Annual Review of STAR Health Services

As Required by
Texas Government Code
Section 533.00521

Texas Health and Human Services
January 31, 2023

TEXAS
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Executive Summary

Texas Government Code, Section 533.00521, requires the Texas Health and Human Services Commission (HHSC) to annually evaluate the use of benefits under the STAR Health program for children in foster care and provide recommendations to the Department of Family and Protective Services (DFPS) and each single source continuum contractor (SSCC) in the state to better coordinate the provision of healthcare and use of those benefits. HHSC must annually report findings of the evaluation to the standing committees of the Senate and House of Representatives having jurisdiction over DFPS.

The annual report also includes:

- Results of a survey of residential childcare providers regarding any unmet needs of children in foster care; and
- Summary of options and limitations of obtaining federal matching funds under the Medical Assistance Program to pay for room and board in a safe home-like or community-based residential setting for children in the conservatorship of DFPS.

Key Takeaways

In performing this review, HHSC identified these key takeaways:

- The COVID-19 public health emergency (PHE) expanded access to teleservices which resulted in an overall increase of STAR Health telehealth use between state fiscal years (SFY) 2019 and 2021.
- Residential childcare treatment providers identified a few key barriers to providing medical services to children and youth in foster care, including difficulties coordinating with DFPS, Medicaid reimbursement rates, and lack of qualified providers in certain geographic areas for specific services.
- Residential childcare treatment providers identified a few key barriers to providing behavioral health services to children and youth in foster care, including a lack of qualified behavioral health providers in their geographic area and the length of time it takes to become a credentialed provider with the STAR Health managed care organization (MCO).

- Federal Medicaid matching funds are not currently available to pay for room and board in a safe, home-like or community-based residential setting in Medicaid, including for children in the conservatorship of DFPS.

1. Introduction

Texas Government Code, Sec. 533.00521, requires HHSC to annually evaluate service use in STAR Health. HHSC plans to use this initial STAR Health service use analysis as a baseline to inform evaluations for future annual service use reports. This initial evaluation of service use in STAR Health includes data on use of services prior to the COVID-19 PHE (2019), as well as during the COVID-19 PHE (2020 and 2021). All data referenced is state fiscal year data unless otherwise indicated.

To meet the requirement to collaborate with residential childcare providers on the unmet needs of children in foster care, HHSC collected data to inform strategies for addressing unmet needs. HHSC, in partnership with DFPS, administered a survey of residential childcare providers and this report contains the survey results and HHSC analysis.

This report also includes a summary of options and limitations of obtaining federal matching funds for room and board in a safe, home-like or community-based residential setting for children in DFPS conservatorship. The report ends with recommendations to DFPS and each SSCC in the state to better coordinate the provision of health care and use of those benefits for children in foster care.

2. Background

The STAR Health managed care program was established in 2005 to meet the healthcare needs of children in state conservatorship. STAR Health is a statewide Medicaid managed care program that provides medical, dental, vision, prescription, behavioral health, and long-term services and supports to children and young adults in the conservatorship of DFPS. Services are delivered through a single, statewide MCO.

The STAR Health Medicaid managed care program serves:

- Children in DFPS conservatorship under the age of 18.
- Children in the Adoption Assistance or Permanency Care Assistance Program who are transitioning from STAR Health to STAR or STAR Kids.
- Youth aged 21 years and younger with voluntary extended foster care placement agreements (Extended Foster Care).
- Youth aged 20 and younger who are former foster care children.

This report focuses on STAR Health members' use of primary and specialty care services, medical checkups and behavioral health services. HHSC analyzed service use data for all youth enrolled in STAR Health, and compared data between youth in DFPS conservatorship to the data of youth who have aged out of foster care but are still enrolled in STAR Health. HHSC reviewed existing data for 2019 and 2020, and preliminary 2021 data.[1]

[1] Data for 2021 include all months of state fiscal year 2021, however claims/encounters data are considered incomplete and are likely to change. Claims/encounters data are generally considered complete for analysis eight months after the end of a service period. The lag after the end of the service period allows for submission, processing, and any retroactive changes.

3. STAR Health Use

Report Baseline

In this initial report, HHSC analyzed STAR Health service use data from 2019 through 2021 to examine trends in different geographic areas of the state, demographic trends, and differences between youth in conservatorship versus youth not in conservatorship. HHSC will use this initial analysis to determine which areas to further explore in future annual reports.

The COVID-19 PHE expanded access to teleservices which resulted in increased use of telehealth services overall from 2019 through 2021. The use of all other STAR Health services remained consistent between 2019 and 2021.

The service use categories HHSC examined for this report include preventive services, mental healthcare, psychotropic medication use, therapies (including occupational, physical, and speech), physical health, substance use disorder services, and emergency room usage. In the first year of the report, HHSC focused on basic service use categories to get a broad understanding of service use in STAR Health. HHSC plans to use the service use categories examined as the foundation for a more in-depth examination for future reports.

