

# LEGISLATIVE PRIORITIES:

86TH TEXAS LEGISLATURE

WORKING TOWARD QUALITY, AFFORDABLE,  
TRANSPARENT HEALTH CARE FOR ALL TEXANS

# Solutions for Affordable, High-Quality Health Care for Texans

The Texas Association of Health Plans advocates for a sound and competitive health insurance market that maximizes private market competition, consumer choice and affordable coverage options. Health plans play an important role in lowering costs and getting the best possible price for hospital stays, doctor visits and prescription drugs.

Despite efforts by health plans to hold down the cost of monthly premiums, the cost of health care is high and still rising all over the country. Americans are more worried about their health care costs than ever. Now is the time for us to make sure all Texans have access to high-quality health care they can afford no matter how much money they make or if they have pre-existing conditions.

**Texas health plans are committed to lowering costs, providing high-quality, affordable coverage that protects Texans and their families, and empowering Texans to take control of their health.**

## Health Coverage Keeps Texans Healthy

Health insurance helps keep families and communities healthy. **In 2017, 83 percent of Texans had some form of health insurance and the other 17 percent did not.** People with health insurance are usually healthier, have their own doctor and receive important preventive health care services. People with health insurance are also better off financially because they are protected in the event of a serious illness or injury. Health insurance providers coordinate care for their members, invest in communities and make sure their members get the care they need.

## The Truth About the High Cost of Health Care

The cost of health care is high and still rising, and health insurance costs too much for many hardworking families. As the cost of health care services like hospital stays, medical screenings and prescription drugs continues to increase, the price of insurance has to go up to cover these costs. The truth is that all these problems are worse in Texas. Texas has some of the highest prices, highest health care costs and highest rates of surprise medical bills in the country.

### Texas' Surprise Billing Problem:

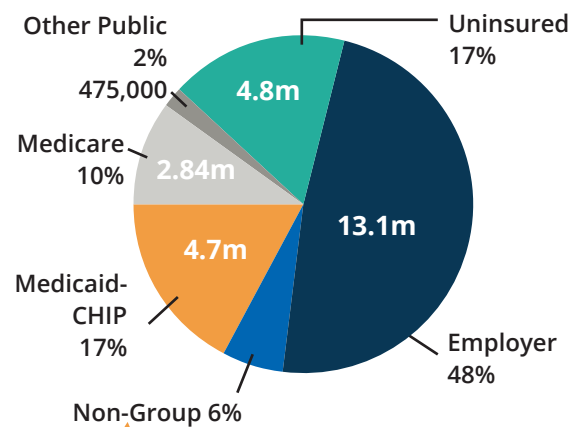
**One in three admissions to a Texas emergency room results in a surprise balance bill, while the national average is only one in five**



**Some of the highest rates of out-of-network ER physicians**

**Almost 50% of Texas ER Physician Claims are Out-of-Network**

## Health Insurance Coverage of Texans, 2017

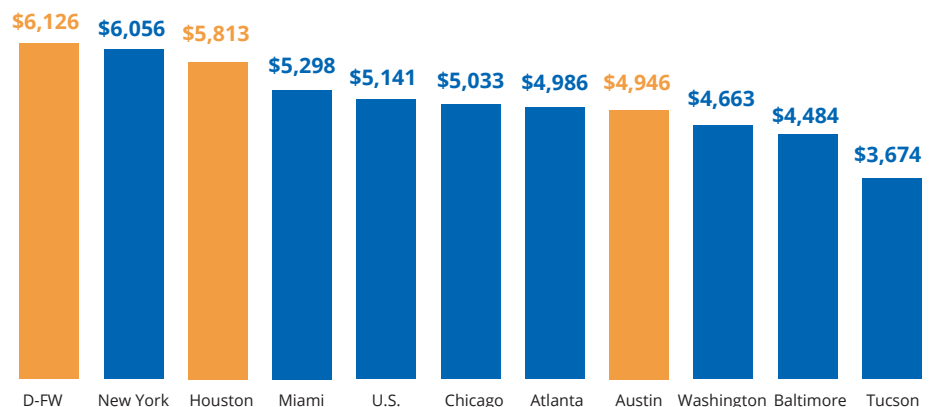


### Individual Market: 6% of Texans 1.7 Million People

- Texans with subsidized marketplace coverage: 852,000
- Texans with full-cost non-group insurance: 820,000

### Texas' big spending on health care

Texas cites are 1, 3 and 7 on top ten list of health care spending per capita



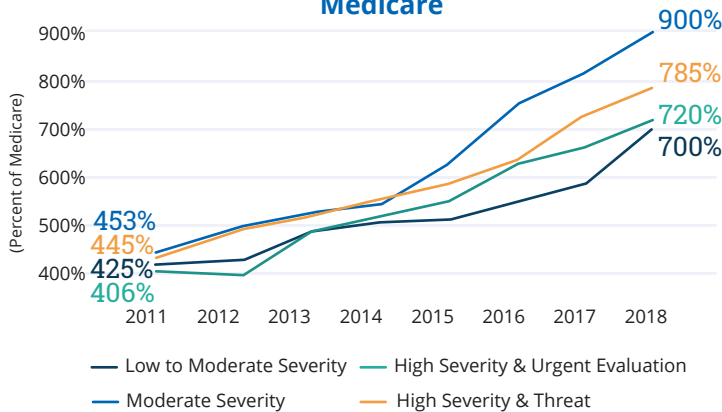
**Texas' two most expensive cities are almost double the cost of the 10th most expensive city in the country**

# Texas' Out-of-Network Emergency Care Problem

has led to outrageous prices, expensive health care and high rates of surprise medical billing

## Texas' Emergency Care Prices

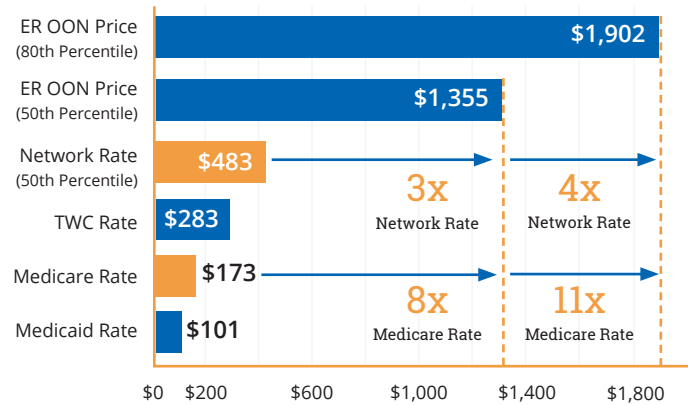
have almost doubled over the past four years — with prices increasing from 500% to 900% of Medicare



Source: FAIR Health, 50th Percentile of FAIR Health 2011-2018, Texas ER Physician Prices as a Percent of Medicare, 2018. Data copyright © 2018, FAIR Health, Inc. All rights reserved. Used by permission. Copying, use and further distribution prohibited.

