Innovations in the Balancing Incentive Program: Texas

This document was prepared by Mission Analytics Group, Inc. in partnership with New Editions Consulting, Inc. under contract HHSM-500-2013-00250G with the Centers for Medicare & Medicaid Services (CMS).

February 2017

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States are continuously updating their balancing efforts. This case study presents state information as of September 2016.

The Balancing Incentive Program, authorized by Section 10202 of the 2010 Affordable Care Act, sought to improve access to community-based long-term services and supports (LTSS). Through September 30, 2015, participating states received enhanced Federal Medical Assistance Percentage (FMAP) on eligible services. States that spent less than half of their total LTSS dollars on community LTSS in 2009 received 2% enhanced FMAP; states that spent less than 25% received 5% enhanced FMAP. As part of the Program, participating states were required to undertake three structural changes: 1) the No Wrong Door (NWD) system, 2) a Core Standardized Assessment (CSA), and 3) conflict-free case management. States were also required to spend Program funds on activities that enhance community LTSS for the Medicaid population. With Centers for Medicare & Medicaid Services (CMS) approval, states have until September 30, 2017, to spend the funds earned under the Program. Finally, by the end of the Program, states should have met the "balancing benchmark," i.e., spend a certain percentage of total LTSS dollars on community LTSS (25% or 50% depending on the 2009 starting point).

Introduction

In an effort to learn more about how states are transforming their LTSS systems under the Balancing Incentive Program, CMS and its technical assistance provider, Mission Analytics, selected five Program states that implemented structural changes successfully and used Program funds innovatively to expand access to community LTSS. In the spring of 2016, Mission Analytics conducted site visits to these states, interviewed key state staff and stakeholders, and developed case studies based on findings.

Texas joined the Balancing Incentive Program in October 2012. With one of the largest award amounts in the Program ($301.5 million), Texas undertook three significant projects that improved access to community LTSS: an online LTSS Level I screen, an expanded Aging and Disability Resource Center (ADRC) network, and Community First Choice (CFC).

Mission Analytics conducted a site visit to Texas in May 2016, visiting provider sites in San Antonio (the Alamo Service Connection (ASC), ADRC, and the Region 8 Department of Aging and Disability Services (DADS) office) as well as health and human services (HHS) state agency staff in Austin. This case study summarizes findings from the site visit along with information submitted by Texas through its quarterly progress reports. This case study describes Texas' three largest initiatives under the Balancing Incentive Program, the Level I screen, expanded ADRC network, and CFC, and their impact on community-based care in more detail.

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Program at a Glance

Operating Agency: Department of Aging and Disability Services (DADS) within Health and Human Services Commission (HHSC)

Project Director: Tara Olah, Senior Policy Advisor, DADS

Start Date: October 2012

Award Amount: $301.5 million

Structural Changes

NWD System: Texas expanded its Aging and Disability Resource Center (ADRC) network to make it statewide. Texas also developed nine information technology (IT) projects related to improvements in data sharing, screening, and assessments. The Level I screen was incorporated into "Your Texas Benefits," the secure, online Medicaid enrollment portal, and the toll free number was launched.

CSA: Texas uses a homegrown tool for the elderly and physically disabled populations and the Child and Adolescent Needs and Strengths (CANS) and Adult Needs and Strengths Assessment (ANSA) to assess individuals with severe mental illness. These instruments contain the Program-required domains and topics and are used for eligibility and care planning purposes. Texas is in the process of identifying a new instrument for individuals with intellectual and developmental disabilities.

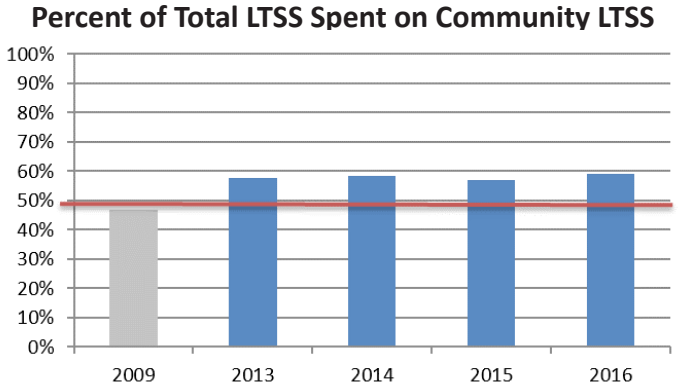
Conflict-free case management: Texas maintains requirements ensuring conflict-free case management in all activities with providers. When a DADS-contracted local intellectual and developmental disability authority is also a provider, firewalls separate the entity's provider function from its case management function. HHSC also monitors providers and conducts utilization reviews.

