



**Texas Health and Human
Services Commission
Nursing Facility Change
of Ownership Committee
Recommendation Update
Report**

**As Required by
Texas Legislature 86th Session, 2019,
House Bill 1, Rider 171**

**Texas Health and Human Services
December 2022**



TEXAS
Health and Human
Services

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Introduction

Nursing facilities (NF) and other long-term care providers are required to be licensed to provide services in Texas. The license is the basis for receiving the Medicaid contract and subsequent payments. The license is non-transferable. To change the ownership of the facility, the provider and new owner must complete the change of ownership (CHOW) application process. Delays in this process impact the provider's ability to receive funding which impacts their ability to provide care to residents. Based on feedback from NF providers and their provider associations, the 86th Legislature in 2019, approved House Bill (H.B.) 1, Rider 171 to the General Appropriations Act requiring the Health and Human Services Commission (HHSC) to:

Review the agency's process for completing nursing facility change of ownership, including timeframes for application processing, survey, contracting, licensure, and payments following the completed change of ownership. Submit a report detailing the agency's current processes and timeframes and recommendations for improving the change of ownership process to reduce the duration a nursing facility provides services without Medicaid reimbursement to the Governor, Legislative Budget Board, and permanent committees in the House of Representatives and the Senate with jurisdiction over health and human services by March 1, 2020.

HHSC's Office of Transformation and Innovation (OTI) evaluated the process, met with stakeholders, and developed the NF CHOW and Payments Report. In March 2020, OTI published the required report, which details a series of recommendations to reduce the time for completing a CHOW for NFs. This includes reducing the time between issuing a license, securing a Medicaid contract, and receiving payment for services. The NF CHOW Committee oversees implementation of the report's recommendations and report on progress. The NF CHOW Committee is co-chaired by the Director of Long-term Care Regulation (LTCR) Licensing and Credentialing and the Director of Medicaid/CHIP Services Contract Administration and Provider Monitoring (CAPM) or designee.

1. Improvements

Since June 2021, HHSC has continued to implement a series of improvements. The tables in Appendix A outline the specific recommendations from the NF CHOW and Payments Report and the status associated with each.

Reducing CHOW Processing Time

As HHSC has continued to review NF CHOW data, the accuracy of the data has increased. As noted in the table below, HHSC has continued to reduce the overall time needed to process a NF CHOW. The NF CHOW Committee implemented numerous action items as outlined in this report in collaboration with the OTI and the Texas Medicaid and Healthcare Partnership (TMHP) which reduced the processing time.

NF CHOW Process Time Savings Fiscal Years (FY) 2020-21

CHOW Process Phase	Avg. Time in Days – FY 20	Avg. Time in Days – FY 21	Avg. Time in Days – FY 22	Overall % Reduction in Time from FY20
Licensing	73.88	62.45	57.33	22%
Contracting	61.67	43.06	46.00	25%
<i>Subtotal Licensing and Contracting</i>	134.61	106.10	105.83	21%
TMHP: LTC EDI Agreement	18	2		88.9%
TMHP: Issue Pin	7	7	0	100%
Totals	159.61	115.10	107.83	32%
	Notes: <ul style="list-style-type: none">• Data from the previous report was updated based on ongoing data review by the HHSC Office of Data, Analytics, and Performance.• FY 2022 data includes ten months of data from September 2021 to June 2022.			

Streamlining Licensure Process

The HHSC RSD’s Licensing team continues to work with providers and applicants to ensure an efficient process. HHSC’s Long-Term Regulation team is working on a rule change for other facility-based licenses to issue a temporary license prior to a health survey; as the NF CHOW process currently provides. This change will continue to increase efficiency across all LTC Licensing.

NF CHOW Monthly Data Reporting

The NF CHOW Committee requested the Office of Data Analytics and Performance (DAP) to provide a monthly data report of the NF CHOW process until the Centralized Data Mart (noted in pending improvements) could be developed. The Licensing and Medicaid contracting sections worked with DAP to develop a consistent data process that will be used in the Data Mart.

