



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHARLES SMITH
EXECUTIVE COMMISSIONER

December 22, 2016

Ms. Vikki Wachino
Deputy Administrator and Director
Centers for Medicare and Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop: 32-26-12
Baltimore, Maryland 21244-1850

Re: 11-W-00278/6- Texas Healthcare Transformation and Quality Improvement Program

Dear Ms. Wachino:

The Texas Health and Human Services Commission submitted Amendment 12 on November 30, 2015.

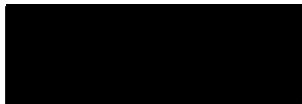
Amendment 12 proposed the following changes:

- 1) Add STAR+PLUS Home and Community Based Services (HCBS) Program slots appropriated by the 84th Texas Legislature;
- 2) Clarify the new electronic process for reviewing the STAR+PLUS HCBS Program individual service plans;
- 3) Allow a dentist to bill for services provided by a substitute dentist, as established under House Bill 1661, 84th Texas Legislature, Regular Session (2015); and
- 4) Delay the quarterly report due dates for quarters one through three by 45 days and submit the information for quarter four report with the Demonstration Annual Report.

Items one and two were approved through the temporary extension granted May 2016; and through email communications and conference calls, it was determined that items three and four did not require an amendment for approval. Therefore, HHSC would like to withdraw Amendment 12 with the understanding that an agreement was reached regarding item four via email on February 12, 2016 to move forward the managed care sections of the quarterly report for quarters one through three by 45 days.

Please let me know if you have any questions or need additional information. Dana Williamson, Director, Program Policy Support, may be reached at 512-462-6287 or by e-mail at dana.williamson@hhsc.state.tx.us.

Sincerely,



Jami Snyder
State Medicaid Director



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHRIS TRAYLOR
EXECUTIVE COMMISSIONER

November 30, 2015

Eli Greenfield
Centers for Medicare and Medicaid Services
Center for Medicaid, and CHIP Services
Division of State Demonstrations and Waivers
7500 Security Boulevard
Mail Stop S2-02-26
Baltimore, MD 21244-1850

Dear Mr. Greenfield:

The Texas Health and Human Services Commission (HHSC) is requesting to amend the Texas Healthcare Transformation Quality Improvement Program (THTQIP-11-W-00278-6), a Medicaid waiver program operating under the authority of Section 1115 of the Social Security Act. The current waiver is approved for the five-year period beginning December 12, 2011, and ending September 30, 2016.

HHSC is proposing four changes in this amendment request:

- 1) Add STAR+PLUS Home and Community Based Services (HCBS) Program slots appropriated by the 84th Texas Legislature;
- 2) Clarify the new electronic process for reviewing the STAR+PLUS HCBS Program individual service plans;
- 3) Allow a dentist to bill for services provided by a substitute dentist, as established under House Bill 1661, 84th Texas Legislature, Regular Session (2015); and
- 4) Delay the quarterly report due dates for quarters 1 through 3 by 45 days and submit the information for quarter 4 report with the Demonstration Annual Report.

STAR+PLUS Home and Community Based Services Program Slots

The 84th Legislature (Regular Session) of Texas appropriated additional funds to increase the number of unduplicated participants for the STAR+PLUS 217-Like Group served by the STAR+PLUS HCBS Program. The appropriations include 618 program slots added at the beginning of State Fiscal Year 2016 (September 1, 2015) and 617 program slots to be added at

Mr. Eli Greenfield
November 30, 2015
Page 3

patient enrolled with a MCO may require immediate attention by his or her Main Dental Home. HHSC believes a dentist should be given the option to bill for services provided by a substitute dentist. HHSC acknowledges that Social Security Act § 1902(a)(32)(C) only applies to physicians, but requests to allow a dentist to bill for the Children's Dental Program and STAR+PLUS HCBS Program dental services provided by a substitute dentist.