Use of Funds

Texas is using Program funds to conduct ADRC expansion, build NWD IT systems, improve the LTSS Intellectual and Developmental Disability (IDD) system, implement Community First Choice (CFC), and expand community LTSS capacity through provider rate increases and additional staffing.

Balancing Benchmark:

The percent of total LTSS dollars spent on community LTSS rose from **47% in 2009**, the year when Program eligibility was determined, to **59% in 2016.**



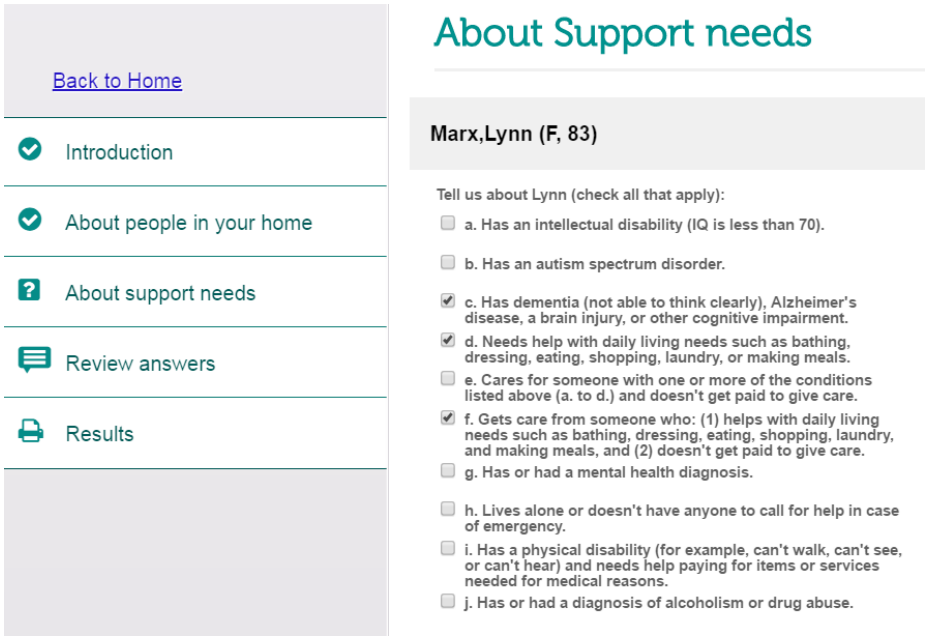
Streamlining Referrals through the LTSS (Level I)

To streamline access to community LTSS, under the Balancing Incentive Program, Texas integrated a LTSS screen into Your Texas Benefits (YourTexasBenefits.com), the secure, online self-service portal run by Health and Human Services Commission (HHSC), the parent agency of DADS, that allows individuals to apply for Medicaid, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), and other programs. When Texas launched the LTSS screen online on August 31, 2015, individuals and their caregivers were able to locate services and obtain referrals by answering a series of questions on the website, including their gender, age, and the type of services they need. In addition, workers at NWD agencies throughout the state were given access to a similar screen called the "LTSS Worker Portal" to complete on behalf of callers or walk-ins. Texans can therefore choose between calling a worker to seek benefits or complete the online questionnaire themselves. In both cases, the information is input into the LTSS screen, either by the user directly or by the worker through the LTSS Worker Portal.

Individuals Can Conduct Self-Screens through Your Texas Benefits

There are two pathways for filling out the online screen for individuals: one requires setting up an account with Your Texas Benefits, while the other is anonymous. Both pathways rely on the same screen to assess LTSS needs, but logging in allows Your Texas Benefits to make referrals to agencies on the user's behalf. While individuals are not required to enter their first and last names,[1] inputting this information personalizes questions throughout the screen. For example, if an individual indicates that his name is John, questions will present as "Does John need help with bathing?"

