019 at 39.5 to 43.0 percent.

Table 10. Dental Contractor A: Topical Fluoride for Children at Elevated Caries Risk, Dental Health Services Measure in Medicaid in 2022 Measurement Year

2021Rate	Lower Threshold of the Neutral Zone	Lower Threshold Count	Upper Threshold of the Neutral Zone	Upper Threshold Count	2022 Rate (Actual)	2022 Count Above Upper Threshold of the Neutral Zone
40.00%	39.50%	711,000	43.00%	774,000	43.05%	1,000

The Upper Threshold of the Neutral Zone, or 43 percent of the 2022 denominator, equals 774,000 children. Dental Contractor A serves 775,000 eligible Members, which is 1,000



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more than the Upper Threshold of the Neutral Zone. In this example, the average cost per Member and Multiplier are assumed to be the same as 2019 at \$29 and 2, respectively.

The distribution calculation for this measure is:

$$(1,000 \text{ Members}) * (\$29) * (2 \text{ Multiplier}) = \text{Potential Distribution of } \$58,000.00$$

The distribution is capped by each measure. In this example, the maximum distribution that could be calculated would be 0.25 percent of Dental Contractor A's Medicaid capitation.

3. Example Bonus Pool Distribution

Contingent on the availability of funds, plans may be eligible to receive an additional distribution based on performance on the Bonus Pool Measures listed in Section II.A.2 of this chapter. Table 11 shows an example Bonus Pool calculation.

First, the points are assigned based on plan performance. (In this example, two plans earned points for Medicaid but not CHIP) Next, the market share is calculated, and the points are reapportioned based on relative market share. Then, each plan's adjusted points are converted into a percentage adjusted points/total of adjusted points). Finally, the percentage of overall points is multiplied by the Bonus Pool amount for the relevant program. (In this example, \$10,000 is available for distribution in Medicaid.) Bonus Pool distributions are calculated separately for Medicaid and CHIP.

Table 11. Bonus Pool Calculation for Medicaid

Dental Contractor	Points	Market Share	Adjusted Points	% Adjusted Points	Medicaid Bonus Pool	Plan Bonus Pool Share
A	4	42%	1.68	60.00%	\$10,000	\$6,000
B	2	56%	1.12	40.00%	\$10,000	\$4,000



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4. Example Final Calculations

After a financial result for each measure is calculated, these are added together for each plan. Using the two examples above and other hypothetical results, the grand total for Dental Contractor A might be added up as follows:

Table 12. Dental Contractor A: Grand Total

Program	Measure	Recoupment or Earned Capitation for Each Measure
Medicaid At-Risk	DQA Measure: Oral Evaluation, Dental Services	-\$124,500
Medicaid At-Risk	DQA Measure: Topical Fluoride for Children	\$58,000
CHIP At-Risk	DQA Measure: Oral Evaluation, Dental Services	\$101,500
CHIP At-Risk	DQA Measure: Topical Fluoride for Children	\$65,000
At-Risk Subtotal	All At-Risk Measures	\$100,000



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Program	Measure	Recoupment or Earned Capitation for Each Measure
Medicaid Bonus Pool	DQA Measure: Ambulatory Care Sensitive Emergency Department Visits for Dental Caries in Children AND Care Continuity, Dental Services	\$6,000
CHIP Bonus Pool	DQA Measure: Ambulatory Care Sensitive Emergency Department Visits for Dental Caries in Children AND Care Continuity, Dental Services	\$0
Bonus Pool Subtotal	All Bonus Pool Measures	\$6,000
Grand Total	All Measures	\$106,000

Table 12 provides an example of a grand total that is positive. When the distributions and recoupments for performance on all measures are added together, the grand total may be:

- \$0 = No overall recoupment or distribution
- Negative = Recoupment overall (capped at 1.5 percent of capitation)
- Positive = No recoupment; eligible for distribution payment above At-Risk Capitation (capped at 5 percent of capitation)



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Please note: There is no guarantee that any distribution payment funds will be available for either the At-Risk Measures or the Bonus Pool Measures. The Dental Contractor can only receive funds above its own At-Risk Capitation if funds are available due to recoupment from another Dental Contractor.

Table 13. HHS Action Based on Dental Contractor's Performance

Performance	Declines	No Change	Improves
HHS Action	Recoup amount from baseline capitation (capped at 1.5% of capitation)	Do not recoup.	Do not recoup. *Additional distribution only if funds are available due to recoupment from another plan.
Dental Plan Receives	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Recoupment</div> <div style="border: 1px solid black; padding: 5px;">Baseline capitation</div>	<div style="border: 1px solid black; padding: 5px;">Baseline capitation</div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Additional distribution</div> <div style="border: 1px solid black; padding: 5px;">Baseline capitation</div>

F. Notification of Results

HHSC will provide Dental Contractors the opportunity to review and dispute Measure results during a separate review process as part of the EQRO Quality of Care reporting review in the spring and fall. This process will be detailed in a TexConnect notice and in process documents posted to the Resources section of the Texas Healthcare Learning Collaborative Portal (<https://thlcportal.com/resources/>). If Member-level data is requested, the cost associated with pulling the data is the responsibility of the requesting Dental Contractor. HHSC may waive that cost at the agency's discretion. Once that review is complete, the Measure results are considered final for use in the P4Q program.



