



# **Annual Review of STAR Health Services**

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**As Required by  
Texas Government Code,  
Section 533.00521**

**Texas Health and Human Services  
January 2024**



**TEXAS**  
Health and Human  
Services

# Table of Contents

<b>Executive Summary .....</b>	<b>1</b>
Key Takeaways .....	1
<b>1. Introduction .....</b>	<b>3</b>
<b>2. Background .....</b>	<b>4</b>
<b>3. STAR Health Service Use .....</b>	<b>5</b>
Report Framework .....	5
STAR Health Demographics .....	6
Preventive Healthcare .....	6
Mental Healthcare.....	8
Psychotropic Medication.....	10
Therapeutic Services .....	11
Physical Healthcare Services.....	12
Substance Use Disorder Services.....	13
Emergency Room Services .....	13
Non-Emergency Medical Transport Services .....	14
Private Duty Nursing .....	14
<b>4. Collaboration with Residential Child-Care Providers.....</b>	<b>15</b>
Listening Session.....	15
Themes.....	16
<b>5. Exploration of Strategies for Maximizing Federal Funds .....</b>	<b>18</b>
<b>6. Recommendations .....</b>	<b>19</b>
Joint Process Improvement .....	19
Transition Planning .....	19
<b>List of Acronyms .....</b>	<b>20</b>

# 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. HHSC completed the first [Annual Review of STAR Health Services](#) on January 31, 2023, which was used as a baseline to inform the evaluation of the use of benefits in this report.

This second annual report also includes:

- Outcomes from a listening session held on December 11, 2023, hosted by HHSC with residential child-care providers regarding any unmet needs of children in foster care. The listening session addressed the responses to a survey conducted by HHSC in 2022; and
- Summary of options and limitations of obtaining federal matching funds under Medicaid to pay for room and board in a safe home-like or community-based residential setting for children in conservatorship of DFPS.

## Key Takeaways

In performing this review, HHSC identified these key takeaways:

- Teleservice<sup>1</sup> use by STAR Health members decreased in 2022 while most other service use, except for mental health services, remained relatively stable between 2021 and 2022.
- Residential child-care treatment providers identified a few key barriers to providing medical and behavioral health services to children and youth in foster care, including continued feedback on Medicaid reimbursement rates, lack of qualified providers in rural areas of the state, and the length of time it takes to become a credentialed provider with the STAR Health managed care organization (MCO). Other feedback included Medicaid providers' lack of

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<sup>1</sup> Telehealth and telemedicine claims and encounters with modifier 95 are collectively called teleservices for the purposes of this report.

understanding of STAR Health requirements and challenges with accessing non-Medicaid services.

- Federal Medicaid matching funds continue to be unavailable to pay for room and board in a safe, home-like, or community-based residential setting, including for children in conservatorship of DFPS.

# 1. Introduction

Section 533.00521 requires HHSC to annually evaluate the use of benefits in the [STAR Health](#) program offered to children and youth in foster care. This second annual report includes data from fiscal years 2021 and 2022 on use of services during and after the federal COVID-19 public health emergency (PHE).<sup>2</sup>

Section 533.00521 also requires HHSC to collaborate with residential child-care providers on the unmet needs of children in foster care. To meet this requirement, HHSC hosted a listening session with residential child-care providers to inform strategies for addressing unmet needs. This report contains the outcomes and feedback received by providers and HHSC analysis of the feedback.

HHSC must also identify options to obtain federal matching funds under Medicaid to pay for safe home-like or community-based residential setting for a child in the conservatorship of the Department of Family and Protective Services. To meet this requirement, 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 SSCCs across the state to better coordinate the provision of health care and use of services and benefits for children in foster care.

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<sup>2</sup> All years referenced in this report indicate state fiscal year.

## 2. Background

The STAR Health managed care program was established in 2005 to meet the healthcare needs of children in DFPS 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 several key services including preventive, physical, and mental health services. HHSC primarily analyzed service use data for all youth enrolled in STAR Health for 2021 and 2022. The service use data was also compared to data from 2019 and 2020.

Unless otherwise noted, the analysis in this report covers all eligible STAR Health members, including those in DFPS conservatorship and those not in DFPS conservatorship due to federal legislation requiring states to maintain Medicaid coverage for recipients through the PHE, regardless of continuing to meet Medicaid eligibility requirements. The unwinding period of continuous Medicaid coverage began in 2023, and HHSC will provide detail on this impact in future reports.

## 3. STAR Health Service Use

### Report Framework

In this second annual report, HHSC analyzed STAR Health service use data<sup>3</sup> primarily from 2021 and 2022 to continue examining trends among member demographics and certain areas of service use.

