Managed Care Update: (From May 9 House Human Services Hearing)

June 18, 2018
Medicaid Managed Care: Shared Goal Across Stakeholders

Goal: Quality, cost-effective care

Different roles in supporting the goal
## Network Adequacy: Ensuring Access to Care

### Distance and Travel Time Standards

<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>Behavioral Health-outpatient</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Cardiovascular Disease</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>ENT (otolaryngology)</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>General Surgeon</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Hospital- Acute Care</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Nursing Facility</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>OB/GYN</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Occupational, Physical, or Speech Therapy</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Ophthalmologist</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Orthopedist</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Prenatal</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Primary Care Provider</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Psychiatrist</td>
<td>30</td>
<td>45</td>
</tr>
<tr>
<td>Urologist</td>
<td>30</td>
<td>45</td>
</tr>
</tbody>
</table>

Long Term Services and Supports (LTSS) and Pharmacy standards proposed to be implemented in the September 2018 managed care contracts. Metro = county with a pop. of 200,000 or greater, Micro = county with a pop. between 50,000-199,999, Rural = county with a pop. of 49,999 or less.
Network Adequacy: Ensuring Access to Care

Oversight Requirements

• Quarterly monitoring process using provider reconciliation files and member eligibility files.
  - No longer using Managed Care Organization (MCO) self-reported data.

• MCOs who do not meet 75% compliance with standards will be issued a corrective action plan (CAP).

• In January 2019, this requirement will increase to 90% compliance and issuance of both CAPs and liquidated damages (LDs).

• Implemented Provider Directory requirements in the Spring of 2016.
Health Plan Report Cards: Ensuring Quality

Quality measures that matter to members

- Four key areas graded:
  - Overall health plan quality
  - Experience with doctors and the health plan
  - Staying healthy
  - Controlling chronic disease

- Ratings by plan based on member surveys and health quality measures

- Transparency for members when selecting or changing plans
STAR Kids Program: Overview

SB 7 (83R), 2013, directed HHSC to “establish a mandatory STAR Kids capitated managed care program tailored to provide medical assistance benefits to children with disabilities.”

Other requirements include:

- Integrate with a nurse advice line
- Use an identification and stratification method to identify recipients who have greatest need for services
- Provide a holistic, comprehensive care needs assessment
- Deliver services through multidisciplinary care teams located in different geographic areas and have in-person contact
- Identify immediate interventions for transition of care
- Include monitoring and reporting outcomes
- Incorporate the Medically Dependent Children Program (MDCP) waiver program
STAR Kids Program: Members

Caseload snapshot

<table>
<thead>
<tr>
<th>FY17</th>
<th>Average Monthly Caseload</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAR Kids Total</strong></td>
<td>163,240</td>
<td>$2,594,793,724</td>
</tr>
<tr>
<td><strong>MDCP</strong></td>
<td>5,740</td>
<td>$623,805,246</td>
</tr>
</tbody>
</table>

Figures are based on FY17 Prospective Payment System data post implementation of STAR Kids. Average monthly caseload and total capitated expenditures from November 2016 to August 2017.
STAR Kids Program Goal

Ensuring quality and cost-effectiveness through:

• Providing customized medical assistance benefits,
• Better coordinated care,
• Improving health outcomes,
• Improving access to health care services,
• Achieving cost containment and cost efficiency,
• Reducing the administrative complexity of delivery, and
• Reducing the incidence of unnecessary institutionalizations and potentially preventable events.
STAR Kids Program: Implementation Progress

SB 7 (83R) Planning and design
May 2013

STAR Kids
Conception

Planning and design

SB 7 (83R)
May 2013

Multi-year

November 2016

6 months*

Ongoing oversight

Current Day

Continuous Improvement

*MCOs voluntarily extended continuity of care for Primary Care Physicians and specialists through October 31, 2017.
STAR Kids Program: Continuous Improvement

Three core areas of focus based on stakeholder feedback, data, and oversight findings.

- Service Assessment
- Service Coordination
- Service Delivery

Ongoing improvements to MCO Oversight
STAR Kids Program: New Service Assessment Tool

1. Informs development of person-centered individual service plan
2. Used for assessment of medical necessity (MN) for MDCP and CFC

- Prior to SB 7 (83R), there was a recognized need for a tool tailored for children.