LTSS (Level I) Screen



Setting up an account with Your Texas Benefits requires a name, address, date of birth and user information (i.e. user name, password, and security questions). Optionally, a user may include an e-mail and phone number, which referral agencies can use to contact the applicant.

To route applicants to the correct referral agencies, the screen asks specific questions regarding activities of daily living (ADLs), alcohol consumption, depression, caregiver and respite needs, disability, military service, and Medicaid status. Proposed referral agencies are displayed on the last page after completing the screen, along with contact information. When logged in, the user has the option to have referrals made automatically. Each referral agency is shown with a box that is checked by default. The user can uncheck boxes for agencies he or she

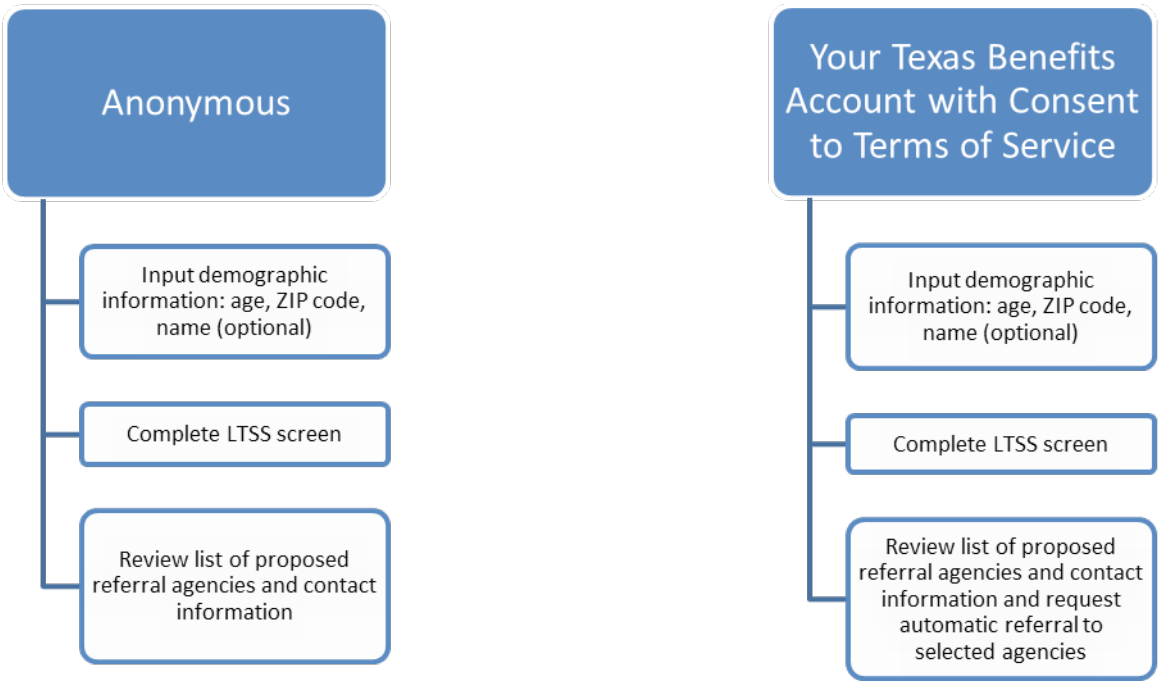
[1] A first and last name is required to create an account. However, the screen can be filled out on behalf of another person, so the name associated with the account is not used in conjunction with the screen unless the person filling out the screen chooses to fill in a name.

does not want contacted and then proceed to have Your Texas Benefits contact all checked agencies on his or her behalf. The online questionnaire is available to everyone: it can be used to determine eligibility for Medicaid benefits or simply to find contacts for service providers for both Medicaid-eligible users and others.

Users must accept the Terms of Service for Your Texas Benefits to forward their information directly to referral agencies. These Terms must be accepted when registering an account and consent may be granted for a minimum of 90 days up to a maximum of 7 years – there is an expiration date for the consent that is pre-filled for 7 years but can be modified by the user.