## Texas' Out-of-Network Emergency Care Prices

are extremely high compared to what is usually accepted in the market



Source: FAIR Health, FAIR Health Texas ER Physician Prices, Texas ER Physician Payment and Prices: High Severity & Threat, 2018. Data copyright © 2018, FAIR Health, Inc. All rights reserved. Used by permission. Copying, use and further distribution prohibited.

## 5 Key Solutions to Lower the Cost of Care

Everyone has a part to play in lowering the high cost of health care, improving the quality of health care and protecting Texans from surprise medical bills. Texas health plans are committed to working with doctors, nurses, hospitals and others to make health care affordable for Texans.



### Transparency:

Give Texans the power to control their health and expenses by creating real price and network transparency



### Protections:

Protect Texans from outrageous prices and unexpected medical bills by ending surprise balance billing



### Accountability:

Hold bad actors accountable when they price gouge during a health care emergency or exploit patients through misleading advertising



### Affordability:

Give Texans more affordable coverage options by stabilizing the health insurance market and reducing harmful government mandates and regulations



### Access:

Ensure Texans have access to high-quality health care coverage they can afford regardless of income or pre-existing conditions

## TEXAS ASSOCIATION OF HEALTH PLANS

Solutions for Affordable, High-Quality Health Care for Texans

January 2019

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Texas Association of Health Plans



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# Solutions for Affordable, High-Quality Health Care for Texans

86th Texas Legislature



The Texas Association of Health Plans (TAHP) advocates for a sound and competitive health insurance market that maximizes private market competition, consumer choice and affordable coverage options. Health plans play an important role in lowering costs and getting the best possible price for hospital stays, doctor visits and prescription drugs.

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### Access:

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## Create Real Price, Quality and Network Transparency:

When Texans have access to the health care information they need, they have the power to care for themselves, protect their families and better manage their health care costs. More than two-thirds of Texans that tried comparing health care prices before getting care reported saving money. With more transparency, Texans will be able to shop for quality health care and insurance they can afford.

- TAHP supports increasing transparency and access to health care provider prices, quality standards and network status for all Texans
- TAHP supports letting health plans easily share quality and value comparison information with Texas consumers participating in their networks



## Protect Texans from Surprise Balance Billing:

Americans worry more about surprise balance bills than they do about any other health care cost problem, including insurance deductibles, drug costs and premium payments. Surprise medical billing happens when a patient receives a second, or balance, bill from an out-of-network provider they did not choose or could not avoid seeing, most often during an emergency. Consumers are powerless in the ER—it is impossible to ensure you stay in-network during an emergency. This problem is even worse in Texas. One in three emergency room admissions results in a surprise balance bill—much higher than the national average. Texas patients deserve more protections, not more drama and debt trying to figure out how to challenge or pay expensive medical bills.

- TAHP supports protecting Texas patients by ending surprise billing and requiring health plans and providers to directly resolve these out-of-network payment disputes without punishing Texas patients



## Hold Freestanding Emergency Rooms Accountable:

Freestanding emergency rooms (FSERs) are a new type of health care provider that confuse consumers and leave Texas families and businesses with huge medical bills. Unlike urgent care clinics, FSERs are generally out-of-network and charge emergency care prices. Texas FSERs are some of the worst offenders when it comes to surprise balance billing, outrageous high prices and misleading information. A recent AARP Texas investigation found 30% of Texas FSERs were not complying with state laws, and more than 60% were using misleading and confusing language. In most cases, patients who receive care at FSERs could have been treated at a significantly lower cost in a different facility. These unnecessary high prices and surprise balance bills drive up the cost of health care and insurance premiums for all Texans.

- TAHP supports protecting Texans from outrageous billing practices by increasing transparency
- TAHP supports holding FSERs accountable for price-gouging and deceptive advertising
- TAHP supports banning FSER charges of emergency care fees for urgent care and physician office service fees



## Reduce Government Mandates:

One of the most significant threats to health coverage affordability for Texans and Texas businesses is the increasing number of government mandates related to provider payments, provider contracting and covered benefits. These mandates not only drive up the costs of health care, but also limit innovation, private market negotiations and consumer choice. While often well-intended, government mandates typically have unintended consequences on health insurance costs, leading directly to higher premiums for Texans.

- TAHP opposes all government mandates, including payment, contracting, administrative and benefit mandates, which reduce private market competition, limit consumer choice and drive up the cost of health care
- TAHP supports effective, efficient regulations and transparency requirements that protect Texans without driving up health care costs



## Oppose Any Willing Provider Mandates:

Any Willing Provider (AWP) mandates restrict private market negotiations and competition by forcing health plans to contract with any health care provider or pharmacy willing to meet the plan's contract terms—regardless of whether that provider meets quality standards, whether there is already enough patient access or whether it will increase the cost of health care for consumers and businesses. As documented by the Federal Trade Commission and many economists, AWP mandates remove incentives for providers to offer competitive rates and reduce health plan competition, driving up the cost of health coverage for consumers, employers and taxpayers. Consumers have seen anywhere from 6 to 21% higher premiums as a result of AWP mandates.

- TAHP opposes AWP mandates, including mandates requiring health plans and PBMs to contract with any health care provider or pharmacy regardless of quality standards, patient access and impact on the cost of health care for Texans and Texas businesses
- TAHP supports effective, efficient regulations and transparency requirements that protect Texans without driving up health care costs



## Protect PBMs, a Critical Tool to Negotiate Lower Rx Prices:

Health insurance costs for prescription drugs are now higher than they are for any other cost, including payments to doctors and physician services. At a time when the cost of drugs is so high, health plans and pharmacy benefit managers (PBMs) use private-market negotiation to get the lowest costs for prescription drugs. PBMs work to save hundreds of billions of dollars in drug costs. In fact, PBMs are expected to save taxpayers and employers as much as \$654 billion on drug benefit costs over the next decade. PBMs are a necessary part of making sure Texas consumers get the best prices for prescription drug costs.

