TEXAS HEALTH AND HUMAN SERVICES COMMISSION

Health and Human Services Commission
Stakeholder Public Forum

May 14, 2007
2:30 p.m. to 4:30 p.m.

Brown Heatly Building, Public Hearing Room
Texas Health and Human Services Commission
4900 North Lamar Boulevard
Austin, Texas

May 16, 2007
9:30 a.m. to 11:30 a.m. CST - Internet Webcast / Conference Call
Email HHSCExternalRelations@hhsc.state.tx.us to sign up.

Budget Update

Eligibility System Update

Medicaid/CHIP Updates:

- Integrated Care Management (ICM)
- STAR+PLUS Expansion
- Medicaid Reform
- Women's Health Program

Contact: Skye Kilaen, External Relations Division, (512) 487-3300, Health and Human Services Commission, 4900 N. Lamar Blvd., Austin, TX 78751-2316.

This meeting is open to the general public. No reservations are required, and there is no cost to attend this meeting.

People with disabilities who will need auxiliary aids or services for this meeting are asked to call the External Relations Division at (512) 487-3300 at least 72 hours before the meeting.

Keep in touch with HHSC

E-mail Updates

A new subscription e-mail service lets you know when new information is posted on HHS agency websites. The service allows subscribers to select items of interest from a menu of categories covering all five Texas health and human services agencies. When new information is posted to the Internet about those topics, the user will receive an e-mail notice.

It's easy to subscribe to the new service and it's open to anyone. Simply visit any one of the five health and human services agency websites (HHSC, DFPS, DARS, DSHS, or DADS) and click on this logo:

In Touch Newsletter

While you're signing up for the email service, don't forget to sign up for In Touch, the HHSC Stakeholder newsletter.

In Touch includes information on upcoming HHSC stakeholder forums, articles of interest to stakeholders, an archive of Questions and Answers, and links to useful HHS web resources.

You can view current and past issues of In Touch on the internet at: http://www.hhsc.state.tx.us/stakeholder.

DRAFT

HHSC Biennial Funding Comparison for 2008-09						
	House		Senate		Difference (Senate-House)	
	GR-R	All Funds	GR-R	All Funds	GR-R	All Funds
Article II	$ 11,572.2	$ 29,738.2	$ 12,300.6	$ 31,970.8	$ 728.5	$ 2,232.6
Article IX	270.3	679.2	393.3	998.5	123.0	319.3
HB 15	108.9	278.8			(108.9)	(278.8)
Total 2008-09	11,951.4	30,696.2	12,693.9	32,969.2	742.6	2,273.1
Major Differences	House		Senate		Difference (Senate-House)	
	GR-R	All Funds	GR-R	All Funds	GR-R	All Funds
Rates (including Frew)	384.3	958.1	916.9	2,309.9	532.6	1,351.8
Medicaid Cost Growth	375.0	1,018.4	549.5	1,419.7	174.5	401.3
CHIP Policy Changes HB109	89.5	253.2	-	-	(89.5)	(253.2)
MOF Swap for CHIP at TRS	(25.9)	-	-	-	25.9	-
Federal Minimum Wage	-	-	6.7	16.7	6.7	16.7
OIG Increases	-	-	6.6	16.2	6.6	16.2
HIPAA	3.0	8.6	3.2	9.1	0.2	0.5
EBT Card	2.8	6.0	-	-	(2.8)	(6.0)
Nurse-Family Partnership	-	-	2.7	7.9	2.7	7.9
Nutrition Transfer to TDA	(1.7)	(533.0)	-	-	1.7	533.0
Building Maintanence	-	1.4	1.4	1.4	1.4	-
Family Violence Services	1.0	1.0	2.0	2.0	1.0	1.0
OIG Background Checks	-	-	0.9	1.9	0.9	1.9
Vehicles	0.6	0.6	-	-	(0.6)	(0.6)
Subtotal, HHSC	**$ 828.6**	**$ 1,714.3**	**$ 1,489.9**	**$ 3,784.8**	**$ 661.3**	**$ 2,070.5**
Waiting/Interest Lists	65.1	105.0	107.0	237.5	41.9	132.5
BCCCP Expansion	4.0	11.0	19.7	57.9	15.7	46.9
HHS IT & Telecommunications	11.3	21.7	35.0	63.7	23.7	42.0
Subtotal, HHS at HHSC	**$ 80.4**	**$ 137.7**	**$ 161.7**	**$ 359.1**	**$ 81.3**	**$ 221.4**
Total	**$ 909.0**	**$ 1,852.0**	**$ 1,651.6**	**$ 4,143.9**	**$ 742.6**	**$ 2,291.9**
					$ 0.0	$ 18.8

