House Bill 4
87th Legislature Implementation Update

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Deputy State Medicaid Director,
Health and Human Services Commission

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Background

- The Health and Human Services Commission (HHSC) allowed remote delivery for many services during the COVID-19 public health emergency (PHE).
- House Bill (H.B.) 4 requires HHSC to allow more services to be delivered remotely on a permanent basis after the PHE ends if clinically appropriate and cost-effective.
- H.B. 4 primarily impacts Medicaid, but also impacts other health and human services programs.
Medicaid Teleservices Prior to HB4

- Telehealth and telemedicine was allowed prior to the PHE for many services
  - Synchronous audio-visual delivery
  - Examples include physician office visits (telemedicine) and psychotherapy (telehealth)

- Medicaid Managed Care Organizations (MCOs) have the responsibility to determine which services can be delivered remotely in managed care, in alignment with Senate Bill (S.B.) 670, 86th Legislature
Total Medicaid Teleservices by State Fiscal Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Number of Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>36,987</td>
</tr>
<tr>
<td>2017</td>
<td>47,901</td>
</tr>
<tr>
<td>2018</td>
<td>59,853</td>
</tr>
<tr>
<td>2019</td>
<td>72,490</td>
</tr>
<tr>
<td>2020</td>
<td>885,903</td>
</tr>
<tr>
<td>2021</td>
<td>1,151,329</td>
</tr>
</tbody>
</table>
# HB4 Components

<table>
<thead>
<tr>
<th>Rural Health Clinics</th>
<th>Remote delivery</th>
<th>Home telemonitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network Adequacy</td>
<td>Access to care</td>
<td>Member communication</td>
</tr>
<tr>
<td>Medicaid application and renewal form</td>
<td>Managed care assessments</td>
<td>Chemical dependency treatment facilities</td>
</tr>
</tbody>
</table>
H.B. 4 Medicaid Implementation Timeline

**Phase I**  
Winter 2022
- Completed initial analysis
- Issued interim guidance to providers
- Issued direction to MCOs
- Began rule and policy development
- Posted draft rules for public comment for managed care assessment and service coordination

**Phase II**  
Spring 2022
- Implemented Rural Health Clinic changes
- Submitted state plan amendments
- Posted draft rules for public comment for teleservices including behavioral health audio-only delivery
- Issued additional interim guidance

**Phase III**  
Summer 2022
- Posted medical benefit policies for public comment
- Issued final provider notices about medical benefit policy changes

**Phase IV**  
Fall 2022-Winter 2023
- Implement MCO contract changes, Medicaid provider manual, and 1915c waiver manual changes
- Post proposed rules for public comment for managed care assessment and service coordination and Medicaid behavioral health audio-only services
- Adopt rules
Stakeholder Engagement

Early 2022
Interim guidance issued for most services and benefits

2022
Policy development through rules and benefit policy updates

Engaged Stakeholders in Fall 2021 and Throughout 2022

Dedicated mailbox to receive input
HHSC_MCS_House_Bill_4@hhs.texas.gov

Website to Highlight Comment Opportunities
https://www.hhs.texas.gov/services/health/medicaid-chip/provider-information/medicaid-chip-teleservices
## Framework for Assessing Services

<table>
<thead>
<tr>
<th>Evaluation Category</th>
<th>Assessment Question</th>
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<tbody>
<tr>
<td>Clinical Effectiveness</td>
<td>Are there indications (standards of practice, expert clinical opinion, professional judgement of subject matter experts, clinical guidance, medical evidence) that the service is less clinically effective when provided via audio/audio-visual than in person?</td>
</tr>
<tr>
<td>Cost Effectiveness</td>
<td>Is there any data indicating that the service itself is more expensive when provided via audio/audio-visual than in person?</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td>Are there reasons to believe that the service would pose a health and safety risk to clients if provided via audio/audio-visual rather than in person?</td>
</tr>
<tr>
<td>Client Choice &amp; Access</td>
<td>Would client choice and access be negatively impacted if the service is provided via audio/audio-visual rather than in person?</td>
</tr>
<tr>
<td>Federal/State Laws (includes licensure)</td>
<td>Are there federal or state laws or regulations (including licensure requirements) that prevent the service from being delivered via audio/audio-visual?</td>
</tr>
<tr>
<td>Other</td>
<td>Are there any other reasons for concern about offering the service via audio/audio-visual rather than in person?</td>
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</table>
Remote Delivery of Behavioral Health Services