When a user completes the screen anonymously, there is no option to forward information directly to agencies – the tool only shows contact information for the proposed agencies. However, a user can choose at this stage to create an account, consent to the Terms of Service, and then have Your Texas Benefits create referrals on the user's behalf. The Texas online LTSS screen is summarized in *Figure 1.*

Figure 1. Two pathways for users filling out the Texas online LTSS screen



The LTSS Worker Portal is Available to NWD Agencies

As the Your Texas Benefits LTSS (Level 1) screen was launched, Texas also introduced the "LTSS Worker Portal" for ADRCs and other NWD agencies to refer individuals who make contact by phone. The Worker Portal works similarly to the Your Texas Benefits portal, though it is a "behind the scenes" tool designed for workers. Consumers who call in to obtain services or benefits through an agency using the LTSS Worker Portal must verbally accept the same Terms of Service (described in the online portal section above) before the intake staff member can use the system to transmit information to agencies for a referral. As workers complete the screen over the phone, the Worker Portal personalizes the flow of the LTSS screen and displays prompts for the worker that can be read directly as questions for the caller: "Does Mary need help walking around her house?"

When the screen is complete, the intake specialist can review the caller's options and refer the case to the

appropriate agencies with the caller's permission. For the person on the phone, the process is similar to that shown in the second column of *Figure 1*, except a worker on the phone serves as an intermediary. In some cases, the worker may also initiate a "warm transfer" within an agency if the caller has needs that can be directly addressed by another staff member. A "warm transfer" means that the caller is connected to a new staff member with the intake worker first making introductions and explaining the case directly to the new staff member, such that the caller does not need to repeat his or her story to different workers.

When the Worker Portal creates an automatic referral to another agency, the caller's information is transferred directly to that agency. For example, if an ADRC takes in a call and completes the LTSS screen on behalf of an individual and refers them to a Local Intellectual and Developmental Disability Authority (LIDDA), both the ADRC and the LIDDA will have access to this caller's LTSS screen data at their own work stations.

Many agencies use the Social Assistance Management System (SAMS), which was built prior to the Balancing Incentive Program. Data is transferred automatically from the LTSS portal to SAMS as callers and online users are referred. This is a one-way transfer: data updates made after the referral by each agency stays within that agency's system. Referral agencies then assign cases to their own workers internally and can track their own services in their own system. For example, they can provide and log comprehensive (Level II) assessments, which fall outside the scope of the online LTSS (Level I) screen. Any data from the Level I screen transmitted from the worker portal are then available to workers administering the Level II assessments. These are conducted by the agency responsible for each population; each tool is shown in *Table 1*.

Table 1. Texas Level II Core Standardized Assessments

Population	Comprehensive Standard Assessment Tool
Elderly (age 65 and older)	HHSC Forms 2060, 6516 and 2060b
People with developmental disabilities	New tool being researched
People with serious mental illness or severe emotional disturbance	Adult Needs and Strengths Assessment (ANSA); Child and Adolescent Needs and Strengths (CANS)
People with physical disabilities	HHSC Forms 2060, 6516 and 2060b
Children	Personal Care Assessment Form (PCAF) and CFC addendum

ADRC Expansion

ADRCs serve as the foundation of Texas' NWD system, connecting individuals to community LTSS and other resources. Texas used around $7 million of its Program funds, along with other funding sources, to expand its ADRC network.[2] Texas only had 14 ADRCs prior to the Balancing Incentive Program, leaving much of the state without access to coordinated centers linked to HHS. Texas expanded its ADRC network to 22 centers covering all 254 counties. The majority of the new ADRCs were created by contracting with Area Agencies on Aging (AAAs); two LIDDAs and one non-profit agency were contracted as well. A map of the 22 ADRCs now open in Texas is shown in *Figure 2.*

[2]The Balancing Incentive Program paid for about half the cost of the ADRC expansion. Other funding sources included Promoting Independence Rebalancing Funds, Money Follows the Person, Respite State General Revenue, and Medicare Improvements for Patients and Providers Act.

