

Texas Quality Improvement Payment Program for Nursing Facilities

This document briefly describes Texas' thinking on the next iteration of the proposed Quality Improvement Payment Program (QIPP) for Texas nursing facilities. QIPP is being designed by the Texas Health and Human Services Commission (HHSC) in conjunction with nursing facilities, local governmental entities, and Medicaid managed care organizations (MCOs). As with previous QIPP proposals, HHSC proposes to direct MCOs to make payments to qualified nursing facilities once those facilities demonstrate improvement in certain quality areas. HHSC proposes to implement QIPP no later than September 1, 2017.

Eligibility

QIPP is open to two classes of facilities: non-state government owned nursing facilities and private nursing facilities. The two classes of facilities will have separate eligibility criteria. Most notably, HHSC intends to limit private nursing facility eligibility to such facilities that have a certain level of Medicaid utilization to ensure that QIPP funds are focused on the Medicaid population. HHSC is exploring other characteristics by which to define eligibility and increase program participation as much as possible while improving quality.

Quality-based Payments

As stated previously, payments from MCOs to qualified nursing facilities would be made based on improvement in certain quality areas. HHSC intends to use certain quality measures that are currently utilized by CMS' own star ratings for nursing facilities. Nursing facilities must make incremental improvements in those measures to qualify for payments (nursing facilities already achieving all measures would have to maintain their measure levels to qualify for payments). Each successful nursing facility within a class will receive an equal payment amount per Medicaid day of service (with days of service based upon an historical measure).

Capitation Rate Component-based Structure

HHSC proposes the creation of three new separate components for its Star+Plus nursing facility managed care capitation rates with the managed care organizations' distribution of funds from each component limited to facilities meeting the component's associated quality measures. Each component's value would be determined as a percentage of the total amount of funding available for the QIPP program. Funds from Component #1 are only available to facilities in the non-state government-owned nursing facility class. Funds from Components #2 and #3 are available to all qualified participants from either class. Required quality improvements increase in difficulty from Component #1 to Component #3. The non-federal share of all components is provided through intergovernmental transfers (IGTs) from local governmental entities. Implementation and operation of this program is subject to the availability of federal funds. No state General Revenue will be used in the event that federal funding decreases or is eliminated.