- TAHP supports health plans' and PBMs' use of private market solutions and competitive negotiations to provide affordable drug coverage to Texans and Texas businesses
- TAHP opposes government mandates, including contract mandates, that undermine competition in the private market and increase the cost of drug coverage for Texans



## Embrace Competition and Flexibility:

All Texans deserve access to high-quality health care they can afford no matter how much money they make or if they have pre-existing conditions. Market instability and a lack of affordable coverage options for the uninsured are major drivers of the high cost of health care in Texas. Texas has the highest rate of uninsured people in the country, and most uninsured people in our state are members of low-income working families. In an environment of continually-evolving health care laws, it more important than ever for us to make sure Texans have access to a stable and affordable health insurance market. Section 1332 state innovation waivers present an opportunity for states to pursue unique solutions to improve access to health care in new and better ways. Texas can take advantage of these opportunities to make health care more local, reduce time spent on administration, lower the cost of care and improve access to health insurance for families and small businesses.

- TAHP supports embracing a sound and competitive health insurance market that maximizes private market competition and consumer choice while promoting personal responsibility and affordable coverage options for all Texans
- TAHP supports a reinsurance program to help stabilize the market and reduce the cost of premiums
- TAHP supports improving access to health coverage for low-income, uninsured Texans



## Combat the Opioid Epidemic:

Texas health plans are on the front lines helping patients and providers in the fight against opioid dependence. Health plans have access to the data and tools necessary for the early identification, education and care management needed to shift patients to more appropriate treatment, as well as the relationships with providers to improve collaboration. Health plans combine these tools to help their members address substance abuse and addiction. These efforts reflect health plans' commitment and use of innovation in the fight against this public health crisis. In the past two years, a number of health plans have seen decreases in their members' opioid use by as much as 25%. The opioid epidemic is an ongoing and important fight. Health plans are committed to their role in combating the opioid epidemic, and access to tools like the prescription drug monitoring program (PDMP) would allow both commercial and Medicaid health plans to better coordinate treatment with prescribing health care providers and dispensing pharmacies.

- TAHP supports increasing health plans' ability to combat the opioid epidemic by giving commercial plans the option to limit high-risk members' access to frequently-abused drugs to a single prescriber and/or a single pharmacy, as well as increasing their ability to provide treatment, which would add another layer of prevention aimed at reducing overdose deaths in Texas
- TAHP supports allowing health plans to access tools like the prescription drug monitoring program so they can identify health plan members at high risk for substance abuse disorder

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 Texas Association of Health Plans

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# The Value of Texas Medicaid

Texas Medicaid is more than just health care — it is an investment in the future of Texas. It goes beyond the doctor's office and into our schools, our workplaces and our communities.

Medicaid is safety net health insurance that is there for the Texans that need it most, including Texas children, mothers, grandparents and people with disabilities. It helps provide for everything from routine checkups and heart surgeries to home health and at-home nursing care.

## A Deeper Dive Into Texas Medicaid

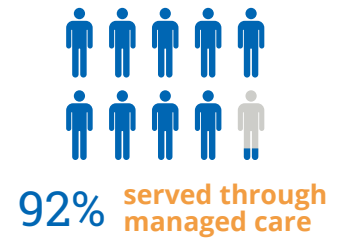
Texas Medicaid helps one in seven—or more than 4 million—Texans receive the care and support they need to get healthy, stay healthy and live life to the fullest as members of their communities.

- **2.9 million** low-income children
- **140,000** low-income pregnant moms
- **140,000** low-income parents of children on Medicaid
- **800,000** older Texans and Texans with disabilities
- **31,000** children in foster care
- **50,000** veterans

## Who is Texas Medicaid?



Medicaid covers  
**17% of all**  
Texans



Medicaid and CHIP cover  
**44% of**  
all Texas children



Medicaid covers  
**53% of**  
all Texas births

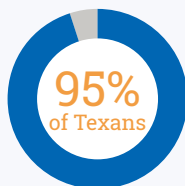


**25% of**  
Texans on Medicare  
depend on Medicaid for long-term care services

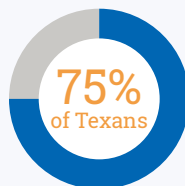


Medicaid covers  
**62% of**  
nursing home residents

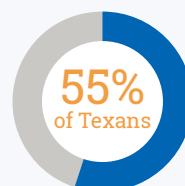
## Texans Value Medicaid



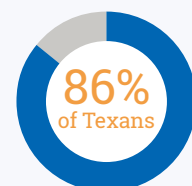
believe it is important to have a strong, sustainable Medicaid program



oppose cutting the Medicaid program

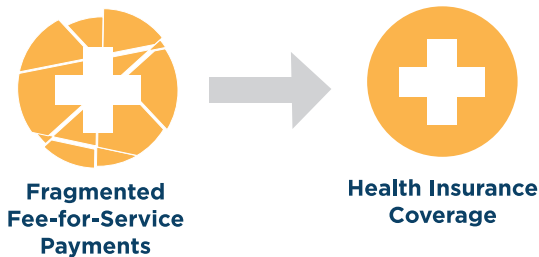


on Medicaid say they would have "very little" or "no" access to health care without it



on Medicaid are satisfied with their health care services





Over the past 20 years, Texas transformed an outdated Medicaid system that provided fragmented care into a modern, patient-centered health insurance program that provides more than 4 million Texans with the coverage and care they need.

Today, Texas partners with private health insurers known as managed care plans. They administer Medicaid and CHIP and cover the costs associated with delivering care.

## How Does Medicaid Managed Care Work?

Managed care plans make Texans healthier and save taxpayers money by prioritizing preventive care and coordinating health care for Texans on Medicaid and CHIP.