The data in this report reflect a time during which federal legislation required continuous coverage for Medicaid recipients due to the PHE. This resulted in an increased number of members retained under STAR Health who were no longer under DFPS conservatorship, many of whom were in the 18 and older age group. This population may have different needs than the population typically eligible for STAR Health. Combined with behavior changes during the PHE, these factors pose a challenge for HHSC to develop recommendations without further analysis in future years.

The service use categories HHSC examined for this report include preventive healthcare, mental healthcare, psychotropic medication use, therapeutic services (including occupational, physical, and speech therapy), physical health services (including diabetes and asthma), substance use disorder services, emergency room usage, non-emergency medical transport services (NEMT), and private duty nursing services.

This report also continues to examine the use of teleservices, which initially increased between 2019 and 2021 due to changes in the way people use and access health care and broader access to teleservices during the PHE. While current use of certain teleservices remains higher than use prior to the PHE, the overall use of teleservices appears to be trending downward. For teleservices still showing increased usage, the data from 2019 through 2022 was used to examine possible trends related to the PHE.

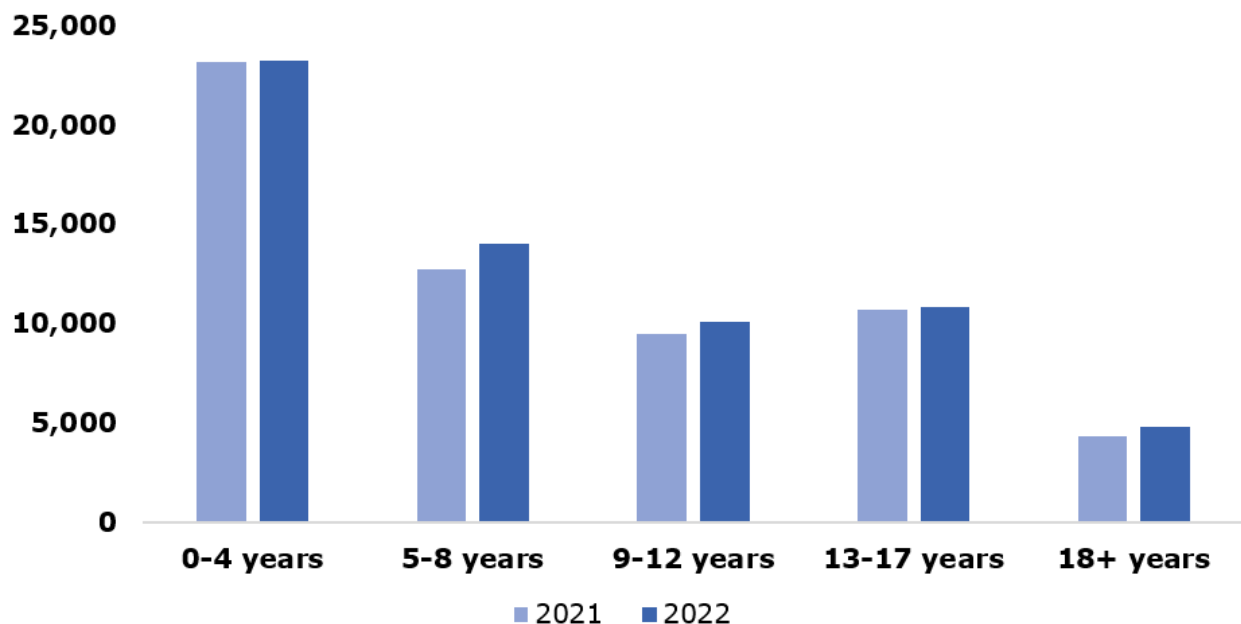
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<sup>3</sup> STAR Health service use data were prepared by Data Dissemination and Reporting in the Office of Data, Analytics, and Performance (DAP) within HHSC. Data sources include: 8-month eligibility and Vendor Drug databases (DAP), Analytical Data Store (ADS) and MTP Encounters Universe (BusinessObjects) maintained by Texas Medicaid & Healthcare Partnership (TMHP).

## STAR Health Demographics

Figure 1 below displays STAR Health members by age group, showing an increase in the overall population from 2021 to 2022. Age groups 0-4 and 13-17 show an increase of less than 1 percent, while age groups 5-8 and 18+ each show an increase greater than 10 percent. In 2022, there was an increase in STAR Health membership across all DFPS regions except for Houston (5.95 percent decrease) and Midland (1.90 percent decrease). STAR Health membership by race remained similar from 2021 to 2022.

