Managed Care in Texas

This profile reflects state managed care program information as of August 2014, and only includes information on active federal operating authorities, and as such, the program start date may not reflect the earliest date that a program enrolled beneficiaries and provided services. Some states report populations and services available to program participants under the federal authority (e.g. Section 1115 waiver), so these features cannot be easily distinguished for each program.

Overview of Current Managed Care Programs

In July 2011, about seventy percent of Medicaid beneficiaries were enrolled in at least one of five major managed care programs. Texas has been operating managed care since 1993 when it implemented **STAR**, which covers acute and primary care services for low-income women and children. Over time, the state has expanded managed care to cover additional populations and services. **STAR+PLUS,** which began in 1998, covers acute care services and community-based long term supports and services for aged, blind, and disabled Medicaid recipients. Both STAR and STAR+PLUS have gradually expanded over time to most of the state's urban areas. Nearly half of the Medicaid population (excluding CHIP beneficiaries) is enrolled in one of the two risk-based managed care programs. Another small program, called **Star Health,** primarily covers foster care children. Medicaid beneficiaries may be enrolled in more than one program. Typically, they are enrolled in one of the three plans providing acute care services, as well as **NorthStar**, which provides acute and ongoing behavioral health services to adults and children, if they need such services. Texas operated a PCCM program in the rural areas of the State between 2005 and 2011 but it was terminated when the expansion of STAR and STAR+PLUS moved into those areas in 2012.

Texas has made a number of recent changes to its managed care programs. The state's Section 1115 waiver program, approved in late 2011, authorized the expansion of STAR and STAR+PLUS to additional counties, except for about 160 rural counties. In 2012, Texas required pharmacy services to be carved-in to MCOs and inpatient services to be covered in STAR+PLUS plans – both of which were formerly paid separately via fee-for-service. The state recently authorized mandatory enrollment of children into a limited benefit plan for dental services. The state has begun planning to implement mandatory managed care for all SSI children, which currently number about 163,000, nearly all of whom receive care in the FFS system.[1]

The Nonemergency Medical Transportation (NEMT) was a fee-for-service waiver that allowed the state the flexibility to arrange for and assure necessary cost effective NEMT in specific areas of the State. The waiver only provided Demand Response Services in the counties listed in the waiver. In August 2014, the State terminated this waiver effective August 31, 2014. All eligible individuals transferred to the new Managed Care Transportation Organization (MTO) NEMT waiver effective September 1, 2014 and end on August 31, 2016. The MTO will be required to deliver all NEMT services under a full risk model through a capitated rate system.

Participating Plans, Plan Selection, and Rate Setting

Texas contracts with a total of 16 plans, some of which participate in more than one program. Participating plans in 2011 included a mix of (1) **national, for-profit plans** (Amerigroup, Blue Cross Blue Shield, Superior/Centene, Evercare/United, Aetna, Molina, and Bravo/HealthSpring), and (2) **locally-based, non-profit plans** (Texas Children's, Christus Health Plan, Community Health Choice, Parkland Health, Community First, Cook Children's, Driscoll Children's, El Paso First, RightCare, Sendero, Seton, and SHA/FirstCare). Texas selects plans through a competitive bidding process and sets rates through an administrative process using actuarial analyses.

Quality and Performance Incentives

Like most other states, Texas requires MCOs to report data on HEDIS, CAHPS and other quality measures. It does not reward plans for exceeding certain thresholds but uses the data to identify Performance Improvement Projects. Beginning March 2012, the state increased its "performance incentive pool" from 1% of capitation rates to 5%. These amounts are withheld from monthly premium payments to plans, and can be earned back if plans meet standards regarding provider network adequacy, on-time claims payment, and other administrative measures. In subsequent years, the incentive pool will be tied to plan performance on clinical quality measures.

[1] Health Management Associates. Weekly Round Up. April 24, 2013.