STAR Health Demographics

Figure 1 below shows STAR Health members by age group. The largest category of STAR Health members are 0-4 years of age while the smallest category of members are 18 years and older. Figure 2 below shows STAR Health members by race.

Figure 1. STAR Health Members by Age SFY 2021

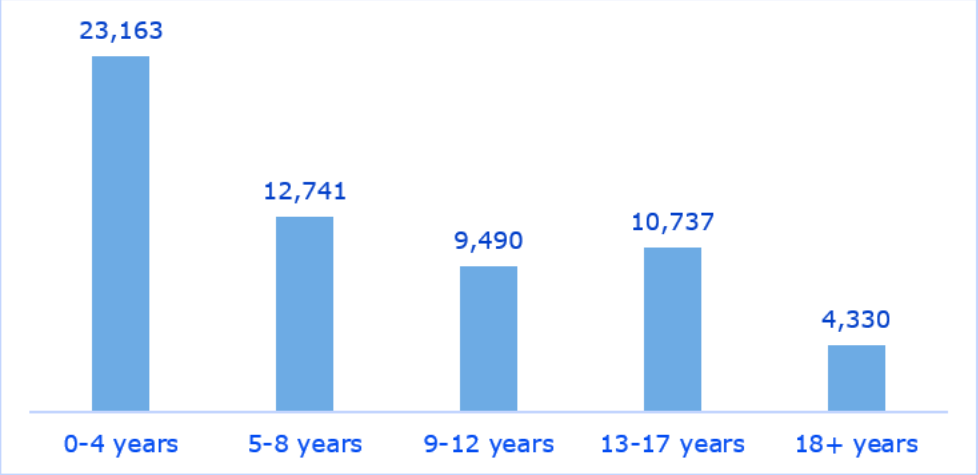
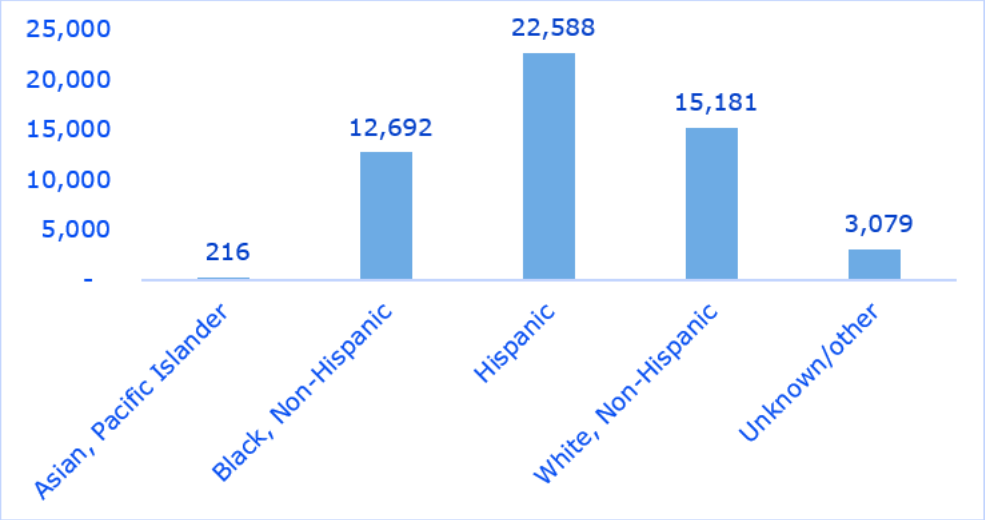


Figure 2. STAR Health Members by Race 2021

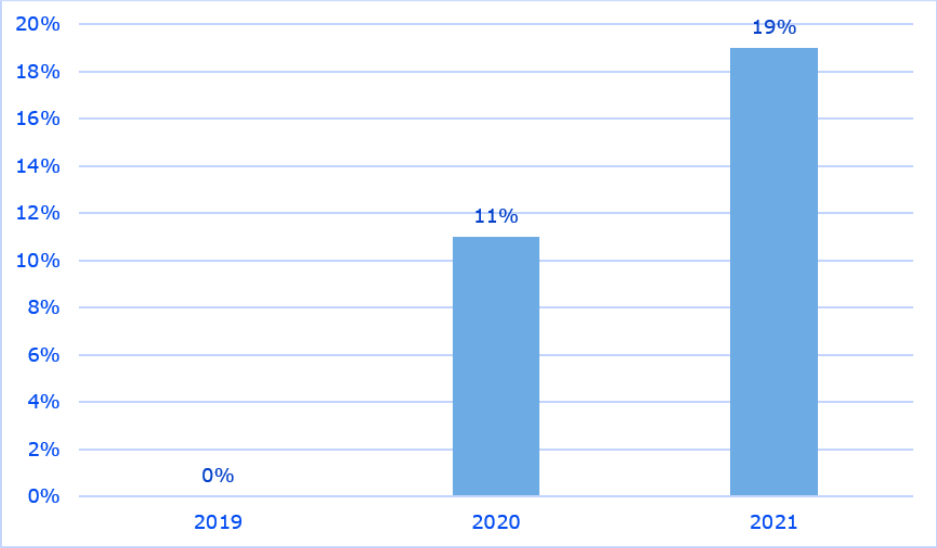


Preventive Healthcare

Preventive healthcare services provide comprehensive preventive medicine evaluation and management. This may include an age and gender appropriate history, physical examination, laboratory and diagnostic procedures, and health counseling that encompasses both anticipatory guidance and risk factor reduction interventions. A majority of STAR Health members (87 percent) had at least one claim for preventive in-person healthcare visit per year between 2019 and 2021. In addition, telehealth preventive claims rose significantly during the COVID-19 PHE.