Texas Unified Licensure Information Portal (TULIP) Improvements

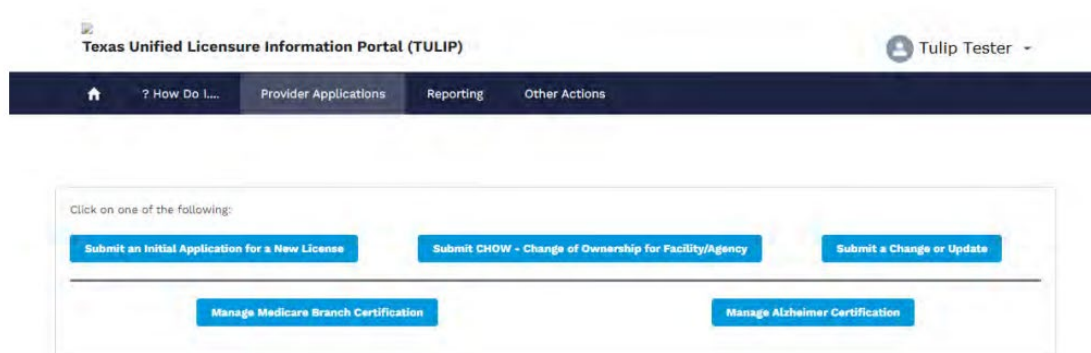
The Texas Unified Licensure Information Portal (TULIP) is the online provider portal HHSC uses for the licensing of long-term care providers. Providers use TULIP to submit licensure applications, including CHOW application. In Fall 2021, HHSC implemented a project to improved TULIP navigation.

- Home Page Navigation: The home page of the provider was reorganized so the applications for each facility or agency was placed under the facility/agency name sorted by applications completed or in progress and not in one long list. This change benefits the provider by making it easier to find information about specific facilities and applications.
 - A renewal available date column was added to provide additional communication related to renewal timeframes.
 - A review email column was added to provide direct access to the Licensing Specialist assigned to that application.

The screenshot displays the 'Facility/Agency Details' page in the TULIP system. It features a table with columns for 'Action R...', 'Name', 'Type', 'License ...', 'License Expiry Date', 'Facility Id', 'Renewal Available...', and 'To Avail...'. Below this, there are sections for 'In Progress Applications' and 'Completed Applications' for each facility. The 'In Progress Applications' section includes columns for 'App ID', 'Date Submi...', 'Type', 'Form', 'Status', and 'Pymt D'. The 'Completed Applications' section includes columns for 'App ID', 'Date Submi...', 'Type', 'Form', 'Status', and 'Pymt D'. The table lists several facilities, including 'LITTLE HAVEN PPECC', 'MABEE VILLAGE AT MARBRIDGE ASSISTED LIVING A', 'CHOW OF NURSING', 'Trinity Manor Redistribution', and 'VILLA ASUNCION INDEPENDENT AND ASSISTED LIVING CENTER'. The 'In Progress Applications' section for 'MABEE VILLAGE AT MARBRIDGE ASSISTED LIVING A' is highlighted with a red box, showing three applications with 'NEW' and 'PAYMENT RECEIVED' statuses.

Action R...	Name	Type	License ...	License Expiry Date	Facility Id	Renewal Available...	To Avail...
>	LITTLE HAVEN PPECC	Facility	148741	2023-04-13	107154	2022-12-14	2023-01
>	MABEE VILLAGE AT MARBRIDGE ASSISTED LIVING A	Facility	146548	2022-01-14	000706	2021-08-16	2022-01
>	In Progress Applications	App ID	Date Submi...	Type	Form	Status	Pymt D
>		APP-001248...		Capacity Increase/Decrease	3721	NEW	
>		APP-001228...	2021-03-19	Capacity Increase/Decrease	3721	PAYMENT RECEIVED	
>		APP-001228...	2021-03-19	Capacity Increase/Decrease	3721	PAYMENT RECEIVED	
>	Completed Applications	App ID	Date Submi...	Type	Form	Status	Pymt D
>	CHOW OF NURSING	Facility	308103	2021-05-19	005191	2020-11-19	2021-01
>	Trinity Manor Redistribution	Facility	308090		007404		
>	In Progress Applications	App ID	Date Submi...	Type	Form	Status	Pymt D
>		APP-001228...	2021-03-19	Account Update; Capacity...	3720	PAYMENT RECEIVED	
>	Completed Applications	App ID	Date Submi...	Type	Form	Status	Pymt D
>	VILLA ASUNCION INDEPENDENT AND ASSISTED LIVING CENTER	Facility	148165	2021-02-26	030128	2020-10-28	2021-04

