Quarterly Therapy Access Monitoring Report

As Required by Senate Bill 1, 85th Legislature, Regular Session, 2017
(Article II, Health and Human Services Commission, Rider 57)

Health and Human Services Commission

September 2019
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1. Executive Summary

This report fulfills the requirement in the 2018-19 General Appropriations Act, Senate Bill 1, 85th Legislature, Regular Session, 2017 (Article II, Health and Human Services Commission [HHSC], Rider 57), for HHSC to analyze selected data related to pediatric acute care therapy services (including physical, occupational, and speech therapies) for negative impact on access to care. HHSC must submit quarterly reports to the Legislative Budget Board and the Governor beginning December 1, 2018.

This Rider 57 report includes the following findings:

- Consistent with previous reports, the volume of substantiated\(^1\) provider and member complaints and appeals for December 2017 through May 2019 remained stable and is low compared to the overall number of members receiving therapy services. The total number of substantiated complaints and appeals represented significantly less than one percent of those members.
- The HHSC contract with MCOs requires them to meet network adequacy standards for therapy providers. MCO network adequacy requirements may vary by county, based on total population and population density. For fiscal year 2019, an MCO is considered compliant if it achieved these standards for at least 90 percent of members within a county. Overall, for FY 2019 Quarter 3, all programs (STAR, STAR+PLUS, STAR Kids, and STAR Health) met the 90 percent threshold. It is possible for an MCO’s overall average compliance rate to be high yet still be below 90 percent in one or more counties. Most instances of non-compliance occurred in rural counties.
- The number of enrolled therapy providers was relatively stable until the deadline for Affordable Care Act (ACA)\(^2\) reenrollment in February 2017. In that month, the number of enrolled therapy providers decreased from 6,913 to 5,999, or 13 percent. The overall number of enrolled therapy providers had rebounded significantly to 6,709 by July 2019.

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\(^1\) A complaint or appeal where research clearly indicates HHSC policy was violated or HHSC expectations were not met.

\(^2\) The ACA is a federal law that required state Medicaid agencies to revalidate the enrollment of all providers in state Medicaid programs.
While the decrease in enrolled providers began with the deadline for reenrollment pursuant to the ACA, a decrease in active providers began earlier, in May 2016, when therapy policy changes related to documentation and prior authorization were implemented. The number of active providers decreased steadily from 2,473 in April 2016 to 1,739 in December 2017. In the eight months that followed, the number of active providers per month appeared to stabilize.

Managed care organizations (MCOs) reported an average of 41 therapy provider terminations per month from December 2017 through May 2019 (total of 746). The main reasons for therapy providers terminating from MCO networks included individual providers leaving a group practice (41 percent); credentialing or re-credentialing (19 percent); termination of contract (18 percent); and failing to maintain an active provider number (9 percent). If provider participation is terminated in one MCO’s network, the provider could continue to participate in Medicaid as a provider in another MCO’s network, unless their participation in the Medicaid program has been terminated.

For December 2017 through May 2019, nine MCOs reported waiting list information for 898 unique members by 45 providers. The vast majority of these cases were for a limited number of providers in the Harris County service area. Beginning June 1, 2019, providers have the option to report enrollees placed on waiting lists directly to HHSC.

A decrease in service utilization among clients less than 21 years old for each of speech, physical, and occupational therapy is evident beginning in May 2016 through December 2016. HHSC implemented therapy policy initiatives effective May 2016 and STAR Kids was implemented in November 2016. Data through December 2018 suggests that, since December 2016, therapy utilization rates have generally stabilized. Speech therapy utilization rates have fluctuated more than the other therapy types, experiencing a slight downward trend from July 2017 to February 2018, followed by a slight upward trend in the past eight months.

HHSC continues to strengthen its clinical, policy, and operational oversight to ensure Medicaid members have appropriate and timely access to medically necessary services, with specific actions aimed at therapy services.

The 2020-21 General Appropriations Act, House Bill 1, 86th Texas Legislature, Regular Session, 2019 (Article II, HHSC, Rider 47) provides funding to increase in-home pediatric therapy rates by 10 percent and to raise reimbursement for therapy assistants across all settings from 70 percent to 80 percent of the licensed therapist rate. The new rates were effective September 1, 2019.
The following efforts, which will be implemented over the short and long term, will help HHSC to identify and address any systemic access to care issues, including for therapy services:

- Reviewing utilization data for the individuals reported to be on a waiting list to determine if they are receiving therapy services.
- Collecting therapy prior authorization data from MCOs for analysis.
- Increasing resources available for HHSC to perform oversight of MCOs. HHSC hired four additional therapists (two speech therapists and two physical therapists) for MCO utilization management oversight. The expanded scope of these reviews includes oversight of MCO medical necessity evaluation of speech, physical, and occupational therapy in STAR, STAR+PLUS, STAR Kids, and STAR Health programs.
- Updating therapy policy to clarify the benefit and contract provisions to implement appointment availability standards.
- Developing additional training and webinars on therapy services for providers and MCOs. For example, HHSC presented a live webinar in January 2019 (with 652 attendees) to assist physical, occupational, and speech therapists in writing therapy goals in accordance with Medicaid policy. Further, HHSC therapists presented “Implementing HHSC: Medicaid Therapy Policies” at the Texas Speech and Hearing Association Convention in Fort Worth on February 28, 2019.
- Improving complaints trending and analysis, including through standardizing complaint definitions and categories; streamlining processes; and enhancing education.
- Allowing providers to submit waiting list information directly to HHSC, effective June 1, 2019.
2. Legislation

