

KEY FEATURES OF SB 7: WHAT WE KNOW TODAY

SB 7 (Nelson) requires the transfer of the Texas Medicaid System of Services and Supports for people with intellectual and developmental disabilities (IDD), including ICF, HCS, CLASS, DBMD and TxHmL, into a single managed care system. Although not inclusive, key features of the bill are:

State Supported Living Centers (SSLCs): SB 7 does not apply to SSLCs.

Medically Dependent Children's Program (MDCP): MDCP would be replaced by a mandatory STAR Kids capitated managed care program for children that **may or may not** include all services currently included in MDCP.

Pilot Capitated Managed Care Strategies for Intellectual and Developmental Services (IDD): DADS would be required to test managed care strategies based on capitation by at least one local authority and one private provider. The pilots would coordinate: services provided through community Intermediate Care Facilities (ICFs) and Medicaid waiver programs; and long term services and supports with acute care services. Pilots begin no later than September 2014. If the pilots fail to meet currently undefined efficiency standards, the IDD service system would be transferred to Star+Plus or another managed care system in 2018. [Application to ICF (specifically, the transfer to STAR +PLUS) is not clear, although ICF is included in the provisions related to the pilots and the transfer to STAR +PLUS or some similar managed care model.]

Texas Home Living (TxHmL): TxHmL would be transferred to the managed care system first, no later than September 1, 2016. HHSC would be required to determine whether to continue to provide the services that are available in TxHmL and not in STAR+PLUS, or to cease operating the Medicaid waiver program and expand the currently available managed care services only.

Comprehensive Assessment: SB 7 would require DADS to implement a **comprehensive assessment** and resource allocation process that would provide a uniform mechanism to provide recommendations relating to type, intensity and duration for appropriate and available services based on functional need.

Residential Changes to Reduce Costs

- SB 7 would require **prior authorization** before a person could receive services in a **group home** in order to restrict access to only those that cannot be served in less restrictive setting.
- SB 7 would require the development of **congregate living options** to reduce the cost of current residential services.

Acute Medical Services: Medicaid acute care services would be provided by a capitated managed care program [STAR or STAR+PLUS].

Community First Choice: Under a new waiver, basic attendant and habilitation services for people with IDD would be delivered via STAR+PLUS. *[Although not yet confirmed, we understand that current IDD providers who do not operate a HCSSA licensed program would most likely need to obtain such.]*

Parent Premiums: SB 7 would require that a parent or legal guardian pay a premium for services provided to a child. This applies to children who receive community services, but would not apply to children in settings classified as institutions. CMS has stated that a child cannot be removed from services as a result of failure to pay a premium on the part of the parent.

Decision-Making: SB 7 extends HHSC and DADS the authority to determine whether movement to the various transition stages proposed in SB 7 are to occur.

Special Notes: The bill will undergo many iterations as it moves through the legislative process. Several states have redesigned their IDD system of care using a managed care approach. To date, however, none have used the approach called for in SB 7. While Kansas proposed such in 2012, the advocacy efforts of persons receiving services, families, advocates and providers resulted in its postponement for at least a year. More recently, CMS approved Kansas' waiver application which calls for a pilot to test moving the IDD system under a managed care model (and allow MCOs to become familiar with the IDD population). The pilot is targeted to begin in March, 2013.