

SUBJECT: Creating pilot program for Medicaid acute care and long-term services

COMMITTEE: Human Services — committee substitute recommended

VOTE: 9 ayes — Frank, Hinojosa, Clardy, Deshotel, Klick, Meza, Miller, Noble, Rose

0 nays

WITNESSES: For — Carole Smith, Private Providers Association of Texas; Erin Lawler, Texas Council of Community Centers; Ginger Mayeaux, The Arc of Texas; Leah Rummel, United Healthcare Community Plan of Texas; Rebecca Japko; Mary Jane Williams; (*Registered, but did not testify:* Jason Berry, Berry Family Services; Richard Hernandez, BrightSpring Health Care Services; Anne Dunkelberg, Center for Public Policy Priorities; Dennis Borel, Coalition of Texans with Disabilities; Susan Murphree, Disability Rights Texas; Angela Smith, Fredericksburg Tea Party; Rebecca Galinsky, Natalie Gregory, Jennifer Hall, Rebecca Harkleroad, Hannah Mehta, and Adrienne Trigg, Protect TX Fragile Kids; Douglas McLean, Protect TX Fragile Kids and Texas Chargers; Sandra Frizzell Batton, Providers Alliance for Community Services of Texas; Doug Svien, Providers Alliance for Community Services of Texas and Rock House, Inc.; Suzette Fields, PTFK; Nancy Walker, ResCare; Sarah Mills, Texas Association for Home Care and Hospice; Laurie Vanhoose, Texas Association of Health Plans; and 17 individuals)

Against — (*Registered, but did not testify:* Nancy Hernandez; Tom Kidd)

On — Stephanie Muth, Health and Human Services Commission; (*Registered, but did not testify:* Jennie Costilow, Health and Human Services Commission)

BACKGROUND: Government Code ch. 534 governs the system redesign for delivery of Medicaid acute care services and long-term services and supports (LTSS) to persons with an intellectual or developmental disability. Subch. C establishes the first stage to improve program service delivery models,

and subch. E governs the second stage of transitioning long-term care Medicaid waiver program recipients to an integrated managed care system.

Sec. 534.102 allows the Health and Human Services Commission (HHSC) to develop and implement pilot programs to test one or more service delivery models involving a managed care strategy based on capitation to deliver LTSS under Medicaid to individuals with intellectual or developmental disabilities. Sec. 534.053 establishes the Intellectual and Developmental Disability System Redesign Advisory Committee, which advises HHSC on the system redesign. Sec. 534.202 governs the transition of the Intermediate Care Facilities for Individuals with an Intellectual Disability program and certain other Medicaid waiver program recipients to a managed care program.

Observers have noted that Texas is not prepared to meet the 2020 date set to transition the delivery of certain Medicaid services for recipients with physical and intellectual disabilities to a managed care delivery model, and they suggest a pilot program is needed to evaluate its results before moving forward with the transition.

DIGEST:

CSHB 4533 would create a pilot program through the STAR+PLUS Medicaid managed care program to evaluate the delivery of acute care and long-term services and supports (LTSS) to individuals with intellectual or developmental disabilities. The bill would establish eligibility criteria for participants and providers and define certain terms.

Definitions. The bill would define "comprehensive long-term services and supports provider" as a provider of LTSS that ensured the coordinated, seamless delivery of the full range of services in a recipient's program plan. The term would include an Intermediate Care Facilities for Individuals with an Intellectual Disability (ICF-IID) program provider and a Medicaid waiver program provider. "Residential services" would mean services provided to an individual with an intellectual or developmental disability (IDD) through a community-based ICF-IID, three- or four-person home or host home setting under the home and community-based

services waiver program, or a group home under the Deaf-Blind with Multiple Disabilities waiver program.

Workgroup. The bill would require the executive commissioner of HHSC, in consultation with the Intellectual and Developmental Disability System Redesign Advisory Committee, to establish a workgroup to provide assistance in developing the pilot program. The workgroup would be composed of advisory committee representatives, stakeholders representing individuals with IDD or similar functional needs, and representatives of managed care organizations (MCOs) that contracted with HHSC to provide STAR+PLUS Medicaid managed care services.

Pilot program. The bill would require HHSC to develop and implement a pilot program in a designated service area to test, through the STAR+PLUS Medicaid managed care program, the delivery of long-term services and supports (LTSS) to pilot program participants. HHSC would implement the pilot program on September 1, 2023, and the program would have to operate for at least 24 months. The pilot program would conclude September 1, 2025, unless HHSC chose to continue it.

Before implementing the pilot program, HHSC would have to implement a process to ensure participants remained eligible for Medicaid benefits for 12 consecutive months during the pilot program.

