



House Human Services Committee Presentation Medicaid Managed Care Expansion in South Texas

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Overview

- South Texas Managed Care Delivery Models
- Legislative History
- Implementation Activities

Managed Care Delivery Models

STAR

- Capitated health maintenance organization (HMO) model for pregnant women, children, newborns, and low income families.
- Provides acute care services.
 - Estimated total enrollment in STAR in March 2012 is 2.63 million.
 - New enrollees statewide: 880,000
 - New enrollees, South Texas: 350,000

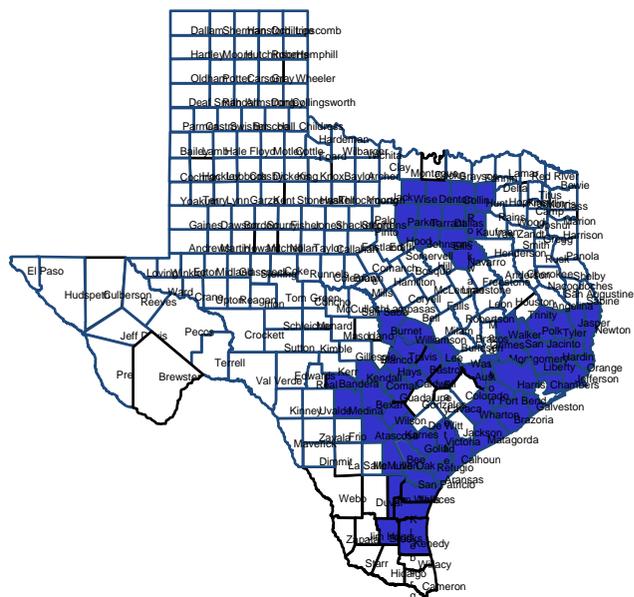
STAR+PLUS

- Capitated HMO model for aged, disabled, and chronically ill.
- Provides integrated acute care services and long-term services and supports.
 - Estimated total enrollment in STAR+PLUS for March 2012 is 383,000.
 - New enrollees statewide: 101,000
 - New enrollees, South Texas: 65,000

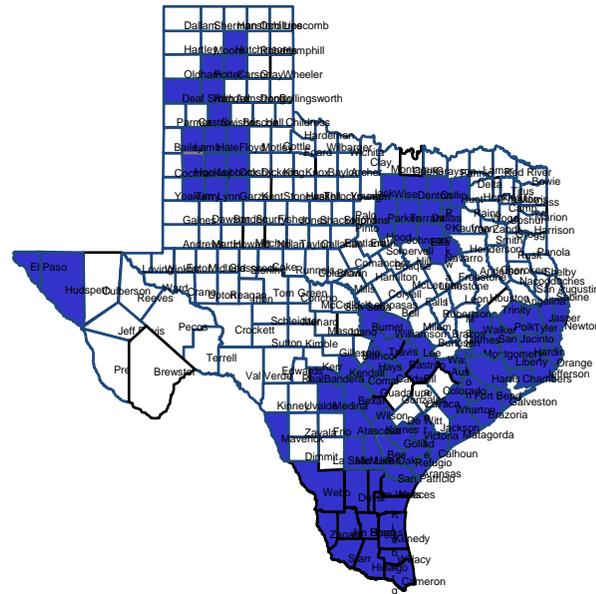
Dental Managed Care

- Capitated dental program for children provides same benefits as current Fee-for-Service (FFS) program.
- Three organizations selected to provide dental services statewide starting March 1, 2012: Delta Dental, DentaQuest, and MCNA Dental.

STAR+PLUS Service Areas



September 2011



March 2012

2012-13 General Appropriations Act assumes savings based on expansion of managed care statewide.

SB 7 removed the HMO prohibition in Cameron, Hidalgo, and Maverick counties.

SB 7 added new managed care requirements:

- Medical directors, care coordinators, and support services staff located in Service Delivery Area.
- Regionally based processes for handling provider appeals.
- Rigorous quality monitoring programs with a focus on health care outcomes.
- HMOs required to follow Vendor Drug Program formulary, prior authorization, and preferred drug list.
- Restrictions on “closed” pharmacy networks.

