



House Human Services Committee Interim Committee Hearing

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September 17, 2012

- **Medicaid Managed Care Update**
- **Implementation of HB 2610**
- **HHSC LAR Summary**



Medicaid Managed Care

S.B. 7, 82nd Legislature, First Called Session, 2011, directed the Health and Human Services Commission (HHSC) to expand Medicaid managed care statewide. HHSC implemented Medicaid managed care on March 1, 2012.

- Expanded STAR to 164 rural counties
- Expanded STAR and STAR+PLUS to the Hidalgo Service Area (HSA)
 - HSA Counties include Cameron, Duval, Hidalgo, Jim Hogg, Maverick, McMullen, Starr, Webb, Willacy, and Zapata

Key features of Medicaid managed care include:

- Inclusion of prescription drug benefits
 - Pharmacy benefits provided by managed care organizations through pharmacy benefit managers
- Implementation of risk-based dental managed care model
 - Children's dental benefits administered by dental managed care entities
- Provision of in-patient hospital services placed back into STAR+PLUS

Transitioned almost one million Medicaid clients into STAR and STAR+PLUS statewide, bringing us to approximately three million people receiving services through Medicaid managed care, including

- 333,000 clients initially enrolled in the Hidalgo Service Area (HSA)
- Of these HSA clients, 65,000 were initially enrolled in STAR+PLUS (long term services and supports)

HHSC is monitoring key contract deliverables including provider networks and access to care standards, clean claims, prior authorizations, and call hold times, among others

- The Medicaid managed care organizations (MCOs) are meeting or exceeding Texas Department of Insurance requirements on network adequacy and access to care

Implemented a claims clearing house that allows providers to submit claims through a centralized portal

Challenges

- Some providers reported prior authorizations were not available for services provided during the initial implementation period
- Molina Healthcare implemented a statewide 10 percent rate reduction for all personal assistance services, day activity and health services, durable medical equipment, and related providers
 - HHSC continues to monitor adequacy of the provider networks
- Delta Dental was unable to handle high call volumes during the initial implementation period and did not have a functioning electronic claims portal
 - Delta Dental was placed on enrollment suspension shortly after implementation due to member and provider call center access issues
 - Effective December 2012, HHSC is terminating Delta Dental's contract for Medicaid and CHIP dental services

Statewide Managed Care Enrollments

Managed Care Programs	August 2011 Enrollment	September 2012 Enrollment
Medicaid		
STAR	1,582,350	2,507,124
STAR+PLUS	258,826	403,289
STAR Health	32,913	31,056
Total Capitated	1,874,088	2,941,469
Total Medicaid	3,636,997	3,625,656
CHIP	583,435	612,242
Total CHIP	583,435	612,242
Dental		
Children's Medicaid Dental	0	2,494,790
CHIP Dental	544,736	580,642
Total Dental	544,736	3,075,432

September 1, 2012

Hidalgo Service Area Managed Care Enrollments

Hidalgo STAR	
STAR Managed Care Organizations	Enrollment
United Healthcare	61,744
Superior	146,029
Molina	63,972
Driscoll	50,521
Total STAR	322,266
Hidalgo STAR+PLUS	
STAR+PLUS Managed Care Organizations	Enrollment
Superior	35,559
Molina	22,118
Health Spring	16,399
Total STAR+PLUS	74,076
Total Hidalgo Service Area	396,342

September 1, 2012

HHSC Monitoring of MCOs

- Provider Network Status
- Pharmacy Network Status
- Authorizations
- Claims Processing
- Member and Provider Hotline Performance
- Member and Provider Complaints

Ongoing Provider Assistance

- Every plan must have a local presence in the Hidalgo service area including provider support
- Additional provider training is provided upon request



Community Partnership Program

H.B. 2610, 82nd Legislature, 2011, directed HHSC to:

- Establish a program to train and certify staff and volunteers of community based organizations to help Texans utilize the www.yourtexasbenefits.com website to manage their SNAP, TANF, and Medicaid cases and apply for benefits
- Develop standards regarding certification
- Maintain a list of community partners on the HHSC website

Established a Community Partner Program (CPP)

- Began piloting in January 2012 and implements statewide expansion in October 2012
 - Currently 36 organizations, with 141 trained and certified staff, participating
 - Approximately 51 organization are expected to join the program in October
 - Continue to recruit and train community partners
- Established program standards and training requirements
 - Online training and certification requirements have been developed
- HHSC maintains a listing of community partner agencies available to serve the general public on the CPP website



