Presentation to the House Appropriations Committee

Tamela Griffin  
Acting Deputy Associate Commissioner for Policy & Program, Medicaid & CHIP Services

Victoria Grady  
Deputy Director, Rate Analysis

March 21, 2018
## Timeline of Therapy Policy and Rate Changes

### 2016-17 GAA, Rider 50
- Directed agency to achieve $150 million in GR savings over the biennium related to therapy services

### Therapy Medical Policy Changes
- Clarified medical necessity criteria
- Defined therapy functional goals to align with modern best practices
- Began tracking services provided by therapy assistant with use of a modifier

### Reimbursement Rate Change
- Changed fee-for-service rates for therapy services

### Rate and Policy Changes
- As directed by 2018-19 GAA, Rider 59, partial rate restoration
- Changed speech therapy reevaluation reimbursement rate
- Standardized billing across provider types according to national coding guidelines
- Clarified policy on untimed speech therapy visit

### Rate Change
- Reduction of therapy assistant rate to 85 percent of the rate for licensed therapists *

---

* Rider 59 directed a reimbursement rate reduction for therapy assistants at 85% on December 1, 2017 and 70% on September 1, 2018.
Fee-for-Service Medicaid Therapy Reimbursement Rate Example*

** In accordance with federal standards and coding guidelines, policy changes were implemented to standardize each code’s billing unit, either as a 15-minute or encounter unit.

*** Rider 59 directed a reimbursement rate reduction for therapy assistants at 85% on December 1, 2017 and 70% on September 1, 2018.

* Example is based on CPT code 92507, a speech therapy code. The same process was used for all Physical, Occupational, and Speech Therapy codes.

Prior to 12/15/16 | Rate Effective on 12/15/16 | Rate Effective on 9/1/17
---|---|---
**Home Health Agency Therapy Services**
- $135.14
- $100.34
- $109.04
- $109.04
- $107.78
- $107.78

**Comprehensive Outpatient Rehabilitation Facilities/Outpatient Rehabilitation Facilities (CORF/ORF) Therapy Services**
- $125.00
- $114.68
- $125.80
- $111.65
- $125.80
- $111.65

**Independent Therapy Services**
- $31.25
- $28.67
- $28.67
- $29.32
- $29.32
- $29.32

---

---

---
Monitoring Implementation

Access to care has been monitored closely since the December 2016 rate reductions

- Monitor and address member and provider complaints
- Review utilization trends by service delivery area and by provider type
- Monitor provider enrollment and terminations
Provider Enrollment Has Stabilized

Decline in early 2017, primarily due to the ACA re-enrollment. Enrollment numbers increased and are stable since April 2017.
Continue Monitoring Implementation

Rider 57

Requires HHSC to submit quarterly reports that include:

- Provider and member complaints by disposition received by the Office of the Ombudsman and HHSC;
- Provider and member complaints by disposition reported by Medicaid Managed Care Organizations (MCOs);
- The number of pediatric acute care therapy provider terminations and the reason for identified terminations;
- The utilization of pediatric acute care therapy services;
- The number of members on a waiting list, unable to access pediatric acute care therapy services due to insufficient network capacity; and
- The number of pediatric acute care therapy providers no longer accepting new clients.
Continuing Monitoring Efforts

• Monitor MCO compliance with network adequacy standards quarterly

<table>
<thead>
<tr>
<th>Provider Type</th>
<th>Distance in Miles</th>
<th>Travel Time in Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Metro</td>
<td>Micro</td>
</tr>
<tr>
<td>Occupational, Physical, or Speech Therapy</td>
<td>30</td>
<td>60</td>
</tr>
</tbody>
</table>

• Conduct onsite MCO operational reviews

- The Acute Care Utilization Review unit participates in operational reviews and looks at MCO policies, procedures, and prior authorization practices, including clinical documentation