Figure 2. Map of Texas ADRC Network

Though services are provided through different agencies, staff often coordinate with one another on behalf of participants. In some cases, staff may work for more than one agency in the area. In one case, a popular intake staff member at the Texas Region 8 DADS office in San Antonio spends part of her work week answering calls for the Alamo Service Connection (ASC), the San Antonio area ADRC. To facilitate this hybrid role, the staff member uses a Voice over Internet Protocol (VoIP) phone connection to take calls on behalf of ASC from her office at DADS. This coordination allows Texas to be more flexible in allocating staff resources.

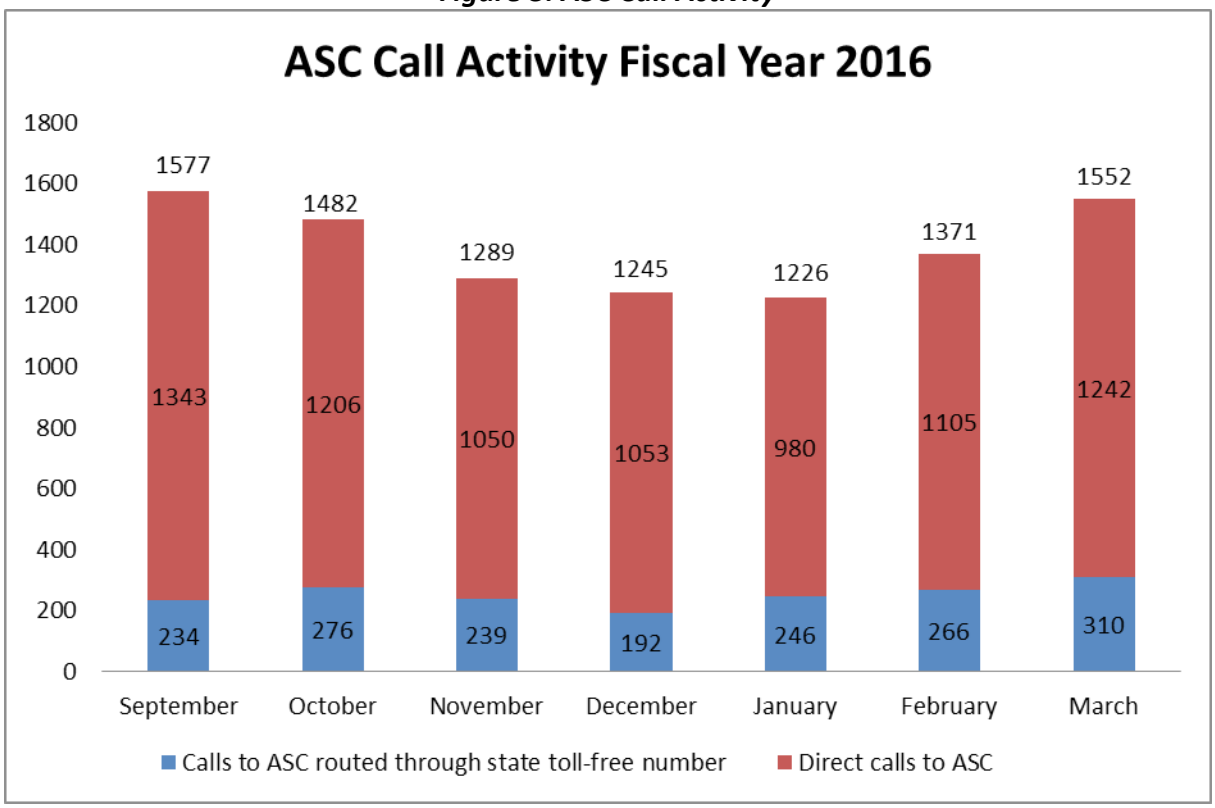
ADRCs: Locally Branded but Networked Statewide

ADRCs are designed as one-stop centers allowing individuals to stop in, ask questions, and apply for benefits. Each ADRC in the state was encouraged by HHS to retain local branding and structure while incorporating the required changes under the Balancing Incentive Program to become part of a statewide NWD network. In San Antonio, the ASC recently reorganized its facility to create an intake center near the entrance on the ground floor, saving visitors a complicated trip to back offices on a higher floor. The new intake center has three cubicles with computers connected to the online LTSS Worker Portal. This allows people who come in to fill out the online form themselves or get help from ASC staff during the process. Because the individual LTSS portal and the Worker Portal discussed above lead to the same screen and referrals, having people fill out the form with ASC staff help is the easiest way to start the intake process for walk-in visitors seeking services.