Table: Managed Care Program Features, as of August 2014

Program Name	STAR	STAR+ PLUS	NorthSTAR	Primary Care Case Management (PCCM)	Program for the All-Inclusive Care for the Elderly (PACE)	STAR Health	Texas Medicaid Wellness Program	MTO Non-Emergency Transportation
Program Type	MCO	MCO	MH/SUD PIHP	PCCM	PACE	MCO	Disease Management PAHP	PAHP
Program Start Date	August 1993	January 1998	November 1999	September 2005	November 2003	April 2008	March 2011	September 2014
Statutory Authorities	1115(a)	1115(a)	1915(b)	1932(a)	PACE	1915(a)	1915(b)	1915(b)
Geographic Reach of Program	Select counties	Select counties	Select regions	Select counties	Select regions	Statewide	Statewide	Selected counties
Aged		X	X	X	X			X
Disabled Children & Adults	X	X	X	X	X (age 55+)	X	X	X
Children	X	X	X	X		X	X	X
Low-Income Adults	X		X	X			X	X
Medicare-Medicaid Eligibles ("duals")		X (excludes partial duals)	X (excludes partial duals)		X (age 55+)			
Foster Care Children						X		X
American Indians/ Alaska Natives								X
Mandatory or Voluntary enrollment?	Varies	Varies	Mandatory	Varies	Voluntary	Voluntary	Voluntary	Varies
Inpatient hospital	X			X	X	X		
Primary Care and Outpatient Services	X	X		X	X	X	X (disease management only)	
Pharmacy	X			X	X	X		
Institutional LTC					X	X		

Program Name	STAR	STAR+ PLUS	NorthSTAR	Primary Care Case Management (PCCM)	Program for the All-Inclusive Care for the Elderly (PACE)	STAR Health	Texas Medicaid Wellness Program	MTO Non-Emergency Transportation
Personal care/HCBS		X		X	X	X		
Inpatient Behavioral Health Services	X	X	X	X	X	X		
Outpatient Behavioral Health Services	X	X	X	X	X	X		
Dental	X			X	X	X		
Transportation	X (excludes non-emergency transportation)			X	X	X		X
Participating Plans or Organizations								
Uses HEDIS Measures or Similar	X	X	X	X	NA	X	X	
Uses CAHPS Measures or Similar	X	X		X	NA	X		
State requires MCOs to submit HEDIS or CAHPS data to NCQA	X	X	NA	NA	NA		NA	NA
State Requires MCO Accreditation	X	X	NA	NA	NA		NA	NA
External Quality Review Organization								
State Publicly Releases Quality Reports								

Sources: Centers for Medicare and Medicaid Services (CMS), National Summary of State Medicaid Managed Care Programs as of July 1, 2011.
Kaiser Commission on Medicaid and the Uninsured. Profile of Medicaid Managed Care Programs in 2010. September 2011.
National Committee on Quality Assurance. NCQA Medicaid Managed Care Toolkit 2012 Health Plan Accreditation Standards. State Use of Accreditation as of February 2012.

Notes: Managed Care Organization (MCO); Health Insurance Organizations (HIO); Prepaid Inpatient Health Plans (PIHP); Prepaid Ambulatory Health Plan (PAHP); Mental Health/Substance Use Disorder (MH/SUD); Healthcare Effectiveness Data and Information Set (HEDIS); Consumer Assessment of Healthcare Providers and Systems (CAHPS).

Primary Care and Outpatient Services include physician services, hospice, laboratory, imaging, FQHC, and other specialty services delivered in outpatient offices and clinics. Institutional Long Term Care (LTC) includes Skilled Nursing Facilities (SNF) and/or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD).

External Quality Review Organization activities are only required for MCOs, PIHPs, PAHPs, and other applicable entities with comprehensive risk contracts.

* The 2011 National Summary of State Medicaid Managed Care Programs does not contain information on populations or services covered under the negotiated contracting program. NR denotes information that is not reported

** Participating plans and organizations are as follows:

- STAR: Aetna, Amerigroup, Community First, Community Health Choice, Cook Children's, Driscoll, El Paso First Premier, First Care, Molina, Parkland Community Health Plan, Superior HealthPlan, Texas Children Health Plan, Unicare, United
- STAR+ PLUS: Amerigroup, Bravo, Evercare, Molina, Superior HealthPlan
- NorthSTAR: Value Options
- PCCM: PCCM – participating providers
- PACE: Bienvivir Senior Health Services, La Paloma, The Basics at Jan Werner
- STAR Health: Superior Health Plan
- Texas Medicaid Wellness Program: McKesson Health Solutions
- Non-Emergency Transportation: NA