Changes Impacting Behavioral Health

• Medicaid Behavioral Health FFS Policy Changes
• Chemical Dependency Treatment Facilities
Medicaid Behavioral Health FFS Policy Changes (1 of 4)

Policy Requirements

• Must be clinically appropriate and safe, as determined by the clinician

• Providers must defer to needs of person receiving services and modality must be driven by member choice and consent

• Delivery method should be accessible, person- and family-centered

• Services must align with licensure and regulatory requirements

• Certain audio-only services restricted to clients with existing clinical relationship
### New Audio-Visual and Audio-Only Allowances

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
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<tbody>
<tr>
<td>Screening, Brief Intervention, and Referral to Treatment Services</td>
<td></td>
</tr>
<tr>
<td>Health and Behavior Assessment and Intervention Services</td>
<td></td>
</tr>
<tr>
<td>Healthy Texas Women (HTW) and HTW PLUS services that are</td>
<td>allowed in Medicaid FFS</td>
</tr>
<tr>
<td>Psychiatric Diagnostic Evaluation Services*</td>
<td></td>
</tr>
<tr>
<td>Psychiatric Evaluation &amp; Management (E&amp;M) Services and Pharmacological</td>
<td>Management Services for a mental health or SUD condition*</td>
</tr>
<tr>
<td>Psychotherapy Services*</td>
<td></td>
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</table>

* Requires existing clinical relationship for delivery via audio-only technology.
### Medicaid Behavioral Health

**FFS Policy Changes (3 of 4)**

<table>
<thead>
<tr>
<th><strong>New Audio-Visual and Audio-Only Allowances</strong></th>
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<tbody>
<tr>
<td>Mental Health Rehabilitation Services**</td>
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<tr>
<td>Peer Specialist Services**</td>
</tr>
<tr>
<td>Mental Health Targeted Case Management**</td>
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</tbody>
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<table>
<thead>
<tr>
<th><strong>New Audio-Visual Allowances</strong></th>
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<tbody>
<tr>
<td>Substance Use Disorder (SUD) counseling</td>
</tr>
<tr>
<td>SUD comprehensive assessment</td>
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<tr>
<td>Neurobehavioral, Neuropsychological, and Psychological Testing</td>
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</tbody>
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** Requires approval by the supervising clinician and requires existing clinical relationship for delivery via audio-only technology.
Medicaid Behavioral Health FFS Changes
HCBS-AMH and YES Waiver (4 of 4)

<table>
<thead>
<tr>
<th>New Audio-Visual and Audio-Only Allowances</th>
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<tbody>
<tr>
<td>YES Waiver Assessments Not Used to Determine Eligibility</td>
</tr>
<tr>
<td>HCBS Community Psychiatric Supports and Treatment</td>
</tr>
<tr>
<td>HCBS Psychosocial Rehabilitation</td>
</tr>
<tr>
<td>Other HCBS Services (SUD, Peer, Nursing, etc.)</td>
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<th>New Audio-Visual Allowances</th>
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<td>HCBS-AMH Assessment and Reassessment</td>
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Chemical Dependency Treatment Facilities

• H.B. 4 permits a licensed chemical dependency treatment facility (CDTF) to provide outpatient services to adult and adolescent clients using telecommunications or information technology

• The bill directed HHSC to adopt rules for CDTF’s intake, screening, and assessment procedures regarding use of telecommunications or information technology

• Updated CDTF rules took effect 3/3/2022

• HHSC compliance staff were trained on the updated rules
Other Medicaid Services

Changes Impacting Other Services

• Rural Health Clinics
• State Plan FFS Policy Changes
• Changes Impacting Medicaid IDD Services
Rural Health Clinics