**Figure 1. STAR Health Members by Age 2021 and 2022**



## Preventive Healthcare

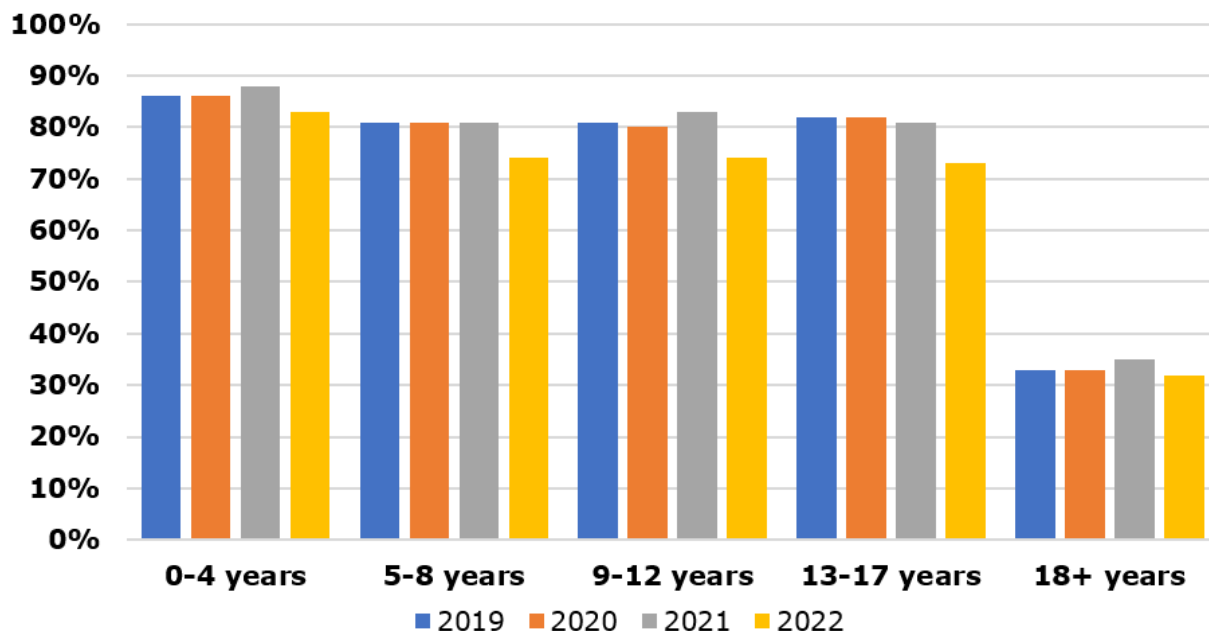
Preventive healthcare services provide comprehensive evaluation and monitoring of health conditions. This may include medical history, physical examination, laboratory and diagnostic procedures, and health counseling that encompasses both anticipatory guidance and risk factor reduction interventions. STAR Health members with at least one claim for preventive services in 2022 decreased to 79 percent from an average of 84 percent between 2019 and 2021.

In 2022, about 84 percent of STAR Health members in DFPS conservatorship had a preventive claim compared to 52 percent of STAR Health members not in DFPS conservatorship. Preventive claims for STAR Health members dropped across all



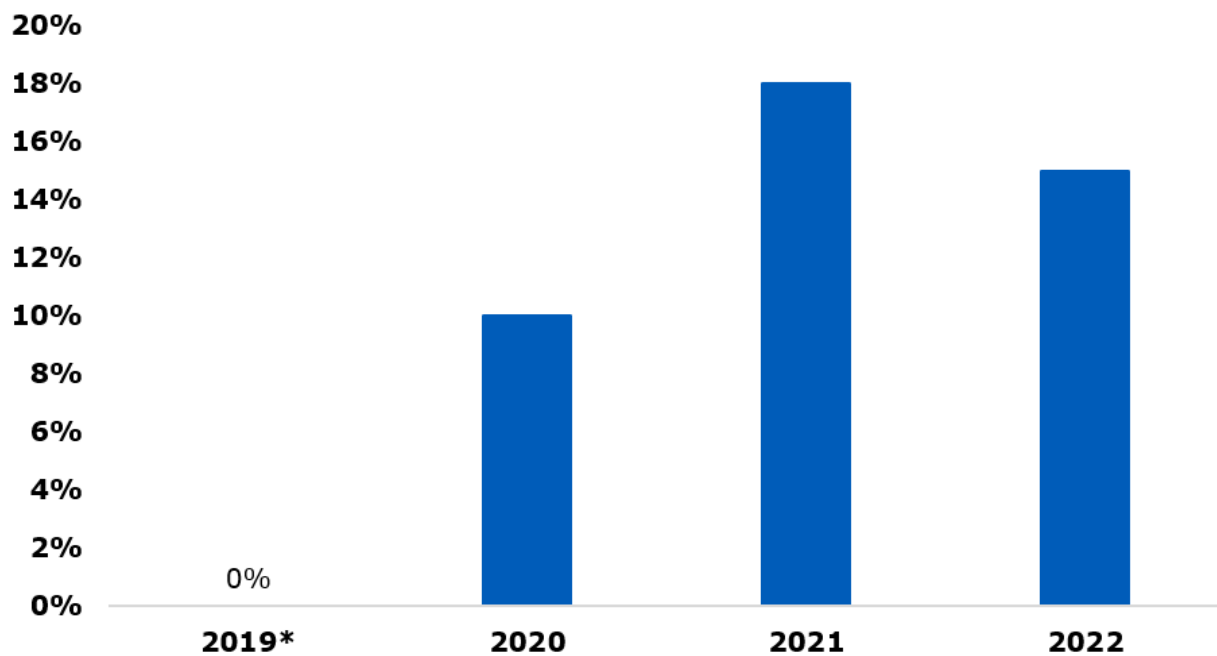
demographics including age, race, and DFPS region in 2022. Figure 2 below illustrates STAR Health preventive claims by age group from 2019 through 2022. Adult STAR Health members had the lowest use of preventive healthcare in 2022.