TEXAS Health and Human Services Commission

Texas' Eligibility System Update

HHSC Stakeholder Forum
May 2007

IEE Contract Transition

TEXAS Health and Human Services Commission

On March 13, 2007 the Health and Human Services Commission (HHSC) announced it would begin winding down its contract with Texas Access Alliance (TAA).

Responsibilities in the contract are:

- Children's Health Insurance Eligibility Processing
- Medicaid and CHIP enrollment into a health plan (managed care enrollment broker services)
- Maintenance of the new automation system -- Texas Integrated Eligibility Redesign System (TIERS)
- Integrated eligibility services for Medicaid, Food Stamps, and TANF

IEE Contract Transition

HHSC will be responsible for direct management of some parts of the project and will enter into short-term contracts to ensure services continue without disruption.

Timelines for transition will be different for each component.

In the short term, work will continue to be performed by existing subcontractors. HHSC will evaluate whether to hire state staff or use different contractors for those tasks.

- State staff will assume direct management of Maximus' CHIP contract.
  - In the short term, Maximus will continue to process applications.
- Maintenance of TIERS will transition to state staff and contracted staff.
- Maximus will continue to enroll Medicaid and CHIP clients into managed care plans.
- State staff will assume direct management of Maximus' call center/ processing support contract.

IEE Contract Transition

- HHSC executed 3 short-term (60-day) contracts for:
  - Children's Health Insurance processing
  - Call centers and
  - Enrollment Broker
- The short-term contracts ensure that there is no disruption to client services and access to benefits.
- During this 60-day period HHSC will:
  - complete a plan defining procurement strategies, goals and services to be procured; and
  - issue a Request for Information (RFI).

IEE Contract Transition

- After defining tasks that will be contracted, HHSC will:
  - develop an RFP,
  - evaluate proposals and
  - select appropriate vendors.
- HHSC will employ interim contracts to sustain client services during the procurement and transition period.