• Allows rural health clinics to bill telemedicine and telehealth services as a distant site on an ongoing basis
• Implements a patient site facility fee for rural health clinics with the same rate that is currently paid to federally qualified health centers
• Implementation effective 4/1/2022
State Plan FFS Policy Changes

**New Audio-Visual and Audio-Only Allowances**

- Case Management for Children and Pregnant Women (CPW) Follow-up Visit

**New Audio-Visual Allowances**

- Several physical, occupational, and speech therapy services
- CPW Comprehensive Visit
- Certain School Health and Related Services, including physical, occupation, and speech therapy
- Physician Evaluation and Management Services for Family Planning, Prenatal, and Postnatal
- Early Childhood Intervention Targeted Case Management
## Changes Impacting Medicaid IDD Services

### New Audio-Visual and Audio-Only Allowances

<table>
<thead>
<tr>
<th>IDD Targeted Case Management (exceptions apply)</th>
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### New Audio-Visual Allowances

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<th>Several physical, occupational, and speech therapy services</th>
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<tr>
<td>Renewal Assessments and Focused Nursing Assessments in Home and Community-Based Services (HCS), Texas Home Living (TxHML), and (Community Living Assistance and Support Services (CLASS))</td>
</tr>
<tr>
<td>CLASS Specialized Therapies</td>
</tr>
<tr>
<td>Behavior support services, dietary services, social work and audiology services in HCS, TxHmL, and CLASS</td>
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Managed Care Impacts

Managed Care

- Managed Care Assessments and Service Coordination
- Member Communications
- Home Telemonitoring
- Network Adequacy
Managed Care Assessments and Service Coordination (1 of 2)

- Allow the use of audio-visual telehealth for:
  - Service coordination visits that do not include certain types of assessments
  - Change in condition assessments that do not require or potentially require a change in the Resource Utilization Group (RUG) level
Managed Care Assessments and Service Coordination (2 of 2)

- Certain assessments must be done in-person:
  - Initial assessments and annual reassessments for waiver program eligibility
  - Initial and annual functional assessments for personal assistance services, personal care services, and Community First Choice
  - Change in condition assessments that could require a change in the RUG level
• H.B. 4 requires HHSC to adopt and publish guidance for MCOs to communicate to their members via text or email using the consent obtained from the eligibility application and renewal forms

• Preliminary guidance was issued in December 2021 and was revised in April 2022

• The Uniform Managed Care Manual policy updates are effective September 1, 2022
Member Communications (2 of 2)

H.B. 4 requires HHSC to amend Medicaid applications and renewal forms to:

- Allow applicants to select a preferred method of contact by an MCO
- Explain risks and obtain consent
- Share this information with MCOs

Updates will be implemented in phases

- Phase I updates application and renewal forms and implemented January 2022
- Phase II updates an existing interface to transmit the member's consent and preferred method of contact to MCOs and is planned for December 2022
Home Telemonitoring

- H.B. 4 directs HHSC to allow Medicaid MCOs to reimburse for additional home telemonitoring services other than those explicitly outlined in statute if clinically effective and cost-effective

- CMS Feedback
  - State Plan Amendment (SPA) would be needed for MCOs to expand telemonitoring services beyond what is currently allowed; or
  - MCOs could voluntarily expand telemonitoring services beyond what is currently allowed, but costs cannot be included in the capitation rate

- HHSC continues to explore next steps, including the cost-effectiveness of expanding telemonitoring services to all Medicaid clients beyond what is currently allowed
Network Adequacy

• To incorporate teleservices into access standards, HHSC is changing the existing performance report and corrective action plan (CAP) process

• Prior to this change, MCOs were issued CAPs for any deficiencies in their provider network

• The revised process will occur prior to CAP issuance and will allow MCOs to identify the deficiency root cause and provide an access to care plan

• Details surrounding teleservices efforts by the plan are included in the access to care plan

• CAPs will not be issued for provider shortages when the plan is provided