

3.A. STRATEGY REQUEST
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/18/2006
 TIME: 6:59:51PM

Agency code: **529** Agency name: **Health and Human Services Commission**

GOAL: 2 Medicaid
 OBJECTIVE: 1 Medicaid Health Services
 STRATEGY: 6 STAR+PLUS (Integrated Managed Care)

Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 26 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
Output Measures:						
1	Avg Aged and Medicare-eligible Recipient Months Per Month: STAR+PLUS	29,712.00	30,892.00	31,838.00	80,587.00	81,796.00
2	Average Disabled and Blind Recipient Months Per Month: STAR+PLUS	35,988.00	40,035.00	42,857.00	77,898.00	82,475.00
Efficiency Measures:						
1	Avg Cost Per Aged & Medicare Recipient Month: STAR+PLUS Acute Care	130.20	132.08	141.30	154.33	157.67
2	Avg Cost Per Aged & Medicare Recipient Month: STAR+PLUS Long Term Care	257.56	272.63	292.47	324.67	326.96
3	Avg Cost Per Disabled and Blind Recipient Month: STAR+PLUS Acute Care	669.30	670.16	701.13	659.57	665.71
4	Avg Cost/ Disabled and Blind Recipient Month:STAR+PLUS Long Term Care	157.01	165.23	182.37	145.95	145.74
Explanatory/Input Measures:						
1	Avg # of Members Receiving Nonwaiver Community Care through STAR+PLUS	50,813.00	53,532.00	55,881.00	149,814.00	155,227.00
2	Avg # of Members Receiving Waiver Services through STAR+PLUS	3,209.00	3,252.00	3,431.00	8,672.00	9,045.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$407,940	\$406,354	\$360,880	\$358,002
1002	OTHER PERSONNEL COSTS	\$5,163	\$12,217	\$10,520	\$11,692	\$11,604
2001	PROFESSIONAL FEES AND SERVICES	\$766	\$938,434	\$1,004,723	\$884,149	\$878,977
2002	FUELS AND LUBRICANTS	\$3	\$66	\$58	\$59	\$59
2003	CONSUMABLE SUPPLIES	\$339	\$3,126	\$2,152	\$2,384	\$2,360
2004	UTILITIES	\$1,964	\$18,781	\$23,297	\$18,028	\$17,876

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CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
2005 TRAVEL		\$1	\$5,002	\$5,267	\$2,553	\$2,535
2006 RENT - BUILDING		\$2,778	\$30,526	\$42,396	\$34,679	\$34,312
2007 RENT - MACHINE AND OTHER		\$488	\$4,344	\$3,003	\$4,113	\$4,096
2009 OTHER OPERATING EXPENSE		\$5,196	\$55,184	\$36,370	\$39,046	\$38,734
3001 CLIENT SERVICES		\$477,090,985	\$446,619,804	\$553,863,670	\$1,197,685,224	\$1,173,035,386
4000 GRANTS		\$0	\$574,709	\$581,490	\$521,815	\$518,764
5000 CAPITAL EXPENDITURES		\$570	\$11,816	\$363,663	\$168,580	\$167,533
TOTAL, OBJECT OF EXPENSE		\$477,108,253	\$448,681,949	\$556,342,963	\$1,199,733,202	\$1,175,070,238
Method of Financing:						
758 GR MATCH FOR MEDICAID		\$186,949,050	\$170,583,674	\$150,273,484	\$413,322,384	\$401,626,757
8056 SUPPLEMENTAL: GR MATCH FOR MEDICAID		\$0	\$6,232,948	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$186,949,050	\$176,816,622	\$150,273,484	\$413,322,384	\$401,626,757
Method of Financing:						
555 FEDERAL FUNDS						
93.778.000 Medical Assistance Program		\$290,159,203	\$262,246,424	\$345,870,153	\$727,910,818	\$714,943,481
CFDA Subtotal, Fund 555		\$290,159,203	\$262,246,424	\$345,870,153	\$727,910,818	\$714,943,481
8059 SUPPLEMENTAL: FEDERAL FUNDS		\$0	\$9,618,903	\$0	\$0	\$0
93.778.000 Medical Assistance Program		\$0	\$9,618,903	\$0	\$0	\$0
CFDA Subtotal, Fund 8059		\$0	\$9,618,903	\$0	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$290,159,203	\$271,865,327	\$345,870,153	\$727,910,818	\$714,943,481
Method of Financing:						
777 INTERAGENCY CONTRACTS		\$0	\$0	\$499,326	\$0	\$0
8062 Approp Receipts-Match for Medicaid		\$0	\$0	\$59,700,000	\$58,500,000	\$58,500,000

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 OBJECTIVE: 1 Medicaid Health Services Service Categories:
 STRATEGY: 6 STAR+PLUS (Integrated Managed Care) Service: 26 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$0	\$60,199,326	\$58,500,000	\$58,500,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,199,733,202	\$1,175,070,238
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$477,108,253	\$448,681,949	\$556,342,963	\$1,199,733,202	\$1,175,070,238
FULL TIME EQUIVALENT POSITIONS:		0.0	8.2	7.6	6.8	6.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

STAR+PLUS is a Medicaid managed care pilot designed to integrate primary, acute, and long-term care services into one consumer-driven managed care system; to ensure that clients receive the appropriate level of care in the least restrictive setting, consistent with their personal health and safety; to improve access to health care and improve the quality of that care. The STAR+PLUS program is aimed at recipients with chronic and complex conditions who need more than doctor, lab, x-ray, and hospital services.

STAR+PLUS operates under authority of 1915(b) and 1915(c) waivers covering all primary, acute, and long-term care Medicaid services for SSI/MAO clients,

The caseload and expenses for STAR+PLUS are shifting from the SSI and Medicare Strategy because of two new health care models for Aged, Blind, and Disabled populations required during the 79th Regular Legislative Session for all urban areas. The expanded STAR+PLUS model includes a capitated arrangement for professional services and a non-capitated arrangement for hospital services. All urban areas except Dallas and Tarrant County will include STAR+PLUS. Dallas and Tarrant areas are implementing the Integrate Care Model (ICM) which is a non-capitated delivery system.

Projected expenditures in the base request reflect client service cost reductions to FY2006 levels. A 10% reduction in administrative functions in contracts, staffing, and general operating expenses is reflected.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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Since services covered under this strategy are mandated under a State administered Medicaid program, the risk of non-compliance and federal financial participation would be jeopardized for failure to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation. The continuation of the 2006-07 General Appropriations Act (Article II, Health and Human Services Commission, Rider 66, S.B. 1, 79th Legislature, Regular Session, 2005) authorizing a deferral of managed care payment is assumed. Fiscal year 2008 assumes 13 managed care payments while fiscal year 2009 assumes 11 managed care payments.

Congress authorized an adjustment to the calculation of Texas' Medicaid matching rate for the impact of Hurricane Katrina evacuees to the State's per capita income. This adjustment, which is unknown at this time, will impact Texas' (Federal Medical Assistance Percentage) FMAP for a three-year period beginning in FY 2008. The FMAPs for both FY 2008-09 are estimates as the FMAP for FY 2008 will be determined in Fall 2006 and the FMAP for FY 2009 will be determined in Fall 2007.