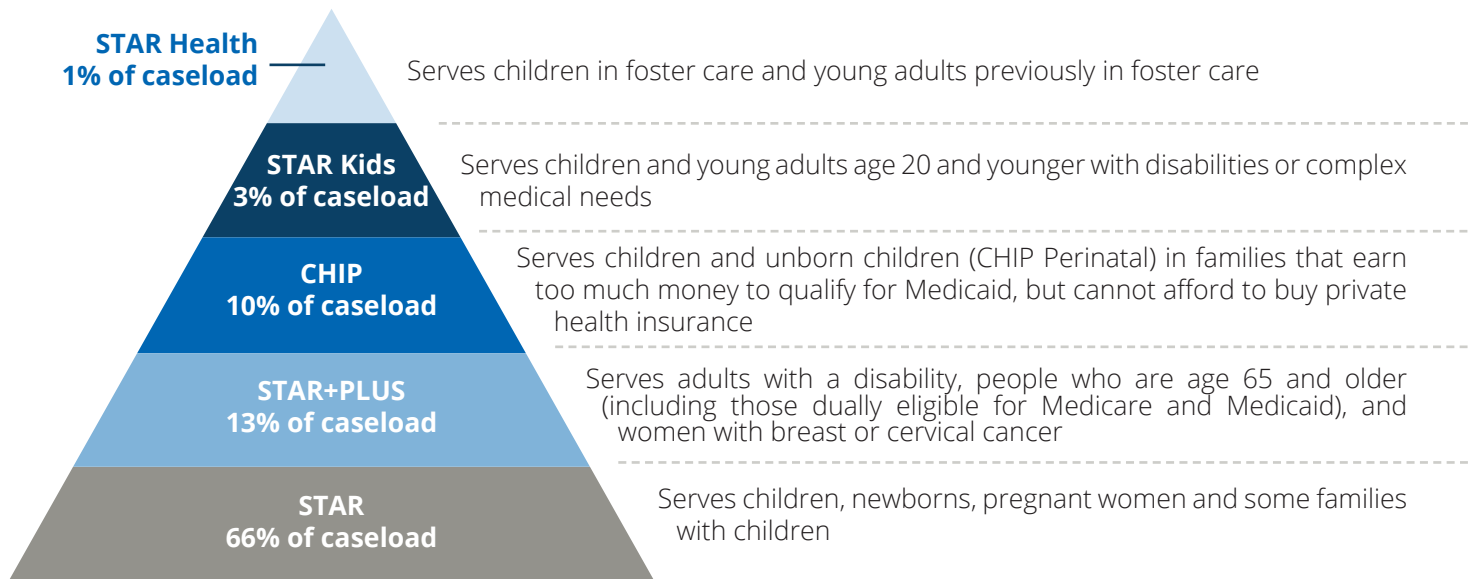
Managed care works just like insurance. Every month, Texas pays a health care premium to the Medicaid health plans for each person they cover. In turn, the health plans accept all financial risk for providing needed services to their members.

The managed care program incentivizes health plans, providers and doctors to keep Texans on Medicaid healthier and encourage them to access preventive care and live healthier lives.

“Medicaid managed care is a critical program in Texas that has both saved taxpayers money and improved health outcomes.”

- Gov. Greg Abbott

## Managed Health Insurance Coverage in Texas



### STAR and CHIP

Pays for doctor visits, hospital stays and prescription drugs for children, newborns, pregnant women and some parents with children on Medicaid

### STAR+PLUS

Pays for the same services as STAR, but also pays for long-term care services like home health care and nursing home stays for older Texans and Texans with disabilities

### STAR Health

Provides specially-tailored health care and support for children in the Texas foster care and kinship care programs

### STAR Kids

Pays for the same services as STAR, but also covers long-term care and coordination for children with disabilities and children with complex medical needs

# Medicaid Managed Care is Healthier for Texas

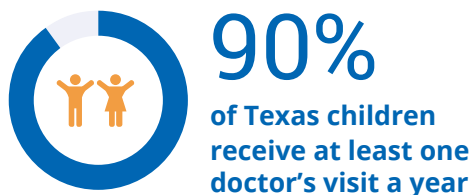
Medicaid managed care plans hire the best doctors, negotiate the most affordable prices, and focus on prevention and wellness to help their members get healthy, stay healthy and live their lives to the fullest while saving taxpayer money for the state.

## Today's Texas Medicaid provides more than health coverage. It also:

- Improves access to care for Texans by emphasizing the role of primary care doctors
- Promotes preventive care like vaccinations and routine primary care visits to keep Texans healthy and happy
- Reduces costly hospitalizations and unnecessary emergency room visits
- Connects Texans to the compassionate one-on-one support and personalized care coordination they need to get healthy, stay healthy and live their lives to the fullest
- Provides services that go beyond the walls of a doctor's office, including arranging transportation, coordinating meals, and navigating challenges with school and work

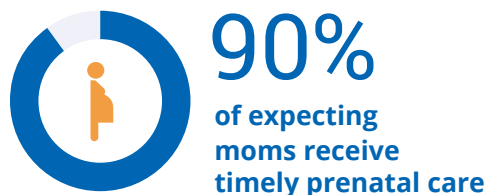
## Today's Texas Medicaid Keeps Texans Healthy

As a result of Texas' transition to Medicaid managed care, millions of Texans—including children and pregnant moms—have seen improved outcomes and increased access to preventive and timely care. Medicaid plans have also improved care coordination for Texans with complex medical needs, reducing hospital stays and ER visits. The focus on prevention, wellness and care coordination—getting Texans the care they need to get healthy, stay healthy and live in their communities—has translated into lower costs for Texas taxpayers. Texas has saved between \$5.3 and \$13.9 billion through the use of Medicaid managed care since 2009. Today's Texas Medicaid keeps Texans healthy, improves lives and saves taxpayer money.

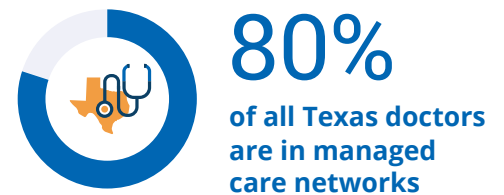


Prior to Medicaid managed care –  
**less than 25%**

Source: UT School of Public Health, Texas Medicaid Performance Study - 2016 Final Report, 08/16.