**Figure 2. STAR Health Members Preventive Healthcare Use by Age 2019-2022**



For teleservices, STAR Health members with at least one claim for preventive healthcare in 2022 decreased to 15 percent from 18 percent in 2021, consistent with the decrease in combined teleservice and in-person preventive services (see Figure 3). Future data may indicate whether the downward trend in use of teleservices is related to the end of the PHE.

**Figure 3. STAR Health Members Preventive Healthcare Teleservice Use 2019-2022<sup>4</sup>**



## 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.

STAR Health members with at least one mental health claim decreased from 53 percent in 2021 to 44 percent in 2022. Figure 4 below compares mental health services via teleservice and in-person, teleservice only, and in-person only. Figure 4 illustrates a decrease in the use of mental health services in all three categories in 2022.<sup>5</sup> The decrease of STAR Health members in DFPS conservatorship with at least one claim for mental health services is less than the decrease for total STAR Health members (includes members not in DFPS conservatorship).

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<sup>4</sup> Preventive healthcare was not available through teleservice prior to the PHE.

<sup>5</sup> Claims may not equal 100 percent when teleservice and in-person services are added together because a member can have mental health claims in both categories.

**Figure 4. STAR Health Members Mental Health Use 2019-2022**

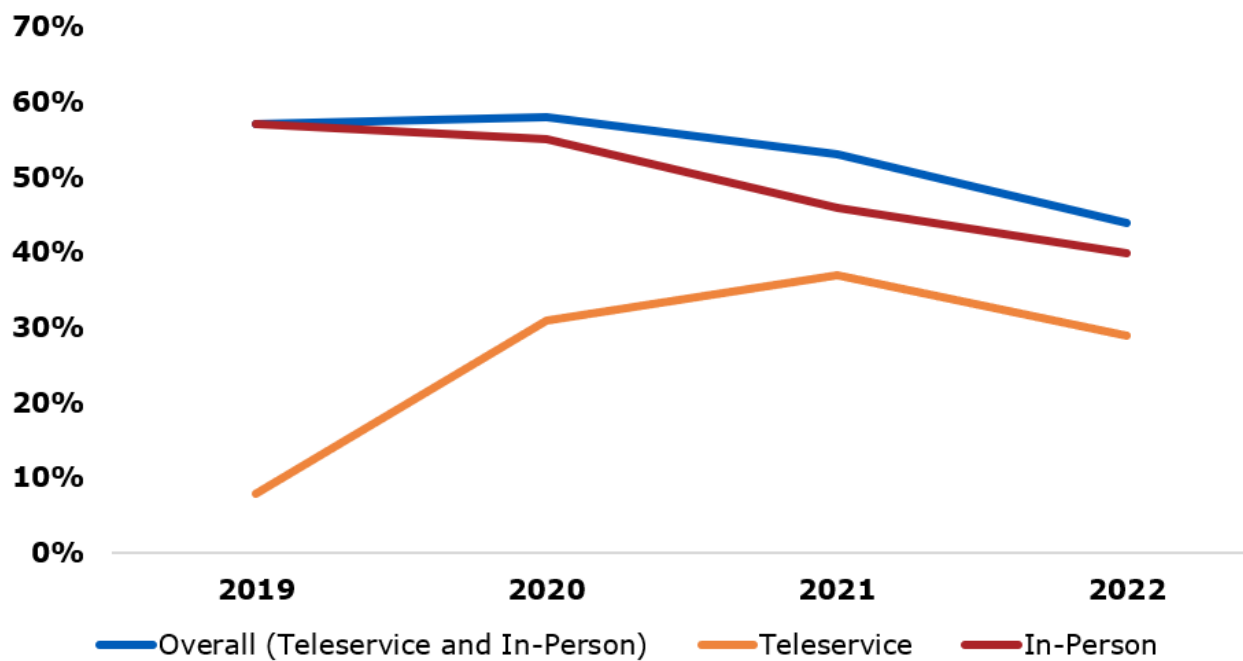
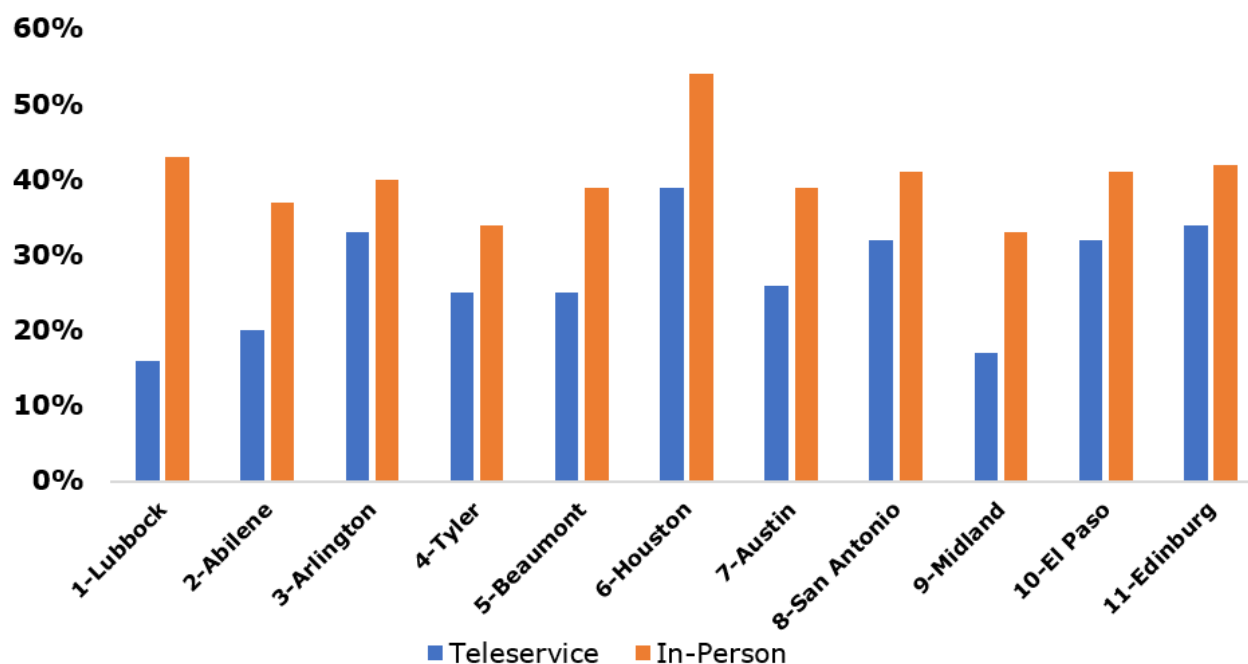


Figure 5 below illustrates the use of mental health in-person and teleservice use by DFPS Region in 2022 for all STAR Health members. Region 6 had the highest percentage of members receiving in-person mental health services (54 percent) while Regions 4 and 9 had the lowest (34 percent and 33 percent, respectively). Regions 1, 2, and 9 had the lowest percentage of members receiving mental health services via teleservice (less than 20 percent of their members). This finding is consistent with data from 2019 (which also captures pre-PHE data) and may indicate regional barriers to teleservices such as poor broadband access in rural counties.

