



SENATE BILL 7

PPAT Webinar

Wednesday, February 13, 2013

Presented By:

**The Private Providers Association of Texas (PPAT)
Carole Smith, Executive Director**

Welcome

**Get involved in politics as if your life depended on it,
because it does!**

-- Justin Dart



Overview: Who Filed and Bill Directive

- **January 13, 2013:** SB 7 filed by Senator Jane Nelson (Plano).
 - The bill replaces SB 57 (Nelson) which was filed November 12, 2012.
- **January 23, 2013:** Senator Dan Patrick (Houston) signed as co-author.
- **January 28, 2013:** Referred to Senate Health and Human Services Committee
 - No hearing scheduled at this time.
- Changes how all acute care (medical) and long term care services and supports are provided; i.e., transitions the services to a managed care organization (MCO).



Applicability

- IDD programs included in the transition to a managed care model of care:
 - Community-based ICF/IID
 - HCS Waiver
 - TxHmL Waiver
 - CLASS Waiver
 - DBMD Waiver

- The transition **DOES NOT** apply to the SSLCs.

- Nursing Homes are included.



Impetus for Bill: Stated and Silent

▪ **Stated ...**

- Assure more cost efficient service provision
- Provide services to more people
- Improve access to services
- Increase quality of care
- Promote person centered planning

▪ **Silent ...**

- Achieve budget predictability (eliminate fee-for-service)
- Eliminate the number of Medicaid programs under DADS (eliminate 'silos')
- Eliminate Interest Lists
- Strengthen assessment and utilization processes



Stated vs Not Stated

- **Other States are moving to this model. FALSE...** No other State has handed full control of its IDD system over to for-profit insurance companies.
- **The Interest Lists will be eliminated. FALSE...** Nothing in the current bill calls for or provides a mechanism for elimination of the Interest List.
- **Persons are receiving more services than they need. ?????...** Data has not been provided to support any over-utilization of services in the current IDD programs.
 - 2012 Kaiser Foundation Report found no evidence of IDD service over-utilization across the states.



Stated vs Not Stated

- Conflicts of interest will be eliminated **FALSE...**

MCO payments higher for HCBS-type services

+

MCOs control needs assessments/admissions (no external review)

=

Financial Incentive, Conflict, & Increased Costs

Expansion of the STAR+PLUS program magnifies these risks (LBB, GREER, 2013)



Stated vs Not Stated

- **MCOs can manage care for the IDD population more cost efficiently than providers. FALSE...** There is no evidence to suggest such. [In Fact...](#)
 - **Savings from IDD managed care are uncertain and elusive** (Kaiser Foundation, 2012 and 2010 Health Management Associates (HMA) report)
 - **HCBS service costs significantly higher than non-HCBS service costs under STAR +PLUS** (LBB, GREER, 2013)
- **MCOs are prepared to manage and coordinate services for the IDD population. [MAYBE ...](#) acute care; [QUESTIONNABLE...](#) long term services and supports.**



Stated vs Not Stated

- **Redesign of the IDD service system via a managed care-like model or the STAR +PLUS model could offer Texas increased flexibility, better integration of care, and improved resource decisions. YES and NO...**
 - Reform options do provide opportunity to address current system challenges, **HOWEVER,**
 - Failure to FIRST vet costs & benefits exposes state to differing degrees of financial risk. (LBB, GREER, 2013)

- **Persons will still have access to a comprehensive set of services. ????**
 - The bill contains no specific provisions to assure this.



Overview of Managed Care

- **1920s to 1950s: Evolution Period**
 - Alternative healthcare arrangements

- **1960s to 1980s: Reform Period**
 - Eliminate inappropriate and unnecessary health care
 - Improve access and reduce costs
 - Replace fee-for-service with a 'capitated rate' system

- **1990s: Medicaid Managed Care**
 - Initial use – control acute care costs
 - Recent use – control long term care services costs



Overview of Texas Medicaid Managed Care

- **Medicaid Managed Care Delivery Models**
 - STAR
 - STAR +PLUS
 - STAR Health
 - Primary Care Case Management (PCCM)
 - STAR - MRSA

- **1990s: STAR +PLUS**
 - Capitated HMO model for disabled Medicaid individuals & dual eligibles
 - Provides acute and long term care services and supports
 - Implemented 1998 (3 years to develop)
 - Gradual expansion across state

Capitation: *Method of compensating a provider on a monthly basis for providing or coordinating a defined set of services and supports based on a predetermined payment per services recipient.*



Transition Initiatives & Timelines

- **General Overview of IDD Initiatives and Timelines...**
 - **September 1, 2013:** Transfer IDD acute care service management under the State's current Medicaid managed care system (STAR +PLUS)
 - **September 1, 2013 thru August 31, 2016:** IDD pilots
 - **September 1, 2014:** Implement Community First Choice Option (CFC)
 - **September 1, 2016:** Transfer TxHmL under a managed care model
 - **September 1, 2018:** Transfer all IDD programs under a managed care model (Acute care and long term care services and supports)



Transition Specifics

- **Acute Care Services...**

- **Persons medical services managed under STAR +PLUS**
 - ❑ Includes transition of STAR/MRSA under STAR +PLUS (164 counties)

- **IDD Pilots...**

- **Development of pilots / stakeholder input (assumes start date of 9/1/13 or earlier)**
 - ❑ Test effectiveness and efficiencies of a managed care (capitated) strategy
- **Allows (not requires) DADS to select one private provider and one Local Authority**
- **Calls for pilots to operate for not less than 24 months**



Transition Specifics

- **Community First Choice (CFC) Option...**
 - Attendant' and 'habilitation' services to about 11,902 persons on current Interest Lists.
 - ❑ HCS (8,478), CLASS (3,403) and DBMD (21)
 - 'Attendant' and "Habilitation' services not defined.
 - Provider participation criteria not specified - assume HCSSA license will be required.
- **Transfer of TxHmL...**
 - Availability of all current services under an MCO not known or specified.
- **Transfer of ICF, HCS, CLASS and DBMD...**
 - Availability of all current services under an MCO not known or specified.