Prior to Medicaid managed care –  
**less than 15%**



Source: Texas Medical Board/HHSC. Information obtained under the Texas Public Information Act, 2018.

## Reduced hospital stays and ER visits by keeping Texas families healthy and out of the hospital



Managed Care significantly reduced hospital stays for expensive chronic diseases by 35%

Source: HHSC, 2011 - 2016 Analysis of HEDIS



**Helps more older Texans and Texans with disabilities live independently in their own homes**  
reducing the need for nursing home stays



**More than 95% of Texans on Medicaid have access to a family doctor near their home**

Source: HHSC, Report on Medicaid Managed Care Provider Network Adequacy, 12/18.



**Reduced ER visits in STAR Kids by 6% in the past year**

Managed Care reduced preventable ER visits for children with disabilities and complex medical needs

Source: HHSC, Rider 61 Report: Evaluation of Medicaid & CHIP Managed Care, 08/18

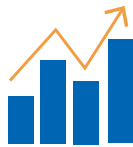
# Medicaid Managed Care is Smarter for Texas

As health care becomes more expensive in Texas and across the country, Texas Medicaid health plans have the important duty of keeping costs low for the state of Texas. Medicaid health plans are meeting that challenge head on, hiring the best doctors, negotiating the most affordable prices, and focusing on prevention and wellness to avoid costly hospital stays and ER visits. The results have been greater budget certainty, a commitment to accountability that taxpayers can rely on and remarkably flat cost growth despite a rapidly-growing population. Texas managed care is smart for Texas and Texas taxpayers.

## Today's Texas Medicaid Saves Taxpayer Money by Keeping Texans Healthy

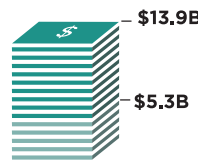
### Accountable to Taxpayers

Medicaid performance and financing is transparent and available online



### Saves Money

Managed care saved TX **\$5.3B - \$13.9B** since 2009



### Affordable Coverage

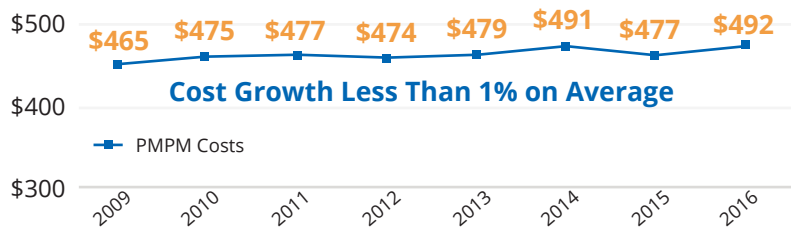
TX Medicaid cost growth is less than **1% per year** compared to **4% nationally**

### Texas Medicaid Caps Profits and Requires Profit Sharing Back to Taxpayers

**\$1B+** saved or shared with Texas since 2009



### Texas Medicaid Acute and Long-Term PMPM Costs: FY09-FY16



Sources: HHSC, Rider 61 Report: Evaluation of Medicaid & CHIP Managed Care, 08/18. Carruth & Associates Report sourced from HHSC Financial Services, 05/17.

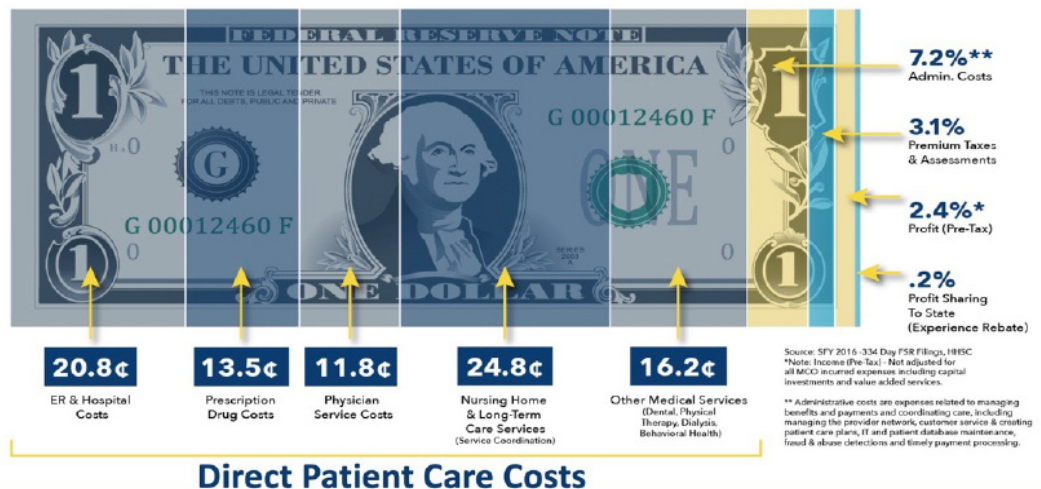
## 90% of Every Medicaid Dollar is Invested Directly in Patient Care

### Texas Medicaid Caps Administrative Spending

As a result, Texas Medicaid managed care admin costs are some of the **lowest nationally**



**90%** of every dollar is invested in direct care



Source: HHSC, SFY 2016 - 334 Day FSR Filings.

## TEXAS ASSOCIATION OF HEALTH PLANS

The Value of Texas Medicaid

January 2019

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Laurie Vanhose, Dir. of Policy, Gov. Programs, lvanhose@tahp.org

# Medicaid Managed Care: The Prescription for a Healthier Texas

## How Does Medicaid Managed Care Work?

Today, Texas partners with private health insurers known as managed care plans. Managed care plans cover the costs associated with delivering care, make Texans healthier, and save taxpayer money by prioritizing preventive care and coordinating pharmacy and health care for Texans on Medicaid and CHIP.

Managed care works just like your insurance. Every month, Texas pays a health care premium to the managed care plans for each person they cover. In turn, the health plans accept all financial risk for providing needed services and prescriptions to their members.

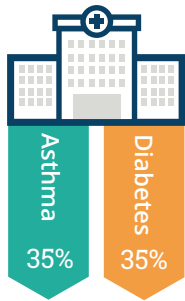
## Texas Medicaid Works

As a result of Texas' transition to Medicaid managed care, millions of Texans have seen improved outcomes and increased access to preventive and timely care. Medicaid health plans have also improved care coordination for Texans with complex medical needs reducing hospital stays and ER visits.