Per Rider 57, the 85th Texas Legislature directed HHSC to do the following:

Out of funds appropriated in Strategy L.1.1, HHS System Supports, HHSC shall submit, on a quarterly basis, the following information related to pediatric acute care therapy services (including physical, occupational, and speech therapies) and whether the items below negatively affect access to care:

a. Provider and member complaints by disposition received by the Office of the Ombudsman and HHSC Health Plan Management;
b. Provider and member complaints by disposition reported by Medicaid Managed Care Organizations;
c. The number of pediatric acute care therapy provider terminations and the reason for identified terminations;
d. The utilization of pediatric acute care therapy services;
e. The number of members on a waiting list, unable to access pediatric acute care therapy services due to insufficient network capacity; and
f. The number of pediatric acute care therapy providers no longer accepting new clients and the reason for identified panel closures.
g. HHSC shall submit the quarterly reports to the Legislative Budget Board and the Governor in a format specified by the Legislative Budget Board beginning December 1, 2018.

This is the fourth quarterly report for Rider 57.³

³ The 2020-21 General Appropriations Act, H.B. 1, 86th Legislature, Regular Session, 2019 (Article II, HHSC, Rider 15) will govern future Quarterly Therapy Access Monitoring Reports.
3. Background

Medicaid Coverage for Pediatric Therapy Services

Medicaid covers medically necessary physical, occupational, and speech therapy for enrolled children.

- Physical therapists provide interventions to reduce the incidence or severity of disability or pain to enable, train, or retrain a person to perform the independent skills and activities of daily living. Physical therapy (PT) services included measurement or testing of the function of the musculoskeletal, or neurological system and rehabilitative treatment concerned with restoring function or preventing disability caused by illness, injury, or birth defect. Physical therapy services are provided by physical therapists and physical therapy assistants who are licensed under the Executive Council of Physical Therapy and Occupational Therapy Examiners.

- Occupational therapy (OT) uses purposeful activities to obtain or regain skills needed for activities of daily living (ADL) and functional skills needed for daily life lost through acute medical condition, acute exacerbation of a medical condition, or chronic medical condition related to injury, disease, or other medical causes. OTs use therapeutic goal-directed activities to evaluate, prevent, or correct physical dysfunction and maximize function in a person’s life. OT services are provided by occupational therapists and occupational therapy assistants who are licensed under the Executive Council of Physical Therapy and Occupational Therapy Examiners. Physicians may also provide OT services.

- Speech-language pathologists treat speech sound and motor speech disorders, stuttering, voice disorders, aphasia and other language impairments, cognitive disorders, social communication disorders and swallowing (dysphagia) deficits. Speech therapy (ST) may be provided by speech-language pathologists or speech-language pathology assistants who are licensed under the Texas Department of Licensing and Regulation. Physicians may also provide ST services.

- Children may receive therapy services through Medicaid fee-for-service (FFS) or managed care, including through the STAR, STAR Kids, and STAR Health managed care programs. Medicaid-covered services are the same whether provided through traditional FFS or managed care. Medicaid MCOs must
provide covered services in the same amount, duration, and scope as outlined in the Medicaid state plan. Medicaid MCOs may implement practices to promote appropriate utilization of medically necessary services, such as prior authorization.

**Policy and Reimbursement Changes to Therapy Services**

In 2015, the 84th Legislature directed HHSC to achieve savings related to physical, occupational, and speech therapy services through rate reductions and medical policy initiatives. HHSC implemented reimbursement and policy changes for therapy services over the 2016-17 biennium.

- Fiscal year 2016 – In May 2016, HHSC instituted policy changes related to required documentation and prior authorization for OT, PT, and ST.
  - Policy changes:
    - Added a claim modifier to track treatment provided by therapy assistants
    - Clarified medical necessity criteria
    - Defined therapy functional goals
    - Streamlined prior authorization form
  - These changes were made to help ensure that recipients of therapy services had a medical need for therapy and that the therapy delivered was effective and aligned with current standards of practice.

- Fiscal year 2017 – In December 2016, HHSC made reimbursement reductions for OT, PT, and ST. MCO capitation rates for fiscal year 2017 were adjusted to reflect the reduction.

In 2017, Rider 59 partially restored rates for therapy services and provided direction on reimbursement rates for therapy assistants, and Rider 57 directed HHSC to analyze and report quarterly on data related to pediatric acute care therapy services.

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4 2016-17 General Appropriations Act, H.B. 1, 84th Legislature, Regular Session, 2015 (Article II, HHSC, Rider 50(c))
Fiscal year 2018:
- In September 2017, HHSC restored approximately 25 percent of the therapy reimbursement reductions. HHSC also made changes to standardize billing practices for therapy treatment across provider types. These changes required most occupational and physical therapy services to be billed in 15-minute increments and for all speech therapy services to be billed as an encounter consistent with standardized coding and billing guidelines. The Health Insurance Portability and Accountability Act (HIPAA) requires standard billing and coding practices.
- In December 2017, HHSC implemented reimbursement reductions for therapy assistants to 85 percent of the rate paid to a licensed therapist.
- MCO capitation rates for fiscal year 2018 were adjusted to reflect the restoration of the therapy reimbursement reductions and the implementation of the therapy assistant reimbursement reductions.

Fiscal year 2019:
- In September 2018, HHSC implemented additional reimbursement reductions for therapy assistants to 70 percent of the rate paid to a licensed therapist.
- MCO capitation rates for fiscal year 2019 were adjusted to reflect the reimbursement reduction.