From 2019 through 2021, the percentage of STAR Health members with claims for preventive telehealth services increased from 0 to 19 percent.

Figure 3. STAR Health Members Preventive Healthcare Telehealth Use SFY2019-2021[2]

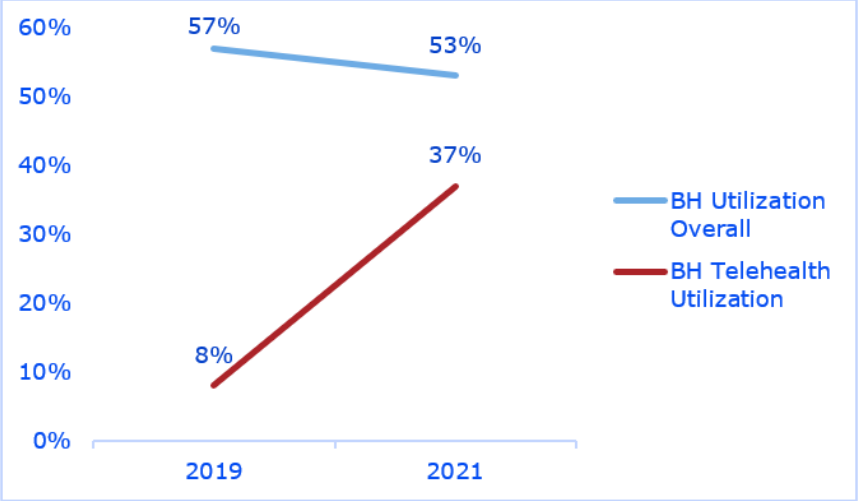


Mental Healthcare

Mental health services in Texas Medicaid include psychiatric diagnostic evaluation, psychotherapy, testing, electroconvulsive therapy, targeted case management and rehabilitation, and inpatient psychiatric services. Between 2019 to 2021, the number of STAR Health members with at least one claim (in-person and telehealth combined) declined from 57 percent to 53 percent. During the same time period, mental health (MH) telehealth use claims increased sharply for all STAR Health members, from eight percent of members in 2019 to 37 percent of members in 2021 (see Figure 4).

[2] Preventive healthcare was not available through telehealth prior to the PHE.