- Application Status: Previously, the application status the provider could see in TULIP did not provide much detail. The update to TULIP increased the specificity of the application status to communicate with the provider where the application is in the review process. For example, the application status will now show when the application is 'In Analysis' or 'Pending Health Survey'.
- Application Navigation: Previously, the provider would navigate to a list of TULIP application numbers and choose which would then require them to choose a sub-application type to obtain the correct application. The update to TULIP created a Provider Applications tab featuring descriptive buttons. The user selects the appropriate option and then TULIP asks a series of questions used to guide the provider to the correct application.



- Change of Ownership (CHOW) Navigation: Additional features were added specific to CHOWs.
 - When a provider submits a CHOW application in TULIP, the applicant enters the facility identification number (facility ID) of the facility undergoing the CHOW. Previously, there was no verification step to ensure the correct facility ID was entered. TULIP now shows the name and address of the facility ID entered so that the applicant can verify and confirm the information is accurate.
 - If an applicant attempts to submit a CHOW application in TULIP for a facility that already has a CHOW application pending, TULIP will not allow another CHOW application and will notify the applicant that a CHOW application is already pending.
 - A note was added to the facility CHOW application screen in TULIP reminding the applicant the CHOW application must be submitted by the incoming owner/'buyer'.
 - HHSC Licensing management staff now have access to change the CHOW effective date in TULIP eliminating the need to have TULIP Support make the change.

Electronic Issuance of TMHP PIN

In June 2022, TMHP began issuing NF providers a new PIN by secure email instead of by mail, which reduced processing time by about seven days. This recommendation was implemented through a Provider Enrollment and Management System (PEMS) project and effectively used TMHP's capability to send secure email as part of PEMS.

Provider Training

The NF CHOW committee worked with the LTC Regulation Curriculum and Training unit to create training related to the NF CHOW licensure and Medicaid contracting process. This web-based training course has been finalized and posted for provider/applicant use and HHSC sent nursing facilities an alert about the training on August 5, 2022. The training can be found on the Long-term Care Provider Web-based Training website under 'Other Courses':

<https://www.hhs.texas.gov/providers/long-term-care-providers/long-term-care-provider-resources/long-term-care-provider-web-based-training>

Stakeholder Outreach

The NF CHOW Committee has created biannual standing meetings in January and July with the Texas Health Care Association and Leading Age Texas. These meetings facilitate communication of identified issues/barriers and brainstorming for potential solutions. The NF CHOW Committee is committed to following-up on information obtained in these meetings.

2. Pending Improvements

The tables in Appendix A outline the specific recommendations from the NF CHOW and Payments Report and the status associated with pending improvements.

NF CHOW Reporting Through a Centralized Data Mart

The NF CHOW Committee requested OTI lead the development of a NF CHOW data report that would meet the needs of both internal and external stakeholders. This is intended to allow both greater visibility into the CHOW process and enable more accurate reporting on the timeliness of the CHOW process.

The Data Mart will be for internal HHSC use. Reports will be provided to external partners to improve processes such as NFs establishing new contracts with MCOs.

DAP is contributing resources to this effort and will be responsible for developing and maintaining the Data Mart, which will include loading data into the data mart at an agreed-upon frequency and training end-users or assisting with/facilitating utilization of the data mart. The script development for the Data Mart is completed. The user interface and server location are in progress.

TULIP Improvements

Several recommendations relate to enhancements/corrections to TULIP are pending, including:

- beginning application processing earlier,
- modifying how ownership information is entered,
- allowing providers to alter the CHOW effective date prior to submission,
- providing real-time notifications, and
- maintaining contract documents in TULIP.

The RSD continues to evaluate and prioritize TULIP corrections and enhancements. The HHSC Information Technology (IT) Division has provided additional contract resources to supplement current IT staff on the implementation of the enhancements noted in this report as well as other identified needs.

3. Key Dependencies

Technical Constraints

Enhancements to TULIP are limited to the technical constraints of the Salesforce platform and the current TULIP structure.

Resources

All improvements, including enhancements to TULIP, are dependent on the availability of resources for implementation.

IT Governance Project

Additional improvements related to the streamlining of contracting forms are dependent on the IT Governance Project timeline and resources.

