



Medicaid Managed Care for Elderly and Persons with Disabilities

Presentation to the Medicaid Commission

Pam Coleman

Texas Health and Human Services Commission

May 17, 2006

Texas Medicaid Program for Aged, Blind and Disabled – STAR+PLUS

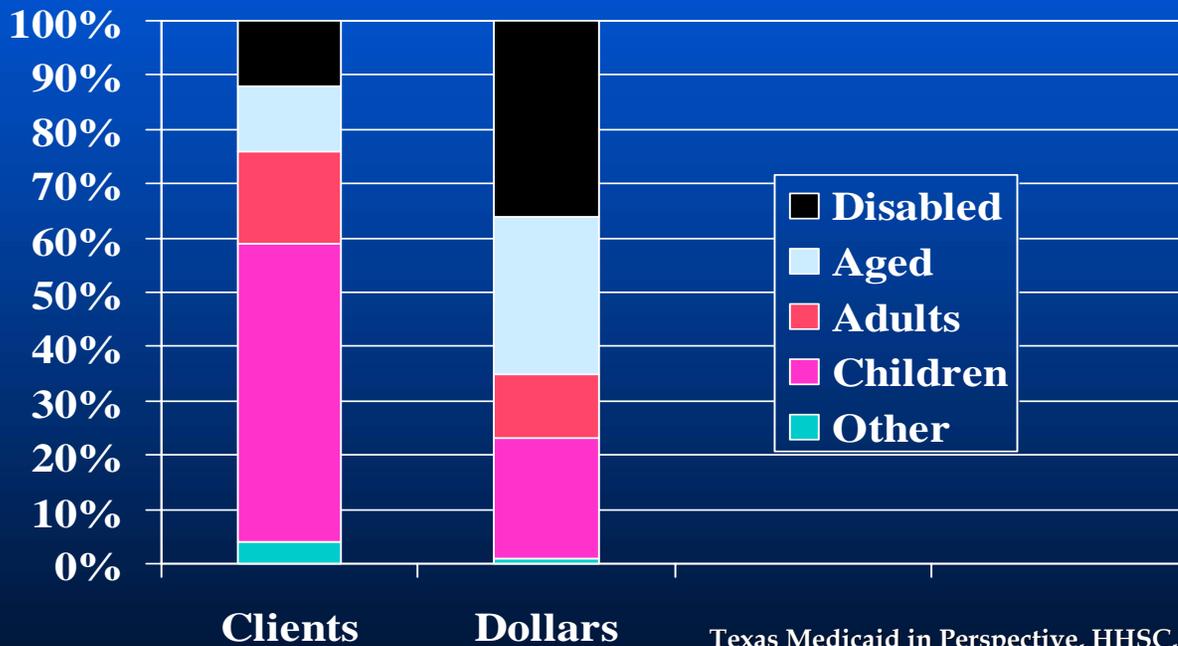
- Pilot implemented in Harris County (Houston) in 1998
- Risk-based, capitated managed care
- Integrates Medicaid funding and service delivery of long term and acute care
- Serves 60,000 aged and disabled not in a nursing facility
- Half the members are dual eligible

Why STAR+PLUS?

- Legislative direction (SCR 55, 74th session)
- Improve coordination of physical health care needs with personal care needs
- Improved access to community based long-term care support services
- Promote coordination of Medicaid and Medicare
- Increase cost effectiveness

Texas Medicaid Expenditures

Children, Adults and Other are 74% of the Medicaid population and 37% of costs. Aged and Disabled are 20% of the Medicaid population but 62% of costs (all funds).



