

**An Important Message from
The Texas Health and Human Services Commission (HHSC)**

CPW Services and Provider Professional Liability Insurance

Background:

[House Bill 133](#), 87th Legislature, Regular Session, 2021, requires Case Management for Children and Pregnant Women (CPW) services to transition to a Medicaid managed care delivery model. This change only impacts Medicaid MCOs with members birth through age 20 or pregnant women. MCOs will be responsible for making CPW services available to eligible members and to contract and credential with CPW providers. The implementation date of this change was September 1, 2022.

According to the Medicaid managed care contracts, MCOs must ensure network providers maintain professional liability insurance and allows HHSC to make exceptions in the contract or in writing to this requirement. For example, in the contracts HHSC has waived this requirement for durable medical equipment providers and nursing facilities.

This notice provides additional guidance about HHSC's policy regarding provider credentialing requirements related to professional liability insurance, including malpractice insurance, for CPW providers.

Key Details:

Below is additional HHSC guidance regarding provider credentialing requirements related to professional liability insurance, including malpractice insurance, for CPW providers.

Policy:

[UMCM Chapter 16.1, Medicaid and CHIP Contract Operational Guidance](#), Section 16.7.5.20: "In accordance with managed care contract requirements, the MCO must maintain on its own or cause CPW Providers to maintain professional liability insurance. However, an MCO must allow new CPW Provider types six months after completing contracting and credentialing with an MCO before causing them to obtain professional liability insurance. An MCO is not required to obtain professional liability insurance on behalf of the CPW Provider during the six months after the CPW Provider completes contracting and credentialing with an MCO. A CPW Provider is not required to obtain malpractice insurance."

Explanation of Policy:

To "maintain professional liability insurance" a CPW provider must attest to the status of their professional liability insurance in the MCO contracting/credentialing application. A CPW provider can attest to any amount, even if the amount is \$0. If a CPW provider attests to \$0, this means the provider does not hold professional liability insurance, which is allowable by the National Committee for Quality Assurance (NCQA) and still meets the HHSC and MCO requirements.

However, HHSC requires Medicaid MCOs to maintain information on the professional liability insurance status for its providers. An MCO must allow new CPW provider types that choose to maintain professional liability insurance, six months after completing contracting and credentialing with an MCO before CPW providers must report their professional liability insurance status.

While malpractice insurance is a type of professional liability insurance, a CPW provider is not required to obtain malpractice insurance.

Additional Information:

Upon receipt of this notice, MCOs should finalize contracting and credentialing processes with CPW providers as quickly as possible to uphold the MCO's responsibility to ensure members have access to an adequate network of CPW providers as generally required for all "other providers" in the managed care contracts:

- [Uniform Managed Care Contract, Section 8.1.3.2, Access to Network Providers:](#)
- *All other Covered Services, except for services provided in the Member's residence: At a minimum, the MCO must ensure that all Members have access to a Network Provider for all other Covered Services.*
- [Uniform Managed Care Manual, Chapter 5.28.1, Access to Network Providers Performance Standards and Specifications](#)

Resources:

August 29, 2022 MCO Notice: *CPW Services Carve-In and Provider Professional Liability Insurance* (attached)

Questions?

Please contact UnitedHealthcare Customer Service at 888-887-9003, 8 a.m.–6 p.m. CT, Monday–Friday.

08/29/2022

CPW Services Carve-In and Provider Professional Liability Insurance

Background:

[House Bill 133](#), 87th Legislature, Regular Session, 2021, requires Case Management for Children and Pregnant Women (CPW) services to transition to a Medicaid managed care delivery model. This change will only impact MCOs with members birth through age 20 or pregnant women. MCOs will be responsible for making CPW services available to eligible members and to contract and credential with CPW providers. The implementation date of this change is September 1, 2022.

According to the Medicaid managed care contracts, Uniform Managed Care Contract Terms and Conditions Section 17.01 *Insurance Coverage [also in Medicare-Medicaid Dual Demonstration Contract, Section 4.9]*, MCOs must ensure network providers maintain professional liability insurance and allows HHSC to make exceptions in the contract or in writing to this requirement. For example, in the contracts HHSC has waived this requirement for durable medical equipment providers and nursing facilities.

This notice provides HHSC's written exceptions and guidance regarding provider credentialing requirements related to professional liability insurance, including malpractice insurance, for CPW providers.

Key Details:

Below is HHSC's guidance and written exceptions regarding provider credentialing requirements related to professional liability insurance, including malpractice insurance, for CPW providers.

Guidance:

- The National Committee for Quality Assurance (NCQA) and Utilization Review Accreditation Commission (URAC) require MCOs to require network providers to attest to the status of their professional liability insurance.
 - NCQA allows providers to attest to having \$0 of professional liability insurance, which equates to the provider not having professional liability insurance.
 - URAC allows the professional liability insurance requirement not to impact an MCO's ability to be accredited.
 - NCQA and URAC do not require malpractice insurance.
- Neither HHSC, nor NCQA or URAC, require an MCO's network provider to hold malpractice insurance.

HHSC Written Exception:

1. HHSC will continue to enforce the contract requirement that CPW providers must maintain professional liability insurance. Although CPW providers are providing a non-clinical service like case management where diagnosing or clinical treatment is not in scope of the CPW service, a CPW provider may be subject to situations that arise when

delivering a Medicaid covered benefit, such as failure to provide services agreed upon by the member and the CPW provider or professional oversights, in which professional liability insurance coverage is important.

2. A CPW provider is not required to obtain malpractice insurance.
3. A CPW provider can have up to six months after completing contracting and credentialing with an MCO to obtain the professional liability insurance.
4. HHSC's written exceptions 1, 2, and 3 described above are effective immediately.

Upon receipt of this notice, MCOs should finalize contracting and credentialing processes with CPW providers as quickly as possible to uphold the MCO's responsibility to ensure members have access to an adequate network of CPW providers as generally required for all "other providers" in the managed care contracts.

Contact:

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Type: Informational

To: MMP; STAR; STAR+PLUS; STARHEALTH; STAR_KIDS

From: Policy