**Figure 5. STAR Health Members with Mental Health In-person and Teleservice Claims By DFPS Region 2022**



## Psychotropic Medication

[Psychotropic medication](#) is prescribed for mental, emotional, or behavioral health conditions. While the use of psychotropic medications has an established [role](#) in the treatment of children and youth in foster care with such conditions, there are ongoing efforts across the United States to monitor and decrease the use of psychotropic medication in this population. There is a continued need to balance use among children in foster care, who may have [complex healthcare needs](#) due to emotional or psychological stress.

HHSC and DFPS have coordinated since 2004 to assess and monitor the [prescription of psychotropic medications](#) to children in foster care and to implement strategies to assist healthcare providers in prescribing psychotropic medications appropriately. HHSC and DFPS, along with university and medical school faculty, community psychiatrists and others, review and update 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.<sup>6</sup> HHSC’s analysis identified a higher use rate of psychotropic medication for STAR Health youth ages 13-17 in DFPS conservatorship compared to other age groups in DFPS 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 DFPS conservatorship, including more severe mental health conditions (including, but not limited to, bipolar disorder, major depressive disorder, and schizophrenia).<sup>7</sup>

This age group also has the highest number of mental health claims compared to other age groups in DFPS conservatorship. In 2022, 51 percent of youth ages 13-17 in DFPS conservatorship had at least one mental health claim compared to other ages groups ranging from 4 percent to 38 percent.

