



TEXAS
Health and Human
Services

In-Lieu-of Services

Office of Policy
Medicaid & CHIP Services

Background

- The state plan is the officially recognized document describing the nature and scope of the State of Texas Medicaid program.
- States can allow managed care organizations (MCOs) to offer medically appropriate, cost-effective in-lieu-of services in place of a covered Medicaid state plan service or setting.
- The in-lieu-of service is voluntary for the MCO to provide and voluntary for the enrollee to use.



TEXAS
Health and Human
Services

Senate Bill 1177 (86R, 2019)

- SB 1177 (86R, 2019) directed HHSC to amend MCO contracts to allow MCOs to offer medically appropriate, cost-effective services approved by the State Medicaid Managed Care Advisory Committee (SMMCAC) in lieu of mental health or substance use disorder services specified in the Texas Medicaid State Plan.
- HHSC separated the list of services from SMMCAC into three groups:
 - **Phase 1**: services in lieu of inpatient services
 - **Phase 2**: services in lieu of outpatient services
 - **Phase 3**: services in need of further consideration



TEXAS
Health and Human
Services

Phase 1 Services

Services in-lieu-of inpatient services

- Partial hospitalization services
- Intensive outpatient program services
- Coordinated specialty care
- Crisis respite services
- Crisis stabilization services
- Extended observation services



Phase 1 Services

- HHSC plans to move forward with implementing:
 - Partial Hospitalization
 - Intensive Outpatient
 - Coordinated Specialty Care (CSC) services
- HHSC will continue to work with CMS to address questions regarding:
 - Crisis respite services
 - Crisis stabilization services
 - Extended observation services



TEXAS
Health and Human
Services

Next Steps to Implement Phase 1 Services

Update Uniform Managed Care Manual (UMCM)* to require MCOs to:

- 1
 - Document the member's choice to receive in-lieu-of services
 - Educate Providers and Members about the availability of in-lieu-of services, if providing in-lieu-of services.
 - Develop and maintain an operational plan that describes how the MCO will operationalize in-lieu-of services prior to implementation.
 - Ensure that there is not a duplication of services or payment when providing in-lieu-of services and Covered Services.
 - Have clinical guidelines in place for the medical appropriateness and utilization management processes and share these guidelines with HHSC upon request.

* HHSC expects updates to be published by late 2022



TEXAS
Health and Human
Services

Next Steps to Implement Phase 1 Services



TEXAS
Health and Human
Services

2

Update Uniform Managed Care Manual (UMCM)* to:

- Prohibit MCOs from offering outpatient in-lieu-of services in place of inpatient hospitalization services for Members who are at immediate risk of harming themselves or others.
- Define the new in-lieu-of services and outline provider qualifications.

* *HHSC expects updates to be published by late 2022*

Next Steps to Implement Phase 1 Services

3

Seek feedback on MCO next steps:

- Do MCOs plan to offer Partial Hospitalization, Intensive Outpatient and Coordinated Specialty Care (CSC) services?
- What is the estimated timeline for MCOs to be able to offer these in-lieu-of services?



TEXAS
Health and Human
Services

Phase 2 Services

Services in-lieu-of outpatient services

- Cognitive Rehabilitation
- Multisystemic Therapy (MST)
- Functional Family Therapy (FFT)



TEXAS
Health and Human
Services

Phase 2 Services

- HHSC has determined all Phase 2 proposed services are evidence-based and is reviewing Phase 2 services for cost effectiveness.
- HHSC is also considering FFT for ages 10-18 as a potential Medicaid benefit to be added to the state plan as a result of a medical benefit topic nomination from a stakeholder.



TEXAS
Health and Human
Services

Phase 3 Services

Requires further consideration

- Collaborative Care Model[^]
- Integrated Pain Management Day Program*
- Health & Behavior Assessment & Intervention*
- Systemic, Therapeutic, Assessment, Resources, and Treatment (START)
- Treatment/Therapeutic Foster Care
- Mobile Crisis Outreach Team (MCOT)[#]

[^] Implemented as a State Plan benefit in June 2022

* Current state plan benefits for ages 0-20

[#] Crisis services provided via a MCOT are covered by Medicaid under the mental health rehabilitation, crisis intervention services.



TEXAS
Health and Human
Services

Phase 3 Services

- Phase 3 services require additional analysis because:
 - Some only apply to specific populations;
 - Some services contain components already covered under Texas Medicaid;
 - Some need further analysis to determine which state plan services they could be offered in lieu of and confirm assumptions with CMS.
- Phase 3 services will be analyzed after Phase 1 and Phase 2 services are analyzed and implemented, if approved.



TEXAS
Health and Human
Services



TEXAS
Health and Human
Services

Thank you

Managed_Care_Initiativess@hhs.texas.gov