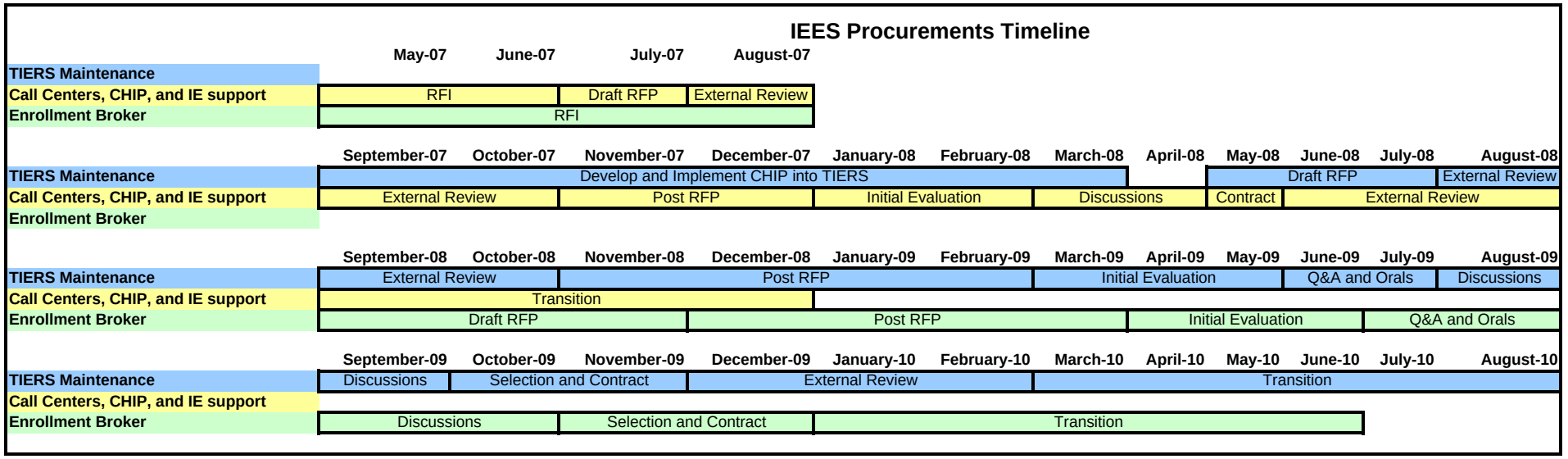
Impact to Clients

- Transition should be transparent for clients.
- Existing channels for clients to access benefits remain open.
  - HHSC remains committed to expanding ways Texans can apply for services.
  - Call centers provide the infrastructure to take applications by phone, fax, mail and Internet.

Impact to State Employees

- The state workforce remains an essential part of the eligibility system.
- The statewide network of field offices will be maintained and staffed with state employees.
- HHSC continues to look for effective ways to manage the increasing workloads at local offices.
  - The most effective workload management is to continue to modernize technology and to allow consumers to choose how to apply for services.

IEES Procurements Timeline



Integrated Care Management (ICM) Model

HHSC Stakeholder Forum

May 2007

Integrated Care Management (ICM) Model

- Authorized by House Bill 1771 & Rider 49 to the Special Provisions of the Texas Health & Human Services appropriations, 79th Legislature, Regular Session, 2005
- Purpose: to provide a non-capitated managed care model that includes integrated acute and long-term care services and supports to Aged, Blind and Disabled clients in the Dallas service area (local officials in the Tarrant service area also selected this model)
- Contract Awarded to Evercare of Texas, February 15, 2007 http://www.hhsc.state.tx.us/contract/529060406/rfp_home.html
- Federal waivers will be required

STAR+PLUS

HHSC Stakeholder Forum
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STAR+PLUS

- http://www.hhsc.state.tx.us/starplus/starplus.htm has information:
  - STAR+PLUS Overview
  - STAR+PLUS Client Information
  - STAR+PLUS Provider Information
  - STAR+PLUS and Medicare

TEXAS Health and Human Services Commission

HHSC Stakeholder Public Forum

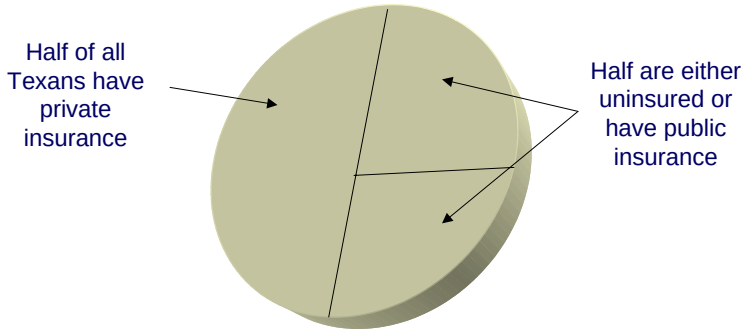
Medicaid Reform

Maureen Milligan, Deputy Chief of Staff

May 2007

TEXAS Health and Human Services Commission

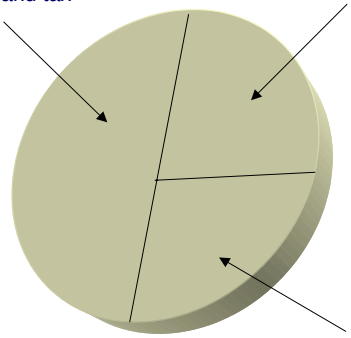
Insurance Status in Texas
24% or 5.5 million Texans uninsured



Odds are 50/50 that any Texan will have private insurance, or be either uninsured or in a public program (e.g., Medicaid, CHIP, Medicare, Veterans' Assistance).