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After the Measure results are finalized, HHSC will calculate the dental P4Q results and verify the results with the EQRO. The At-Risk Capitation amounts used for the P4Q calculations will be based on the Premium Payment System (PPS) file. HHSC will send eligible Dental Contractors their P4Q results and amounts to be recouped or distributed. Dental Contractors may dispute the P4Q calculations within 10 business days of the notification letter's date.

For recoupment, the Dental Contractors will receive an address for payment to HHS and a deadline by which any Dental Contractors that are subject to recoupment must pay HHS. The deadline stated by HHSC will be at least 10 business days from the time of notification. The Dental Contractor will submit the recoupment payment or dispute the results by the deadline if a meeting is not required. If a meeting is required, Dental Contractors should provide a list of concerns at least 72 hours prior to the meeting time selected to allow HHSC staff to arrange for the appropriate subject matter experts to be present. Following the meeting, HHS will communicate the final determination of the amount to be recouped or distributed. This communication will include a second deadline for payment at least 10 business days from the date of the notice. Unless HHSC specifies otherwise in its notice, the recoupment payment must be made by check.

Where there is no recoupment or distribution of funds, HHSC's notification will be considered final unless the Dental Contractor disputes the results, or the results change in response to another Dental Contractor's dispute.

For distribution of funds for improvement, HHSC's notification will be considered final unless the Dental Contractor disputes the results or the results change in response to another Dental Contractor's dispute. HHSC will issue a payment voucher after all recoupments from all Dental Contractors are received.

Any questions regarding the dental P4Q program may be sent to the following e-mail address: MCD_managed_care_quality@hhsc.state.tx.us.



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G. Glossary

Term	Definition
At-Risk Capitation	Maximum percent of Dental Contractor's capitation that may be recouped based on performance. For 2022 P4Q Measurement Year, 1.5% capitation is at-risk
At-Risk Measure	Measure at-risk of capitation recoupment
Bonus Pool	Funds recouped but not distributed as part of the overall program At-Risk Measure calculation
Bonus Pool Measure	Measure eligible for additional distribution if funds are available
Dental Contractor	A dental plan providing services to eligible Texas Medicaid and CHIP Members under the Texas Medicaid and CHIP Dental Services Managed Care Contract.
Lower Threshold of the Neutral Zone	<ul style="list-style-type: none"> The Lower Threshold of the Neutral Zone is the point at which any decline in performance does not result in recoupment. For measures that improve as the rate decreases, the Lower Threshold may be a larger number.
Measurement Year	Calendar year in which Dental Contractors are evaluated and the year of At-Risk Capitation. <ul style="list-style-type: none"> Example: 2022 P4Q Measurement Year assesses performance in calendar year 2022, and HHSC will recoup or distribute earnings based on the calendar year 2022 capitation.
Member	A person who has met Medicaid or CHIP eligibility criteria and is enrolled in the Dental Contractor's dental plan.
Multiplier	The Multipliers were determined to cover the cost of the service plus expected cost of outreach to Members.



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Term	Definition
Neutral Zone	The amount of fluctuation in performance that does not result in being eligible for an additional distribution payment or recoupment.
Quality of Care	Annual EQRO calculation of quality measures. Preliminary results are reported in spring. Measure results are finalized in fall.
Pay-For-Quality (P4Q)	The program HHSC uses to incentivize high-quality performance by Dental Contractors.
Reference Year	<p>The Measurement Year that current Measurement Year rates will be compared to in determining P4Q performance. For Measurement Years 2018 and 2019, the Reference Year was two years prior. Beginning with Measurement Year 2022, the Reference Year is the prior Measurement Year.</p> <ul style="list-style-type: none"> • Example: For 2022, the Reference Year is 2021. Each Dental Contractor's 2022 performance will be compared to their rates in the Reference Year (2021) to determine performance in the P4Q program.
State Program Rate	The state program rate is the average performance of Providers in the state for that year, on that measure. These rates are available on the Texas Healthcare Learning Collaborative website: https://thlcportal.com
Upper Threshold of the Neutral Zone	The Upper Threshold of the Neutral Zone is the point at which improved performance will be eligible for an additional distribution. For measures that improve as the rate decreases, the Upper Threshold may be smaller number.