Other significant program changes occurring since the 2016-17 biennium that may impact pediatric therapy services and providers include:

Fiscal year 2017:
- In November 2016, approximately 180,000 children transitioned from Medicaid FFS to the new STAR Kids managed care program. Prior authorizations for these children, previously conducted by the FFS claims administrator, are now performed by the MCOs.
- The deadline for provider reenrollment pursuant to the ACA occurred in February 2017, resulting in at least a temporary decline across all provider types in the Medicaid network.

Fiscal year 2020:
- HHSC Rider 47 provided funding to increase in-home pediatric therapy rates by 10 percent and raise reimbursement for therapy assistants across all settings from 70 percent to 80 percent of the licensed therapist rate. The new rates were effective September 1, 2019. HHSC has taken the following actions to implement these rate increases:
- Increased fee-for-service rates effective September 1, 2019 for in-home therapy services and therapy assistants.
- Increased the MCOs capitation rates effective September 1, 2019, to include the additional funding for increased reimbursements to the appropriate providers.
- Amended the contract with the MCOs to include the following language:

The Texas Legislature, via H.B. 1 and S.B. 500, 86th Legislature, Regular Session appropriated funds for fiscal years 2020 and 2021 for rate increases for the following providers and services:
- Rural Hospitals,
- Children’s Hospitals,
- Private Duty Nursing,
- Attendant Wages, and
- Therapy Services.

In furtherance of this State of Texas legislative funding directive, HHSC modified the MCOs’ capitation rates to include this additional funding effective September 1, 2019. The MCO must make every effort to ensure that this additional funding is reflected in the reimbursement rates paid to these providers and for these services. In addition, HHSC will monitor the MCOs for compliance with this legislative intent.

- Surveyed the MCOs to ascertain their plans for increasing reimbursements to providers, including therapy providers. HHSC is assessing the results of the survey.

Given the myriad of overlapping and consecutive changes, it is challenging to distinguish how a single event or policy change may or may not impact the provision of therapy services. Through its Quarterly Therapy Access Monitoring Report process, HHSC will continue to track and report the best available information on current trends for use by policy makers and stakeholders.
4. Therapy Data Trends and Analysis

Data collection and analysis for Rider 57 is intended to detect potential signs of systemic issues with access to pediatric occupational, physical, and speech therapy services. To collect certain elements required by Rider 57, HHSC provided the Medicaid MCOs a tool for reporting data on complaints, waiting lists, providers that are not accepting new members, and provider terminations for therapy services beginning December 2017. Appendix A shows the timeline for HHSC stakeholder engagement efforts for development and implementation of the data collection and reporting process. MCOs report this data to HHSC each month on an ongoing basis. HHSC also obtains complaints data from internal agency sources, including the Office of the Ombudsman and Medicaid and CHIP Services. Each month, HHSC reviews the data for quality assurance and addresses any identified issues, as needed.

HHSC also reviews Medicaid provider enrollment and utilization data by therapy discipline to help identify trends in how many therapy providers are enrolled and providing services in Medicaid, and how many individuals are receiving therapy services. Utilization data includes FFS claims and managed care encounters.

These data types and sources provide different information about access to pediatric acute care therapy services and have unique considerations and limitations. HHSC monitors and analyzes the data holistically to identify trends, assess access to pediatric therapy services, and appropriately address any issues.

Therapy Provider and Member Complaints and Appeals

For this Quarter 4 report, data for Figures 1 and 2 and Tables 1 through 4 are through May 2019. The Quarter 3 report included data through February 2019.

Figure 1 shows trends in substantiated complaints and appeals relating to pediatric therapy services from December 2017 through May 2019. For this period, there were an average of 90 substantiated complaints and appeals per month, including:

- 75 per month from providers, mostly payment related;
- 13 per month from members or persons representing members; and
- 3 per month from other sources.
These averages are very similar to ones reported in previous Rider 57 reports. In Figures 1 and 2, the spike in October 2018 was reported by one MCO in Harris County for one provider regarding their waiting list, and this issue has been resolved.

**Figure 1: Substantiated Member and Provider Complaints and Appeals for Pediatric Therapy Services (PT, OT, and ST)**

![Complaints and Appeals Graph](image)

Figure 2 shows the trends in both substantiated and unsubstantiated complaints, and appeals relating to pediatric therapy services for December 2017 through May 2019. For this period, there was an average of 217 substantiated and unsubstantiated complaints and appeals per month, including:

- 163 per month from providers;
- 49 per month from members or persons representing members; and
- 5 per month from other sources.

As presented in prior Rider 57 reports, the number of complaints and appeals relative to the numbers of persons served remains very low, even when unsubstantiated complaints are included.
Figure 2: Substantiated and Unsubstantiated Member and Provider Complaints and Appeals for Pediatric Therapy Services (PT, OT, and ST)

The total number of substantiated complaints and appeals represents significantly less than 1 percent of the approximate number of members receiving pediatric therapy services. Tables 1 and 2 show complaints and appeals per member receiving pediatric therapy services. The average number of complaints and appeals per month are for the period from December 2017 through May 2019. The average number of members served by therapy type is based on an average monthly number of children who received therapy services, using the most recent complete claims and encounters data, from March 2018 through February 2019. Due to a lag in the processing time needed for claims and encounters data, a different period is used for the estimated average number of members served.