Figure 4. STAR Health Members MH Use SFY2019-SFY2021



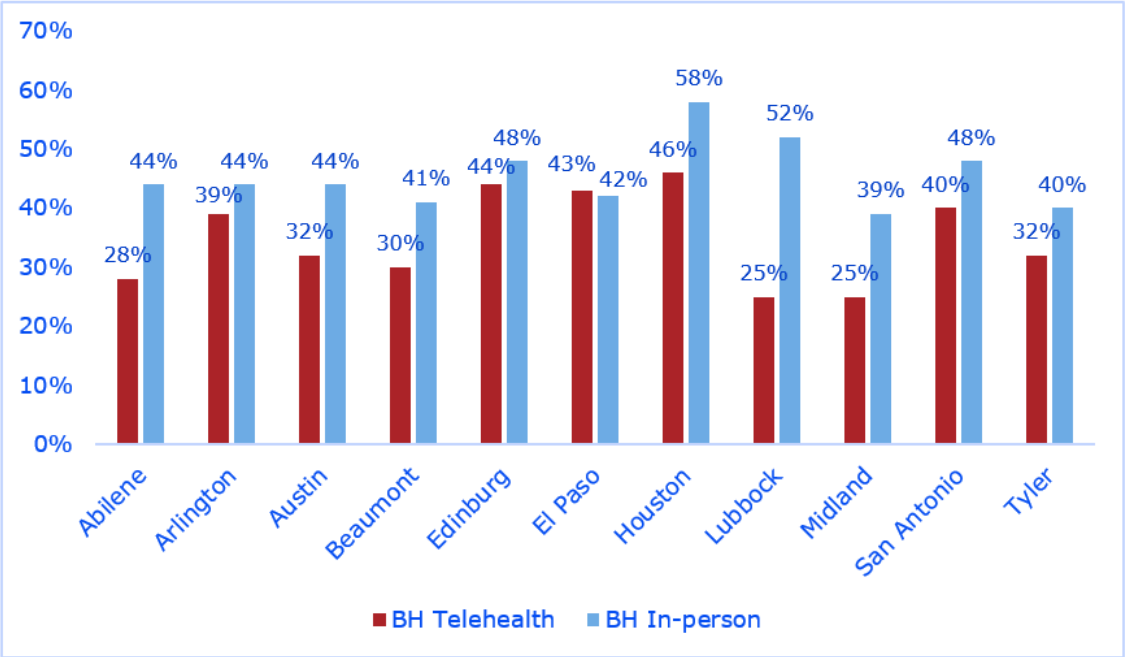
Mental Health Use by Region

Between 2019 and 2021, the Houston region had the highest number of mental health claims for STAR Health members. It also had the highest percentage of members with at least one teleservice mental health claim with 46 percent utilizing telehealth in 2021. This is despite the fact that the Austin area has more STAR Health members overall. In Austin, only 32 percent of members had at least one telehealth claim in 2021. In 2021, 58 percent of members in Houston also had at least one in-person mental health claim (compared to 44 percent in Austin).

The Midland region had the lowest use of mental health services with 39 percent of STAR Health members with at least one in-person mental health claim and 25 percent with at least one teleservice mental health claim. The Abilene, Lubbock, and Midland regions had the lowest percentage of members with mental health teleservices claims.[3]

[3] The claims do not equal 100 percent as a client can have both telehealth and in-person BH services in a year.

Figure 5. STAR Health Members with MH In-person and Telehealth Claims By Region, 2021



Psychotropic Medication

Psychotropic medication is prescribed for mental or emotional conditions. The use of psychotropic medications in children and adolescents is an issue confronting parents, other caregivers, and health care professionals across the United States. Youth in foster care may have complex healthcare needs due to emotional or psychological stress.[4]

HHSC and DFPS have coordinated since SFY 2004 to assess and monitor prescribing of psychotropic medications to children in foster care and to implement strategies to assist healthcare providers in prescribing psychotropic medications appropriately.[5] HHSC and DFPS, along with university and medical school faculty,

[4] Psychotropic Medication Utilization Parameters for Children and Youth in Texas Public Behavioral Health (6th Version). The Parameters Workgroup of the Psychiatric Executive Formulary Committee, Health and Specialty Care Division, Texas Health and Human Services Commission. June 2019.
[5] Update on the Use of Psychotropic Medications for Children in Texas Foster Care: State Fiscal Years 2002-2019 Data Report. Texas health and Human Services Commission. January 2021.

community psychiatrists and others, reviews and updates the psychotropic medication utilization parameters regularly.

Previous analysis of psychotropic medication use has identified, in general, youth in STAR Health have higher rates of psychotropic medication use than other Medicaid populations. HHSC's analysis identified a higher use rate of psychotropic medication for STAR Health youth ages 13-17 in conservatorship compared to other age groups in conservatorship. The higher use rate of psychotropic medication for youth ages 13-17 corresponds with the higher diagnosis rates of mental health conditions for youth in conservatorship, including more severe mental health conditions (including, but not limited to, bipolar disorder, major depressive disorder, and schizophrenia).[6]

This age group also has the highest number of mental health claims compared to other age groups in conservatorship. In 2021, 78 percent of youth ages 13-17 in conservatorship had at least one mental health claim compared to 85 percent in 2019 and 84 percent in 2020.

Figure 6. Psychotropic Medication Use Claims, STAR Health and STAR Members 2021

Age Group	STAR Health Percent with Claims	
0-4	4%	2%
5-8	24%	6%
9-12	38%	9%
13-17	52%	11%

Therapies

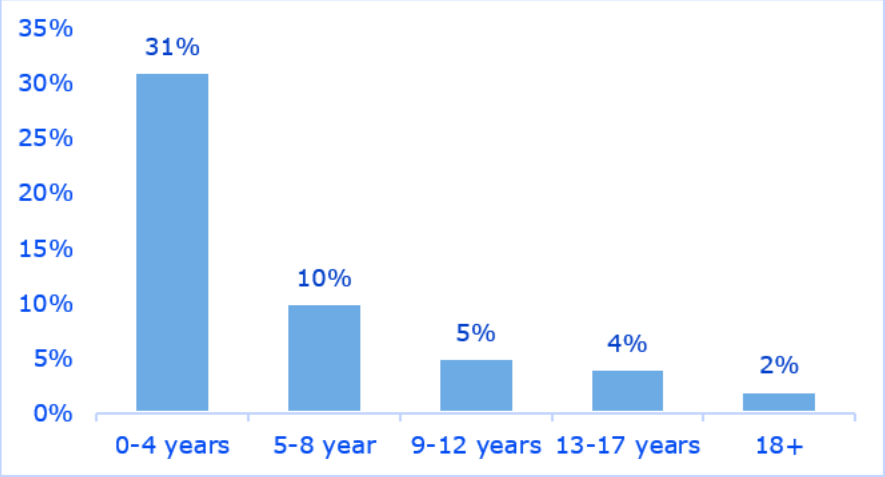
Therapy services in Texas Medicaid include occupational therapy (OT), physical therapy (PT), and speech therapy (ST).