Connecting Individuals to ADRCs through a New Toll-Free Number

The Balancing Incentive Program requires states to create a statewide toll-free number providing NWD access to all services. Texas implemented an automated system asking callers to input their ZIP codes to route them to their local ADRCs, with the state's central HHS office serving as a backup by taking about 150 calls per month from users who did not enter a valid Texas ZIP code. Many ADRCs, including ASC, continued to run their own existing phone number in addition to taking calls from the new statewide number. HHS has encouraged individual ADRCs to maintain their local branding while serving new participants brought in through the state's NWD system. In the case of ASC, the state's toll-free number has led to new referrals, though many calls still come in through ASC's own toll-free number. As shown in *Figure 3*, around 200-300 calls to ASC per month originated through the new statewide number, but most calls (between 1,000 and 1,400) still came from the ADRC's own toll-free number. Altogether, ASC receives between 1,200 and 1,600 calls per month.

Figure 3. ASC Call Activity



Expanding Services through Community First Choice

As of June 2016, Texas is one of eight states to have adopted CFC, a State Plan option that provides a 6 percentage point increased FMAP for supports for individuals who require an institutional level of care. The state used about a third of its Program funds to launch CFC.

Getting CFC off the Ground

Before launching CFC, Texas modeled potential costs, received direction from the state legislature, and planned how CFC would be coordinated with services not covered by CFC.

Modeling the Financial Impact of CFC

While the CFC enhanced FMAP provides a strong incentive for states to incorporate CFC, since services are subsidized with federal dollars, it may come with additional upfront costs overall because CFC is an entitlement program; states must make CFC available to anyone who is eligible and has an assessed need for services. However, the services may divert people whose needs can be met in the community from more expensive institutional care or help people receiving institutional services to return to the community and thus reduce costs in the long-run. Texas's 1915 (c) waivers and the STAR+PLUS Home and Community-Based Services program offer a wider array of services than CFC, but capacity in those programs is limited by legislative appropriations. Because interest in a waiver program often exceeds authorized funding, Texas uses interest lists to document individuals' interest in joining a waiver program. They are deemed interest lists rather than waitlists, because people register on an interest list on a first-come, first-serve basis without the State verifying eligibility. An eligibility determination occurs once a waiver spot becomes available and the individual's name reaches the top of the list. Texas is using CFC to offer immediate services to eligible individuals who otherwise may wait for years for waiver services. While some individuals are receiving services sooner than they otherwise would, which could result in an increase in overall community expenditures, this may also result in more expensive institutional expenditures increasing at a slower rate over time. In other words, CFC may help to divert individuals from institutional settings (especially nursing homes) to community-based settings.

To assess the cost implications of adopting CFC, the state constructed a financial model using data from its current system and different assumptions regarding costs and utilization. The state assumed a subset of the interest list population would become new participants after CFC was implemented since eligible interest list participants would gain immediate access to services.[3] The state then predicted the expected utilization under CFC using the existing pattern of waiver services. Given that CFC-like services were already included in waivers and the state had a list of people interested in services meant that the state had more data to inform the state Legislature's decision to implement CFC.

Getting Buy In

For decades, the Texas Legislature has demonstrated its ongoing commitment to investing in community-based options for people with disabilities, and stakeholders have long advocated for legislators to increase funding

[3] Texas estimates that an average of 10,000 individuals on an interest list for IDD waiver services would receive CFC services each month in fiscal year 2016 and forecasts that this number will increase thereafter. However, because individuals registered on a waiver program's interest list have not been assessed for eligibility, it is unclear how many would be eligible for CFC services.

for community services. In 2013, the Legislature directed HHSC to implement the most cost-effective option for the delivery of basic attendant and habilitation services to individuals with disabilities under the STAR+PLUS program,[4] and to maximize federal funding. Prior to this, habilitation services were only available in certain long-term services and supports waiver programs, and most of these programs have lengthy interest lists. HHSC determined that CFC was the most cost-effective option to provide Personal Attendant Services (PAS) and habilitation services to all eligible participants and implemented CFC in June 2015.