Table 1: Rate of Substantiated Complaints and Appeals per Member Receiving Pediatric Therapy Services (OT, PT, and ST)

<table>
<thead>
<tr>
<th>Medicaid Therapy Type</th>
<th>Average Monthly Number Members Served, &lt;21</th>
<th>Complaints / Appeals Rate per Member Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>OT</td>
<td>24,991</td>
<td>0.0010</td>
</tr>
<tr>
<td>PT</td>
<td>19,683</td>
<td>0.0010</td>
</tr>
<tr>
<td>ST</td>
<td>49,647</td>
<td>0.0010</td>
</tr>
</tbody>
</table>

Note: Does not include open issues.
Table 2: Rate of All Substantiated and Unsubstantiated Complaints and Appeals per Member Receiving Pediatric Therapy Services (OT, PT, and ST)

<table>
<thead>
<tr>
<th>Medicaid Therapy Type</th>
<th>Average Monthly Number Members Served, &lt;21</th>
<th>Complaints / Appeals Rate per Member Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>OT</td>
<td>24,991</td>
<td>0.0023</td>
</tr>
<tr>
<td>PT</td>
<td>19,683</td>
<td>0.0024</td>
</tr>
<tr>
<td>ST</td>
<td>49,647</td>
<td>0.0024</td>
</tr>
</tbody>
</table>

Note: Does not include open issues.

In addition to data on volume, HHSC monitors data on the reasons for complaints and appeals. The vast majority (90 percent) of substantiated complaints and appeals relate to authorization of and payment for pediatric therapy services with less than 10 percent related to availability and access to pediatric therapy services. These percentages are roughly similar for combined unsubstantiated and substantiated complaints.

Table 3: Categories of Substantiated Complaints and Appeals, December 2017 - May 2019

<table>
<thead>
<tr>
<th>Category of Complaints and Appeals</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorization Related (Authorization Delays and Denials)</td>
<td>55.2 percent</td>
</tr>
<tr>
<td>Availability and Access Related (Travel Distance, Limited Provider Numbers, Wait Times for Providers)</td>
<td>7.9 percent</td>
</tr>
<tr>
<td>Claims Payment Related</td>
<td>35.3 percent</td>
</tr>
<tr>
<td>Other</td>
<td>1.6 percent</td>
</tr>
</tbody>
</table>

Note: Due to rounding, totals may not exactly equal 100%.
Table 4: Categories of Substantiated and Unsubstantiated Complaints and Appeals, December 2017 - May 2019

<table>
<thead>
<tr>
<th>Category of Complaints and Appeals</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorization Related (Authorization Delays and Denials)</td>
<td>60.4 percent</td>
</tr>
<tr>
<td>Availability and Access Related (Travel Distance, Limited Provider Numbers, Wait Times for Providers)</td>
<td>6.1 percent</td>
</tr>
<tr>
<td>Claims Payment Related</td>
<td>31.7 percent</td>
</tr>
<tr>
<td>Other</td>
<td>1.7 percent</td>
</tr>
</tbody>
</table>

*Note: Due to rounding, totals may not exactly equal 100%.*

**Therapy Provider Participation in Medicaid**

To ensure members have access to an adequate network of therapy providers, HHSC monitors and analyzes data on enrolled and active Medicaid therapy providers, as well as data reported by the MCOs on therapy providers that are no longer participating in an MCO’s network or have a waiting list for services.

**Network Adequacy Contract Requirements**

The HHSC contract with MCOs requires them to meet network adequacy standards for OT, PT, and ST providers. MCO network adequacy requirements may vary by county, based on its total population and population density. For all therapy provider types, members must have access to at least one network provider within the following number of miles or travel time of the member’s residence:

- Members residing in a Metro County: 30 miles or 45 minutes.
- Members residing in a Micro County: 60 miles or 80 minutes.
- Members residing in a Rural County: 60 miles or 75 minutes.

The performance standard is 90 percent. However, for fiscal year 2018, an MCO was considered compliant if they achieved at least 75 percent threshold.

Average MCO compliance rates per program for the last four quarters are shown in Table 5. In FY 2019 Quarter 2 and Quarter 3, all programs met the 90 percent standard.
### Table 5: Average MCO Network Adequacy Compliance Rates for OT, PT, and ST Providers by Program

<table>
<thead>
<tr>
<th>Program</th>
<th>*FY 2018 Quarter 4</th>
<th>FY 2019 Quarter 1</th>
<th>FY 2019 Quarter 2</th>
<th>FY 2019 Quarter 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>STAR (18 MCOs)</td>
<td>96%</td>
<td>98%</td>
<td>91%</td>
<td>92%</td>
</tr>
<tr>
<td>STAR+PLUS (5 MCOs)</td>
<td>93%</td>
<td>94%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>STAR Kids (10 MCOs)</td>
<td>90%</td>
<td>93%</td>
<td>96%</td>
<td>90%</td>
</tr>
<tr>
<td>STAR Health (1 MCO)</td>
<td>85%</td>
<td>87%</td>
<td>96%</td>
<td>95%</td>
</tr>
</tbody>
</table>

* Note: For SFY 2018, the compliance threshold was 75%.