STAR+PLUS LTC Services

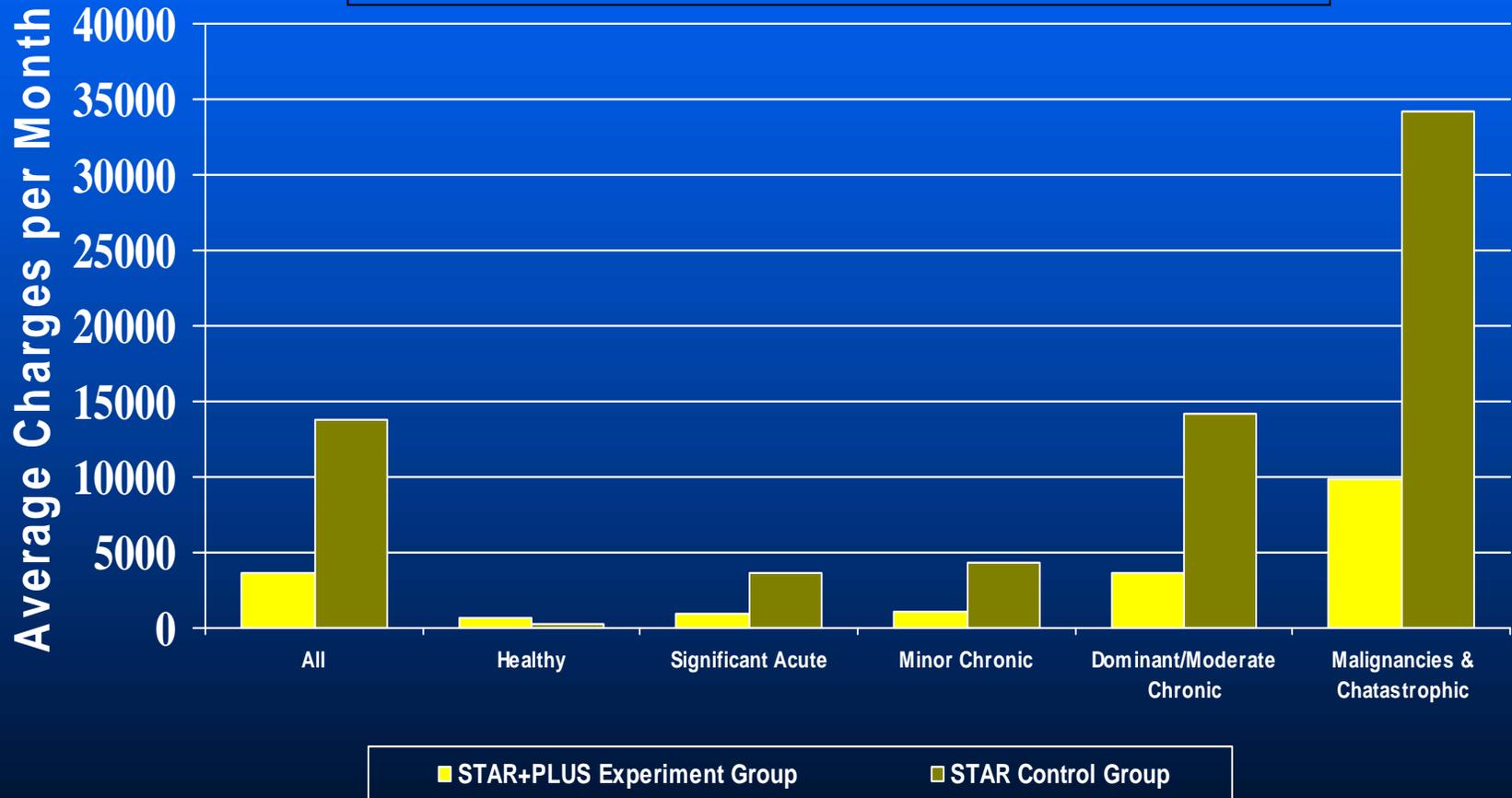
- Personal assistance
- Day activity and health
- 1915(c) waiver services
- Adaptive aids
- Adult foster home
- Assisted living
- Medical supplies
- Home modifications
- Respite care
- Therapies
- Emergency response

Care Coordination Results

- External quality review study completed July 2003
- SSI clients in STAR+PLUS were compared to SSI PCCM clients
- Significant cost difference – particularly for the highest acuity clients (\$3,226 mo in STAR+PLUS vs. \$13,160 mo in PCCM)
- Lower inpatient and ER use in STAR+PLUS

STAR+PLUS vs. PCCM

Overall Expenditures



Lewin Group Estimate of Savings from Expansion of Mandatory Medicaid Managed Care - by Population Group

- SSI Blind/Disabled *Non-Medicare 89.1%
- TANF and TANF related 4.8%
- Aged and Other Medicare 6.1%

Total Savings (Fed and Texas) = \$145.8 million

Cost Savings

- Cost savings result from *managing care* by:
 - Early identification and treatment of health problems
 - Promoting wellness and healthy lifestyles
 - Avoiding higher cost services and products when lower-cost, clinically appropriate services can be rendered
 - Coordinating care effectively and reducing duplication of services

STAR+PLUS and Special Needs Plans

- Have 9 SNPs operating in Texas. Two have STAR+PLUS plans
- SNP plans would like to see expansion of STAR+PLUS
- Analysis indicates that both the Medicare and Medicaid program save money when members are enrolled in the same plan for both programs.

Expansion Issues

- Unable to expand the program due to potential loss of UPL to public hospitals.
- Medicaid laws prohibit hospitals from receiving UPL if they are paid by a capitated HMO.
- Texas plans to implement alternative models including hospital carve-out and non-capitated managed care programs, but effectiveness and efficiency will be compromised.

Medicaid Managed Care

Existing & Expansion Areas

