

Texas Healthcare Transformation and Quality Improvement Program (THTQIP)
Number: 11-W-00278/6
Demonstration Period: December 13, 2017, through September 30, 2022
Amendment Request: Non-emergency medical transportation (NEMT) – Amendment 17
Submitted: January 20, 2021

III. General Program Requirements

STC 7. Amendment Process. Requests to amend the demonstration must be submitted to CMS for approval no later than 120 days prior to the planned date of implementation of the change and may not be implemented until approved. CMS reserves the right to deny or delay approval of a demonstration amendment based on non-compliance with the STCs, including but not limited to failure by the state to submit required elements of a viable amendment request as found in these STCs, reports or other deliverables required in the approved STCs in a timely fashion according to the deadlines specified herein. Amendment requests must, at a minimum, include the following information:

- a) An explanation of the public notice process used by the State, consistent with the requirements of STC 14, to reach a decision regarding the requested amendment.**

Pursuant to Standard Terms and Conditions (STC) 14 relating to Public Notice, Tribal Consultation, and Consultation with Interested Parties, the public notice for public comment about the changes requested in Amendment 17 was published in the Texas Register on November 27, 2020, (see attachment named TX Reg Public Notice). The Texas Register is published weekly and is the journal of state agency rulemaking for Texas. In addition to activities related to rules, the Texas Register publishes various public notices including attorney general opinions, gubernatorial appointments, state agency requests for proposals and other documents, and it is used regularly by stakeholders. HHSC publishes all Medicaid waiver submissions in the Texas Register in addition to many other notices. The publication is available online and in hard copy at the Texas State Library and Archives Commission, the State Law Library, the Legislative Reference Library located in the State Capitol building, and the University of North Texas libraries. All of these sites are located in Austin, except for the University of North Texas, which is located in Denton. Printed copies of the Texas Register are also available through paid subscription; subscribers include cities, counties and public libraries throughout the state. In accordance with the requirements included in STC 14, letters were sent on November 17, 2020, to Tribal Governments requesting comments, questions, or feedback on the amendment by December 16, 2020, (see attached copy of one Tribal letter and read receipts for all Tribal letters sent). No comments, questions, or feedback on the project were received.

- b) A detailed description of the amendment, including what the state intends to demonstrate via the amendment as well as impact on beneficiaries with sufficient supporting documentation, the objective of the change and desired outcomes including a conforming Title XIX and/or Title XXI state plan amendment, if necessary.**

Non-emergency medical transportation (NEMT) is currently provided to Medicaid managed care members through a fee-for-service (FFS) delivery model outside of the MCO but through managed transportation organizations (MTOs). The purpose of the amendment is to comply with state law directing HHSC to require managed care organizations (MCOs) to provide NEMT to their Medicaid managed care members.

Amendment 17 will amend STC 25, Table 3a, by adding transportation as a service available to STAR, STAR+PLUS, and STAR Kids members through the STAR, STAR+PLUS, and STAR Kids managed care organizations (MCOs). Transportation is provided as an optional state plan service under §1905(a)(30) of the Social Security Act and 42 Code of Federal Regulations (CFR) §440.170(a). Amendment 17 also amends STC 41(b) by removing Medical transportation from the list of demonstration expenditures that are not subject to the Title XIX budget neutrality expenditure limit for THTQIP. Finally, Amendment 17 amends the budget neutrality workbook for THTQIP to account for the addition of transportation as an 1115 covered service. See Section d) below for more information about budget neutrality.

HHSC is submitting a conforming Title XIX state plan amendment (SPA) to reflect this change.

Amendment 17 aligns with current goals of THTQIP because it will expand risk-based managed care by adding to the array of services MCOs provide. The services have historically been provided through fee-for-service outside of the MCO but through a MTO. Amendment 17 also supports a coordinated delivery system by making the same MCOs that are responsible for arranging health care services also responsible for arranging the NEMT that some members require to access healthcare services.

c) A list, along with a programmatic description, of the waivers and expenditure authorities that are being requested for the amendment.

The State is not requesting changes to existing waivers or expenditure authorities as part of this amendment.

d) A data analysis worksheet which identifies the specific “with waiver” impact of the proposed amendment on the current BN agreement. Such analysis shall include current total computable (TC) “With Waiver” and “Without Waiver” status on both a summary and detailed level through the current approval period using the most recent actual expenditures, as well as summary and detailed projections of the change in the “with waiver” expenditure total as a result of the proposed amendment, which isolates (by Eligibility Group) the impact of the amendment.