Physical therapy is rehabilitative treatment concerned with restoring function or preventing disability in movement and mobility caused by illness, injury, or birth defect. Occupational therapy uses purposeful activities to obtain or regain skills needed for activities of daily living and functional skills needed for daily life. Speech therapy is designed to ameliorate, restore, or rehabilitate speech language communication and swallowing disorders that have been lost or damaged as a result of a chronic, acute, or acute exacerbation of a medical condition.

[6] HHSC's Data, Analytics and Performance internal reporting.

The age group with the most OT, PT and ST claims in STAR Health are children ages 0-4, 31 percent of whom have at least one OT, PT and ST therapy claim in 2021, a trend consistent with other years. This is compared to just 10 percent or fewer in the other age groups (see Figure 7).

Figure 7: STAR Health Therapies OT, PT, and SP by Age and Combined In-person and Telehealth Services, 2021



Physical Health Services

Physical health claims in this context include paid inpatient and outpatient encounters where primary diagnoses include Type 1 diabetes mellitus, Type 2 diabetes mellitus, other specific diabetes mellitus, and asthma. Use rates ranged from four percent (youth 0-8 years) to eight percent (youth 13-17 years) for 2021. The overall percentage of youth in conservatorship with at least one physical health claim related to these diagnoses declined slightly from 2019 to 2021, going from seven percent to five percent.

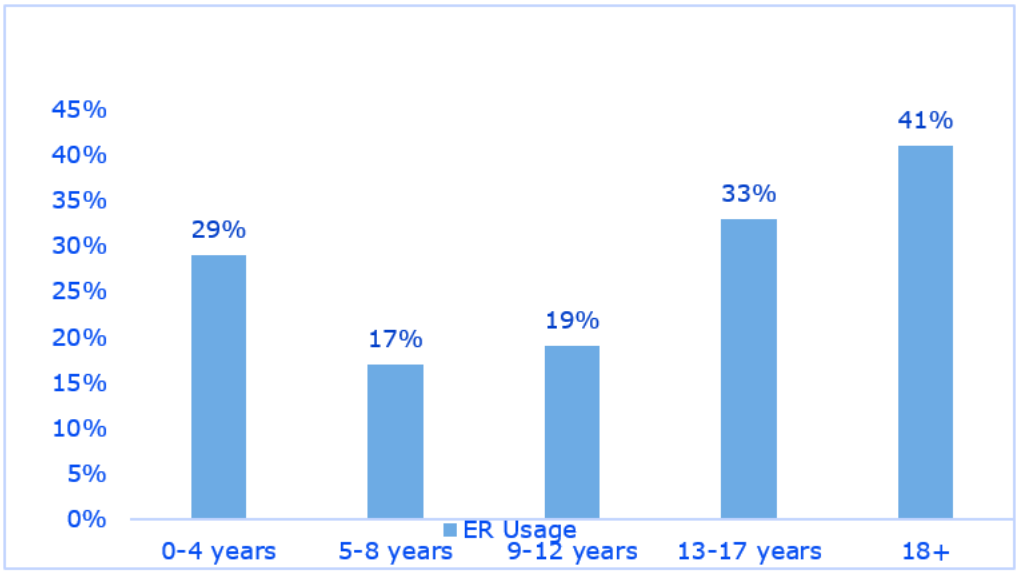
Substance Use Disorder Services

Substance use disorder services in Texas Medicaid include evaluation/assessment, counseling, medication-assisted treatment (MAT), withdrawal management, residential treatment, and screening, brief intervention and referral to treatment (SBIRT) services. Five percent of STAR Health members ages 13-17 have claims for substance use treatment. This number remained stable between 2019 through 2021.

Emergency Department Use

An emergency department is an organized hospital-based facility for the provision of unscheduled episodic services to clients who present for immediate medical attention. Youth 18 and over who exited DFPS conservatorship but remained in STAR Health (either through Former Foster Care, Adoption Assistance/Permanency Care Assistance, or another program) utilized the emergency room (ER) at higher rates than any other age group in DFPS conservatorship (see Figure 8 below). It is possible this is because these members are no longer treated by their pediatric primary care physician.

Figure 8. STAR Health Members ER use rates by Age



4. Survey of Residential Childcare Providers

Texas Government Code, Sec. 533.00521, requires HHSC to collaborate with residential childcare providers regarding any unmet needs of children in foster care. To collect data on unmet needs, HHSC and DFPS first surveyed Medicaid-enrolled Texas residential childcare providers to assess services currently offered to children and youth in foster care, services they would like to provide, and barriers to providing current and new services. HHSC developed the survey and DFPS staff distributed the survey via an online link. Providers completed the survey anonymously. The survey was conducted from April 25, 2022, to May 27, 2022. A total of 117 survey responses were received and included in the analysis, consisting of 88 fully completed surveys and 29 partially completed surveys.[7]

The following summarizes key results from the survey analysis.

