Medicaid Services Capacity for High-Needs Children in the Foster Care System

Grant Program

June 2018
Table of Contents

1. Introduction ................................................................................................. 1
2. Background .................................................................................................. 2
3. Grant Program Overview ........................................................................ 3
4. Implementation Approach ..................................................................... 4
   Timeline .................................................................................................. 4
   Funding ................................................................................................... 5
   Addressing Gaps across the System ......................................................... 6

List of Acronyms ........................................................................................... 8

Appendix A. Definitions ................................................................................. A-1
1. Introduction

The 2018-19 General Appropriations Act, Senate Bill (S.B.) 1, 85th Legislature, Regular Session, 2017 (Article II, Health and Human Services Commission [HHSC], Rider 77 [formerly Rider 172]), appropriates $2 million in general revenue in fiscal year 2018 for HHSC, in collaboration with the Department of Family and Protective Services (DFPS), to establish a one-time statewide matching grant program to increase access to targeted case management and rehabilitative services for high-needs children¹ in the foster care system.

HHSC will award funding to selected organizations through competitive procurement. Organizations responding to grant solicitation must demonstrate how state requested dollars and matching funds will be used to support grant project activities required by this rider.

Consistent with other behavioral health matching grant programs created by the Legislature², matching funds may be either non-state funds or other funds and considerations, such as in-kind donations, based on the applicant organization’s geographical location.

Additionally, Rider 77 directs HHSC to enter into a no-cost agreement with a qualified non-profit organization to serve as the administrator of the grant program. In this role, the administrator will assist, support, and advise HHSC in implementing and operating the grant program, as well as assist grantees in securing matching funds.

This primer provides an overview of Rider 77 for stakeholders. Appendix A contains key definitions of entities and organizations for eligibility purposes of applicants.

¹ High-needs children are those in the moderate, specialized, intense, and psychiatric DFPS service levels.

2. Background

The one-time grant program established by Rider 77 supplements the provisions of S.B. 74, 85th Legislature, Regular Session, 2017. S.B. 74 aims to expand the provision of targeted case management and psychiatric rehabilitative services for children, adolescents, and their families in the Medicaid managed care program, including STAR Health which covers children in DFPS conservatorship and young adults in DFPS paid placements.

An estimated 4,000 high-needs foster children are in need of these intensive mental health services. To help address this need, S.B. 74 clarifies that a non-local mental health authority (LMHA) provider entity may contract with a managed care organization to provide targeted case management and rehabilitative services to children, adolescents, and their families.
3. Grant Program Overview

Per Rider 77, the grant program will award funds to LMHAs, local behavioral health authorities (LBHAs), and non-profit entities to:

- become targeted case management and rehabilitative services providers for children in foster care in the Intense Service Level; or
- expand their existing capacity to provide targeted case management and rehabilitative services to children in foster care in the Intense Service Level.

Funds must only be used to pay for costs directly related to developing, implementing, and training teams to provide targeted case management and rehabilitative services to children in foster care in the Intense Service Level.

HHSC shall provide monthly updates regarding the number of entities who have been trained or have expanded services, and the number of children in the foster care system receiving Intense Service Level services from newly credentialed or expanded entities. These updates must be provided ten calendar days after the end of the month to the Legislative Budget Board.

HHSC shall enter into a no-cost agreement with a qualified nonprofit entity to serve as administrator of the initiative. The administrator shall assist, support, and advise HHSC in fulfilling HHSC’s responsibilities as well as assist entities in securing local matching funds.
To implement the rider, HHSC will conduct two competitive procurement processes: one for the grant administrator and one for grant awards to LMHAs, LBHAs, and non-profit entities.

Once the grant program administrator contract is executed, grant program administrator shall assist, support, and advise HHSC with the procurement for the grant awards. Grantees will be selected after evaluators review and score all proposals based on the degree to which proposals meet criteria outlined in the solicitation.

After the grant period begins, the grant program administrator will shift focus to directly support the grantees with development, implementation, and training of providers; and provide technical assistance, consultation, and supervision to grantees to implement targeted case management and rehabilitative services.

Tables 1 and 2 below provide the implementation timelines for the grant program administrator and grant awards.

### Timeline

#### Table 1. Implementation Timeline for the Grant Program Administrator

<table>
<thead>
<tr>
<th>Program Milestone</th>
<th>Targeted Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement posted</td>
<td>2nd Quarter, FY 2018</td>
</tr>
<tr>
<td>Final selection and approval</td>
<td>2nd Quarter, FY 2018</td>
</tr>
<tr>
<td>Contract negotiations</td>
<td>2nd Quarter, FY 2018</td>
</tr>
<tr>
<td>Contract execution</td>
<td>2nd Quarter, FY 2018</td>
</tr>
<tr>
<td>Contract period start date</td>
<td>2nd Quarter, FY 2018</td>
</tr>
</tbody>
</table>
### Table 2. Implementation Timeline for Grant Awards