Overview of the Fiscal Year 2014-2015 Agency Legislative Appropriations Request for House Human Services

Agency LAR Summary Request

Goal	FY 2012-2013 Expended/ Budgeted	FY 2014-2015 Base Request	FY 2014-2015 Exceptional Items	FY 2014-2015 Total Request	Biennial Change
Goal A HHS Enterprise Oversight & Policy	\$ 1,896.9	\$ 1,859.4	\$ 180.6	\$ 2,040.0	\$ 143.1
Goal B Medicaid Services	40,283.3	43,626.3	4,172.9	47,799.1	7,515.8
Goal C CHIP Services	2,377.7	2,468.1	290.1	2,758.2	380.4
Goal D Encourage Self Sufficiency	329.7	315.2	2.5	317.7	(12.0)
Goal E Program Support	319.0	304.7	5.6	310.2	(8.8)
Goal F Information Technology Projects	141.2	127.7	-	127.7	(13.5)
Goal G Office of Inspector General	93.2	95.0	38.2	133.2	40.0
<i>DADS Savings (STAR+Plus Expansion)</i>			<i>(344.3)</i>	<i>(344.3)</i>	<i>(344.3)</i>
<i>DSHS PCP Rate Increase</i>			<i>19.7</i>	<i>19.7</i>	<i>19.7</i>
Total Agency Request	\$ 45,441.1	\$ 48,796.3	\$ 4,365.3	\$ 53,161.5	\$ 7,720.4
Method of Financing					
General Revenue	\$ 18,195.1	\$ 19,131.8	\$ 1,829.9	\$ 20,961.7	\$ 2,766.6
<i>General Revenue Savings to DADS</i>			<i>(138.5)</i>	<i>(138.5)</i>	<i>(138.5)</i>
<i>General Revenue Costs to DSHS</i>			<i>19.7</i>	<i>19.7</i>	<i>19.7</i>
Subtotal, GR	\$ 18,195.1	\$ 19,131.8	\$ 1,711.0	\$ 20,842.9	\$ 2,647.8
Federal Funds	\$ 26,508.6	\$ 28,950.2	\$ 2,860.0	\$ 31,810.1	\$ 5,301.5
<i>Federal Savings to DADS</i>			<i>(205.8)</i>	<i>(205.8)</i>	<i>(205.8)</i>
Subtotal, Federal	\$ 26,508.6	\$ 28,950.2	\$ 2,654.2	\$ 31,604.4	\$ 5,095.8
Other Funds	737.4	714.2	0.0	714.2	(23.2)
Total, LAR Method of Financing	\$ 45,441.1	\$ 48,796.3	\$ 4,365.3	\$ 53,161.5	\$ 7,720.4
FTEs	12,366.7	12,366.7	133.8	12,500.5	133.8

FY 2013 assumes a supplemental funding need for Medicaid and CHIP of \$3.7 billion GR.

Exceptional Item Summary

HHSC is seeking funding for 30 exceptional items totaling \$1.7 billion in GR (\$4.4 billion All Funds).

Ten exceptional items maintain some level of current services or operations at HHSC and other HHS agencies.

- HHSC and HHS Current Services (10) \$1.4 billion GR (\$3.5 billion AF)

Twenty exceptional items address critical needs or system improvements at HHSC and the other HHS agencies.

- Critical Services & Improve Systems (8) \$54.6 million GR (\$96.2 million AF)
- Information Technology Improvements (6) \$30.5 GR (\$77.6 million AF)
- Medicaid Cost Containment (2) \$15.8 GR (\$39.0 million AF)
- Affordable Care Act (4) \$238.8 GR (\$626.1 million AF)

Agency Top Exceptional Items

- Maintain Medicaid costs and utilization trends - \$1.2 billion GR (\$3.1 billion AF)
- Maintain CHIP costs and utilization trends - \$37.5 million GR (\$133.1 million AF)
- Maintain Primary Care Provider Rate Increase - \$107.0 million GR (\$266.2 million AF)

10 Percent GR Reduction Schedule

• Across the Board Rate Reduction	\$117.0 million
• One Time Expense Not Included in Base Request	\$0.9 million
• Contracted Administrative Services	\$1.2 million
• Administrative & Program Operations (salary savings and travel - 10 FTEs)	\$11.8 million
• Partial Reduction in GR Funded Programs	\$1.4 million
Total GR	\$132.3 million