Texas Medicaid covers behavioral health services, which are services used to treat a mental, emotional, alcohol, or substance use disorder (SUD).

Behavioral health services are provided by therapists in private practice, physicians, private and public psychiatric hospitals, community mental health centers, comprehensive provider agencies, and substance use treatment facilities. Behavioral health services are included in all Children’s Health Insurance Program (CHIP) and Medicaid managed care programs.

State Plan Services

Screening Services

Health and Behavior Assessment and Intervention
Health and Behavior Assessment and Intervention (HBAI) services became a Texas Medicaid benefit in 2014. HBAI services are designed to identify the psychological, behavioral, emotional, cognitive, and social factors that are important to prevent, treat, or manage physical health symptoms. Services are provided by licensed practitioners of the healing arts who are co-located in the same office or building as the client’s primary care provider (PCP). HBAI services help promote physical and behavioral health integration.
Medicaid clients from birth through 20 years of age are eligible for this service.

*Screening, Brief Intervention and Referral to Treatment*

Screening, Brief Intervention and Referral to Treatment (SBIRT) is a comprehensive public health approach to the delivery of early intervention and treatment services for clients with alcohol or SUD, as well as those who are at risk of developing these disorders. SBIRT was originally made a Medicaid benefit in 2009 to allow adolescents who present at an emergency department for trauma or injury related to substance use to receive an SBIRT intervention. In July 2016, the SBIRT benefit was expanded to include adults and community-based settings. The benefit also allows providers to be reimbursed for screening-only sessions.

*Texas Health Steps Mental Health Screening*

Mental health screening is required at each Texas Health Steps (THSteps) medical checkup for children birth through 20 years of age per the THSteps Medical Checkup Periodicity Schedule. Beginning in 2015, a one-time mental health screening for children 12 to 18 years of age using one of four standardized screening tools is now separately payable to THSteps providers.

**Treatment Services**

**Mental Health Treatment Services**

Medicaid mental health treatment services include:

- Psychiatric diagnostic evaluation and psychotherapy performed by psychiatrists, psychologists, licensed clinical social workers, licensed professional counselors, and licensed marriage and family therapists;
- Psychological and neuropsychological testing performed by psychologists and physicians;
- Inpatient psychiatric care in a general acute care hospital;
- Inpatient care in psychiatric hospitals (for persons under age 21 and age 65 and older);
- Psychotropic medications and pharmacological management of medications;
- Rehabilitative and targeted case management services for people with severe and persistent mental illness or children with severe emotional disturbance; and
- Care and treatment of behavioral health conditions by a PCP.

**Substance Use Disorder Treatment Services**

The 2010-11 General Appropriations Act (GAA), S.B. 1, 81st Legislature, Regular Session,
2009 (Article IX, Health-Related Provisions, Section 17.15), authorized the Health and Human Services Commission (HHSC) to add comprehensive SUD benefits for adults in Medicaid to reduce substance abuse related medical expenditures.

Medicaid SUD benefits were implemented in two phases: most outpatient benefits began on September 1, 2010, and residential benefits and detoxification (residential and ambulatory) services began January 1, 2011. These benefits apply to Medicaid clients enrolled in traditional fee-for-service Medicaid and Medicaid managed care. The benefits are provided through state licensed substance abuse treatment facilities and narcotic treatment programs. Benefits include the following services:

- Assessment to determine a client’s need for services;
- Individual and group outpatient SUD treatment counseling;
- Medication assisted therapy (e.g., methadone for opioid addiction);
- Outpatient detoxification;
- Residential detoxification; and
- Residential treatment.

Home and Community-Based Services

Adult Mental Health

Many adults with a diagnosis of serious mental illness have complex needs that lead to extended psychiatric hospitalizations, repeated arrests, and frequent emergency department visits. In 2010, the Department of State Health Services (DSHS) convened a continuity of care stakeholder task force to identify needs and recommend reforms. Among the recommendations was the development of home and community-based services (HCBS) for adults with serious mental illness.

Following these recommendations, the 2014-15 GAA, S.B. 1, 83rd Legislature, Regular Session, 2013 (Article II, DSHS, Rider 81), required DSHS to create a program through a section 1915(i) state plan amendment to provide community-based services and supports for individuals who have experienced extended stays in inpatient psychiatric settings. The purpose of this program is to help these individuals remain in the community. The 2016-17 GAA, H.B. 1, 84th Legislature, Regular Session, 2015 (Article II, DSHS, Rider 61b), extended HCBS to include diversion efforts for adults with frequent arrests and/or emergency department visits.
While the Centers for Medicare & Medicaid Services (CMS) has approved delivery of HCBS-adult mental health (AMH) for adults age 18 and older with extended hospitalizations, delivery of services for adults with frequent arrests or emergency department visits remains under CMS review as of December 2016.