**The focus on prevention, wellness, care coordination and medication adherence**—getting Texans the care they need to get healthy, stay healthy and live in their community—**has translated into lower costs for Texas taxpayers.**

## Medicaid Managed Care Is Healthier and Smarter for Texas

Reduces Hospital Stays and ER Visits by Making Sure Texans Have the Care and Prescription Drugs They Need



Managed care significantly reduced hospital stays for expensive chronic diseases by **35%**

Source: HHSC, 2011 - 2016 Analysis of HEDIS

Saves Money by Focusing on Prevention, Wellness, Care Coordination and Medication Adherence



\$13.9B

\$5.3B

Managed care saved Texas **\$5.3B - \$13.9B** since 2009

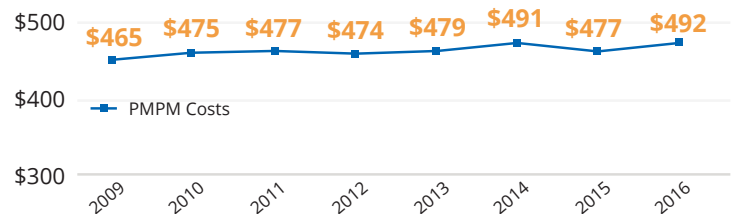
Provides Affordable Coverage

Texas Medicaid cost growth is less than

**1% per year**  
compared to  
**4% nationally**

Cost Growth Is Less Than 1% on Average

Texas Medicaid Acute and Long-Term PMPM Costs: FY09-FY16

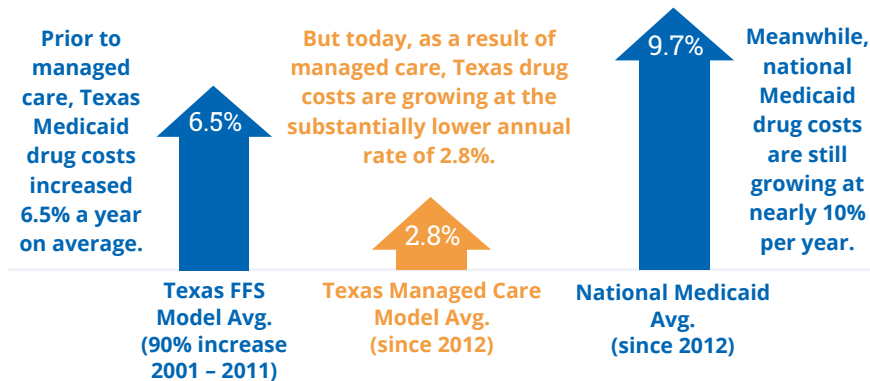


# Texas Medicaid Prescription Drug Coverage

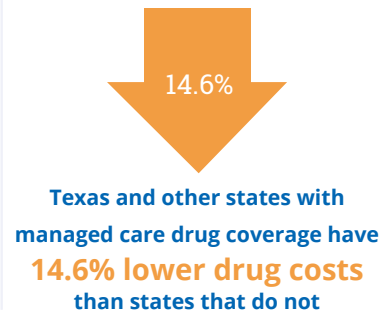
Most states “carve in,” or integrate, all Medicaid benefits into managed care. Carving in medical care, behavioral health, prescription drugs, and other services ensures they all work together for better health and outcomes while saving hardworking taxpayers billions of dollars. Research has shown that shifting the administration of Medicaid drug benefits to managed care reduced spending by 22.4% with no decrease in quality of care. **In 2017, prescription drug carve-in programs achieved \$7.4 billion in savings for U.S. Taxpayers.**

## Medicaid Prescription Drugs Were Shifted to Managed Care in 2012 to Improve Care and Coordination, Which Help Texans Get and Stay Healthy

Since the Shift to Managed Care, Texas Has Dramatically Bent the Medicaid Drug Cost Curve



States With Managed Care Drug Coverage Have More Efficient Medicaid Rx Programs



Sources: The National Bureau of Economic Research, A Dose of Managed Care: Controlling Drug Spending in Medicaid, 10/17. The Manges Group, Prescription Drug Costs and Utilization in Medicaid: FFS and MCO Comparisons, 10.18. HHSC, Rider 60: Prescription Drug Benefit Administration in Medicaid, CHIP, and Other Health-Related Services, 08/18. HHSC, Medicaid Prescription Drug Carve In, 10/11. The Manges Group, Comparison of Medicaid Pharmacy Costs and Usage in Carve-In Versus Carve-Out States, 05/15.

## Improving Quality of Care

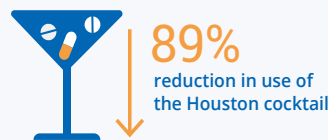
Medicaid health plans take a more comprehensive approach to drug management that focuses on treating the whole patient. Integrating up-to-the-minute medical and pharmacy data gives health plans the ability to monitor clients’ health in real-time and enables them to identify high-risk patients, ensuring clients take the right medication at the right time. Integration of medical and pharmacy data also allows health plans to work with providers to ensure the best outcomes for Medicaid clients.

### Case Study: Managed Care Pharmacy Coordination Improves Outcomes



Parkland Children’s Health Plan has received national recognition for their asthma management program that integrates medical and pharmacy data to better coordinate care. Although asthma is easily controlled with treatment, it is the leading cost of hospitalizations for children. Through this program, Parkland has decreased costs by 50%, ER visits by 40% and hospitalizations by 50%. Programs like this would not be possible if drugs are carved out of managed care.

### Case Study: Managed Care Pharmacy Coordination Reduces Opioid Abuse



Real-time pharmacy and medical data enable Superior HealthPlan to combat the simultaneous use of Vicodin, Xanax and Soma, a dangerous and deadly mix of drugs called the “Houston cocktail.” Since July 2016, Superior has seen an 89% reduction in the number of Houston cocktail prescriptions. The results are so successful that they have extended the initiative to include all other opiates, benzodiazepines and muscle relaxers and have seen a 35% reduction since 2018. A carve-out of prescription drugs would end this successful, lifesaving effort.