- HHSC contracted with Texas A&M University (TAMU) Health Science Center to determine if a proper tool existed, and if not, build and test one.
  - Multi-phase project with 3 years dedicated to development, testing, and revisions.
  - Testing phases included stakeholder input and review.
STAR Kids Program: Ongoing improvements for SK-SAI tool

Recently completed
Conducted training in April with ~1,000 MCO coordinators and nurse accessors to provide additional clarifications and best practices.

Recommended that MCOs:
• Pre-populate as many items as possible to reduce assessment time
• Provide the tool in advance for families to prepare
• Share results before submitting
• Provide a copy after submitting

Future plans
Updates to the manual drafted by TAMU to incorporate policy and use clarifications.

The next version of the SK-SAI will incorporate recommended changes from phase 2 testing, primarily question wording and removal of items that unnecessarily trigger additional modules.

Longer term tool innovations.

Supported by ongoing training refinements, manual updates, policy clarifications, and public education.
STAR Kids Program: Service Coordination

Readiness Reviews

MCOs had to show appropriate number of service coordinators were trained and ready.

20% of the service coordinators were interviewed for training and knowledge regarding program and contractual requirements.

Daily, weekly, bi-weekly, and monthly calls were held with MCOs to discuss staffing and other issues.

Operational Reviews

- On-site review of the number of service coordinators and caseloads.
- 20% are interviewed for training and knowledge regarding program and contractual requirements.
- Targeted reviews as needed based on any observed complaint trends

STAR Kids Stakeholder Workgroup (August 2017)

- MCOs discussed service coordination structure and turnover.
- Reported between 10 – 30% turnover (but was leveling out after initial implementation).
- Changes to coordinators can happen due to balancing of caseloads.
STAR Kids Program: Service Delivery Tools

HHSC tools for continuous improvement

**Operational Reviews**
- Acute Care Utilization Review team take part in operational reviews.
- Purpose is to review MCO prior authorization (PA) processes.
- Current focus is PA for speech therapy and Private Duty Nursing (PDN).

**Policy Guidance**
- Issue ongoing clinical and operational guidance, including:
  - Preferred provider arrangements
  - School Health and Related Services (SHARS) & PDN
  - LTSS Continuity of Care
  - Therapy
  - PAs

**Utilization Reviews (UR)**
- Requesting additional resources to expand UR to include STAR Kids.
- Conducted by nurses, URs ensure MCOs are providing services according to their assessment of service needs.

**Data Trends**
- Analyzing data to identify trends in service utilization.
- Various quality initiatives underway, including post-implementation review and custom quality measure development.

**Inspector General**
Upcoming audit to evaluate the effectiveness of MCO performance in administering services through STAR Kids and STAR Health. Delivery of services for children with MDCP will be the initial focus of the audit.
STAR Kids Program: Complaints Resolution and Improvements

**Program specific**

- Added MDCP field indicator for more granular trending.
- Health plan specialists work one on one with members to resolve issues.
- Work directly with eligibility staff to complete or resolve eligibility issues.
- Provide additional education as needed to members and families related to root cause of complaints.

**Overall improvements**

- Adding resources to focus on complaint trending and analysis from all sources.
- Developing a portal that allows real time access to reports for faster research and resolution.
- Patterns through analysis will drive targeted reviews.
SB 7 (83R): Future Implementation

Additional Carve-in milestones for persons with Intellectual and Developmental Disabilities (IDD)

September 1, 2020
Texas Home Living (TxHmL) IDD waiver services transition to managed care

Based on cost-effectiveness and experience of TxHmL

2021
HCS, DBMD, and CLASS waivers and ICF/IID transition to managed care*

Activities underway

• To be completed by 2019 legislative session: Deloitte and University of Texas School of Public Health-Houston are evaluating various topics and reporting to inform IDD LTSS transition to managed care.

• To be completed by Summer 2018: HHSC and IDD System Redesign Advisory Committee developing implementation recommendations for the TxHmL carve-in.

*Home and Community Based Services (HCS), Deaf, Blind and Multiple Disabilities (DBMD), and Community Living Assistance and Support Services (CLASS)
Appendix: Additional STAR Kids Information
SB 7 (83R): Pre-implementation Survey

Opportunities with Managed Care

Noticeable differences between needing extra help with care coordination and getting help with care coordination.