Conclusion

HHSC has streamlined the NF CHOW process which will enhance the agency's ability to respond to the needs of providers and the people the agency serves.

Enhancements to current technology and systems, such as TULIP, are central to improving navigation for providers. Exploring new electronic options and reducing manual processes, such as the newly implemented online LTC Electronic Data Interchange (EDI) application process, are also important.

The NF CHOW Committee has made significant strides on implementation of the recommendations and continues to meet with providers. Providers' feedback shows they have seen improvement in the NF CHOW process.

The NF CHOW Committee is committed to improving the quality of current processes, implementing the remaining recommendations, and strives to helping providers navigate the NF CHOW process.

List of Acronyms

Acronym	Full Name
CAPM	Contract Administration and Provider Monitoring
CHOW	Change of Ownership
DAP	Office of Data Analytics and Performance
EDI	Electronic Data Interchange
H.B.	House Bill
HHSC	Health and Human Services Commission
IT	Information Technology
LTCR	Long-term Care Regulation
MCO	Managed Care Organization
NF	Nursing Facility
OTI	Office of Transformation and Innovation
PIN	Personal Identification Number
PL	Provider Letter
PMES	Provider Management and Enrollment System
RSD	Regulatory Services Division
TMHP	Texas Medicaid and Healthcare Partnership
TULIP	Texas Unified Licensure Information Portal

Appendix A. Table of Recommendations

Table 1: Overarching Recommendations

No.	Recommendations	Status	Status Notes as of September 2022
1.1	Form a CHOW Committee to oversee implementation of improvements and report on progress.	Complete	<p>As of May 2020, the NF CHOW Committee is operational and co-chaired by the Directors of the RSD Licensing and Certification unit and MCS Contract Administration and Provider Monitoring (CAPM) unit. The Committee meets on a regular basis, approximately monthly. The following areas provide Committee and workgroup support as needed:</p> <ul style="list-style-type: none"> Office of Transformation and Innovation Office of Performance Regulatory Services Division Medicaid and CHIP Services Division LTC Claims Management Texas Medicaid and Healthcare Partnership Office of Chief Counsel
1.2	Provide regular CHOW reports with key data elements to internal operational areas, providers, and external partners.	To begin in FY2022	<p>On request of the NF CHOW Committee, as of November 2020, the Office of Transformation and Innovation is leading a workgroup for implementation. The Office of Data Analytics and Performance (DAP) is contributing staff resources to this effort and responsible for developing and producing a NF CHOW Centralized Data Mart, which is a more comprehensive solution to providing needed data and information, including reports, for HHS business areas that rely on this information. The script development for the Data Mart has been completed. The pending items are the user interface and the identification of the server location. During the interim, DAP has created a monthly report for the NF CHOW Committee.</p> <p>Implementation Issues/Risks As the scope, frequency, and method of report delivery are more fully developed by the workgroup, technical and resource constraints could impact implementation. OTI and OP are monitoring issues/risks.</p>
1.3	Expand or develop new internal and external trainings and guidance on the CHOW process.	Complete	<p>The NF CHOW committee worked with LTRC Curriculum and Training unit to create training related to the NF CHOW licensure and Medicaid contracting process. With the implementation of the TULIP navigation enhancement and the associated user guide updated, this training has been approved and posted for use. The training can be found on the Long-term Care Provider Web-based Training website under 'Other Courses':</p> <p>https://www.hhs.texas.gov/providers/long-term-care-providers/long-term-care-provider-resources/long-term-care-provider-web-based-training</p>