Health Care Financing

Private insurance paid by businesses, employees and tax offsets

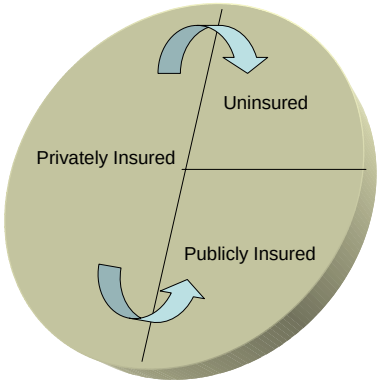


Care for the Uninsured, if not paid by the individual, is paid for by local taxes, property taxes, hospital district taxes, tax offsets; commercial subsidies; and intergovernmental transfers (IGT) and federal match (Disproportionate Share Hospital (DSH) and Upper Payment Limit (UPL)) (5.5 million uninsured Texans)

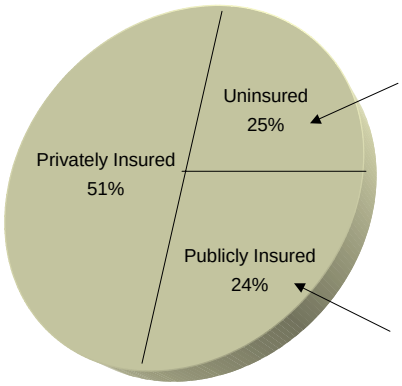
Public programs financed by federal taxes (Federal Funds Participation (FFP)), state taxes (sales and other), and Medicare enrollee premiums. Medicaid alone will cover an average of 2.8 million Texans per month in 2007.

Shifting Insurance Coverage

- Increased premium costs and erosion of employer-based insurance leads to shift to uninsured and public programs
- Increases number of uninsured and uncompensated care burden
- Increases public insurance (which includes Medicaid) caseload
- Drives the need for commercial subsidies, which increases private premium rates



Medicaid Pays for Both Publicly Insured & Uninsured Texans



Medicaid Payments

-**DSH** lump sum payment to qualifying hospitals

-**UPL** lump sum payment to qualifying hospitals

Medicaid Payments

-**Claims paid for inpatient & outpatient services (DRG)**

-**DSH** (Shortfall)

Transforming Access to Health Care Requires Transformation in Funding

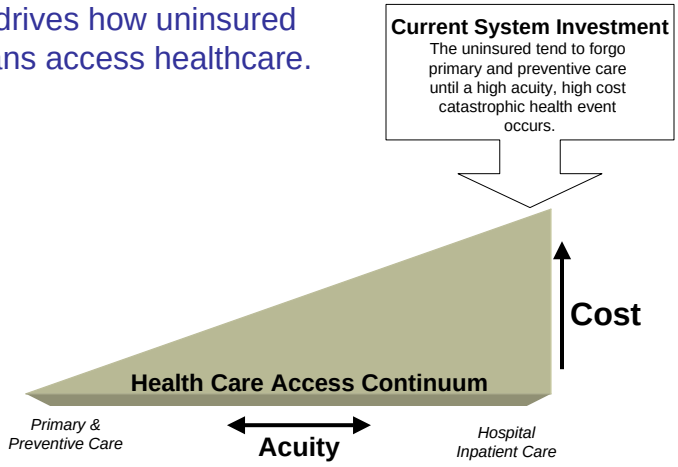
- CMS waiver opportunities for transforming access to health care. CMS System Goals:
  - Reduce the Uninsured
  - Funding Directed to insurance or other coverage -- Not current lump sum payments
  - Accountability
  - Care Management

Current Challenges

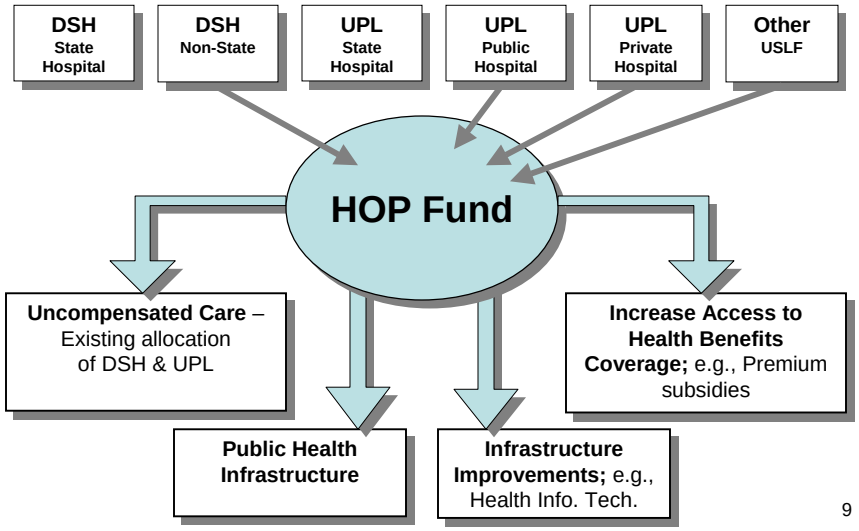
- Increasing health care costs, uncompensated care costs and Medicaid costs
- Increasing federal challenges to existing UPL funding
- Untapped and unmatched local funding for indigent care
- Current methods of Medicaid funding for indigent care drive how and where uninsured Texans access health care, and increase uncompensated care costs
- The current method of paying for uncompensated care is neither systematic nor efficient
- Federal funding methods drive policy