Quarterly Report Managed care health plans finalize and submit performance data to HHSC about 30-45 days after the close of the state fiscal quarter, which leaves only about 30-45 days for HHSC to review a myriad of health plan data, evaluate contract compliance, analyze trends, document resolution of identified issues and summarize findings before the quarterly report gets routed for internal approval. HHSC's health plan data review and analysis are essential for ascertaining an accurate picture of health plan performance, and at times this process uncovers data errors that then require updated data analysis, leaving less time for writing the report. HHSC is requesting additional time from CMS to submit the quarterly 1115 report to improve the HHSC data review process, which will result in a more thorough description of the managed care programs and health plan performance. HHSC requests delaying the quarterly report due date for quarters 1 through 3 by 45 days and to submit the information for the quarter 4 report with the Demonstration Annual Report.

HHSC requests that CMS approve the requested changes in this amendment package by March 29, 2015. Dana Williamson, Policy Development Support Manager, is the lead staff on this matter and can be contacted by telephone at (512) 462-6287.

Sincerely,



Gary Jessee
State Medicaid Director

Attachments

GJ:me

Proposed amendment language for new STC about Additional STAR+PLUS Home and Community Based Services Program Slots.

STC 41. Operations of the STAR+PLUS HCBS Program. (B) Unduplicated Participant Slots for the 217-Like HCBS Group.

5. Column E reflects the additional slots that will be added September 1, 2015 and September 1, 2016 after the 84th Legislature (Regular Session) of Texas appropriated additional funds to increase the number of unduplicated participants for the STAR+PLUS 217-Like HCBS Group served by the STAR+PLUS HCBS Program.

Table 4a. Unduplicated Number of Participants for the STAR+PLUS 217-Like HCBS Group						
Demonstration Year	Column A	Column B	Column C	Column D	Column E	Total
DY 1	8,794	3,798	n/a	n/a	n/a	12,592
DY 2	9,064	4,082	67	n/a	n/a	13,213 13,146 (67 of which are Nursing Facility Diversion Group slots)
DY 3	9,347	4,255	100	n/a	n/a	13,702 (100 of which are Nursing Facility Diversion Group slots)
DY 4	9,644	4,502	100	7,192	n/a	21,438 (133 of which are Nursing Facility Diversion Group slots)
DY 5	9,957	4,655	100	7,375	<u>618</u>	22,087 22,705 (133 of which are Nursing Facility Diversion Group slots)
<u>DY6 (Extension DY1)</u>	<u>10,248</u>	<u>4,869</u>	<u>100</u>	<u>7,558</u>	<u>1,235</u>	<u>24,010</u>

Proposed amendment language for Attachment E.

ATTACHMENT E

V. Administrative Authority

The State demonstrates that it retains ultimate administrative authority over the Demonstration HCBS program and that its administration of the program is consistent with the approved Demonstration Terms and Conditions. The State no longer delegates responsibility to the Department of Aging and Disability Services and will revise these assurances to reflect changes made in conjunction with the September 1, 2014 expansion. In addition, the State will use an electronic process for submission and approval of most individual service plans. Service plans for individuals turning 21, outside the cost ceiling, and the 217-Like Group will remain a manual process.

Proposed amendment language for new STC about Substitute Dentists.

STC # Substitute Dentists. Dentists may bill for the Children's Dental Program and STAR+PLUS HCBS Program dental services provided by a substitute dentist who sees members in the billing dentist's practice under either a reciprocal or locum tenens arrangement.

Proposed amendment language for STC 67.

67. Demonstration Quarterly Reports. For the first three and a half demonstration years, the state will submitted progress reports 60 days following the end of each quarter. Starting with the DY4 Quarter 3 report, the State will submit progress reports 105 days following the end of quarters 1 through 3. Quarter 4 information will be submitted with the Demonstration Annual Report. (Attachment B). Information required for the first quarter of DY 1 (December 2011—February 2011) will be included in the second quarter report for DY 2 (March 2012—May 2012). The intent of these reports is to present the State’s analysis and the status of the various operational areas. These quarterly reports will include, but are not limited to:

- a. A discussion of the events occurring during the quarter or ~~the~~ anticipated to occur in the near future that affect health care delivery, enrollment, quality of care, access, the benefit package, and other operational issues;
- b. Action plans for addressing any policy, operations, and administrative issues identified;
- c. Monthly enrollment data during the quarter and Demonstration Year to Date by eligibility group;
- d. Budget neutrality monitoring tables;
- e. Grievance and appeals filed during the quarter by beneficiaries in STAR and STAR+PLUS

Proposed amendment language for Attachment A.