From 2021 to 2022, psychotropic medication claims dropped from 24 percent to 22 percent for all STAR Health members. Figure 6 below compares all STAR Health claims for psychotropic medication use to [STAR](#) claims for psychotropic medication use in 2022.

**Figure 6. STAR Health and STAR Members with Psychotropic Medication Claims 2022**

Age Group	Percent of STAR Health Members with Claims	Percent of STAR Members with Claims
0-4	4%	2%
5-8	22%	6%
9-12	35%	9%
13-17	47%	11%
18+	27%	10%

## Therapeutic Services

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

PT is rehabilitative treatment concerned with restoring function or preventing disability in movement and mobility caused by illness, injury, or birth defect. OT uses purposeful activities to obtain or regain skills needed for activities of daily living and functional skills needed for daily life. ST is designed to ameliorate, restore, or rehabilitate speech language communication and swallowing disorders

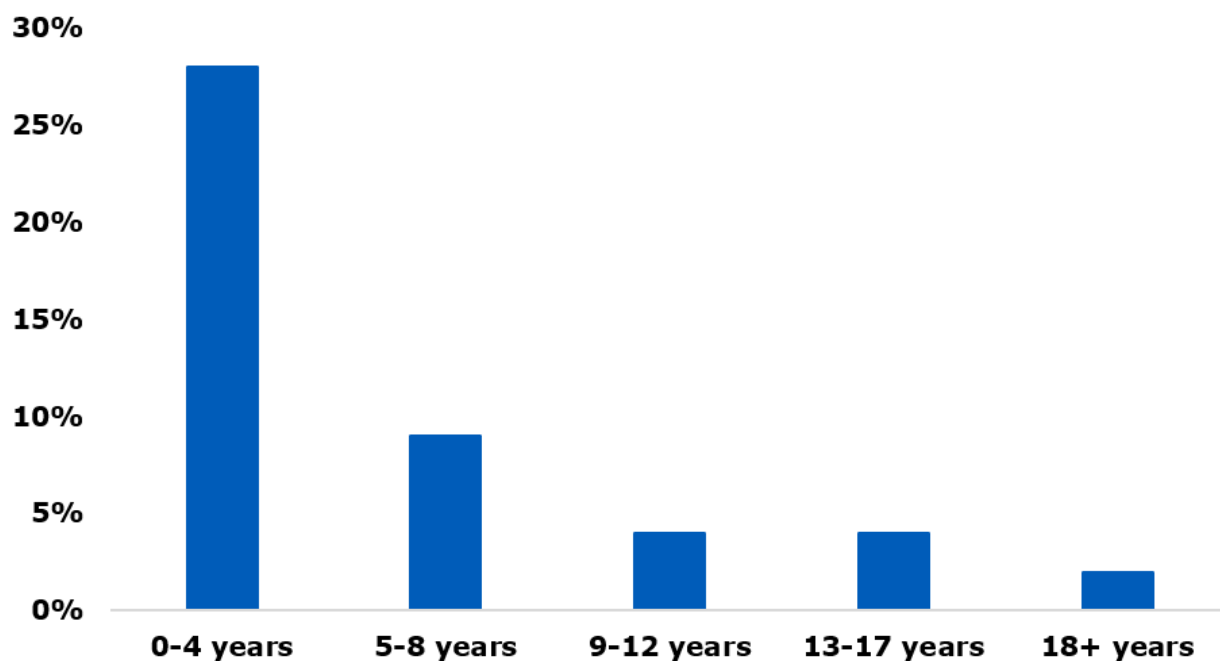
<sup>6</sup> HHSC’s Data, Analytics, and Performance internal reporting.

<sup>7</sup> HHSC’s Data, Analytics, and Performance internal reporting.

that have been lost or damaged because of a chronic, acute, or acute exacerbation of a medical condition.

The age group with the most OT, PT, and ST claims in STAR Health are children ages 0-4. Twenty-eight percent of the children in this age group have at least one OT, PT, and/or ST therapy claim in 2022. This is compared to just 10 percent or fewer in the other age groups (see Figure 7), which is similar to the 2021 findings. Because younger children in general tend to receive these types of therapeutic services, this trend may not be specific to the STAR Health population. Overall use of STAR Health therapy services decreased by two percentage points from 2021 to 2022.

**Figure 7. STAR Health Therapies OT, PT, and SP by Age and Combined In-person and Teleservices 2022**



## Physical Healthcare 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. The overall percentage of youth in DFPS conservatorship with at least one physical health claim related to these diagnoses remained consistent at five percent from 2021 to 2022. The use rates ranged from five percent (youth 0-8 years) to seven percent (youth

13-17 years) for 2022. Physical health claims across race group remained stable, with a notable finding of increased use of seven percent for black, non-Hispanic youth in 2021 and 2022. Utilization across other race groups in 2022 was between three and five percent.