NEMT currently is excluded from the THTQIP 1115 waiver. As a result of this amendment, NEMT for Medicaid managed care members will fall under the authority of the THTQIP 1115 waiver and expenditures will be included in the budget neutrality calculations. Impact on budget

neutrality is not significant because the expenditures are a new cost to the THTQIP 1115 waiver and will be included under both “with waiver” and “without waiver” expenditures.

In addition to Amendment 17, HHSC will introduce a new category of demand response transportation services for transportation network companies (TNCs) that deliver demand response transportation services. Under Texas law, TNCs include companies like Uber and Lyft. HHSC assumes additional costs associated with an increase in the number of demand response trips due to the popularity of TNC providers. An assumption is also included for shift of existing trips to TNC providers and increased administrative costs for MCOs to provide NEMT services. However, costs associated with increased utilization and additional administrative expense are offset largely by an assumed decrease in cost per trip which HHSC and the consulting actuaries initially estimated to be a savings of 17% for trips under TNC providers. The budget neutrality calculations were based on the savings factor of 17%.

With time and additional study, HHSC and the consulting actuaries determined a savings factor of 15% is appropriate for the initial carve-in. As these changes are implemented, HHSC will continue to study savings and may update the savings factor as needed in future rating periods.

e) The state must provide an up-to-date CHIP allotment neutrality worksheet, if necessary.

Not applicable.

f) A description of how the evaluation design, and reports will be modified to incorporate the amendment provisions, as well as the oversight, monitoring and measurement of the provisions.

HHSC currently provides non-emergency medical transportation (NEMT) services to 1115 Demonstration Waiver clients outside Medicaid managed care (MMC) through the Medical Transportation Program (MTP). Starting June 1, 2021, MCOs will begin delivering NEMT services for clients enrolled in MMC. Additionally, HHSC will allow transportation network companies (e.g., Uber, Lyft) to provide demand response services and expand availability of demand response NEMT services requested with less than 48-hour notice.

HHSC currently allows demand response services requested with less than 48-hour notice through MTP in limited circumstances. Starting June 1, 2021, HHSC will expand availability of demand response services with less than 48-hour notice to include hospital discharge, urgent care, pharmacy pick-ups and any other service that HHSC deems appropriate. Few individuals currently request demand response services with less than 48-hour notice (approximately 5% all NEMT requests), however HHSC anticipates this rate could increase due to the expanded availability of services.

Collectively, HHSC anticipates these changes will:

- Improve demand response transportation services for individuals unable to give advance notice;
- Enhance NEMT services through use of transportation network companies;
- Promote integrated service coordination, service authorization, and utilization management; and,
- Modernize the design, delivery, and implementation of transportation services to improve the service delivery model.

The CMS-approved 1115 evaluation design does not include evaluation questions, hypotheses, or measures assessing transportation services. However, it is possible changes to NEMT services may indirectly influence measures under hypotheses 1.4, 3.1, 3.2, 3.3, 3.4, 5.1, and 5.2. Table 1 summarizes the projected impact of this amendment on 1115 evaluation measures.

Table 1. Summary of NEMT Amendment Impact on Evaluation Measures

Measures	Study Population	Impact of Amendment	Explanation of Impact
Delivery System Report Incentive Payment (DSRIP)			
1.1.1 to 1.1.6 (Social network analysis)	DSRIP performing providers	None	Study population does not include individuals receiving benefit.
1.1.7 to 1.1.8 (Health information exchange)	DSRIP performing providers	None	Study population does not include individuals receiving benefit.
1.2.1 to 1.2.4 (Improvements among clients with diabetes diagnosis)	DSRIP and non-DSRIP clients with diabetes diagnosis	None	Study period ends prior to implementation (ends 9/30/2019).
1.3.1 to 1.3.5 (Category C measures)	Medicaid and low-income uninsured sub-populations	None	Study period ends prior to implementation (ends 9/30/2019).
1.4.1 to 1.4.5 (Category D measures)	DSRIP performing providers	Possible, limited	Individuals served by DSRIP providers may receive enhanced NEMT services through Medicaid. The enhanced NEMT services may promote integrated service coordination, service authorization, and utilization management, which in turn may decrease potentially preventable events reported by DSRIP performing providers to HHSC.
Uncompensated Care (UC)			
2.1.1 to 2.1.2 (UC costs)	Providers and hospitals reporting UC costs	None	Study period ends prior to implementation (ends 9/30/2020).