Source: Texas’s external quality review organization (EQRO) STAR Kids pre-implementation survey, 2016
National benchmark is 2009/2010 Nation Survey of Children with Special Health Care Needs
**SB 7 (83R): Pre-implementation Survey**

**Opportunities with Managed Care**
All groups were below the national benchmark in ability to access services when needed.

**Access to services***

<table>
<thead>
<tr>
<th>Service Type</th>
<th>National Benchmark</th>
<th>MDCP</th>
<th>IDD Waivers</th>
<th>FFS</th>
<th>STAR+ PLUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special medical equipment and devices</td>
<td>57%</td>
<td>33.8%</td>
<td>32.8%</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Special therapies</td>
<td>56%</td>
<td>38.5%</td>
<td>44.8%</td>
<td>53.7%</td>
<td>43.4%</td>
</tr>
<tr>
<td>Treatment or counseling</td>
<td>55%</td>
<td>29.7%</td>
<td>31.1%</td>
<td>47.1%</td>
<td>48.2%</td>
</tr>
</tbody>
</table>

*Based on percent of respondent who indicated it was ‘always easy’ to get the listed service/equipment.

Source: Texas's external quality review organization (EQRO) STAR Kids pre-implementation survey, 2016

National benchmark is 2009/2010 Nation Survey of Children with Special Health Care Needs
 Opportunities with Managed Care

A high number of potentially preventable events indicates opportunity for better care coordination and/or access to ambulatory care.

3M Potentially Preventable Events in Members Eligible for STAR Kids
(Number of Weighted Events per 1,000 Member-Months)

Source: Texas’s external quality review organization (EQRO)
*Potentially Preventable Admissions (PPA), Potentially Preventable Visits (PPV), Potentially Preventable Re-Admissions (PPR)
Medical Necessity (MN) Assessment

A targeted look at MDCP

**Tool outcomes**
MDCP SK-SAI reassessments
April 2017 – March 2018

- 5,554
  - Unduplicated individuals*
- 4,752 86% approved
  - 216 4% in-process at TMHP
  - 114 2% in the fair hearings process
  - 454 8% denied, may request a fair hearing
  - 246 4% denied, after fair hearing

**Accuracy of MN decisions**
HHSC Utilization Review nurses reviewed a random sample of 124 medical necessity denials.

Sample consisted of members who had been reassessed in the months of July and August of 2017 but were denied continued eligibility in the MDCP.

Results indicated accuracy of MN determinations.

*Were the MN Decisions Accurate?*

- 2% Yes
- 98% No

*Some individuals have multiple assessments with different statuses, making the sum of each status category greater than the unduplicated total of individuals and total percentage exceed 100%.
Medical Necessity (MN) Assessment: Process Improvements

**Stakeholders:** Materials developed included information on the MN determination process for the MDCP, FAQ for families (including Screening Assessment Instrument, MN determination and Fair Hearings process), and MDCP program description.

**MCO Service Coordinators and Nurse Accessors:** Received training in April 2018 on the tool, including best practices and clarifications specific to MN determinations.

**Texas Medicaid & Healthcare Partnership (TMHP) Physicians:** HHSC Office of Medical Director staff meet with TMHP physicians quarterly (and as needed) to discuss interpretation of agency requirements for MN determinations, answer questions on specific cases, and provide updates relating to the MN determination process.

**Communication**

**Denial Notices:** Improving the notification process for MN denials. Changes planned for 2018:
1. Modifying the TMHP notice of pending denial to include the service coordination 1-800 number based on the member’s MCO (instead of the TMHP Long-Term Care Help Desk Number).
2. Eliminating the TMHP letter that tells members to wait until an official HHSC denial is sent.
3. Modifying the HHSC notice of final denial to include more information.