Characteristics of Survey Respondents

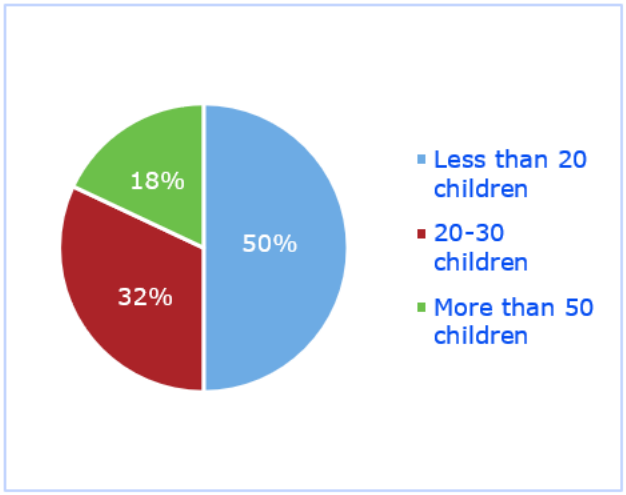
- Survey respondents are residential childcare providers licensed by HHSC Residential Child Care Licensing and who contract with DFPS to serve children in DFPS conservatorship.
- All survey responses were anonymous, however the survey offered respondents the opportunity to identify a type of residential childcare operation.
- The top three operation types identified by survey respondents were General Residential Operations (41 percent), Child Placement Agencies (26 percent), and Residential Treatment Centers (22 percent).[8]
- 72 percent of the survey respondents identified as serving on their childcare center's executive team (e.g., Chief Executive Officer, Chief Operating Officer, Chief Financial Officer).
- 68 percent of survey respondents identified as being located in metro counties.

[7] In total, 190 residential childcare providers initiated the survey. Of those who initiated the survey, only those with responses to questions other than demographic questions were retained for analysis. Partial surveys with responses to demographic questions only were excluded from the current analysis.
[8] A similar survey was done as part of the DFPS Foster Care Rate Modernization project, and can be found here: 2022 Foster Care Rate Modernization Report (state.tx.us)

Children and Youth Served

Each responding organization reported serving an average of 45 children. The median length of stay is 242 days, with the shortest reported stay being three days and the longest reported stay being 12 years (see Figure 8).

Figure 9. Number of Children Served by Respondent Organizations



Assessments Provided by Residential Providers

The Child & Adolescent Needs and Strengths (CANS) 2.0 assessment is a comprehensive trauma-informed behavioral health evaluation and communication tool. It is intended to prevent duplicate assessments by multiple parties, decrease unnecessary psychological testing, aid in identifying placement and treatment needs, and inform case planning decisions.

These assessments are very important for youth in conservatorship to assess a child or youth's needs and identify medically necessary covered services that could benefit the child or youth. The following are results of the survey related to assessments by residential providers. Thirty-eight percent of respondents indicated they provide the CANS 2.0 assessment on-site.[9] Of those respondents who did not offer the CANS 2.0 assessment on-site, all respondents referred youth to services

where they could receive the assessment. Additionally, 46 percent wanted to offer the assessment on-site.

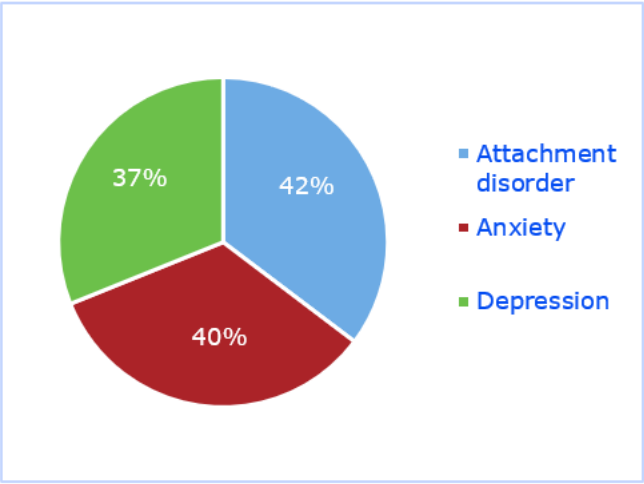
The Early and Periodic Screening, Diagnosis, and Treatment services are Medicaid's comprehensive preventive child health service array (medical, dental, and case management) for individuals from birth through 20 years of age. In Texas, it is known as Texas Health Steps.

About 15 percent of responding providers offered Texas Health Steps check-ups on-site. Of those respondents who did not offer Texas Health Steps check-ups on-site, 81 percent referred youth to services where they could receive the check-up and 11 percent wanted to offer it on-site. The primary barriers to providing both assessments on site were lack of staff with applicable training, availability of providers, and financial constraints.

Diagnoses Treated by Residential Providers

Residential providers were surveyed about the most common diagnoses treated on site. For 2021, the most common diagnoses treated on-site by residential providers were attachment disorder (42 percent), anxiety (40 percent), and depression (37 percent).