Pre-Implementation (before March 1):

- Procurement Process.
- Client outreach.
- Provider training.
- Readiness testing

Post-Implementation (after March 1):

- South Texas Transition Command Center.
- Quality Assurance.
- Contract compliance.
- HMO incentives and disincentives.

Procurement Process

Draft Managed Care Request for Proposal (RFP):

- November 2010 HHSC released a draft RFP.
 - Over 400 comments were received and considered.

Final RFP:

- The final RFP included new requirements based on legislative direction and comments to the draft RFP:
 - Locate staff in South Texas.
 - Build local partnerships and develop a plan to address local public health issues.
 - Allow a prior authorization grace period for medically necessary services.
 - Develop Patient Centered Medical Homes (PCMH).
 - Create provider financial incentives to achieve health objectives.
 - Use of a claims clearinghouse.

Contract Awards

HHSC received 8 proposals to operate STAR and 6 proposals to operate STAR+PLUS in South Texas.

- All selected vendors have strong experience with Medicaid managed care.
- All offered “value-add” services.
- Contracts signed October 2011.

STAR	STAR+PLUS
<ul style="list-style-type: none">• United• Superior• Molina• Driscoll Children’s	<ul style="list-style-type: none">• Molina• Superior• Health Spring

Client Education:

- Public forums, community-based organizations, and direct mail.
- Enrollment Broker.
 - MAXIMUS serves as the HHSC enrollment broker.
 - Conducts public forums to educate clients about managed care.
 - Leverages relationships with community-based organizations to educate clients.
 - 135 sessions planned for South Texas (STAR and STAR+PLUS).
 - Sessions will occur in December 2011 and January 2012.
- Direct Mail to each affected client.
 - October - November: Introductions letters and Frequently Asked Questions (FAQs).
 - November - January: Enrollment packets.
 - December - January: Reminder letters.

Provider Training:

- 22 HHSC-sponsored provider training sessions held in South Texas.
 - Includes HMOs participation.
 - Questions and answers are posted on the HHSC website.
 - HMOs conduct HMO-specific training sessions with providers.
 - HHSC works closely with affected associations and advocates.

Readiness Testing

HHSC has almost 20 years' experience conducting HMO readiness reviews.

Review components include:

- Weekly HMO transition meetings.
- Documentation.
- Provider contracts.
- IT systems and website testing.
- On-site visits to customer call centers, claims processing centers.
- Interviews with HMO staff to assess competency.

HHSC South Texas Command Center:

- Established in Pharr.
- Opening late February 2012 and will operate for at least the first 90 days after implementation.
- Staff will handle eligibility or enrollment issues on a case-by-case basis.
- Experienced HHSC staff will work to address any problems that arise.

Quality Assurance:

- Contract requires HMOs to have a rigorous quality monitoring program focused on health outcomes.
- Ensure that services include provider-directed or provider-supervised care.
- Provide comprehensive care management, including appropriate follow-up from inpatient and other settings.

Texas contracts with an External Quality Review Organization (EQRO):

- Conducts independent assessments of clinical quality and administrative effectiveness.
- Conducts customer satisfaction surveys.

Contract Compliance:

- Network adequacy requirements for all provider types.
- Contract standards for claims payment and prior authorization management.
- Ongoing review of contract deliverables.
- Dedicated contract compliance staff assigned to South Texas.
- Liquidated damages assessed for failure to perform.

HMO Financial Incentives/Disincentives

MCO contracts place 5 percent of the HMO premiums at risk based on performance:

- Opportunity for HHSC to focus HMO performance on specific measures.
- Intent is for all HMOs to achieve performance targets.
 - Future payments can be recouped for those that do not meet established standards.
 - Recoupments can be used to reward HMOs that perform at the highest measure levels.

HHSC will continue to provide the leadership, direction, and resources needed to achieve successful implementation of Medicaid managed care in South Texas, including:

- Client access to services.
- High quality services.
- Appropriate management of Medicaid costs.
- Protection and preservation of client and provider rights.

For more information on HHSC Medicaid Managed Care Initiatives, visit our website at:

<http://www.hhsc.state.tx.us/medicaid/MMC.shtml>