## TEXAS ASSOCIATION OF HEALTH PLANS

### MEDICAID MANAGED CARE: THE PRESCRIPTION FOR A HEALTHIER TEXAS

February 2019

This is legislative advertising paid for by the Texas Association of Health Plans (TAHP)

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# Solutions for Modernizing Texas Medicaid

86th Texas Legislature



Over the past 20 years, Texas transformed an outdated Medicaid system that provided fragmented care into a modern, patient-centered health insurance program that provides more than 4 million Texans with the coverage and care they need. While Texas' Medicaid health plans have worked collaboratively with the legislature and HHSC to increase access to care, improve health outcomes and control the cost of the Medicaid program over the past two decades, the Medicaid managed care system can and should continue to be improved. As the Texas Legislature and HHSC take a closer look at the managed care system and its oversight, the Texas Association of Health Plans (TAHP) and Medicaid managed care organizations (MCOs) offer our full commitment to work with members of the legislature, HHSC, the health care community, clients and Texas families to help strengthen the program.

## 5 Key Solutions for Modernizing Medicaid:



### Modernization:

Modernize Texas Medicaid to improve access, improve outcomes and increase efficiency



### Access:

Ensure Texans on Medicaid have access to high-quality care and coordination



### Protections:

Protect Texans on Medicaid by strengthening the appeals and complaints processes



### Affordability:

Encourage an affordable Medicaid program by fostering innovation, stability and efficiency



### Accountability:

Hold health plans and providers accountable for improving outcomes and value



## Modernize the Medicaid Program:

Texas Medicaid health plans collaborate with the best doctors, negotiate the most affordable prices, and focus on prevention, wellness, and care coordination to help their members get healthy, stay healthy and live their lives to the fullest in their own communities. More than 80% of all Texas doctors are currently in Medicaid health plan networks, delivering vital care to some of the most vulnerable Texans. To help maintain and increase access to high-quality care and keep doctors participating in Medicaid, Texas needs to reduce and eliminate unnecessary administrative burdens and red tape. Additionally, modernizing the Medicaid program's policies and processes to better reflect the transition to managed care will ensure more timely, accountable and quality care while eliminating unnecessary and costly administrative processes that do not benefit patients or taxpayers.

- TAHP supports modernizing systems and processes to encourage the participation of high-quality providers, reduce administrative burdens and reduce the need to reprocess provider bills in the Medicaid program
- TAHP supports improving and streamlining the Medicaid provider enrollment and credentialing processes
- TAHP supports updating the processes HHSC uses to determine services covered (including prescription drug benefit decisions) by the Medicaid program and creating a new provider manual that reflects the managed care model



## Ensure Access to Care:

As a result of Texas' transition to managed care, millions of Texans—including children and pregnant moms—have seen improved outcomes and access to preventive and timely care. Medicaid health plans have also improved care coordination for Texans with complex medical needs, reducing hospital stays and ER visits. Medicaid plans are dedicated to ensuring Texans have access to the care they need when they need it. However, Texas Medicaid faces unique challenges that too often impair its ability to meet the needs of Texans. Increasing access to services and doctors, with a particular interest in preventive, behavioral and maternal health, will result in healthier Texans and reduced costs for taxpayers. Additionally, streamlining processes that affect the delivery of health care in Medicaid, such as care coordination and the coordination of services for Texans on Medicaid with commercial or Medicare coverage, will result in increased access, as well as a more efficient program for physicians, hospitals and health plans.

- TAHP supports improving processes that affect how clients access care
- TAHP supports extending coverage for pregnant women on Medicaid for 12 months post-delivery to improve health for moms during and after pregnancy, as well as for babies and children
- TAHP supports improving the process used to coordinate benefits when Medicaid clients also have commercial or Medicare coverage



## Strengthen Patient Protections:

Texas must protect Texans on Medicaid by having an efficient and streamlined complaint process that ensures they can easily register complaints, request appeals and access a Medicaid Fair Hearing when they feel they are not receiving the quality of care they need. The Medicaid Fair Hearing process should not only ensure administrative processes are followed by Medicaid health plans and HHSC, but also that any denial of services or eligibility by HHSC or a health plan are reviewed by a qualified, independent clinician.

- TAHP supports improving the complaint process to ensure clients can escalate concerns and that HHSC has accurate data to inform policy and help identify systemic issues
- TAHP supports improving the Medicaid Fair Hearing process to include an external medical review or independent review organization participation when a client is denied services or eligibility by TMHP, a Medicaid health plan or HHSC



## Encourage Affordability:

The Medicaid health plans' focus on prevention, wellness and care coordination—getting Texans the health care they need to get healthy, stay healthy and live in their communities—has translated into fewer hospitalizations and lower costs for Texas taxpayers. Texas has saved between \$5.3 and \$13.9 billion through the use of the Medicaid managed care program since 2009. Fostering innovation is critical to ensuring high-quality services

and cost-savings, but it requires a careful balance between necessary regulation and flexibility to implement innovative solutions. Carving benefits out of managed care or creating unnecessary administrative burdens would increase costs for the program by fragmenting care, decreasing value, stifling innovation and reducing provider participation.

- TAHP opposes any effort to reduce flexibility, stifle innovation or jeopardize stability and efficiency in the Medicaid program
- TAHP opposes the carve-out of Medicaid pharmacy benefits, which would increase costs and reduce Medicaid health plans' ability to keep Texans healthy



## Promote Accountability:

HHSC contracts with Medicaid health plans to coordinate services for more than 4 million Texans on Medicaid and CHIP. Because of the size, scope and complexity of managed care contracts and the types of services provided, the state uses multiple tools and strategies to oversee these contracts. Medicaid health plans must follow strict contract requirements and federal and state law. Additionally, Texas Medicaid managed care contracts, performance and financial data are transparent and available online. The recently-released Deloitte report investigated how Texas fared in its transition to the managed care model. For contract oversight, HHSC was found to have achieved a number of accomplishments, including establishing structured processes and standards. The report also outlined opportunities to improve the accountability, performance and strength of the Texas Medicaid program. Medicaid health plans welcome efforts to improve the state's oversight role and create more meaningful transparency for Medicaid contracts. We are committed to transparency about our work and its results both for our members and the state—it creates better outcomes and greater efficiency that will ultimately benefit all Texans.