The evaluation of network adequacy compliance occurs at the county level. It is possible for an MCO’s overall average compliance rate to be high yet still be below 90 percent in one or more counties. The number of MCOs per program that did not meet the standard in at least one county for fiscal year 2019, Quarter 3 are:

- STAR: 3
- STAR+PLUS: 5
- STAR Kids: 3
- STAR Health: 1

Most instances of noncompliance were in rural counties. The total number of counties in which there was noncompliance is as follows:

- STAR: 59 rural counties and 1 micro county
- STAR+PLUS: 32 rural counties
- STAR Kids: 47 rural counties, 2 micro counties, and 3 metro counties
- STAR Health: 12 rural counties
Therapy Providers Currently Enrolled vs. Therapy Providers Currently Active in Texas Medicaid

For this Quarter 4 report, data on enrolled providers is included through July 2019 and data on active billing providers is included through August 2018. The Quarter 3 report included data through March 2019 and active provider data through August 2017.

Figure 3 shows the number of providers enrolled in the Medicaid program with a therapy provider or specialty type from September 2014 to July 2019. It also shows the number of “active” therapy providers in Medicaid with at least one billed service in the given month for a client less than 21 years old.

Although the numbers of both enrolled and active providers trend downward, their trajectories appear to be impacted by different policy changes. The number of enrolled providers was relatively stable until the deadline for the ACA reenrollment requirement in February 2017. In that month, the number of enrolled therapy providers decreased from 6,913 to 5,999, or 13 percent. Since then, the number of enrolled therapy providers gradually and partially rebounded to 6,709 by July 2019.

The trend in enrollment after the ACA deadline varies by therapy provider type. Figure 4 shows the trend in enrollment by therapy provider types. After a 21 percent decrease following the ACA reenrollment deadline, home health agency enrollment has remained relatively flat. In contrast, independent therapists have not only rebounded but have surpassed their pre-February 2017 numbers.

Although monitoring enrolled providers allows HHSC to look at the most up-to-date provider data available, it does not indicate how many providers actually serve clients. Analyzing encounters offers a proxy for monitoring "active" providers, defined as billing for at least one encounter in a given period. Because of retroactivity in the claims and encounters, however, analysis cannot be conducted until at least 8 months after the service is delivered to ensure accurate data. Therefore, the results discussed below only reflect data from fiscal year 2015 through fiscal year 2018, almost a full year earlier than the data analyzed for enrolled providers.

While the decrease in enrolled providers began with the deadline for reenrollment pursuant to the ACA, the decrease of active providers began earlier, in May 2016, which corresponds to when therapy policy changes related to documentation and prior authorization were implemented. The number of active providers decreased steadily from 2,473 in April 2016 to 1,739 in December 2017.
occurred during that time period, which may or may not have had additional impacts, include: the STAR Kids program implementation in November 2016, reimbursement rate changes in December 2016, and the deadline for provider reenrollment in February 2017. In the eight months since December 2017, the number of active providers per month appears to stabilize.\(^5\)

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\(^5\) The methods for identifying active providers in the Quarter 4 report were revised to improve the accuracy of identifying and excluding SHARS providers and are reported on a monthly, rather than annual, basis to provide the detail necessary to pinpoint potential policy impacts and enable comparison to the monthly provider enrollment numbers.
Figure 3: Enrolled Medicaid Therapy Providers, September 2014 - July 2019, and Active Medicaid Therapy Providers, September 2014 – August 2018

Enrolled providers include count of unique provider NPIs for providers with a Texas physical address, no bad address, no sanctions, and no NULL NPI. Data source: TMHP Master Provider File

Active providers include count of unique billing provider NPIs with an associated paid therapy (PTOTST) service for Medicaid clients <21 years of age. SHARS claims are excluded. Data source: THERAPY.THERAPY_COMBINED, CADS/HHSC
Figure 4: Enrolled Medicaid Therapists by Providers Type, September 2014 – July 2019
MCO Network Terminations of Therapy Providers

For this Quarter 4 report, data on terminated providers is included through May 2019. The Quarter 3 report included data through February 2019.

Each MCO recruits and contracts with their own network of providers. Providers may choose to stop participating in Medicaid or in an MCO network or may be involuntarily terminated by the state or an MCO. If a provider’s participation is terminated in one MCO’s network, the provider could continue to participate in Medicaid as a provider in another MCO’s network.

On average per month, MCOs reported 41 therapy provider terminations from December 2017 through May 2019 (total of 746). As shown in Figure 5, the terminations by provider type were 44 percent for group therapists, 27 percent for independent therapists, and 13 percent for therapists providing services through a home health agency. The percentage of terminated independent and group therapists combined (69 percent) was very close to the percentage of all Medicaid-enrolled independent therapists (71 percent); whereas, home health therapy providers comprise 29 percent of Medicaid-enrolled therapy providers yet were only 13 percent of terminated therapists.
The reasons for therapy providers terminating from MCO networks varied, but the most common involved individual providers leaving a group practice (41 percent). Other reasons included 19 percent for credentialing or re-credentialing (either the MCO did not choose to re-credential the provider or the provider did not respond to requests for re-credentialing), 18 percent related to termination of contract, and 9 percent for failing to maintain an active provider number. The groupings of termination reasons are listed in Figure 6.
Provider Waiting Lists for Therapy Services

For this Quarter 4 report, data on provider waiting lists is through May 2019. The Quarter 3 report included data through February 2019.

For Rider 57, MCOs report monthly to HHSC on provider waiting lists for therapy services. Waiting list is defined by HHSC as when a patient is unable to access a provider and is placed on a list of patients seeking access to that same provider and/or has been referred for therapy services but is unable to receive an initial evaluation. For each individual placed on a waiting list, the MCO reports: program type (STAR, STAR Kids, STAR Health); member service area; provider name and type (PT, OT, or ST); reason for the waiting list placement; whether another provider is available; and how the issue was resolved.