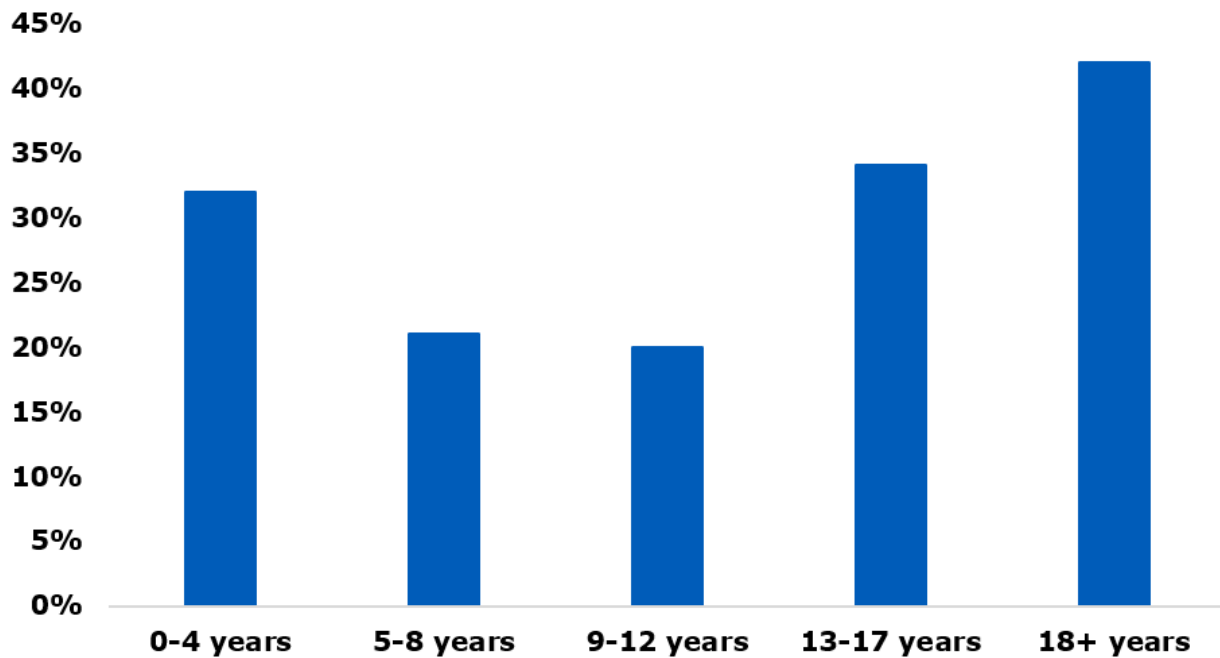
## **Substance Use Disorder Services**

Substance use disorder services in Texas Medicaid include evaluation/assessment, counseling, medication-assisted treatment, withdrawal management, residential treatment, and screening, brief intervention, and referral to treatment services. Substance use disorder claims remain stable with one percent of the STAR Health population having claims for 2021 and 2022. Five percent of STAR Health members ages 13-17 had claims for substance use treatment in 2021 and decreased to four percent in 2022.

## **Emergency Room Services**

An emergency department is an organized hospital-based facility for the provision of unscheduled episodic services to clients who present for immediate medical attention. Emergency room (ER) services for all STAR Health members increased from 29 percent in 2021 to 32 percent in 2022. Figure 8 below illustrates ER usage by age group in 2022, with the highest percentage (42 percent) for STAR Health members ages 18 and older. This may suggest that age group 18 and older relies on emergency services as opposed to primary care.

**Figure 8. STAR Health Members ER Use by Age 2022**



## **Non-Emergency Medical Transport Services**

NEMT claims remain low among the STAR Health population. Use in 2022 ranges from zero to four percent of youth having NEMT claims based on age, DFPS region, and race.

## **Private Duty Nursing**

Private duty nursing claims are low among the STAR Health population with total use claims of one percent in 2021 and 2022. Notable findings from 2022 include three percent usage among American Indian or Alaskan Native clients, while all other race groups have a one percent usage.



## 4. Collaboration with Residential Child-Care Providers

### Listening Session

Section 533.00521 requires HHSC to collaborate with residential child-care providers regarding any unmet needs of children in foster care. To continue the evaluation of unmet needs, HHSC hosted a listening session with residential child-care providers to follow-up on survey responses from 2022, gather information about what has changed, and solicit recommendations for strategies to meet the needs. Recruitment for participation in the listening session by residential child-care providers included the distribution of GovDelivery messages by HHSC on November 29, 2023, and December 8, 2023. The listening session was held virtually on December 11, 2023, and included HHSC and DFPS representatives.