**Fair Hearings Outreach:** HHSC contacts members when they are denied MN for MDCP to advise them of their rights and allow them to request a fair hearing during the call. Members are offered continuances on fair hearings on a case-by-case basis.
STAR Kids Service Coordination: Ongoing Requirements by Level

**Level 1**
- A named service coordinator
- A minimum of four face-to-face contacts annually
- Monthly calls

- MDCP members
- Members with complex needs or a history of developmental or behavioral health issues
- Members with Serious Emotional Disturbance (SED) or Serious and Persistent Mental Illness (SPMI)
- Members at risk for institutionalization

**Level 2**
- A named service coordinator
- A minimum of two face-to-face contacts annually
- Six calls annually

- Members are not Level 1 but receive Personal Care Services, Community First Choice (CFC), or nursing services
- Members the MCO believes would benefit from a higher level of service coordination based on results from the SK-SAI and additional MCO findings
- Members with a history of substance abuse
- Members without SED or SPMI, but who have another behavioral health condition that significantly impairs function

**Level 3**
- A minimum of one face-to-face contact annually
- Three calls annually
- A named service coordinator (if requested)

- Members who do not qualify for Level 1 or 2
- Must get a named service coordinator if they reside in a nursing facility or community-based ICF-IID, or are served by 1915(c) waivers: CLASS, DBMD, HCS, or TxHmL
Overarching Quality Activities: Various Measurement Mechanisms

Same activities done for most other managed care programs

<table>
<thead>
<tr>
<th>Activity</th>
<th>STAR Kids Implementation Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Improvement Projects</td>
<td>First implemented in January 2017, second in January 2018</td>
</tr>
<tr>
<td>Quality Assessment and Performance Improvement Program</td>
<td>First report calendar year 2018 (reporting on calendar years 2016 and 2017)</td>
</tr>
<tr>
<td>Administrative Interviews</td>
<td>First interview calendar year 2018 (reporting on calendar years 2016 and 2017)</td>
</tr>
<tr>
<td>Report Cards</td>
<td>Published early 2019</td>
</tr>
<tr>
<td>Pay-for-Quality</td>
<td>January 2020</td>
</tr>
<tr>
<td>Appointment Availability (“Secret Shopper”)</td>
<td>Began May 2018; Preliminary results will be available in fall 2018</td>
</tr>
<tr>
<td>Performance Indicator Dashboard</td>
<td>Measures posted for calendar year 2017, standards set for calendar year 2019</td>
</tr>
</tbody>
</table>
STAR Kids Custom Initiatives

Two Goals

• To evaluate the implementation of the STAR Kids program
• To develop a set of quality of care measures appropriate to the STAR Kids population

Inputs

• MCO interviews – The External Quality Review Organization (EQRO) interviewed all 10 STAR Kids MCOs and summarized information on the transition to STAR Kids

• Caregiver survey – The EQRO will conduct a follow-up survey with the same caregivers who participated in the pre-implementation survey

• Administrative measures – The EQRO will calculate and analyze quality measures for members surveyed in the pre and post implementation surveys and for the full census of STAR Kids members

• SAI and Individualized Service Plan (ISP) data quality – The EQRO will review a sample of completed SAI and ISP forms to assess completeness of data elements
### Multiple Deliverables and Upcoming Dates

<table>
<thead>
<tr>
<th>Report Type</th>
<th>Delivery Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCO interview report</td>
<td>March, 2018 (HHSC current is reviewing the draft report)</td>
</tr>
<tr>
<td>Measures feasibility study</td>
<td>October, 2018</td>
</tr>
<tr>
<td>Survey Findings*</td>
<td>December, 2018</td>
</tr>
<tr>
<td>Administrative Measure Findings**</td>
<td>February, 2019</td>
</tr>
<tr>
<td>Summary report</td>
<td>May, 2019</td>
</tr>
</tbody>
</table>

*Survey conducted 18 months after implementation because there is a 6 month look back period, and we wanted to be sure we were getting information about members’ experiences after the continuity of care provisions expired (one year after implementation).

**Calculating administrative measures requires a full calendar year of encounter data with a six month lag.
Member Communication: Increasing Member Portal Requirements

Contract changes effective September 1, 2018.

• Each STAR Kids MCO must provide a Member Portal that supports functionality to allow access to member’s medical documents in a uniform way and reduces burdens placed on Members.

• The Member Portal functionality must include the following:
  - Explanation of Benefits
  - Prior authorization requests
  - Prior authorization determinations
  - Results from STAR Kids Screening and Assessment Instrument
  - Individual Service Plans
  - Provider Search
  - Contact information for technical support

• MCOs must post the required documents to the Member’s Member Portal within 7 days of receiving or finalizing the document.