A total of 898 unique individuals were reported as being on a waiting list from December 2017 through May 2019. They were reported by 45 providers to nine MCOs. Additional details on the reported waiting list data follow:

- 59 percent of individuals were in STAR Kids and 39 percent were in STAR
- 89 percent of the individuals were in the Harris Service Area, and 7 percent in the Tarrant Service Area
- 41 percent of individuals needed speech therapy, 28 percent needed multiple therapies, 16 percent needed physical therapy, and 14 percent of individuals needed occupational therapy
When individuals are placed on a waiting list, they may still have access to or receive services from another therapy provider. MCOs reported that there was a referral, or the member was currently in services, for about 62 percent of these individuals. MCOs reported they were working on resolutions for 6 percent. For the remaining 32 percent, MCOs reported they were unable to reach the member, the member was ineligible for Medicaid, the member opted to remain on the waiting list, or other reasons. MCOs reported that there was another provider available in about 92 percent of the reported cases.

Figure 7 shows the reported resolutions for individuals placed on waiting lists for therapy services.

**Figure 7: Resolutions for Individuals Placed on Waiting lists**

Note: Data complete through May 2019. Many smaller categories were grouped into broader categories.

There have been challenges with collecting complete and accurate waiting list information. The process relies on MCOs communicating their waiting list reporting process to providers and therapy providers reporting to MCOs when they place an individual on a waiting list for therapy services.

To help address these challenges, effective June 1, 2019, HHSC began allowing providers to report waiting list information directly to HHSC via a dedicated email address. In turn, HHSC reports any waiting list information directly to the
appropriate MCO, in order to facilitate proper resolution. However, providers still have the option to continue to report their waiting list information directly to MCOs.

HHSC has provided stakeholder communications about this new option to MCOs, therapy associations, and providers. As part of this new process, HHSC has developed and distributed a new reporting template for providers.

**Utilization Analysis of Individuals Reported to be on Waiting Lists for Therapies**

The waiting list data alone does not indicate whether clients may have received therapy services from an alternate provider while waiting for services from a particular provider.

For the past two quarterly reports, HHSC has examined the therapy encounters for clients whom providers reported were on a waiting list. For this report, HHSC conducted the same analysis for 604 clients on the waiting list for January 2018 through February 2019, which includes the clients in the previous two studies plus the three ensuing months.\(^6\)

Altogether, 33 providers provided data, with two providers contributing 80 percent of the clients in the sample. Because of the small number of providers participating in the survey and the fact that the providers are not randomly selected, this is not a representative sample of providers. Therefore, generalizing the results to all clients on waiting lists for therapy should be done with caution.

Of the 604 children reported on a waiting list, 223 (37 percent) received services within two months, and 291 (48 percent), including the aforementioned 223, received services within six months of being placed on the waiting list.\(^7\)

HHSC will begin a process of sharing data with MCOs on members for which utilization data is not found and require MCOs to report their findings on these

\(^6\) If a client was on the waiting list more than once, the most recent entry date was included in the study.

\(^7\) Therapies received through the School Health and Related Services program (SHARS) were excluded from the analysis. If the client requested multiple services, as long as a portion of the request was met the client was considered to have received services.
members. While these results cannot be generalized to all providers, HHSC will continue to analyze utilization of individuals reported to be on waiting lists.

**Therapy Providers Not Accepting New Enrollees**

*For this Quarter 4 report, data is through May 2019. The Quarter 3 report included data through February 2019.*

From December 2017 through May 2019, 2 MCOs reported that 8 therapy providers are not accepting new enrollees.
Utilization of Therapy Services

For this Quarter 4 report, utilization data are through December 2018. The Quarter 3 report included data through August 2018.

Figure 8 below shows, by therapy discipline, the five-year trends in utilization rates for individuals under 21 years old. These utilization rates reflect the number of children who received a paid therapy service relative to the counts of persons enrolled in Medicaid. Counts are represented by 1,000-member months. For example, in fiscal year 2018, there were on average approximately 16 Medicaid enrollees under 21 years old who received at least one speech therapy service per month for every 1,000 persons under 21 years old enrolled in the Medicaid program. Please note that for Figures 8, 9, and 10 the data are 8 months old to ensure that the encounters have had enough time to stabilize.

Year over year, from fiscal year 2016 to fiscal year 2019 to-date (December 2018), average monthly utilization of pediatric therapy services has trended down. Speech therapy utilization rates per 1,000 members per month declined 3.9 percent, occupational therapy utilization rates declined 7.8 percent, and physical therapy utilization rates declined by 6.2 percent. Virtually all the decrease occurs from state fiscal year 2016 to 2017.

With data for the entire fiscal year of 2018 data now complete, the overall trend in the therapy utilization rates from state fiscal years 2017 to 2018 appears relatively stable. From state fiscal year 2018 to 2019 to-date (through December 2018), utilization rates for physical and occupational therapies continued their stable track, with a slight increase in the number of clients receiving a speech therapy service per 1,000 members per month, from 16.1 to 16.7.
The three line graphs in Figure 9 show the utilization trends at a more detailed level, by month. Markers highlight program changes with potential impact on utilization rates. A decrease in service utilization among all three therapy disciplines is evident beginning in May 2016. Speech therapy and occupational therapy service utilization rates decreased 16 percent from May to December 2016; physical therapy decreased 13 percent. Not shown but analyzed as well, the total paid, paid per client, and paid per service all decreased accordingly and services per client remained relatively stable.