<table>
<thead>
<tr>
<th>Program Milestone</th>
<th>Targeted Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement posted</td>
<td>2nd Quarter, FY 2018</td>
</tr>
<tr>
<td>Final selection and approval</td>
<td>4th Quarter, FY 2018</td>
</tr>
<tr>
<td>Contract negotiations</td>
<td>4th Quarter, FY 2018</td>
</tr>
<tr>
<td>Contract execution</td>
<td>4th Quarter, FY 2018</td>
</tr>
<tr>
<td>Grant period start date</td>
<td>4th Quarter, FY 2018</td>
</tr>
<tr>
<td>All grantees begin developing, training, and implementing teams</td>
<td>4th Quarter, FY 2018</td>
</tr>
<tr>
<td>Grantees begin providing monthly reports to HHSC and program administrator³</td>
<td>4th Quarter, FY 2018</td>
</tr>
<tr>
<td>Grantees become STAR Health providers⁴</td>
<td>4th Quarter, FY 2018</td>
</tr>
<tr>
<td>Grantees begin providing monthly reports to HHSC and program administrator⁵</td>
<td>4th Quarter, FY 2018</td>
</tr>
</tbody>
</table>

**Funding**

- Fiscal year 2018: $2 million in general revenue

---

³ For providers expanding existing capacity only.

⁴ For new providers only. To provide targeted case management and rehabilitative service providers for children in foster care, entities must first enroll in the Medicaid provider network, and then enroll in Superior Health Plan. On average, these processes take 30-60 days and 60 days, respectively.

⁵ For new providers only.
Matching Requirements

As the contract with the grant program administrator is no-cost, there are no matching requirements. Grant awards to entities are contingent on matching funds equal to 15 percent\(^6\) of the grant award, but may not include money from state funds.

Addressing Gaps across the System

The program will require grant applicants to address one or more of the following gaps identified by the Statewide Behavioral Health Strategic Plan:

- **Gap 1:** Access to Appropriate Behavioral Health Services
- **Gap 2:** Behavioral health Needs of Public School Students
- **Gap 3:** Coordination across State Agencies
- **Gap 6:** Access to timely Treatment Services
- **Gap 7:** Implementation of Evidence Based Practices
- **Gap 13:** Behavioral Health Workforce Shortage
- **Gap 14:** Services for Special Populations
- **Gap 15:** Shared and Usable Data

The program further aims to address the following Statewide Behavioral Health Strategic Plan strategies:

- **1.1:** Increase statewide service coordination for special populations
- **1.2:** Reduce duplication of effort and maximize resources through program and service coordination among state agencies
- **2.3:** Ensure prompt access to coordinated, quality behavioral health services, including substance use services.
- **2.4:** Strengthen the behavioral health workforce by fiscal year 2021.
- **2.5:** Address current behavioral health service gaps and needs across program and service agencies.
- **3.1:** Expand the use of best, promising, and evidence-based practices for prevention and early intervention by fiscal year 2019.
- **4.1:** Provide recommendations biennially to maximize the use of the state or federal funding.

\(^6\) As determined by HHSC based on authority granted in the rider.
• **5.1:** Develop an interim means of cross-agency comparison of performance data by fiscal year 2019.
# List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFPS</td>
<td>Department of Family and Protective Services</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>HHSC</td>
<td>Health and Human Services Commission</td>
</tr>
<tr>
<td>LMHA</td>
<td>Local Mental Health Authority</td>
</tr>
<tr>
<td>S.B.</td>
<td>Senate Bill</td>
</tr>
</tbody>
</table>
Appendix A. Definitions

**Governmental Entity** - Government Code, Chapter 2252 defines a governmental entity to mean the state; a municipality, county, public school district, or special-purpose district or authority; a district, county, or justice of the peace court; a board, commission, department, office, or other agency in the executive branch of state government, including an institution of higher education as defined by Section 61.003, Education Code; the legislature or a legislative agency; or the Supreme Court of Texas, the Texas Court of Criminal Appeals, a court of appeals, or the State Bar of Texas or another judicial agency having statewide jurisdiction.

**Local Government** - Government Code, Chapter 2256 defines local government to mean a municipality, a county, a school district, a district or authority created under Section 52(b)(1) or (2), Article III, or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, and any nonprofit corporation acting on behalf of any of those entities.

**Local Mental Health Authority** - Health and Safety Code, Section 533.035 allows the HHSC executive commissioner to delegate to a local authority the authority and responsibility related to planning, policy development, coordination, including coordination with criminal justice entities, resource allocation, and resource development for and oversight of mental health services in the most appropriate and available setting to meet individual needs in that service area. A single entity may be designed as both the local mental health authority and the local intellectual and developmental disability authority under Chapter 533A for a service area.

**Local Behavioral Health Authority** - Health and Safety Code, Section 553.0356 allows HHSC to designate a local behavioral health authority in a local service area to provide mental health and chemical dependency services in that area and delegate authority and responsibility for planning, policy development, coordination, resource allocation, and resource development for and oversight of mental health and chemical dependency services in that service area.

**Nonprofit Corporation** - The Texas Comptroller defines a nonprofit corporation as a corporation no part of the income of which is distributable to members, directors, or officers. It is created by filing a certificate of formation with the secretary of state and may be created for any lawful purpose, which purpose must be stated in its certificate of formation.
**For-profit Entity** - For contracting purposes, entities not meeting the classifications of governmental entity, local mental health authority, local behavioral health authority, or non-profit, are classified as for-profit entities. For profit entities are typified by the owners, shareholders, or members receiving a share of the entity’s income.