Integrating CFC within the Existing Infrastructure

One CFC implementation goal is to leverage existing infrastructure wherever possible. In other words, the state strives to roll out new services efficiently by building on existing systems. As specified in the Code of Federal Regulations at 42 CFR 441.505, the CFC benefit covers acquisition, maintenance, and the enhancement of skills necessary for individuals to accomplish ADLs, IADLs, and essential health tasks. This includes four services, three of which are similar to existing waiver services: PAS, habilitation services, and emergency response services (ERS). DADS began converting service plans of individuals enrolled in IDD waivers to remove habilitation provided by the waiver and replace the service with CFC habilitation on June 1, 2015. If a managed care member meets a nursing facility or hospital level of care, and does not require additional services available through STAR+PLUS Home and Community Based Services (HCBS), the difference between beneficiaries are explained to the individual and CFC services are recommended.[5] If an individual who has Supplemental Security Income (SSI) receives STAR+PLUS HCBS only for PAS and/or ERS, they are no longer eligible for STAR+PLUS HCBS as their unmet needs can now be met through CFC.[6] If the member also requires nursing, therapies, or protective supervision, the member receives both CFC and STAR+PLUS HCBS. If the member is a "medical assistance only" Medicaid beneficiary, the member continues to receive PAS and ERS through STAR+PLUS HCBS, not through CFC.[7]

Though CFC extends services to eligible participants who were on interest lists before, some services are not as

[4] STAR+PLUS is the largest MLTSS program operated by Texas. Others include STAR, STAR Health and STAR Kids. Texas has had some form of MLTSS since 1993.

[5] HHSC contracts with Managed Care Organizations (MCOs) and through those contracts, delegates authority for assessing individuals' long term service and support needs and developing a person-centered service plan that meets an individual's needs and preferences. However, HHSC requires MCOs to follow operational guidance provided through contract and through a handbook. For individuals receiving STAR+PLUS HCBS (also called STAR+PLUS Waiver) who have identified attendant and/or emergency response needs, one of two processes are followed, First, for individuals with SSI-related eligibility, MCOs are required to authorize CFC in place of the equivalent waiver service. Second, those who are in the so-called "217 category" (after 42 CFR 435.217) are not eligible for CFC services because their incomes are too high. For these individuals, HHSC requires MCOs to authorize attendant care and/or emergency response services for the 217 population through STAR+PLUS HCBS.

[6] For a table explaining the services available under all Texas programs, see https://www.dads.state.tx.us/providers/waiver_comparisons/LTSS-Waivers.pdf.

[7] Individuals who are eligible for 1915(c) waivers who request CFC services are given a person-centered assessment by the service planning team. Individuals currently receiving services through one of several existing 1915(c) waiver programs (Home and Community-based Services (HCS), Community Living Assistance and Support Services (CLASS), Deaf Blind with Multiple Disabilities (DBMD) and Texas Home Living (TxHmL)) access their CFC benefits through their comprehensive waiver services provider unless they are self-directing their CFC services. The individual, along with their legally authorized representative and waiver program provider, participates in the development of the service plan (for CLASS and DBMD) or implementation plan (for HCS and TxHmL) for CFC services. The proposed service plan along with supporting documentation is reviewed by the State to determine if the type and amount of CFC services and waiver program services are appropriate and supported by documentation. In managed care, HHSC requires MCOs to regularly contact all individuals in STAR+PLUS to screen for the need for LTSS. In addition, individuals may contact the MCO to request these services. If an MCO identifies a need or an individual requests LTSS, the MCO service coordinator discusses available services, including CFC. A person-centered service plan is developed, and CFC services are authorized by the MCO. Some children and young adults who are not in a 1915(c) waiver still receive CFC services through the fee-for-service delivery system. State case managers work with assessing entities to establish an institutional level of care for these children, and then complete a functional assessment, develop a person-centered service plan, and submit the plan to the Texas Medicaid Healthcare Partnership for authorization on behalf of the state.