Several events occurred during this period. HHSC implemented therapy policy initiatives effective May 2016 and STAR Kids was implemented in November 2016. Although the FFS rate changes were not officially in place until December 2016, some managed care companies reduced their provider reimbursement rates in September 2016, introducing another potential contributor to the decreased utilization during this period.

Seasonality is also evident in the data, with services tending to peak in the spring-summer months and decrease in the winter. However, even accounting for seasonality, the decline for speech therapy and occupational therapy is somewhat steeper than would be expected, suggesting policy changes during that period may have impacted utilization levels. Utilization rates since then, from December 2016 through August 2018, have stabilized.
New data through December 2018 suggests that, since December 2016, therapy utilization rates have generally stabilized. Speech therapy utilization rates fluctuated a little more than the other therapy types, experiencing a slight downward trend from July 2017 to February 2018, followed by a slight upward trend in the past eight months.
Figure 9: Trend in the Numbers of Persons < 21 years old who Received Therapy Services per 1,000 Persons Enrolled in Texas Medicaid

*December 2018 data are preliminary.

Data include FFS and Managed Care clients who are under the age of 21. SHARS Excluded.
Calculation is based on the point-in-time client eligibility from the MEDID table.

Data sources:
- Eligibility: Med_ID_Full_ST/DA_Production, Eligibility_PIT_since_201109, CAOS/HHSC
- PTOTST Claims: DM_THERAPY.THERAPY_COMBINED, CAOS/HHSC
STAR Kids Utilization Rates

For this Quarter 4 report, STAR Kids utilization data are through December 2018. The Quarter 3 report included data through August 2018.

Figure 10 shows the utilization trends in STAR Kids therapies. From June 2017 to September 2017, the rate of enrollees in STAR Kids receiving speech therapy per 1,000 members per month decreased 12 percent (110 to 97 members per 1,000 members). Similarly, both physical and occupational therapy utilization rates decreased 13 percent. Since then, from September 2017 through December 2018, the utilization rates have appeared to level off.

The timing of the decrease in STAR Kids therapies correlates with when extended prior authorizations ended for clients transitioning to STAR Kids from FFS. When clients in FFS transitioned to STAR Kids, the end date for their prior authorizations that were active on the transition date were extended to ensure the continuity of their care. These extended authorizations ended in late spring 2017. In contrast, the utilization rates for clients under 21 years old in both STAR Health and STAR remained stable during the same period.

Because this decrease in STAR Kids therapy utilization rates coincided with the end of extended prior authorizations, HHSC explored the possibility of increased service denials correlating with the observed service trends. Accordingly, HHSC collected and analyzed therapy prior authorization data from the MCOs described in the previous report for Quarter 3.

STAR Kids Speech Therapy Prior Authorizations (PAs) and Denials

This section is unaltered since the Quarter 3 report.

In October 2018, HHSC requested PA data for speech therapy from the MCOs serving STAR Kids and STAR Health members. Data were requested in aggregate form for the timeframe of September 2016 through February 2018. Because of the decrease in STAR Kids utilization of therapies, the findings described in this report focus on the STAR Kids speech therapy data.

Without member level data, it is not possible to verify the data or look at patterns of services delivered. That said, observations of interest include the following:
• Most of the requested services were approved: 87 percent in SFY 2018 Q2 (December 2017 through February 2018).

• Overall, the number of speech therapy PAs processed and the number denied were stable after the first quarter of data. (The first quarter is an outlier since STAR Kids rolled out in the last month.)

• The proportion of denials due to medical necessity, as opposed to administrative reasons, has been increasing for speech therapy, from 30 percent in SFY 2017 Q1 (September 2016 through November 2016) to 63 percent in SFY 2018 Q2 (December 2017 through February 2018).

• Most of the appeals and fair hearings related to speech therapy upheld the initial determination, which was in favor of the MCO’s decision (66 percent and 89 percent, respectively).

• In general, appeals for speech therapy denials increased over the analyzed time frame.
Figure 10: Trend in the Numbers of Persons <21 who Received Therapy Services per 1,000 Persons Enrolled in Texas Medicaid, STAR Kids program only

*December 2018 data are preliminary.

Data include STAR Kids clients only. SHARS Excluded.

Calculation is based on the point-in-time client eligibility from the MED ID table.

Data sources:
- Eligibility: Med_ID_Full_ST/DA, Production, Eligibility_PIT_since_201109, CADS/HHSC
- PTOTST Claims: DM, THERYAPY, THERAPY_COMBINED, CADS/HHSC
5. Conclusion

Per Rider 57 requirements, HHSC has implemented a comprehensive data collection process for monitoring access to occupational, physical, and speech therapy services. The purpose of this data collection is to detect potential signs of systemic issues with access to pediatric therapy services.

The data show that there have been decreases in the total number of children receiving therapy services, which may relate to policy changes. To promote appropriate utilization, policy changes were made to ensure that recipients of therapy had a medical need for these services and that the therapy delivered was effective and aligned with current standards of practice. While the utilization data show that the number of clients receiving therapy services has decreased, it does not indicate whether the level of clients served is appropriate or not.

The overall number of Medicaid-enrolled therapy providers has also declined, primarily due to the federal requirement for all Medicaid providers to reenroll by February 2017 or be disenrolled from the program. In recent months, independent therapists have rebounded and surpassed their pre-February 2017 numbers, while enrollment of home health agencies has remained flat at reduced levels.

The number of active providers each month declined over the past three years, though this number has now stabilized. Recent legislative actions (HHSC Rider 47) to increase rates for therapy providers may lead to further improvement in provider enrollment and activity.