HHSC would have to contract with a maximum of two MCOs to provide services under STAR+PLUS to participate in the program. The program would have to allow a comprehensive LTSS provider for individuals with IDD or similar functional needs to voluntarily participate.

Design and payment models. The pilot program would be designed to:

- increase access to LTSS;
- improve quality of acute care services and LTSS;
- promote informed choice, flexible consumer-directed services, and integrated service coordination of acute care services and LTSS;
- provide fair hearing and appeals processes in accordance with

- applicable federal and state law;
- promote the use of innovative technologies and benefits, including telemedicine;
- ensure an adequate provider network; and
- ensure that individuals with complex behavioral, medical, and physical needs were assessed, among other criteria.

The pilot program would have to test innovative payment rates and methodologies to provide LTSS by using payment methodologies that included:

- the payment of a bundled amount without downside risk to a comprehensive LTSS provider for some or all delivered services;
- enhanced incentive payments to comprehensive LTSS providers based on completion of predetermined outcomes or quality metrics; and
- any other HHSC-approved payment models.

An alternative payment rate or methodology could not reduce the minimum payment received by a provider below the fee-for-service reimbursement rate the provider received before participating in the pilot program.

Program benefits. The bill would require HHSC to ensure that an MCO pilot program participant provided:

- all Medicaid state plan acute care benefits available under STAR+PLUS;
- LTSS under the Medicaid state plan, including Community First Choice services, personal assistance services, day activity health services, and habilitation services;
- LTSS under the home and community-based services waiver program, including assisted living and personal assistance services, nursing and respite care, and physical, cognitive rehabilitative, and occupational therapy, among other services;

- LTSS under other Medicaid waiver programs; and
- other nonresidential LTSS deemed appropriate by HHSC.

The bill would establish certain qualifications for comprehensive LTSS providers.

Eligibility. HHSC would develop pilot program participant eligibility criteria, which would have to ensure participants included individuals with certain IDD or cognitive disabilities, individuals enrolled in STAR+PLUS, and other individuals with disabilities who have similar functional needs without regard to the age of onset or diagnosis. The criteria could not include individuals who were receiving only acute care services under STAR+PLUS and were enrolled in the community-based ICF-IID program or another Medicaid waiver program.

An individual who was eligible for the pilot program would be enrolled automatically, and the decision to opt out could only be made by the individual or the individual's legally authorized representative. HHSC would distribute informational materials on the pilot program's benefits, impact on current services, and other related information.

HHSC duties. Under the bill, HHSC would require an MCO participating in the pilot program to:

- ensure individuals participating in the program had a choice among acute care and comprehensive LTSS providers and service delivery options, including the consumer direction model;
- demonstrate that the MCO's network had experience and expertise in providing services for individuals with IDD and those with similar functional needs;
- have a process for preventing inappropriate institutionalizations of individuals; and
- ensure timely initiation and consistent provision of services in accordance with an individual's person-centered plan.

Reports. An MCO participating in the pilot program would submit to

HHSC and the advisory committee quarterly reports on the services provided to each participant that included:

- the level of each requested service and the authorization and utilization rates for those services;
- timelines of delivery, authorization, and initiation of each requested service, and each unplanned break in the delivery of requested services and the duration of the break;
- the number of pilot program participants using employment assistance and supported employment services;
- the number of service denials and fair hearings and the dispositions of fair hearings;
- the number of complaints and inquiries received by the MCO and the outcome of each complaint; and
- the number of pilot program participants who chose the consumer direction model.

HHSC would evaluate the pilot program's progress and outcomes and submit, as part of the commission's required annual report, recommendations for improving the program. On conclusion of the pilot program, HHSC would submit to the Legislature a written report that evaluated the pilot program based on a comprehensive analysis as specified in the bill.

Transition plan and requirements. After implementing the pilot program, HHSC would develop a plan for transitioning all or part of the services provided through an ICF-IID program or a Medicaid waiver program that were not included in the bill's pilot program to a Medicaid managed care model. The plan would have to include certain timelines for transitioning those waiver programs.

To implement the pilot program and transition the provision of services provided to recipients under certain Medicaid waiver programs to a Medicaid managed care delivery model, HHSC would have to maintain regulatory oversight over providers under the Texas Home Living and the home and community-based services waiver programs and require MCOs

to include qualified comprehensive LTSS providers in their networks.

Other provisions. By September 1, 2020, and only if HHSC determined it would be cost effective, the HHSC executive commissioner would have to seek a federal 1115 waiver to provide Medicaid benefits to medically fragile individuals who were at least 21 years old or whose health care costs exceeded cost limits under appropriate Medicaid waiver programs.

The executive commissioner would be required to adopt rules to implement the bill's provisions as soon as practicable after its effective date.

The bill would take effect September 1, 2019.