Attachment A-Schedule of Deliverables

Quarterly Deliverables		
<u>105 days after end of each quarters 1 through 3. Quarter 4 information will be submitted with the Annual Report.</u>	Quarterly Progress Reports (The first quarterly report due in DY 1 will encompass Oct. 2011 – March 2012)	39(a) and (b), 67 5
Annual Deliverables		
120 days after end of each Demonstration Year.	Draft Annual Report	66, 39(c)

Proposed amendment language to Attachment B.

Attachment B - Quarterly Report Template

Under Section IX, paragraph ~~67~~5 (*Demonstration Quarterly Report*) of these STCs, the state is required to submit quarterly progress reports to CMS. The purpose of the quarterly report is to inform CMS of significant demonstration activity from the time of approval through completion of the demonstration. For the first three and a half demonstration years, the reports were~~are~~ due to CMS 60 days after the end of each quarter. Starting with the DY4 Quarter 3 report, the reports are due to CMS 105 days after the end of quarters 1 through 3. Quarter 4 information will be submitted with the Annual Report.

Annual 1115a Budget Neutrality Update and Impact of Texas Dual Eligible Integrated Care Demonstration Project ("Dual Demo")

		Dual Demo						Savings Outside of BN (Add back)			
DY		Dual Demo Avg Monthly Caseload	Dual Demo Total Recipient Months	Medicaid Capitation Rate (hypothetical)	% Savings Applied per MOU	Savings Per Month	Total DD Savings, Subtracted from 1115(a) BN Savings	Total DD Cost	Acute Savings	LTSS Savings	Total
FFY 2015 (Mar-Sept)	DY 04	46,199	554,390	\$ 1,004.24	1.25%	12.55	6,959,286	556,742,872	478,757	6,430,901	6,909,658
FFY 2016 (Oct-Dec)	DY 05	130,412	391,236	\$ 1,009.41	1.25%	12.62	4,936,446	394,915,697	324,443	4,578,371	4,902,814
FFY 2016 (Jan-Sept)	DY 05	132,144	1,189,300	\$ 1,016.59	2.75%	27.96	33,248,407	1,209,032,979	2,447,725	30,550,805	32,998,529
FFY 2016 Total	DY 05	131,711	1,580,536				38,184,853	1,603,948,675	2,772,168	35,129,176	37,901,344

The dual demonstration is scheduled for implementation on March 1, 2015. The forecast used in our annual update of Budget Neutrality includes the impacts of this new program. Costs forecast for the new model is based on current STAR+PLUS premiums from the six SDAs where the demo will occur, minus the below savings assumptions. In order to remove these savings from the 1115a BN, we have subtracted cost savings attributed to the Duals Demonstration from the savings in the Budget Neutrality exhibit. The above chart details how this saving amount has been derived. Please note that the premiums above are based on STAR+PLUS costs and all include expenses for long term services and supports, making them higher than the overall AMR MEG pmpm.



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHRIS TRAYLOR
EXECUTIVE COMMISSIONER

November 30, 2015

Eli Greenfield
Centers for Medicare and Medicaid Services
Center for Medicaid, and CHIP Services
Division of State Demonstrations and Waivers
7500 Security Boulevard
Mail Stop S2-02-26
Baltimore, MD 21244-1850

Dear Mr. Greenfield:

The Texas Health and Human Services Commission (HHSC) is requesting to amend the Texas Healthcare Transformation Quality Improvement Program (THTQIP-11-W-00278-6), a Medicaid waiver program operating under the authority of Section 1115 of the Social Security Act. The current waiver is approved for the five-year period beginning December 12, 2011, and ending September 30, 2016.

HHSC is proposing four changes in this amendment request:

- 1) Add STAR+PLUS Home and Community Based Services (HCBS) Program slots appropriated by the 84th Texas Legislature;
- 2) Clarify the new electronic process for reviewing the STAR+PLUS HCBS Program individual service plans;
- 3) Allow a dentist to bill for services provided by a substitute dentist, as established under House Bill 1661, 84th Texas Legislature, Regular Session (2015); and
- 4) Delay the quarterly report due dates for quarters 1 through 3 by 45 days and submit the information for quarter 4 report with the Demonstration Annual Report.

