



KEY FEATURES OF SB 7

SB 7 requires the transfer of the Medicaid waivers for people with intellectual and developmental disabilities (IDD) into a single managed care system. This includes HCS, CLASS, DBMD and TxHmL, but does not include State Supported Living Centers.

Acute Medical Services: Medicaid acute care services would be provided through a capitated managed care program [STAR or STAR+PLUS] operated by a Managed Care Organization (MCO -generally operated by large insurance companies). That means that the MCO would receive a set dollar amount to provide medical services for each participant. The MCO would be ‘at risk’ to come up with other funds to pay for the person’s health costs when they exceed that set amount. If a person’s health care ended up costing less than that predetermined amount, the MCO keeps the excess funds.

Parent Premiums: SB 7 would require that a parent or legal guardian pay a premium for services provided to a child. This would apply to children who receive community services, but would not apply to children in institutions. Advocates have expressed a concern that this policy creates an institutional bias. It is unclear what the penalty would be for a child whose parents are unable to pay the premium.

Medically Dependent Children’s Program (MDCP): MDPC would be eliminated. MDCP would be replaced by a mandatory STAR Kids capitated managed care program for children that **may or may not** include all of the services currently included in MDCP. Some organizations suggest that kids should not be in a separate program, but served by the same MCO’s as adults.

Pilot Capitated Managed Care Strategies for Persons with Intellectual and Developmental (IDD): DADS would be required to test managed care strategies based on capitation by at least one local authority and one private provider. These two pilots would coordinate services provided through community Intermediate Care Facilities (ICFs) and Medicaid waiver programs, and integrate long term services and supports with acute care services. Pilots would begin no later than September 2014. If these pilots fail to meet currently undefined efficiency standards, the entire IDD waiver system would be transferred to STAR+PLUS or another large managed care system by 2018.

Texas Home Living (TxHmL): TxHmL would be transferred to the managed care system first, no later than September 1, 2016. HHSC would be required to determine whether to continue to provide the services that are available in TxHmL as part of STAR+PLUS, or to cease operating the TxHmL waiver program and expand the currently available STAR+PLUS services only.

Comprehensive Assessment: SB 7 would require DADS to implement a **comprehensive assessment** and resource allocation process that would provide a uniform mechanism to provide recommendations

relating to type, intensity and duration for appropriate and available services based on each person's functional needs.

Residential Changes to Reduce Costs: SB 7 would require **prior authorization** before a person could receive services in a **group home** in order to restrict access to only those that cannot be served in a less restrictive setting. SB 7 would also require the development of **congregate facilities** to reduce the cost of residential services.

Community First Choice: A basic attendant and habilitation service for people with IDD would be delivered by managed care organizations (insurance companies). It is unclear whether providers that specialize in services for people with IDD would be included in the provider pool. Cost projections indicate that wages for those that provide habilitation services would be significantly less than current habilitation wages and closer to the wages currently paid for attendant services. Attendant wages are directly linked to the hiring challenges experienced by people with physical disabilities who cannot find quality staff to meet their daily needs.