

Thin Financial Performance/Accountability Requirements

While HHSC has very capable personnel and appears to have made excellent progress with improving internal processes and protocols, it is not clear that adoption of objective metrics to ascertain MCO performance is part of the process.

Key Procurement and Financial Accountability Provisions

Synopsis

1. Code of Federal Regulations, 42 C.F.R. § 438.66



The State must address performance of each MCO.

2. Medicaid Statutes, Chapter 536



HHSC shall give preference to MCOs that meet cost and quality benchmarks.

3. Best Value Procurement Statutes, Chapter 2155.144 (d), (i) and (n)



Best value prevails over all other laws. Indicators of past and probable vendor performance are required. Long-term cost consideration is required. Must identify contracts for enhanced review.

4. Published Scoring Criteria for S+P RFP



72% of criteria have scant reference to financial performance. The rest have none.

5. 11 “Mission Objectives” in S+P RFP



No category for financial accountability. Less than one sentence regarding “cost-effectiveness.”

6. 113 RFP Scoring “Roll Up” Questions in S+P RFP



3 questions on finances, none of which relate to the product being bid. Solvency is focus, not financial performance in a Medicaid product.

Both
specificity
and rigor
diminish

STATUTORY REQUIREMENTS FOR SOLVENCY OR RISK BASED CAPITAL ARE NOT PERFORMANCE REQUIREMENTS/METRICS FOR MEDICAID PRODUCTS