Medicaid Managed Care			
3.1.1 to 3.5.2 (MMC populations)	Children's Medicaid Dental Services (CMDS) Nursing Facility (NF) Former Foster Care Children (FFCC) Adoption Assistance (AA)	Possible, limited	CMDS: Study period ends prior to implementation (ends 9/30/2020). NF: Study period ends prior to implementation (ends 9/30/2020).

Measures	Study Population	Impact of Amendment	Explanation of Impact
	Permanency Care Assistance (PCA) Medicaid for Breast and Cancer (MBCC)		FFCC/AA/PCA/MBCC: Enhanced NEMT services that improve transportation and promote integrated service coordination, service authorization, and utilization management may: <ul style="list-style-type: none"> • Increase utilization of services under measures 3.1.2, 3.1.3, 3.1.5, 3.2.1, 3.2.2, and 3.3.1. • Decrease potentially preventable events/ED visits (measures 3.4.4 to 3.4.6).

Overall Evaluation

<p>4.1.1 to 4.1.3 (Alternative payment models)</p>	<p>Managed Care Organizations</p>	<p>Possible, limited</p>	<p>Enhanced NEMT services that improve transportation and promote integrated service coordination, service authorization, and utilization management may:</p> <ul style="list-style-type: none"> • Indirectly support current alternative payment models, such as those related to potentially preventable events or social determinants of health. • Encourage new transportation-related alternative payment models.
<p>5.1.1 (Preventable ED use)</p>	<p>Medicaid and low-income uninsured sub-populations</p>	<p>Possible, limited</p>	<p>Enhanced NEMT services that promote integrated service coordination, service authorization, and utilization management may decrease potentially preventable events.</p>
<p>5.1.2 (Demonstration cost growth)</p>	<p>Medicaid and low-income uninsured sub-populations</p>	<p>Possible, limited</p>	<p>New benefit may impact overall ‘With Waiver’ and/or ‘Without Waiver’ costs.</p>

Although the amendment may improve transportation services and promote service coordination, thus indirectly influencing measures outlined in Table 1, HHSC anticipates potential impacts to the current evaluation to be limited. Though HHSC anticipates some increase in NEMT utilization as a result of this amendment, few individuals currently utilize NEMT services with less than 48-hour notice. Additionally, the change in NEMT services occurs towards the end of the Demonstration Renewal period (i.e., service change occurs in DY10 Q3; Demonstration Renewal ends in DY11). Due to data lags and the time required to pull, analyze, and produce the report, the final evaluation will only include eight months of data after the change in NEMT services. Overall evaluation findings are unlikely to be meaningfully impacted by changes to NEMT services, which are currently available to individuals in the Demonstration, have limited utilization by a subset of the study population, and are being implemented during the final months of the evaluation study period.

Contingent on data availability, HHSC will provide the external evaluator with MCO encounter data related to individuals included in the THTQIP evaluation who received NEMT services. This information will allow the external evaluator to identify influences associated with NEMT changes and, if necessary, adjust analytic methods to account for impacts of NEMT changes where possible. HHSC is not proposing adding evaluation questions or hypothesis specific to NEMT services as it is outside the scope of the current evaluation. Additionally, HHSC is not proposing changes to the evaluation reports, or oversight, monitoring, and measurement of the provisions.

If THTQIP is extended beyond the end of the current Demonstration period on September 30, 2022, HHSC may propose an evaluation of NEMT services in the subsequent extension period. Specifically, HHSC may propose to examine changes in NEMT utilization associated with this amendment using administrative data from the previous MTP delivery model and encounter data from the future MMC delivery model. HHSC may also assess the degree to which changes in NEMT service utilization maintain or increase access to care.



January 20, 2021

Diona Kristian
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 Ms. Kristian:

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.

House Bill (H.B.) 1576, 86th Legislature, Regular Session, 2019 requires Medicaid managed care organizations (MCOs) to provide all nonemergency medical transportation (NEMT) services for Medicaid managed care members. HB 1576 also requires MCOs to provide NEMT demand response transportation services for certain trips requested with less than 48-hours' notice and increases opportunities for transportation network companies (TNCs) to provide demand response transportation services. Finally, HB 1576 maintains the Medical Transportation Program (MTP) to serve the remaining fee-for-service (FFS) Medicaid population. Services for the FFS population will mirror those offered through managed care, including the changes described in this paragraph.

