



UNIFORM MANAGED CARE MANUAL 6.4.1 Performance Bond Instructions

Document History Log

STATUS ¹	DOCUMENT REVISION ²	EFFECTIVE DATE	DESCRIPTION ³
Baseline	1.0	December 1, 2006	Initial version of Uniform Managed Care Manual Chapter 6.4.1, Performance Bond Instructions.
Revision	1.1	September 15, 2009	Chapter 6.4.1 is modified to add applicability to the STAR Health Program, to update contract requirements, and to update the instructions.
Revision	1.2	September 1, 2010	Chapter 6.4.1 is modified to update the HHSC contact person, to specify that the MCO submit a single Performance Bond that covers all Programs and Service Areas where the MCO has a contract with HHSC to provide services, and to add applicability to the CHIP Dental Program.
Revision	2.0	September 1, 2011	Revision 2.0 applies to contracts issued as a result of HHSC RFP numbers 529-06-0293, 529-08-0001, 529-10-0020, 529-12-0002, and 529-12-0003. Chapter 6.4.1 is modified to provide new submission instructions and to make the chapter applicable to Dental Contractors. Also the chapter is modified to update the delivery address for mailing bonds.
Revision	2.1	August 16, 2013	Chapter 6.4.1 is modified to update HHSC contact information.
Revision	2.2	October 15, 2014	Revision 2.2 applies to contracts issued as a result of HHSC RFP numbers 529-06-0293, 529-08-0001, 529-10-0020, 529-12-0002, 529-12-0003, and 529-13-0042; and to Medicare-Medicaid Plans (MMPs) in the Dual Demonstration. "Applicability of Chapter 6.4.1" is modified to add the Medicare-Medicaid Dual Demonstration.
Revision	2.3	November 15, 2015	Revision 2.3 applies to contracts issued as a result of HHSC RFP numbers 529-08-0001, 529-10-0020, 529-12-0002, 529-12-0003, 529-13-0042, 529-13-0071, and 529-15-0001; and to Medicare-Medicaid Plans (MMPs) in the Dual Demonstration. "Applicability of Chapter 6.4.1" is modified to add the STAR Kids Program.
Revision	2.4	August 1, 2016	Chapter 6.4.1 is modified to update HHSC contact information, and to require initial delivery prior to the operational start date of the contract.



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Revision	2.5	November 1, 2023	Chapter 6.4.1 is modified to update HHSC contact information.
Revision	2.6	July 1, 2024	Chapter 6.4.1 is modified to update HHSC contact information.

- 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represented as “Baseline” for initial issuances, “Revision” for changes to the Baseline version, and “Cancellation” for withdrawn versions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.

Applicability of Chapter 6.4.1

This chapter applies to Managed Care Organizations (MCOs) participating in the STAR, STAR+PLUS (including the Medicare-Medicaid Dual Demonstration), CHIP, STAR Kids, STAR Health, or Dental Contractors providing Texas Medicaid and CHIP Dental Services to members through dental health plans. In the chapter, references to “CHIP” or the “CHIP Managed Care Program(s)” apply to the CHIP Program and the CHIP Dental Contractors. References to “Medicaid” or the “Medicaid Managed Care Program(s)” apply to the STAR, STAR+PLUS, STAR Kids, and STAR Health Programs and the Medicaid Dental Contractors. The term “MCO” includes health maintenance organizations (HMOs), exclusive provider organizations (EPOs), insurers, Dental Contractors, Medicare-Medicaid Plans (MMPs), and any other entities licensed or approved by the Texas Department of Insurance.

Contract Requirements

The MCO contracts for each Medicaid and CHIP Program (“Contracts”) includes the performance bond requirements. For specific requirements, please refer to the Contract(s).

Instructions to MCOs

1. No later than the Operational Start Date of the Contract, MCOs must submit initial performance bonds covering all contracts with HHSC, or a surety rider that amends existing bonds to cover all contracts with HHSC. The MCO must submit the bond/rider in the TDI-approved format provided in Chapter 6.4.5, “Medicaid/CHIP Performance Bond.”
2. The MCO must submit a single performance bond that covers every Program in each Service Area where the MCO has a contract with HHSC to provide services. The CHIP Perinatal Program is part of the CHIP Program and is not considered a separate Program.



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3. The amount of the performance bond should total \$100,000 for each Program within each Service Area where the MCO has a contract with HHSC to provide services. For example, if the MCO contracts for the CHIP, STAR, and STAR+PLUS Programs in a Service Area A, and the CHIP and STAR Programs in Service Area B, then the total amount of the performance bond will be \$500,000.
5. Each performance bond must include a one (1) year term, must be renewable, and the renewal must occur no later than September 1st of each subsequent State Fiscal Year. The performance bond must continue to be in effect for one (1) year following the expiration of the final renewal period.
6. The original performance bond must be submitted to HHSC. The original performance bond will have the raised engraved seal on the bond and on the Power of Attorney page. The MCO must retain a photocopy of the performance bond.
7. Performance bonds must be submitted to HHSC via mail delivery to:

Medicaid & CHIP Services (MCS): Financial Reporting & Audit Coordination
(FRAC)
Health and Human Services Commission
Mail Code 4124
4601 W Guadalupe St
Austin, TX 78751