The HCBS-AMH program provides an array of intensive HCBS tailored to an individual’s assessed needs, in consideration of the individual’s preferences and goals. HCBS-AMH provides the following services: host home/companion care, supervised living services, assisted living, supported home living, psychosocial rehabilitative services, employment services, minor home modifications, home-delivered meals, transition assistance services, adaptive aides, transportation services, community psychiatric supports and treatment, peer support, short-term respite care, SUD services, nursing, flexible funds, and recovery management.

Services are provided in CMS-approved settings, which may include an individual’s home or apartment, an assisted living setting, or small community-based residence.

**Youth Empowerment Services Waiver**

The Youth Empowerment Services (YES) waiver is a Medicaid 1915(c) HCBS waiver allowing for more flexibility in the funding of intensive community-based services for children and adolescents (ages 3 to 18 years) with serious emotional disturbances and their families.

YES provides the following services: adaptive aids and supports; community living supports; employment assistance; family supports; minor home modifications; non-medical transportation; paraprofessional services; pre-engagement service (for non-Medicaid applicants); respite (in-home and out-of-home); specialized therapies (animal-assisted therapy, art therapy, music therapy, nutritional counseling, and recreational therapy); supported employment; supportive family-based alternatives; and transitional services. YES waiver recipients are enrolled in Medicaid managed care and receive their non-YES waiver services through their managed care organization (MCO).

The YES waiver was initially available in a limited geographic area, but was expanded statewide in September 2015. In July 2016, children and adolescents in foster care became eligible to receive YES services.

Children are determined financially eligible for the YES waiver using the same standards used to determine eligibility for Medicaid in psychiatric institutions. Parental income is not counted.
Behavioral Health Integration
S.B. 58, 83rd Legislature, Regular Session, 2013, required HHSC to integrate behavioral health and physical health services into Medicaid managed care programs by adding mental health targeted case management and mental health rehabilitative services to the array of services provided by MCOs by September 1, 2014. The legislation required the MCOs to develop a network of public and private providers of mental health rehabilitation and mental health targeted case management, and to ensure adults with serious mental illness and children with serious emotional disturbance have access to this comprehensive array of services. HHSC must also develop two Medicaid health home pilot programs in two health service areas of the state for persons who are diagnosed with a serious mental illness and at least one other chronic health condition.

In addition, HHSC and DSHS established a Behavioral Health Integration Advisory Committee as directed by the Legislature. The Behavioral Health Integration Advisory Committee provided formal recommendations to HHSC on the implementation of the S.B. 58 requirements. HHSC is working to ensure the implementation plan for behavioral health integration and the health home pilots is consistent with the recommendations provided by the Behavioral Health Integration Advisory Committee in the fall of 2016.

Mental Health Parity
Congress has enacted various pieces of legislation over the past 20 years to make the treatment of mental health equal to treatment for physical health. Prior to the enactment of legislation, mental health coverage had been treated differently from physical health coverage.

In 2008, Congress passed the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPAEA). MHPAEA did not require large group health insurance plans to offer mental health and SUD benefits, but it prohibited these plans from having differences in treatment limits, cost-sharing, and in- and out-of-network coverage between mental health and SUD benefits, if offered, and medical and surgical benefits.

The Children’s Health Insurance Program Reauthorization Act of 2009 incorporated MHPAEA requirements into CHIP state plans.

As of 2009, Medicaid was required to be in compliance with MHAPEA. Reviews conducted by HHSC in 2011 and 2014 demonstrated Texas Medicaid was in full compliance with the 2008 MHPAEA requirements.
CMS issued final rules in 2016 addressing the application of MHPAEA parity requirements to MCOs, Medicaid alternative benefit plans, and CHIP. All states must be in compliance with these new regulations by October 2017.

Texas is in the process of developing processes to evaluate MCO compliance with the new parity regulations.

**Medicaid Managed Care Rules**

CMS issued final Medicaid managed care rules, effective July 5, 2016, that align Medicaid managed care regulations with many of the rules governing other major sources of coverage, including qualified health plans and Medicare Advantage plans. As they relate to behavioral health, the final rules require the following:

- Managed care contracts must comply with parity requirements for mental health and SUD, and capitation rates must be based upon and include services that are necessary for compliance with parity.
- Inpatient stays in an institution for mental disease (e.g., inpatient psychiatric hospital) for individuals ages 21-64 can be no longer than 15 days a month if the stay meets the criteria of an “in lieu of” service.

HHSC is evaluating these final rules and assessing their impact on the state’s Medicaid managed care contracts.

**NorthSTAR Transition**

NorthSTAR was an integrated behavioral health delivery system in the Dallas service area serving people who were eligible for Medicaid or who met other eligibility criteria. When the state terminated the NorthSTAR program on December 31, 2016, individuals began receiving all Medicaid services through managed care programs, including STAR, STAR+PLUS and STAR Kids. For more information about the NorthSTAR transition, please see Chapter 11, Fee-for-Service and Managed Care.