Medicaid Funded Indigent Care

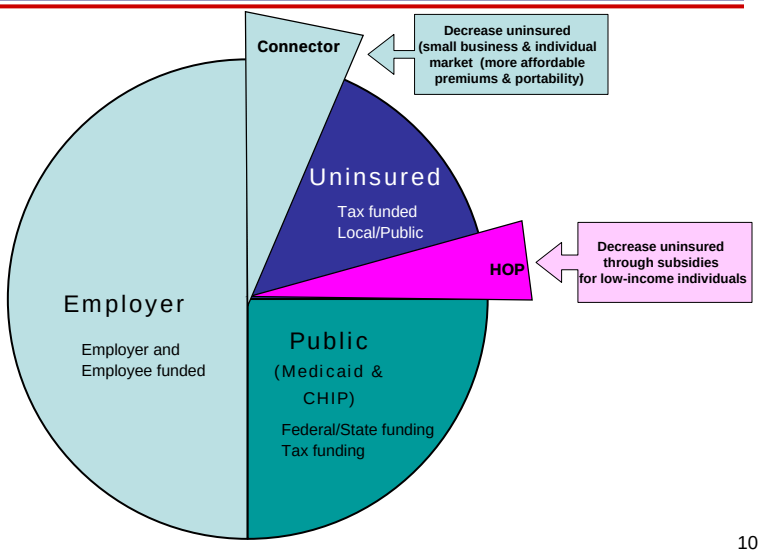
Medicaid funded indigent care focuses on hospitals, and drives how uninsured Texans access healthcare.



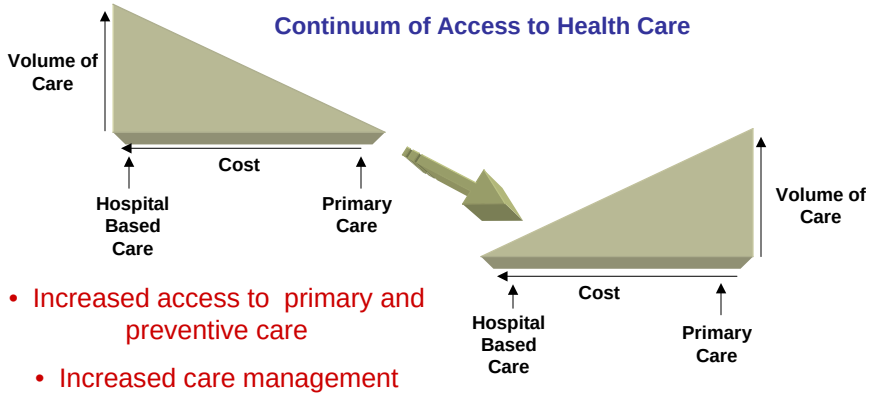
Health Opportunity Pool Allocation



Health Care Coverage



Transforming Access and Quality for Provision of Health Care to Uninsured Texans



- Increased access to primary and preventive care
- Increased care management
- Decreased need for more costly emergency and inpatient care

Challenges to Opportunities

• Increasing health care costs, uncompensated care costs and Medicaid costs	• Investing in primary care coverage and insurance can lower costs and cover more people
• Increasing federal challenges to existing UPL funding	• Negotiate to use Medicaid funds in non-entitlement coverage for the uninsured
• Untapped and unmatched local funding for indigent care	• Under a waiver, certain Unmatched State and Local Funds can be matched
• Current methods of Medicaid funding for indigent care drive how and where uninsured Texans access health care, and increase uncompensated care costs	• Under the flexibility of a waiver, funds can pay for individual coverage, uncompensated care AND can reduce fixed uncompensated care costs
• The current method of paying for uncompensated care is neither systematic nor efficient	• A waiver offers an opportunity and basis for transforming to a more efficient system of care
• Federal funding methods drive policy	• Good policy drives funding

