Transition of Fee for Service Hospice Benefits to Medicaid Managed Care

The rider transitions hospice service currently provided through FFS Medicaid from the HHSC vendor (TMHP) to MCOs as part of their benefits offered to enrollees. Specifically, this rider will transition the following services from a ffs state vendor to managed care:

Hospice – STAR PLUS, STAR Kids, STAR Health (already in CHIP) – Assessment and Payment

Texas HHSC finalized a report in December 2022 titled "Medicaid Benefits and Services Not Provided Under the Managed Care Model", as required by House Bill 2658, Section 11, 87th Legislature, Regular Session, 2021 Texas Health and Human Services December 2022. The report analyzed the remaining benefits in Medicaid fee for service and made recommendations. We included HHSC's recommendations with some consideration to move forward with transition to managed care. Overall, to have a well-balanced approach to providing benefits to our members the full range of benefits should be included in the service coordination managed care model and to balance each benefit provided. Not including hospice in the overall Medicaid managed care benefit structure does not align the overall holistic approach to providing care. Overall cost consideration must also include other factors such as the impact on in-patient stays, the member's overall plan of care and aligning providers for payment and simplicity, while reducing fraud waste and abuse.

Recommendations:

1. **Carve in Hospice Services into Managed Care for STAR+PLUS, STAR Kids, STAR Health and STAR** - Hospice services are carved out of managed care **for clients enrolled in STAR+PLUS, STAR Kids, STAR and STAR Health**. If receiving hospice services, these clients remain in their managed care program, but hospice services are paid through fee-for-service and not by the MCOs. If a client enrolled in STAR begins receiving hospice, they are disenrolled from STAR and all services are paid through fee-for-service. In HHSC's report they note that "**while it may be feasible to carve hospice services into managed care for STAR+PLUS, STAR Kids, and STAR Health and doing so would not be expected to negatively impact clients**, it is **unlikely to produce the level of savings necessary to be considered cost-effective".**

   Hospice services carved into managed care would shift from fee-for-service payment and oversight to MCO payment and oversight including recovered payments based on audits. The MCOs already performs many recoupment processes today. HHSC's report agreed that MCOs may be able to reduce hospice utilization and there is not overall negative impact to the member, however their report states that the savings may not result in savings due to the oversight currently performed on this service by HHSC. But the report did not take into consideration the full impact of providing holistic care to the member and providing alternatives for the member to consider when deciding whether to utilize hospice, such as availability of attendant services, home delivered meals and other benefits available to some members in our waiver programs in STAR+PLUS and STAR Kids and our valued added benefits to support members in their homes.

   Benefits of moving to managed care include;
   - Less hassle for providers determining where to bill for services;
   - No duplication of services;
   - A holistic approach to providing care with a broad range of benefits;

- More cost effective;
- Aligning providers to provide multiple services;
- Oversight of the hospice benefits;
- More timely access to care;
- Better alignment for members with Medicare.
- Already paid and administered in the CHIP benefit.

The hospice benefit is currently provided in other states through managed care plan such as California, Kansas, Louisiana, Missouri and Washington.

Rider Language

On page ____ of the Health and Human Service Bill pattern, add the following rider:

XXX. Transition of Hospice Benefits currently provided in FFS Medicaid to Medicaid Managed Care. Texas Health and Human Services Commission shall transition administration and payment of benefits currently provided through Texas HHSC contracted fee for service vendor to Medicaid Managed Care for the hospice benefit in STAR, STAR Kids, STAR+PLUS and STAR Health and STAR Program to better align benefits for members.