Figure 10. Most Common Diagnoses Treated by On-site Residential Providers

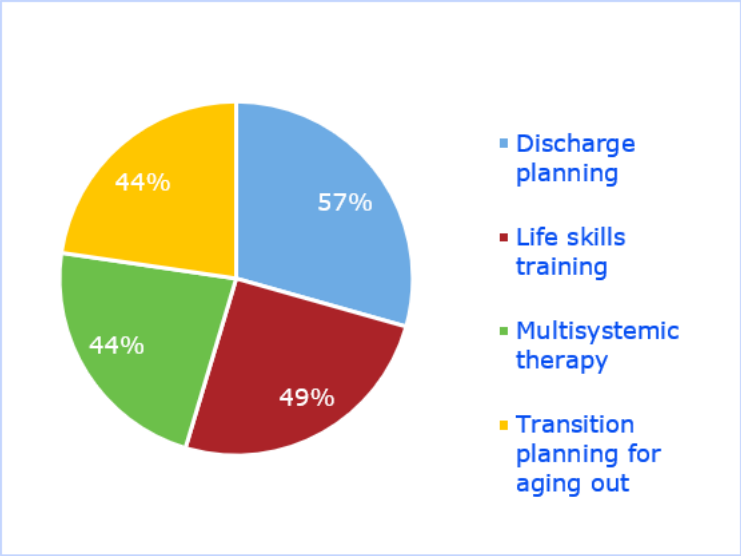


Thirty-four percent of residential providers noted they want to expand on-site treatment options for depression (20 percent of providers), anxiety (17 percent), and attachment disorder (16 percent).

Non-Medicaid Services Offered by Residential Providers

Residential providers were surveyed about services offered on site that were not covered by Medicaid. The most common non-Medicaid covered services provided on-site were discharge planning (57 percent), life skills training (49 percent), multisystemic therapy (44 percent), and transition planning for youth aging out of foster care (44 percent).

Figure 11. Most Common Non-Medicaid Services Provided On-site



Thirty-eight percent of providers wanted to expand the non-Medicaid covered services offered on-site. The most cited services they wanted to expand were life skills training (28 percent of those that did not already offer it on-site) and discharge planning (18 percent of those that did not already offer it on-site). Most respondent providers offered other services in addition to Medicaid-covered services: 72 percent provided travel to appointments, 70 percent provided crisis response and de-escalation, 70 percent coordinated between providers, 64 percent scheduled therapy sessions, and 46 percent engaged families outside of therapy sessions.

Barriers to Providing Services

Residential providers were surveyed to find out what barriers, if any, existed to keep them from providing medical and behavioral health services to children in conservatorship.

- When asked about barriers to providing **medical services** to children and youth in foster care, 36 percent of respondents indicated a lack of qualified providers in their geographic area as the number one barrier and 49 percent listed it as one of their top three barriers. Forty-nine percent of the respondents listed coordination with DFPS and 38 percent listed Medicaid reimbursement for certain services as one of their top three barriers.
- When asked about barriers to providing **behavioral health services** to children and youth in foster care, 47 percent of respondents listed a lack of qualified providers in the geographic area as the number one barrier and 36 percent listed the length of time it takes to become a credentialed provider with the STAR Health MCO as one of their top three barriers.
- The primary barriers for on-site treatment by residential providers were financial constraints, staffing, and provider availability.
- The primary barrier for not connecting children and youth to services were challenges in identifying providers. Additional exploration is needed to understand more specifically the issues causing this barrier.
- The top barriers to providing non-Medicaid covered services were staffing and financial constraints.

Survey Limitations

There are a few important limitations of the survey. First, the survey was sent to approximately 200 Medicaid-enrolled residential childcare providers, but only 117 responded. This means the results may have selection bias. For example, providers who completed the survey may have been better positioned to complete it due to greater access to technology or availability in their schedules than providers who did not take the survey. Second, although providers were instructed to complete one survey per provider or organization, HHSC is unable to verify unique responses or identify the unduplicated ones by provider or organization since the survey was anonymous. Given these limitations, survey results may not reflect the perspectives of all residential childcare providers in the state of Texas.

Nevertheless, sample characteristics appear to indicate that respondents were well-distributed across geographic regions and organizational size, providing a useful snapshot of services currently provided to children and youth in foster care, as well as the barriers and challenges to providing such services.

5. Exploration of Strategies for Maximizing Federal Funds

Texas Government Code, Sec. 533.00521, requires HHSC to identify options to obtain federal Medicaid matching funds to pay for a safe home-like or community-based residential setting for a child in DFPS conservatorship (full text in Appendix A). Federal policies limit when room and board costs are eligible for federal Medicaid matching funds.

In some Medicaid waiver programs, children are eligible for residential support services. Additionally, some qualifying residential childcare providers, such as residential treatment centers, may enroll as providers in Texas Medicaid and may provide Medicaid-covered services. In this case, Texas Medicaid reimburses for covered services, while DFPS pays for room and board.