Despite these trends, MCOs have been mostly compliant with network adequacy contract requirements for therapy providers (OT, PT, and ST) for each of the last four quarters. This is true even with the higher minimum compliance standard (raised from 75 percent to 90 percent) beginning in FY 2019. The counties where MCOs have difficulties meeting network adequacy standards are in rural areas. In addition, member and provider substantiated complaints relating to pediatric therapy services are low.

To ensure access to and appropriate utilization of medically necessary services, HHSC is strengthening its clinical oversight, including for therapy services. HHSC has hired four therapists (two speech therapists and two physical therapists) for utilization reviews with a focus on the medical necessity of all types of therapy services in operational and targeted reviews.
HHSC has analyzed six quarters of STAR Kids speech therapy prior authorization data from the MCOs. Overall, the number of speech therapy PAs processed and the number denied were stable after the first quarter. However, the proportion of PA denials due to medical necessity, as opposed to administrative reasons, increased over the study period. In the last quarter reviewed (December 2017 through February 2018), approximately 87 percent of requested services were approved.

Certain aspects of the data collection process, namely waiting list information and providers with closed panels, have been challenging. HHSC continues to work on validation processes to ensure accuracy of these data. This includes validation of information reported by therapy providers to MCOs, directly with MCOs on their reported data to HHSC, and crosschecking individuals on waiting lists with utilization data. In this area, additional HHSC actions include:

- Allowing therapy providers to report waiting list information directly to HHSC, in addition to continuing to report it to MCOs.
- Performing quality assurance of the MCO reported data and addressing any identified issues.
- Sharing data with MCOs on members reported on waiting lists and for whom no utilization data is found. MCOs will report back to HHSC their actions on these members.
- Continued data quality checks on data received from MCOs.

All data will continue to be collected, reviewed, and analyzed monthly. The next quarterly report and the first under HHSC Rider 15 will be completed in December 2019.
## List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>ACA</td>
<td>Affordable Care Act</td>
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<tr>
<td>CHIP</td>
<td>Children’s Health Insurance Program</td>
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<tr>
<td>CORF/ORF</td>
<td>Comprehensive Outpatient Rehabilitation Facility/Outpatient Rehabilitation Facilities</td>
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<td>ECI</td>
<td>Early Childhood Intervention</td>
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<td>FFS</td>
<td>Fee-for-Service</td>
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<td>HHS</td>
<td>Health and Human Services</td>
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<td>HHSC</td>
<td>Health and Human Services Commission</td>
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<tr>
<td>ID</td>
<td>Identification</td>
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<td>IG</td>
<td>Inspector General</td>
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<tr>
<td>MCCO</td>
<td>HHSC Managed Care Compliance and Operations</td>
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<td>MCO</td>
<td>Managed Care Organization</td>
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<td>MM</td>
<td>Member Months</td>
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<td>OT</td>
<td>Occupational Therapy</td>
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<td>Physical Therapy</td>
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<td>S.B.</td>
<td>Senate Bill</td>
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<td>SLP</td>
<td>Speech-language Pathology</td>
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<td>ST</td>
<td>Speech Therapy</td>
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<td>STAR Kids</td>
<td>State of Texas Access Reform Kids</td>
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<td>TPI</td>
<td>Texas Provider Identifier</td>
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## Appendix A. Timeline of Stakeholder Engagement and Education

<table>
<thead>
<tr>
<th>Month/Year</th>
<th>Activity</th>
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<tbody>
<tr>
<td>July-September 2017</td>
<td>HHSC developed a data collection tool that aligned with Rider 57 requirements through a stakeholder engagement process. HHSC presented and incorporated feedback, as appropriate, on the draft tool from stakeholders, including the STAR Kids Advisory Committee, Policy Council for Children and Families, Texas Autism Council, and therapy provider associations.</td>
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<tr>
<td>November 2017</td>
<td>• HHSC conducted 2 webinars for MCOs on the data collection and reporting process. • HHSC provided the final data collection tool to MCOs and stakeholders with direction.</td>
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<tr>
<td>December 2017</td>
<td>MCOs began reporting therapy data monthly to HHSC.</td>
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<tr>
<td>December 2017-ongoing</td>
<td>HHSC provides periodic technical assistance and consults with MCOs, therapy provider associations, and other stakeholders on the data collection and reporting process.</td>
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<tr>
<td>March 2018</td>
<td>HHSC met with therapy providers and associations who expressed concerns about aspects of data collection and reporting. In response, HHSC held a third webinar.</td>
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<tr>
<td>July-August 2018</td>
<td>HHSC collected from MCOs and shared with therapy provider associations how to report waiting list data and how to notify MCOs that they are not accepting new patients.</td>
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<tr>
<td>September-October 2018</td>
<td>HHSC worked with therapy providers to establish a process for validating the reporting chain to ensure that when providers report information to MCOs it is also reported by MCOs to HHSC.</td>
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<tr>
<td>November 2018-February 2019</td>
<td>HHSC worked with stakeholders to ensure accurate submission of required data, and fielded information requests and general inquiries. HHSC worked with therapy providers to establish a process for validating the reporting chain to ensure that when providers report information to MCOs it is also reported by MCOs to HHSC.</td>
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<td>Month/Year</td>
<td>Activity</td>
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<td>June-July 2019</td>
<td>HHSC communicated to MCOs and therapy provider associations, as well as instructed TMHP to post a banner message, on the option for providers to directly report waiting list information to HHSC.</td>
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