Related Initiatives

- **Comprehensive Assessment**
 - Undefined purpose
 - Allows DADS to determine use in pilots and beyond

- **Resource Allocation Process** (prior authorization for residential services)

- **Housing Options** (permits flexible, low-cost residential options)
 - Congregate (houses, condos, rentals within close proximity to each other)
 - Non-provider owned residential settings
 - Rental properties with on-site supports
 - Assistance with living more independently

- **Access to Behavioral Supports** (via increased training and intervention teams)



Concerns

- Changes services as persons know them today.
- Does not address the changing service needs of persons over time.
- Lacks thoughtful planning process; i.e., time to do the *right thing*.
 - ❑ No comprehensive analysis each transition stage.
 - ❑ No legislative review or decision-making authority.
- Pilots lack sufficient detail regarding intent, goals and expected outcomes
 - ❑ No 'apples' to 'apples' comparison
 - ❑ Limited to no valid analysis
 - ❑ Silent on individuals' participation (mandatory or voluntary).
 - ❑ Vague reference to compliance requirements (rules, licensing, etc.)
- Creates another layer of bureaucracy.



Concerns, continued...

- Excludes critical component of the IDD system; i.e., the SSLCs.
- Excludes local safety net to prevent and intervene early in behavioral and other crises.
- Does not recognize value of existing provider network (both large and small; expertise and longstanding relationships with families and persons served)
- Application to ICF/IID community-based program not clear.
- Does not call for meaningful stakeholder input process.
- Ignores MCOs lack of experience with the IDD population.
 - ❑ Management of significant behavioral health issues is untested



Roles : MCOs, Providers & DADS/HHSC

- **Current STAR +PLUS Structure...**
 - **Provider**
 - Contracts with MCO - not DADS
 - Must accept MCO conditions for contracting and pass credentialing
 - Must be licensed under HCSSA
 - **MCO**
 - Must contract with all eligible providers (Significant Traditional Providers)
 - Must adhere to contract requirement ONLY for first 3 years
 - Authority to cancel contracts for non-compliance.
 - **DADS**
 - Conducts licensing surveys and complaint investigations
 - Authority to revoke provider's license



Roles: MCOs, Providers & DADS/HHSC

- **Current Structure, cont'd...**

- **Other**

- Providers bill MCOs - MCOs have up to 30 days to pay claims.
- HHSC sets fee schedules; NO requirement for MCOs to use.
- MCOs determine consumer needs, assess consumer satisfaction, and approve and monitor service authorizations & claims.
- HHSC rule changes – purpose, status and ongoing concerns



PPAT Position

- **PPAT Role vs Member Role**
 - Referee vs Objector (Good Cop vs Bad Cop)

- **Position (or, MUSTs)**
 - **Thoughtful, well-planned process**
 - ❑ **SLOW DOWN!** 4 year plan places all at risk
 - ❑ Stakeholder input must not be an afterthought

 - **Decision-making BY Legislature - NOT HHSC/DADS.**



PPAT Position

- **Position (or, MUSTs), continued...**
 - **Comprehensive analysis AFTER each stage BEFORE ANY movement**
 - Cost analysis (determined by LBB)
 - Consumer and provider satisfaction
 - Impact on individuals, families and providers (unintended consequences)

 - **Array of redesign options (one option is NOT an option)**
 - 'Apples to apples,' 'real' alternatives, and/or established proven models
 - Inclusive of all provider types
 - CFC Option must deem current licensed and certified IDD providers.
 - Service plans based on needs (basic to comprehensive)
 - Choice, choice, choice



Member Action Needed

DOs...

- Educate families and persons you serve **NOW!**
- Educate legislators **NOW!**
 - Your legislators
 - Senate Health and Human Services Committee
 - House Human Services Committee
- Make calls, write letters & make Capitol rounds **NOW!**
- Share your concerns with SB 7 and its impact on your services
 - Must be individualized... Your story; your concerns - **NOT** your colleagues' stories.



Member Action Needed

DON'Ts...

- Wait until tomorrow to take action. Begin **TODAY!**
- Assume others will take care of it!

Remember... No action tells legislators you are okay with the proposed change.

A lot of people are waiting for Martin Luther King or Mahatma Gandhi to come back -- but they are gone. We are it. It is up to us. It is up to you.

Marian Wright Edelman



Q & A

Questions & Answers



House Human Services Committee

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(+) Member also of House Appropriations Committee (Pitts - Chair; Sylvester Turner - V-Chair)

Address for all House Members

The Honorable Full Name:

Texas House of Representatives
P.O. Box 2910
Austin, Texas 78768

Dear Representative Last Name:



Advocacy & Support for Community-Based Services to Texans with Intellectual & Developmental Disabilities

Senate Health & Human Services Committee

Senate Health & Human Services	Room#	Phone #	Fax #	Email
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(+) Member also of Senate Finance Committee (Williams – Chair; Hinojosa – Vice-Chair)

Address for all Senate Members

The Honorable Full Name:

Texas Senate
P.O. Box 12068
Austin, Texas 78711

Dear Senator Last Name:



Advocacy & Support for Community-Based Services to Texans with Intellectual & Developmental Disabilities

Private Providers Association of Texas

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