Medicaid Reform Legislation

- Senate Bill 10
  - Authored by Senators Nelson, Brimer, Carona, Deuell, Eltife, Fraser, Harris, Janek, Shapiro; co-authored by Senator Hegar
  - Omnibus Medicaid Reform Bill
- Major Themes Include:
  - Optimizing and Expanding Available Funding for Health Coverage
    - Texas Health Opportunity Pool Trust Fund
    - Uncompensated Hospital Care Reporting and Analysis

Medicaid Reform Legislation

Consumer Choice, Responsibility and Consumer-Focused Health Incentives

- Designations of Primary Care Provider by Certain Recipients
- Cost Sharing for Certain High-Cost Medical Services
- Committee on Health and Long-Term Care Insurance Incentives
- Health Insurance Premium Payment Program
- Pilot Programs and Other Programs to Promote Healthy Lifestyles
- Medicaid Health Savings Account Pilot Program

TEXAS Health and Human Services Commission

Medicaid Reform Legislation

Administration of Medicaid Program

- Administration and Operation of Medical Transportation Program
- Tailored Benefit Packages for Certain Categories of the Medicaid Population
- Tailored Benefit Packages and Delivery Systems for Non-Medicaid Populations
- Performance Measures and Incentives for Value-Based Contracts
- Billing Coordination System

TEXAS Health and Human Services Commission

Medicaid Reform Legislation

Demonstrations and Studies

- Physician-Centered Nursing Facility Model Demonstration Project
- Study Regarding Integrated Care Management for ABD pops in rural areas of the state
- Study Regarding Health Passports for Children
- Electronic Communications
- Electronic Health Information Pilot Program
- Study Concerning Increased Use of Technology to Strengthen Fraud Detection and Deterrence

Legislative Oversight

- Medicaid Reform Oversight Committee

Other Medicaid Reform Legislation

SB 22 – Long-term care insurance and a partnership for long-term care program.

SB 23 – Promoting the purchase and availability of coverage.

SB 922 – Regional or local health care programs of employees of small employers.

SB 1637 – Small employer health benefit plan premium assistance program.

HB 1066 – Health information technology and the creation of the Texas Health Services Authority.

Contact Information

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http://www.hhs.state.tx.us/medicaid/reform.shtml

Women's Health Program

HHSC Stakeholder Forum
May 2007
Stacey Pogue, Senior Policy Analyst
Texas Health and Human Services Commission
Medicaid/CHIP Acute Care Policy Development

Overview

- The Women's Health Program offers a limited, Medicaid-paid family planning benefit to women ages 18-44 with incomes at or below 185 percent of the federal poverty level (FPL).
- The purpose of the program is to expand family planning services to reduce unintended pregnancies in the eligible population.
- The program started on January 1, 2007.
- Benefits of the program include an annual family planning exam and choice of contraception for 12 continuous months.
- All Medicaid providers may participate.

Implementation Update

- CMS approved the Women's Health Program Waiver on December 21, 2006.
- Women's Health Program launched on January 1, 2007.
- Provider have begun billing and being reimbursed under the program.
- Update on number of applications and participants.

Eligibility Criteria

- Effective May 1, 2007, women must meet the following additional criteria to be eligible for WHP:
  - Are not pregnant.
  - Are not sterile, infertile or unable to get pregnant due to medical reasons.
  - Do not have private health insurance that covers family planning services, unless filing a claim on the health insurance would cause physical, emotional or other harm from a spouse, parent, or other person.
- HHSC updated the WHP application and screening tool to reflect these changes.

Legislative Initiatives

- Pending legislative initiatives that may affect WHP:
  - Rider for DSHS “wrap around” services.
  - Rider that allows FQHCs to be reimbursed up to three encounter rates per year for Medicaid family planning visits, including WHP.

Resources Available to Stakeholders

- www.hhsc.state.tx.us/womenshealth.htm has:
  - training materials,
  - outreach materials,
  - applications,
  - application bulk ordering information,
  - information on eligibility and benefits,
  - lists of procedure codes and allowable prescription drugs,
  - and much more.