The definition of Medicaid or "medical assistance" described in Section 1905(a) of the Social Security Act does not include room and board as a separate, coverable benefit for Medicaid. Instead, room and board costs are included in the definition of an inpatient (person) in a medical institution in Title 42 of the Code of Federal Regulations (CFR) § 440.2. This section limits federal Medicaid matching funds for room and board costs to settings that qualify as inpatient settings under federal law (Section 1905(a) of the Social Security Act). These inpatient settings are limited to the following facility types, when providing Medicaid-covered, institutionally based benefits to Medicaid members who meet medical necessity for the level of care: nursing facilities, inpatient hospitals, qualifying psychiatric facilities for persons 20 years and younger, institutions of mental disease for persons age 65 and older that would otherwise qualify for an inpatient setting, and intermediate care facilities for persons with intellectual disabilities.

Per federal regulations (Title 42 CFR § 441.151), inpatient psychiatric services for persons 20 years or younger may only be provided in the following settings, and at the state's discretion:

- A Medicare- or Medicaid-certified psychiatric hospital.
- A general hospital with an inpatient psychiatric program accredited by a national accreditation organization whose hospital accreditation program has been approved by the Centers for Medicare & Medicaid Services (CMS).

- A Psychiatric Residential Treatment Facility (PRTF) that is certified by a State Medicaid Agency. CMS defines PRTFs as a non-hospital facility that has a provider agreement with a state Medicaid agency to provide inpatient service benefits to persons 20 years and younger.

HHSC's analysis indicates PRTFs would not qualify as a home or community-based setting. To provide services, the PRTF team has to certify that ambulatory care in the community does not meet treatment needs of the child.

As outlined above, the only options for federal Medicaid funding for room and board are for members with an inpatient level of care. As a result, none of the allowable facility types available in Texas would be considered a home-like or community-based residential setting for a child in DFPS conservatorship.

Additionally, other federal statutes prevent states from using Medicaid funds for room and board for home and community-based services available through home and community-based waivers and through 1915(i) state plan amendments. There is an exception for waivers when the room and board is furnished as part of respite care services in a facility, approved by the State, that is not a private residence, under federal regulations (42 CFR § 441.360(b) and 42 CFR § 441.310(a)(2)). Respite services, such as those available through the Youth Empowerment Services (YES) waiver program help children and adolescents remain in their homes by allowing families and caregivers to take a temporary break from caring for youth enrolled in the YES program. However, respite services would not meet the criteria outlined in Senate Bill (S.B.) 1896, 87th Legislature, Regular Session, 2021, for a safe home-like or community-based residential setting for a child in the conservatorship of DFPS since the purpose is to provide short term placement to relieve the caretaker.

Thus, at this time, federal Medicaid matching funds are not available to pay for the facility type described in S.B. 1896.

6. Recommendations

HHSC's examination of service use in STAR Health will serve as the basis for future annual reports on STAR health service use. This initial analysis identified major changes in telehealth utilization due to the PHE. After reviewing and analyzing the baseline STAR Health use data contained in this report, HHSC identified the following recommendations for DFPS and SSCCs in the state:

Telehealth

Telehealth utilization varies widely depending on the area of the state. More rural areas like Lubbock and Midland have lower rates of utilization than urban areas like Houston. Further explore variances in telehealth utilization in urban and rural areas and determine whether lower levels of telehealth use in rural areas of the state like Lubbock and Midland areas corresponds to unmet need.

Long stays

DFPS and HHSC collaborate to identify the factors contributing to the 242-day median length of stay in residential facilities to determine ways to decrease the average.

Provider availability

A recurring challenge reported by residential providers is difficulty finding qualified providers. Providers reported difficulties with finding providers for medical services, behavioral health services, and on-site residential treatment providers, all contributing to difficulties with connecting children to needed services. Collaborate with HHSC, SSCCs and others to address the issues with provider availability.

Transition planning

DFPS and HHSC collaborate with the STAR Health MCO on strengthening transition planning for youth 18 and older who will be aging out of conservatorship to decrease ER use rates. Transition support can decrease ER use by helping connect youth aging out of foster care to adult primary care providers and other necessary medical care for adults.

Process Improvements

Identify reasons why residential providers report coordination issues with DFPS as a barrier to accessing medical services and work to help address such issues. Improved coordination between DFPS and residential providers could increase opportunities for youth to access medical services. The initial survey of residential providers did not solicit additional detail regarding the specific difficulties of coordinating with DFPS. This could be an area of study in future reports.

List of Acronyms

Acronym	Full Name
BH	Behavioral Health
CANS	Child and Adolescent Needs and Strengths
CFR	Code of Federal Regulations
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare and Medicaid Services
DFPS	Department of Family and Protective Services
ER	Emergency Room
HHSC	Health and Human Services Commission
MAT	Medication-Assisted Treatment
MCO	Managed Care Organization
OT	Occupational Therapy
PCP	Primary Care Providers
PHE	Public Health Emergency
PRTF	Psychiatric Residential Treatment Facility
PT	Physical Therapy
S.B.	Senate Bill
SBIRT	Screening, Brief Intervention and Referral to Treatment
SFY	State Fiscal Year
SSCC	Single Source Continuum Contractor
ST	Speech Therapy
YES	Youth Empowerment Services