HHSC is proposing the following amendments, terminations, and initial application to comply with this legislative direction:

- Amendment to the Texas State Plan for Medical Assistance under Title XIX of the Social Security Act.
- Amendment to the Texas Healthcare Transformation Quality Improvement Program (THTQIP) demonstration waiver under section 1115 of the Social Security Act.
- Termination of the TX-24 MTO Nonemergency Transportation waiver under section 1915(b) of the Social Security Act.
- Termination of the TX-26 Fee-For-Service Selective Contracting Program under section 1915(b)(4) of the Social Security Act.
- Initial application for a new Fee-For-Service Selective Contracting Program under section 1915(b)(4) of the Social Security Act.

Current Models

Currently, most NEMT is provided by managed transportation organizations (MTOs) under a state plan transportation broker model on a regional basis. In MTO Region 2, NEMT is provided under TX-24, a section 1915(b)(1)/(b)(4) combination waiver that permits the MTO to provide direct delivery of demand response transportation services using their own fleets of vehicles. In MTO Region 4, NEMT is provided under TX-26, a section 1915(b)(4) Fee-For-Service Selective Contracting Program that allows the state to selectively contract with a limited number of providers to deliver demand response transportation services on a FFS basis.

Proposed Changes

THTQIP 1115 Waiver

NEMT services currently provided to managed care members either through a fee-for-service (FFS) delivery model or through Managed Transportation Organizations (MTOs) will now be provided through managed care. The THTQIP 1115 waiver amendment adds NEMT as a managed care covered service and a demonstration expenditure under Special Terms and Conditions (STC) 41.

TX-24 MTO Nonemergency Transportation Waiver

The state will no longer provide NEMT through MTOs operating under the authority of a state plan transportation broker model. TX-24 will not be necessary and will be terminated. To accommodate this change, the State included in this submission a combined transition plan for TX-24 and TX-26 and request to terminate TX-24 and TX-26, both to be effective May 31, 2021.

TX-26 Fee-For-Service Selective Contracting Program

Because TX-26 will be terminated, HHSC is applying for a new 1915(b)(4) fee-for-service selective contracting program that expands the authority for HHSC to selectively contract with a limited number of providers to deliver demand response transportation services to the Medicaid FFS population on a statewide basis. To accommodate this change, the State included in this submission a combined transition plan for TX-26 and TX-24 and request to terminate both to be effective May 31, 2021.

Texas Medicaid State Plan

HHSC is amending the Texas State Plan for Medical Assistance to reflect the proposed changes to the current models for NEMT. This state plan amendment transmittal number will be 21-0003 NEMT. The state intends to submit the state plan amendment very soon.

Ms. Kristian
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The proposed effective date for these amendments and initial waiver is June 1, 2021. The proposed effective date for the two terminations is May 31, 2021.

HHSC requests CMS approve the requested changes in this amendment package with an effective date of June 1, 2021. Kathi Montalbano, Manager of Policy Development Support, is the lead staff on this matter and can be contacted by telephone at (512) 771-3503.

Sincerely,

Stephanie
Stephens

A digital signature block consisting of a red scribble and the text: Digitally signed by Stephanie Stephens, Date: 2021.01.20 10:12:31 -06'00'

Stephanie Stephens
State Medicaid Director

TEXAS HEALTH AND HUMAN SERVICES COMMISSION

Public Notice

The Health and Human Services Commission (HHSC) announces its intent to submit the following to the Centers for Medicare & Medicaid Services (CMS):

- Amendment to the Texas State Plan for Medical Assistance under Title XIX of the Social Security Act
- Amendment to the Texas Healthcare Transformation Quality Improvement Program (THTQIP) demonstration waiver under section 1115 of the Social Security Act.
- Termination of the TX-24 MTO Nonemergency Transportation waiver under section 1915(b) of the Social Security Act
- Termination of the TX-26 Fee-For-Service Selective Contracting Program under section 1915(b)(4) of the Social Security Act
- Initial application for a new Fee-For-Service Selective Contracting Program under section 1915(b)(4) of the Social Security Act

The proposed effective date for these amendments and initial waiver is June 1, 2021. The proposed effective date for the two terminations is May 31, 2021.

The purpose of these amendments, terminations and initial application is to implement changes required by House Bill (HB) 1576, 86th Texas Legislature, Regular Session, 2019. HB 1576 requires Medicaid managed care organizations (MCOs) to provide all nonemergency medical transportation (NEMT) services for Medicaid managed care members. HB 1576 also requires MCOs to provide NEMT demand response transportation services for certain trips requested with less than 48-hours' notice and increases opportunities for transportation network companies (TNCs) to provide demand response transportation services. Finally, HB 1576 maintains the Medical Transportation Program (MTP) to serve the remaining fee-for-service (FFS) Medicaid population. Services for the FFS population will mirror those offered through managed care, including the changes described in this paragraph.

