

SUBJECT: Program uniformity for Medicaid 1915(c) community-care waivers

COMMITTEE: Human Services — committee substitute recommended

VOTE: 7 ayes — Naishtat, Maxey, Christian, J. Davis, Noriega, Truitt, Wohlgemuth
0 nays
2 absent — Chavez, Telford

WITNESSES: For — Barrett Markland, Advocacy, Inc.
Against — None
On — Heather Vasek, Texas Association for Home Care

BACKGROUND: Medicaid is a health benefit program for the uninsured poor, elderly, and disabled, paid for by state and federal contributions. For fiscal 2000, the state to federal matching rate will be 38.6 to 61.4. Federal law allows states to obtain certain waivers from federal requirements.

Medicaid Section 1915(b) waivers allow states to limit recipients' choice of Medicaid providers, such as for Medicaid managed care services or for selective contracting with health care providers, in order to control costs and quality of services.

Medicaid Section 1915(c) waivers allow states to provide community-based services to people who otherwise would require care in an institution, such as a nursing home, ICF/MR facility, or a hospital. Section 1915(c) waivers are used for various community services programs in the Department of Health, Department of Human Services, Department of Mental Health and Mental Retardation, and Texas Rehabilitation Commission.

Texas operates eight Section 1915(c) Medicaid waiver programs, including community-based services provided in STAR+PLUS, a Medicaid managed care pilot program in Harris County providing both long-term care and acute care services that also operates under a Section 1915(b) waiver.

DIGEST: CSHB 2148 would require the Health and Human Services Commission (HHSC) to make as uniform as possible under state and federal law the functions relating to the administration and delivery of Section 1915(c) waiver programs. These functions would include rate-setting, service definitions, quality assurance, and intake data.

Medicaid waiver programs that operate under both Section 1915(b) and (c) waivers would be exempt from this activity.

The bill also would require the commission to set up pilot project in one geographic area to assess consolidation of Section 1915(c) waiver programs. The pilot project would be for individuals not currently receiving these services. HHSC would have to report its results to the Legislature by January 1, 2004.

In putting requirements of CSHB 2148 into effect, HHSC would be required to consult regularly with consumers, family members, providers, advocacy groups and involved state agencies.

The bill would take effect September 1, 1999.

SUPPORTERS SAY: CSHB 2148 would improve services for needy, elderly, and disabled Texans by requiring greater uniformity in programs operating under Medicaid community-care waivers.

Section 1915(c) waivers are used for eight community-based service programs under five agencies helping Texans who otherwise would have to be institutionalized. However, each program provides a different range of services to clients who have to meet differing criteria on eligibility and medical conditions, which is extremely inefficient.

A recent study by the Health and Human Services Commission found that the various community care waiver programs use over 20 different service definitions. These could be simplified to eight categories of services considered essential to enable clients to remain in their homes. The study was requested by the previous Legislature and aided by several state agencies and many consumer advocates. CSHB 2148 is based on this study.

The state's goal in providing long-term, community-based services should be to move toward more efficient, cost-effective approaches in spending tax dollars. A number of task forces and research studies over the past several years have recommended consolidating or streamlining long-term care programs. They also have recommended assessing clients on the basis of their individual conditions. Moving from 20 service definitions to eight service categories would be a way of accomplishing this.

A pilot project testing feasibility of consolidation on a small scale before moving the program statewide would represent a good first step. Provider participation in the pilot would be voluntary.

The Senate-passed version of the state budget would help fund the pilot program to include services to about 200 people now on program waiting lists. The bill was amended to exclude the STAR+PLUS pilot project in the Houston area, which needs more time to adjust to its particular program.

**OPPONENTS
SAY:**

CSHB 2148 represents the fourth in a series of long-term care pilot programs. Implementing yet another pilot program would further confuse both providers and consumers. Since each of these pilot programs has different administrative requirements, providers must make changes to billing and other functions, increasing their overall administrative expenses. The state needs to quit starting new pilot projects and make final decisions on a long-term care policy for its citizens. Providers then will be able to plan and to make appropriate business decisions for the future.

NOTES:

Major changes made to the original version by the committee substitute include:

- ! removing provisions specifying programs in the Department of Human Services, the Department of Mental Health and Mental Retardation, the Texas Rehabilitation Commission and the Texas Department of Health;
- ! removing the requirement to ensure waiting lists for services maintained by the specified programs are maintained in a single, computerized database; and
- ! removing the requirement that the pilot program be evaluated by a private entity under contract with the commission.