STAR+PLUS Home and Community Based Services Program Slots

The 84th Legislature (Regular Session) of Texas appropriated additional funds to increase the number of unduplicated participants for the STAR+PLUS 217-Like Group served by the STAR+PLUS HCBS Program. The appropriations include 618 program slots added at the beginning of State Fiscal Year 2016 (September 1, 2015) and 617 program slots to be added at

Mr. Eli Greenfield
November 30, 2015
Page 3

patient enrolled with a MCO may require immediate attention by his or her Main Dental Home. HHSC believes a dentist should be given the option to bill for services provided by a substitute dentist. HHSC acknowledges that Social Security Act § 1902(a)(32)(C) only applies to physicians, but requests to allow a dentist to bill for the Children's Dental Program and STAR+PLUS HCBS Program dental services provided by a substitute dentist.

Quarterly Report Managed care health plans finalize and submit performance data to HHSC about 30-45 days after the close of the state fiscal quarter, which leaves only about 30-45 days for HHSC to review a myriad of health plan data, evaluate contract compliance, analyze trends, document resolution of identified issues and summarize findings before the quarterly report gets routed for internal approval. HHSC's health plan data review and analysis are essential for ascertaining an accurate picture of health plan performance, and at times this process uncovers data errors that then require updated data analysis, leaving less time for writing the report. HHSC is requesting additional time from CMS to submit the quarterly 1115 report to improve the HHSC data review process, which will result in a more thorough description of the managed care programs and health plan performance. HHSC requests delaying the quarterly report due date for quarters 1 through 3 by 45 days and to submit the information for the quarter 4 report with the Demonstration Annual Report.

HHSC requests that CMS approve the requested changes in this amendment package by March 29, 2015. Dana Williamson, Policy Development Support Manager, is the lead staff on this matter and can be contacted by telephone at (512) 462-6287.

Sincerely,



Gary Jessee
State Medicaid Director

Attachments

GJ:me

Proposed amendment language for new STC about Additional STAR+PLUS Home and Community Based Services Program Slots.

STC 41. Operations of the STAR+PLUS HCBS Program. (B) Unduplicated Participant Slots for the 217-Like HCBS Group.

5. Column E reflects the additional slots that will be added September 1, 2015 and September 1, 2016 after the 84th Legislature (Regular Session) of Texas appropriated additional funds to increase the number of unduplicated participants for the STAR+PLUS 217-Like HCBS Group served by the STAR+PLUS HCBS Program.

Table 4a. Unduplicated Number of Participants for the STAR+PLUS 217-Like HCBS Group						
Demonstration Year	Column A	Column B	Column C	Column D	Column E	Total
DY 1	8,794	3,798	n/a	n/a	n/a	12,592
DY 2	9,064	4,082	67	n/a	n/a	13,213 13,146 (67 of which are Nursing Facility Diversion Group slots)
DY 3	9,347	4,255	100	n/a	n/a	13,702 (100 of which are Nursing Facility Diversion Group slots)
DY 4	9,644	4,502	100	7,192	n/a	21,438 (133 of which are Nursing Facility Diversion Group slots)
DY 5	9,957	4,655	100	7,375	<u>618</u>	22,087 22,705 (133 of which are Nursing Facility Diversion Group slots)
<u>DY6 (Extension DY1)</u>	<u>10,248</u>	<u>4,869</u>	<u>100</u>	<u>7,558</u>	<u>1,235</u>	<u>24,010</u>

Proposed amendment language for Attachment E.

ATTACHMENT E

V. Administrative Authority

The State demonstrates that it retains ultimate administrative authority over the Demonstration HCBS program and that its administration of the program is consistent with the approved Demonstration Terms and Conditions. The State no longer delegates responsibility to the Department of Aging and Disability Services and will revise these assurances to reflect changes made in conjunction with the September 1, 2014 expansion. In addition, the State will use an electronic process for submission and approval of most individual service plans. Service plans for individuals turning 21, outside the cost ceiling, and the 217-Like Group will remain a manual process.

Proposed amendment language for new STC about Substitute Dentists.