Current Models

Currently, most NEMT is provided by managed transportation organizations (MTOs) under a state plan transportation broker model on a regional basis. In MTO Region 2, NEMT is provided under TX-24, a section 1915(b)(1)/(b)(4) combination waiver that permits the MTO to provide direct delivery of demand response transportation services using their own fleets of vehicles. In MTO Region 4, NEMT is provided under TX-26, a section 1915(b)(4) Fee-For-Service Selective Contracting Program that allows the state to selectively contract with a limited number of providers to deliver demand response transportation services on a FFS basis.

Proposed Changes

THTQIP 1115 Waiver

NEMT currently provided to managed care members through FFS will now be provided through managed care. The THTQIP 1115 waiver will be amended to add NEMT as a managed care covered service and a demonstration expenditure under Special Terms and Conditions (STC) 41. This amendment aligns with current goals of the THTQIP 1115 waiver because it will expand risk-based managed care by moving NEMT from other authorities to the 1115 authority. The amendment supports a coordinated delivery system by making the same MCOs responsible for arranging health care services also responsible for arranging the NEMT some members require to access healthcare services.

Financial Analysis

NEMT currently is excluded from the THTQIP 1115 waiver. As the result of this amendment, NEMT for Medicaid managed care members will fall under the authority of the THTQIP 1115 waiver and expenditures will be included in the budget neutrality calculations. Impact on budget neutrality is not significant because the expenditures are a new cost to the THTQIP 1115 waiver and will be included under both “with waiver” and “without waiver” expenditures.

The amendment introduces a new provider type for TNCs and assumes additional costs associated with a resulting increase in the number of demand response trips due to the TNC providers. An assumption is also included for shift of existing trips to new TNC providers and increased administrative costs for MCOs to provide NEMT. However, costs associated with increased utilization and additional administrative expense are offset largely by an assumed decrease in cost per trip of 17% for trips provided by new TNC providers.

Evaluation Design

The CMS-approved THTQIP 1115 waiver evaluation design does not include any evaluation questions, hypotheses, or measures directly related to transportation services. However, it is possible that adding NEMT may indirectly influence measures under seven hypotheses. Measures not impacted by the amendment either focus on study populations not receiving these benefits, and/or use study periods which end prior to the addition of NEMT.

Contingent on data availability, HHSC will provide the external evaluator of the THTQIP 1115 waiver with MCO encounter data related to NEMT to identify influences and adjust analytic methods for impacted measures, if necessary.

HHSC is not adding an evaluation question or hypothesis related to NEMT to the current THTQIP 1115 waiver evaluation due to implementation timelines, data lags, and the time required to pull, analyze, and produce the report.

Enrollment, Cost Sharing, and Service Delivery

There will be no cost sharing and no impact on member enrollment. The only change impacting the delivery of existing services is a new requirement that MCOs provide NEMT with less than

48 hours' notice for pharmacy visits and hospital discharge pickups, and to access treatment of an urgent condition.

TX-24 MTO Nonemergency Transportation Waiver

The state will no longer provide NEMT through MTOs operating under the authority of a state plan transportation broker model. TX-24 will not be necessary and will be terminated. To accommodate this change, the State will submit a transition plan and request termination of TX-24 effective May 31, 2021. The termination of TX-24 will not impact individuals receiving services because they will continue to receive the same NEMT services under a different authority and through Medicaid MCOs.

TX-26 Fee-For-Service Selective Contracting Program

TX-26 will be terminated, and HHSC will apply for a new 1915(b)(4) fee-for-service selective contracting program that expands the authority for HHSC to selectively contract with a limited number of providers to deliver demand response transportation services to the Medicaid FFS population on a statewide basis. To accommodate this change, the State will submit a transition plan and request termination of TX-26 effective May 31, 2021. The termination of TX-26 will not impact individuals receiving services because they will continue to receive the same NEMT services under a different authority.

Texas Medicaid State Plan

HHSC will amend the Texas State Plan for Medical Assistance to reflect the proposed changes to the current models for NEMT.

An individual may obtain a free copy of the proposed state plan and waiver amendments, terminations and initial waiver application, ask questions, obtain additional information, or submit comments by December 27, 2020, regarding these proposed changes by contacting Amanda Sablan by U.S. mail, telephone, or email. The addresses are as follows:

U.S. Mail

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Attention: Amanda Sablan, Waiver Coordinator, Policy Development Support
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