- TAHP supports improving the state's oversight role to create more transparency in the process of monitoring Medicaid health plan contracts
- TAHP supports streamlining and automating contract deliverables, coordinating audits and reviews, and modernizing the contract process
- TAHP supports the state's development of a real-time dashboard to provide stakeholders with access to accurate, timely and transparent data that measures the performance of the Medicaid program

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# Recommendations for a Stronger STAR Kids Medicaid Managed Care Program

86th Texas Legislature



STAR Kids was implemented in 2016 and is the Medicaid managed care program for the population most-recently added to managed care—children, adolescents and young adults with disabilities and complex medical needs. Clients in the STAR Kids program choose a Medicaid managed care organization (MCO) to manage their benefits, which include preventive care, prescription drugs, hospital care, private duty nursing, durable medical equipment and long-term services and supports.

As the Texas Legislature and HHSC take a closer look at the managed care system and its oversight of the STAR Kids program, the Texas Association of Health Plans (TAHP) and Medicaid health plans offer our full commitment to working with members of the legislature, HHSC, the health care community, clients and families to help strengthen the oversight and accountability of the program.



## Strengthen and Streamline the HHSC Complaint Process:

Clients should have a simple, no-wrong door process to register complaints with HHSC and receive timely information on the resolution of their complaint. HHSC must also have efficient and streamlined complaint processes to ensure accurate and transparent data to oversee contracts, quickly identify access to care issues and inform policy decisions.

- TAHP supports implementing a no-wrong door complaint process with consistent tracking and definitions across HHSC, including an expedited process for urgent access to care issues



## Improve the Medicaid Fair Hearing Process:

Texas Medicaid clients should have easy access to a simple, transparent Fair Hearing process when they feel they have been wrongfully denied a service or eligibility to a program. The Medicaid Fair Hearing process should not only ensure administrative processes are correctly followed by HHSC and Medicaid health plans, but also that any denials or reductions of services by HHSC or a health plan are reviewed by an independent and qualified clinician. Additionally, when HHSC determines a client does not meet the medical need to be eligible for a program, an independent and qualified clinician should review that decision.

- TAHP supports improving the Medicaid Fair Hearing process for clients through education and the adoption of a clear, consistent and transparent processes
- TAHP supports including an independent review organization-led medical review when a client receives a denial of a service by TMHP or a health plan, or when they are denied eligibility for a program by HHSC



## Improve the Star Kids Screening Assessment (SK-SAI) Tool:

It is important for every child to be screened for needed services. HHSC currently requires Medicaid health plans to assess every child in the STAR Kids program using the STAR Kids assessment tool; however, it is a cumbersome and extremely long form that families and health plan service coordinators find difficult to use, resulting in negative member experiences. The process should be person-centered, include only actionable screening questions and result in a positive experience for the family.

- TAHP supports improving the SK-SAI tool and the STAR Kids screening process
- TAHP supports allowing Medicaid health plans to adopt nationally-recognized screening tools instead of mandating use of the SK-SAI



## **Reform the Renewal Process for the Medically Dependent Children Program (MDCP):**

Eligibility for the MDCP waiver program is based on a client's medical and functional need rather than on the income of the child's family. To qualify for the program, a client must have the same medical needs as a client living in a nursing home. Families and clients receiving services through MDCP rely on the program to keep them at home and out of institutions, but current program rules require HHSC to make a decision every year about whether the child still meets a nursing home-level of medical need in order to remain in the program. This process often results in families losing access to life-saving services even when the client had no significant change in their medical needs. When the client loses eligibility, they are put at the bottom of a very long interest list. It can take many years for the client to get back to the top of that list and be assessed for eligibility.

- TAHP supports improving the MDCP eligibility renewal process



## **Eliminate the Interest List for MDCP:**

As of March 2018, 16,840 clients were on an interest list waiting to access the MDCP program, which provides life-saving services to children with complex medical needs and allows them to live in their community instead of in an institution. Once a program slot becomes open, a client is assessed to determine whether they qualify—not all clients on the interest list will qualify for the program. The legislature should appropriate funds to address the long wait and fund additional slots in the MDCP program.

- TAHP supports elimination of the MDCP interest list



## **Improve Coordination of Benefits for Clients with Medicaid and Commercial Coverage:**

Some clients in the STAR Kids program have coverage through both Medicaid and commercial insurance. Medicaid health plans are required to coordinate payment and delivery of services between themselves and commercial health plans. Furthermore, Medicaid health plans are federally required to ensure clients access commercial coverage before using Medicaid to pay for uncovered services. This complicated process can result in delays or unnecessary denials and encourage families to drop their commercial coverage, resulting in more taxpayer dollars spent on clients' medical needs. This coordination of benefits is further complicated by new federal requirements mandating every provider that orders, refers or prescribes a benefit for a Medicaid client be fully enrolled in the Medicaid program—even if the client is using their commercial coverage for the provider visit. To encourage families to keep their commercial coverage, Texas should adopt consistent policies that ensure clients with commercial coverage have timely access to needed services.

- TAHP supports HHSC adopting policies for Medicaid health plans to ensure the coordination and timely delivery of pharmacy and medical benefits when commercial insurance is the primary coverage for a client

- TAHP supports adopting systems that provide Medicaid health plans with accurate and timely information about a client's commercial coverage status
- TAHP supports HHSC implementing policies and processes that allow a provider that is primarily serving a client through commercial coverage to receive reimbursement for services delivered, ordered, referred or prescribed



## Adopt an Assessment Tool for Private Duty Nursing:

Many clients in the STAR Kids program require physician-ordered nursing services in the home, called private duty nursing, that help a client stay out of an institution. However, physicians are not always trained to determine the appropriate number of private duty nursing hours a client should receive. To further complicate the issue, Medicaid health plans and providers are prohibited from using any evidence-based tool or guide that would help consistently determine those hours based on a client's medical need.

- TAHP supports allowing Medicaid health plans and providers to use evidence-based and objective assessment tools to help determine the appropriate number of private duty nursing hours for clients



## Define Chronic Therapy Services (Physical, Occupational and Speech Therapy):

Many clients with complex medical needs in the STAR Kids program require access to long-term therapy services that help them maintain their current level of physical ability over time, rather than acute care therapy services that improve or restore physical ability. HHSC policies do not clearly define chronic therapy services versus acute care therapy services.

- TAHP supports HHSC clearly defining long-term therapy services

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