

**From:** [HHSC MCD PPR PPC](#)  
**To:** [HHSC MCD PPR PPC](#)  
**Subject:** Hospital Quality-Based PPR PPC Incentive Component update 12/30/16  
**Date:** Friday, December 30, 2016 10:04:42 AM

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Dear Hospitals and Health Plans,

The Texas Health and Human Services Commission (HHSC) congratulates hospitals that received a safety-net hospital quality award.

These forty-eight hospitals exemplified outstanding performance for fiscal years 2014 and 2015 on Potentially Preventable Events in Texas Medicaid, specifically Potentially Preventable Readmissions and Potentially Preventable Complications. In addition to the money awarded, these hospitals will receive an official quality award commendation letter signed by Texas State Medicaid Director Jami Snyder.

Note: *This new award component of the existing PPE program is only available for eligible safety-net hospitals. The criteria to receive this quality award is listed in the Texas Administrative Code Title 1, Part 15, Chapter 354, Subchapter A, Division 35, Rules §354.1445 (PPR) and §354.1446 (PPC).*

Specific by-hospital incentive amounts are published on a HHSC webpage dedicated to the hospital-based PPE program here: <https://hhs.texas.gov/about-hhs/process-improvement/medicaid-and-chip-quality-and-efficiency-improvement/potentially-preventable-events>

Direct link to file: <https://hhs.texas.gov/sites/hhs/files//documents/about-hhs/process-improvement/quality-efficiency-inprovement/Safety-net-recipient-hospitals-award-amounts-FY14-FY15.pdf>

This incentive award will be paid in two ways:

- 1) Award amounts based on fee-for-service utilization are processed via a lump sum payment directly from the Medicaid claims administrator (TMHP/Accenture). These were paid out Aug. 26, 2016, for fiscal year 2014, and Nov. 18, 2016, for fiscal year 2015. These award amounts are listed on a hospital's remittance and status report with an explanation of benefit (EOB) "06064 CONTACT CUSTOMER SERVICE AT 1-800-925-9126 FOR ADDITIONAL INFORMATION." (Note: *this EOB code is used for other payments and is not specific to this award program*).
- 2) Award amounts based on managed care utilization are paid via a recipient hospital's contracted managed care organizations. HHSC built award amounts into MCO capitation rates, and MCOs will in turn directly and promptly pay these award amounts to recipient hospitals.

Congratulations again on this very notable achievement!

We greatly appreciate your partnership and service on behalf of Texans. If you have any questions, please email our dedicated email address listed below.

Sincerely,

PPR PPC Coordination Team

HHSC PPE email address: [MCD\\_PPR\\_PPC@hpsc.state.tx.us](mailto:MCD_PPR_PPC@hpsc.state.tx.us)

HHSC PPE webpage: <https://hhs.texas.gov/about-hhs/process-improvement/medicaid-and-chip-quality-and-efficiency-improvement/potentially-preventable-events>