

Medicaid Client Merge Process Proposal and Discussion scheduled for August 19, 2015

HHSC is working to establish a manner by which duplicative Medicaid coverage, provider claim payment recoupment, and specific categories of retroactive managed care enrollment are minimized. One component of this initiative is to define short-term and long-term actions to achieve these end results. The attachment, [Medicaid Client Merge Process Proposal], contains detailed proposal information related to both short-term and long-term actions.

The short term process will begin in August 2015 utilizing content from July 2015 cutoff processing which compiles the depiction of the managed care population in August 2015. The initial occurrence will allow for the exchanges between HHSC and the MCOs to occur and for the process to be reviewed for any changes that will improve the exchange or consumption of information to shorten the period from identification to action.

For the long term action, HHSC is soliciting input on the process, changes proposed by the MCOs to improve the process (additional data, etc.), and a discussion on how long the MCOs anticipate the changes prescribed under the process to take to develop and implement. Both the short and long term processes will be the focus of discussion at the **HHSC MCO-MIS Systems meeting scheduled for August 19, 2015 at 10:00 AM. Please review the attached document in preparation for the meeting.**

Medicaid Client Merge Process Proposal

HHSC is pursuing actions to establish a manner by which duplicative Medicaid Coverage, Provider Claim Payment Recoupment, and specific categories of retroactive Managed Care Enrollment are minimized. One component of this broader initiative is to define short-term and long-term actions to achieve these end results. This document focuses on the processes that will improve the information that is exchanged via interface files and the actions that will be taken in the short and long term periods to reduce Provider Claim Payment Recoupment. The intent of the processes described in this document and the companion flowcharts is to provide the MCOs with the action plan that HHSC is proposing and to solicit feedback from the MCOs on process modifications or additional data that would improve the proposed processes. For clarity, until the actions referenced in the short and long term processes are in place, the processes utilized to manage cases that are identified to have duplicative coverage for a single Client will continue to operate normally where recoupments occur between HHSC and the MCOs and consequently recoupments occur between the MCOs and Providers impacted by the merge process.

Under the short-term solution HHSC will identify to the MCOs Client Identifiers {IDs} that have at a point in time been enrolled with the MCO. The MCO will evaluate the list of IDs and provide a response file to HHSC stating expenses incurred by the MCO for the Client ID. Upon receipt of this content HHSC will integrate the MCO identified expenses for the Client IDs with the HHSC Eligibility and Enrollment processing rules to identify the Client ID that will sustain and contain all applicable Eligibility and Enrollment coverage due to the Client. The process will also identify which ID or IDs will be discontinued and consequently have recovery actions applied. The results of this process will be evident in the monthly interfaces provided to the MCOs from HHSC {834 Enrollment, Capitation, and Capitation Adjustment}. During the short term period the MCOs will continue to take applicable actions to recover payments made to Providers if the associated coverage is removed. This process is a continuation of current processes with the addition of taking into account the expenses incurred by the MCOs as part of the decision as to which Client ID sustains. Current processing predominantly focuses on a series of rules that do not include MCO expense but rather focus on Client ID status, Case Status, and other factors resident in the HHSC Eligibility System. **{Note: HHSC to MCO interface and MCO to HHSC interface specifications will be provided in a separate document.}**

The long term solution operates under a different strategy that assumes that prior to implementing this strategy that HHSC has made modifications to existing interfaces and is providing the MCOs with information that is not currently exchanged. This process also redefines the actions taken between the MCOs and the Providers. In this process it is assumed that HHSC will:

- HHSC will modify the 834 Enrollment Interface to include loss of enrollment content for merged Client IDs
- HHSC will modify the Capitation Adjustment Interface to include both MCOs involved in a merge event
- HHSC will modify the Capitation Adjustment Interface to include both Client IDs involved in a merge event
- HHSC will modify the Capitation Adjustment Interface to include a designator that identifies the cause for the retroactive adjustment {i.e. Death, Merge, etc}

- HHSC will modify encounter processing to allow for a new Financial Arrangement Code that designates the event as being part of a merged event and designates the expense as a Coordinated Medical Expense
- HHSC will modify the FSR to allow for the representation of Coordinated Medical Expenses that are attributed to a merged event

By taking the actions prescribed above the MCOs will receive additional information on Client IDs involved in a merge, a designation on adjustments clarifying the reason for the adjustment, the identification of another MCO involved in the merge event, and a manner to manage both encounters and the recognition of MCO expenses. In the long term process there would not be a recovery of payments made by the MCOs to Providers and the MCOs would coordinate reconciliation efforts to ensure that Encounter data properly reflects the Financial Arrangement for merge events and that Financial Reporting reflects the entity that actually incurred the expense as the entity that sustained both coverage and capitation.

The short term process will commence in August 2015 utilizing content from July 2015 Cutoff processing which compiles the depiction of the Managed Care population in August 2015. The initial occurrence will allow for the exchanges between HHSC and the MCOs to occur and for the process to be reviewed for any changes that will improve the exchange of information or the consumption of the information to shorten the period from identification to action. **For the long term process HHSC is soliciting input on the process, changes proposed by the MCOs to improve the process {additional data, etc}, and a discussion on how long the MCOs anticipate the changes prescribed under the process to take to develop and implement. Both the short and long term processes will be the focus of discussion at the HHSC MCO-MIS Systems meeting scheduled for August 19, 2015 at 10:00 AM.**