HHSC facilitated a structured conversation centered around five foundational topic areas to build upon the 2022 survey and meet the requirements of the statute:

- Assessments provided for children and youth in foster care, including the Child and Adolescent Needs and Strengths (CANS) 2.0 and Texas Health Steps check-ups;
- Diagnoses and treatment most commonly seen by residential child-care providers;
- Non-Medicaid services;
- Barriers to effective use of STAR Health services; and
- Other unmet needs of children and youth in foster care.

HHSC provided background information and analysis of previous findings to the participants who were then asked about changes and trends. Participants were invited to speak or provide written comments through a dedicated forum during the listening session. HHSC identified themes based on participant feedback.

## Themes

HHSC identified two main themes impacting the use of medical and behavioral health services for children and youth in foster care: 1) provider availability and capacity and 2) access to Medicaid and non-Medicaid services.

### Provider Availability and Capacity

Participants indicated a continued need to increase and retain quality Medicaid providers in the STAR Health network. Participants attributed this need to providers not enrolling due to current Medicaid reimbursement rates as well as barriers with the credentialing process to enroll with the STAR Health MCO. Participants also highlighted a need to increase the provider network in certain rural areas of the state. Participants noted that some of the available and preferred providers have extended wait times due to high patient volume.

Residential child-care providers expressed the need to improve capacity for Medicaid providers trained and equipped to meet the unique needs of children and youth in foster care. For example, participants cited the need for providers to understand [timeframes for required medical services](#), and to provide services under a trauma-informed framework. Listening session participants suggested that expanded access to and better use of Health Passport for Medicaid providers may decrease silos in medical record retention and communication.

### Access to Services

Residential providers discussed the continued need for increased access to certain services such as equine therapy, music therapy, and art therapy. These services are not Medicaid state plan services and are only available to children enrolled in certain Medicaid waiver programs. Participants explained that alternative services are difficult to find, and often costs are covered by the residential child-care provider. While teleservices appear to remain accessible, participants expressed the need for more in-person service providers to meet the individualized needs of certain children in DFPS conservatorship, specifically in certain rural areas of the state.

Participants discussed the need for enhanced communication between DFPS, SSCCs, HHSC, and the STAR Health MCO so that each party can better understand one another's process in the joint effort to serve children and youth in foster care. Residential providers also discussed the continued need for access to resources for

youth with complex needs and well as young adults who are transitioning out of foster care.

## 5. Exploration of Strategies for Maximizing Federal Funds

Section 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. Federal policies limit when room and board costs are eligible for federal Medicaid matching funds. In the 2023 Annual Review of STAR Health Services, HHSC found that federal Medicaid matching funds were not available to pay for a safe home-like or community-based residential setting for a child in DFPS conservatorship.

During the annual evaluation for this report, HHSC confirmed that federal Medicaid matching funds remain unavailable for the facility type described in Section 533.00521. For additional information, please refer to Section 5, Exploration of Strategies for Maximizing Federal Funds, in the [2023 Annual Review of STAR Health Services](#).

## 6. Recommendations

After reviewing the STAR Health service use data and the feedback from residential child-care providers, HHSC identified the following recommendations for DFPS and SSCCs in the state.

### Joint Process Improvement

Increased collaboration between HHSC, DPFS, SSCCs, and the STAR Health MCO to address provider availability, capacity, and organizational processes. Each organization can benefit from improved coordination and a better understanding of each other's policies, requirements, and responsibilities. Additionally, when there are significant changes, parties can work together to improve dissemination of shared informational materials.

### Transition Planning

DFPS and HHSC continue to collaborate with the STAR Health MCO on strengthening planning for youth 18 and older who are transitioning out of DFPS conservatorship. A notable finding in this report is the 2022 data showing higher use of ER services by members who are not in DFPS conservatorship compared to members who are in DFPS conservatorship. The retention of this population in STAR Health during the PHE has led to additional insight on service use by this population suggesting that transitioning aged youth might rely on emergency services as opposed to primary care. Efforts could focus on continuing to review service use data for STAR Health members 18 years of age and older to inform future assessments of each organization's existing transition services to identify gaps and deficiencies related to transitioning youth from pediatric providers to adult providers, increasing access to preventive care, and addressing non-medical drivers of health needs.

## List of Acronyms

<b>Acronym</b>	<b>Full Name</b>
DFPS	Department of Family and Protective Services
ER	Emergency Room
HHSC	Health and Human Services Commission
MCO	Managed Care Organization
NEMT	Non-Emergency Medical Transportation
OT	Occupational Therapy
PHE	COVID-19 Public Health Emergency
PT	Physical Therapy
SSCC	Single Source Continuum Contractor
ST	Speech Therapy