comprehensive as those provided under existing waivers. In particular, transportation services are not covered under CFC in Texas. To address transportation needs for existing waiver recipients, Texas chose to maintain existing transportation through waivers when possible to cover CFC gaps. Individuals in a 1915 (c) waiver can access non-medical transportation through their current waiver. The habilitation benefit in the waivers historically included non-medical transportation as a component of the service, focused on community inclusion activities as opposed to transportation to medical appointments. While individuals now have access to habilitation through the State Plan CFC benefit, transportation has remained a component of the waiver habilitation service and is still provided through the waiver habilitation benefit. Non-emergency medical transportation (NEMT) is provided through the NEMT state plan benefit. Recently, HHSC received funding to address transportation needs and is working with stakeholders to determine how best to implement the service.

How Are People Reacting to CFC

Since CFC's launch on June 1, 2015, the Balancing Incentive Program in Texas has served over 41,000 Texans. As of June 2016, a large number of individuals had begun receiving CFC services: DADS IDD waiver participants (16,775 people), Managed Care Organization (MCO) members (22,184 people), and children in Traditional Medicaid (2,188 people). MCO members include all institutional levels of care and Home and Community Based Services waiver and non-waiver participants. Another 3,064 children have a pending level of care assessment or determination of eligibility for CFC.

Staff members at ADRCs and LIDDAs are generally excited about the implementation of CFC, and welcome the new options and the additional training. In one case, Texas found that a LIDDA staff member reached out to a MCO staff member who was not aware of the new CFC services after finding that one of the MCO's participants was eligible for CFC.

Participants, however, are sometimes apprehensive of the new program. After spending years on interest lists, some people are ambivalent about joining a new program, concerned that accepting CFC services will jeopardize their spot in line for a waiver program. In fact, accepting CFC services has no impact on people's place on the interest lists. Because enrollment in CFC requires establishing functional and financial eligibility, enrolling in CFC can actually speed up the process of qualifying for waivers for people on interests lists.

Part of the CFC adoption process is geared towards greater education and outreach. As state and ADRC staff come to understand the program better, they are reaching out to other agencies (including LIDDAs and MCOs); these, in turn, have been reaching out to participants.

Rate Increases

Texas apportioned a third of its Program funds to increasing attendant staff wages. Before the Balancing Incentive Program, direct services workers in some community programs earned minimum wage (Texas uses the federal minimum wage, currently set at $7.25 per hour). The rate was not competitive: in many areas, workers could earn higher wages by migrating to other industries, such as the food service industry. The competitive wage in some cases may be as high as $10 or $12 per hour. Program funding enabled the state to increase the minimum wage to $7.86 per hour and during the last legislative session, the Legislature further increased this amount to $8.00 per hour.

Conclusions

Texas joined the Balancing Incentive Program with the goal of helping individuals with LTSS needs live healthy, independent lives in their homes and communities and improving quality of care while reducing costs by diverting individuals from institutional settings. As the Program draws to a close, the state has expanded its ADRC network using Balancing Incentive Program and other funds, launched a statewide toll-free access number, and streamlined its information and referral and eligibility determination processes using online tools. During this process, Texas trained staff members across state agencies and with partner agencies (such as MCOs) to better serve participants in community settings whenever possible. Many of the projects undertaken during the Program period also extend beyond it and will be sustained by state funds in the future. The roll out of CFC and the rate increases for direct service providers are still in the early stages.

For some projects, such as CFC and rate increases, Texas found that Balancing Incentive Program funds provided a springboard for initial funding for community service expansions. For other projects, such as the creation of the LTSS online screen, Program funds were used for one-time infrastructure that would help the state provide community services more efficiently in the long run.

The efforts made by Texas under the Balancing Incentive program are part of a longer trend within the state to prioritize community-based care. Results can be seen through the increase in the proportion of total LTSS funds used in community settings from 46.9% in 2009 to 56.3% in 2015. As more services became available from the various projects prompted by the Balancing Incentive Program, Texas hopes to continue to provide care to people in the community whenever possible.