STC # Substitute Dentists. Dentists may bill for the Children's Dental Program and STAR+PLUS HCBS Program dental services provided by a substitute dentist who sees members in the billing dentist's practice under either a reciprocal or locum tenens arrangement.

Proposed amendment language for STC 67.

67. Demonstration Quarterly Reports. For the first three and a half demonstration years, the state will submit progress reports 60 days following the end of each quarter. Starting with the DY4 Quarter 3 report, the State will submit progress reports 105 days following the end of quarters 1 through 3. Quarter 4 information will be submitted with the Demonstration Annual Report. (Attachment B). Information required for the first quarter of DY 1 (December 2011 – February 2011) will be included in the second quarter report for DY 2 (March 2012 – May 2012). The intent of these reports is to present the State’s analysis and the status of the various operational areas. These quarterly reports will include, but are not limited to:

- a. A discussion of the events occurring during the quarter or ~~the~~ anticipated to occur in the near future that affect health care delivery, enrollment, quality of care, access, the benefit package, and other operational issues;
- b. Action plans for addressing any policy, operations, and administrative issues identified;
- c. Monthly enrollment data during the quarter and Demonstration Year to Date by eligibility group;
- d. Budget neutrality monitoring tables;
- e. Grievance and appeals filed during the quarter by beneficiaries in STAR and STAR+PLUS

Proposed amendment language for Attachment A.

Attachment A-Schedule of Deliverables

Quarterly Deliverables		
<u>105 days after end of each quarters 1 through 3. Quarter 4 information will be submitted with the Annual Report.</u>	Quarterly Progress Reports (The first quarterly report due in DY 1 will encompass Oct. 2011 – March 2012)	39(a) and (b), 67
Annual Deliverables		
120 days after end of each Demonstration Year.	Draft Annual Report	66, 39(c)

Proposed amendment language to Attachment B.

Attachment B - Quarterly Report Template

Under Section IX, paragraph ~~67~~ (*Demonstration Quarterly Report*) of these STCs, the state is required to submit quarterly progress reports to CMS. The purpose of the quarterly report is to inform CMS of significant demonstration activity from the time of approval through completion of the demonstration. For the first three and a half demonstration years, the reports were~~are~~ due to CMS 60 days after the end of each quarter. Starting with the DY4 Quarter 3 report, the reports are due to CMS 105 days after the end of quarters 1 through 3. Quarter 4 information will be submitted with the Annual Report.

Annual 1115a Budget Neutrality Update and Impact of Texas Dual Eligible Integrated Care Demonstration Project ("Dual Demo")

		Dual Demo						Savings Outside of BN (Add back)			
DY		Dual Demo Avg Monthly Caseload	Total Recipient Months	Medicaid Capitation Rate (hypothetical)	% Savings Applied per MOU	Savings Per Month	Total DD Savings, Subtracted from 1115(a) BN Savings	Total DD Cost	Acute Savings	LTSS Savings	Total
FFY 2015 (Mar-Sept)	DY 04	46,199	554,390	\$ 1,004.24	1.25%	12.55	6,959,286	556,742,872	478,757	6,430,901	6,909,658
FFY 2016 (Oct-Dec)	DY 05	130,412	391,236	\$ 1,009.41	1.25%	12.62	4,936,446	394,915,697	324,443	4,578,371	4,902,814
FFY 2016 (Jan-Sept)	DY 05	132,144	1,189,300	\$ 1,016.59	2.75%	27.96	33,248,407	1,209,032,979	2,447,725	30,550,805	32,998,529
FFY 2016 Total	DY 05	131,711	1,580,536				38,184,853	1,603,948,675	2,772,168	35,129,176	37,901,344

The dual demonstration is scheduled for implementation on March 1, 2015. The forecast used in our annual update of Budget Neutrality includes the impacts of this new program. Costs forecast for the new model is based on current STAR+PLUS premiums from the six SDAs where the demo will occur, minus the below savings assumptions. In order to remove these savings from the 1115a BN, we have subtracted cost savings attributed to the Duals Demonstration from the savings in the Budget Neutrality exhibit. The above chart details how this saving amount has been derived. Please note that the premiums above are based on STAR+PLUS costs and all include expenses for long term services and supports, making them higher than the overall AMR MEG pmpm.