Table 2: Licensing Recommendations

No.	Recommendations	Status	Status Notes as of April 2021
2.1	Streamline licensing processes. This includes reducing the time for initial review of a CHOW application.	Complete	Licensing reduced the initial review of a NF CHOW application from the stretch goal of 14 days to 10 days from the 30-day allowance in the Texas Administrative Code.
2.2	Start the license application process upon receipt of fee payment.	To begin in FY2023	<p>In order to implement this recommendation, the system capability to initiate an initial review prior to payment received milestone in TULIP was evaluated. It was determined an enhancement to TULIP would be needed to move forward.</p> <p>Implementation Issues/Risks The technical limitations of TULIP to allow this process without negative consequences on the application processing is being evaluated. Resource limitations related to TULIP corrections and enhancements may be a factor.</p>
2.3	Improve TULIP licensing system navigation to guide applicants more effectively through the process.	To begin in FY2023	<p>The improvement of TULIP navigation was implemented in the Fall 2022 and enhanced the portal from the provider’s perspective to be more user friendly. As part of this process, RSD met with external stakeholders to gain input on how the provider portal looks. TULIP has been updated to allow Licensing management to adjust the CHOW effective date.</p> <p>For the following additional elements of this recommendation, the Regulatory Services Division continues to evaluate and prioritize TULIP corrections and enhancements.</p> <ul style="list-style-type: none"> • CHOW Effective Date: Allow the applicant to edit the CHOW effective date until the application is submitted. • System Notifications: Provide consistent notification for each application step. <p>Implementation Issues/Risks The technical limitations of TULIP and resource limitations related to TULIP corrections and enhancements may be a factor.</p>
2.4	Implement enhanced controls around changes to CHOW effective dates.	Complete	A clear policy was developed for when and how many times the CHOW effective date could be changed by the provider. In order to communicate this change with providers, a provider letter (PL 20-36) was published. A new CHOW affidavit was created to streamline this form. The new form will be used for all long-term care providers. At the request of CAPM, the contract number is included on the form so that they can use the form for their function as well. In order to communicate this change with providers, a provider letter (PL 21-02) was published.

No.	Recommendations	Status	Status Notes as of April 2021
2.5	Provide near real-time notifications from TULIP to key internal areas and external partners.	To begin in FY2023	<p>The Regulatory Services Division continues to evaluate and prioritize TULIP corrections and enhancements. The TULIP Roadmap is being updated and will include this recommendation.</p> <p>Implementation Issues/Risks The technical limitations of TULIP and resource limitations related to TULIP corrections and enhancements may be a factor.</p>

Table 3: Contracting Recommendations

No.	Recommendations	Status	Status Notes as of April 2021
3.1	Streamline contracting processes.	Complete	<p>CAPM mapped their process and created policies and procedures and provided training to all contracting staff on the NF CHOW contracting process. To increase information sharing, CAPM's access into the licensure portal (TULIP) was validated. A forms workgroup reviewed and significantly reduced the number of forms required for the contracting process and identified an obsolete rule to be abolished.</p> <p>Implementation Issues/Risks HHSC retired unnecessary forms and received authorization to discontinue application of an obsolete rule. The repeal of the contracting ethics rules in 40 TAC Chapter 79, Subchapter S, is moving forward. The Rules Coordination Office is routing the proposal packet for final approvals. The current plan is to publish the proposed repeal before the matter goes to the Executive Council in August. If all goes according to plan, the repeal will be effective November 28, 2021.</p>
3.2	Streamline and create auto populating contracting forms.	Closed	<p>This recommendation was found to be not workable. There is a broader project with IT Governance that would include these forms.</p>
3.3	Continue to coordinate with the Regulatory Services Division on simplifying the ownership disclosure process.	To begin in FY2023	<p>The Regulatory Services Division continues to evaluate and prioritize TULIP corrections and enhancements. The TULIP Roadmap is being updated and will include this recommendation.</p> <p>Implementation Issues/Risks The technical limitations of TULIP and resource limitations related to TULIP corrections and enhancements may be a factor.</p>
3.4	Maintain contracting documents in the TULIP licensing system.	Currently under discussion	<p>The Regulatory Services Division continues to evaluate and prioritize TULIP corrections and enhancements. The TULIP Roadmap is being updated and will evaluate the inclusion of this recommendation.</p> <p>Implementation Issues/Risks The technical limitations of TULIP and resource limitations related to TULIP corrections and enhancements may be a factor.</p>

No.	Recommendations	Status	Status Notes as of April 2021
3.5	Develop clear policies and procedures to guide the NF contracting process.	Complete	CAPM mapped their process and created policies and procedures and provided training to all contracting staff on the NF CHOW contracting process.

Table 4: Payment Recommendations -- Texas Medicaid & Health Care Partnership

No.	Recommendations	Status	Status Notes as of April 2021
4.1	HHSC and TMHP should collaborate to streamline processes. This includes electronic submission of EDI agreements and issuance of new PINs by secure email.	Complete	As of May 2020, OTI engaged with TMHP on implementation this recommendation. As of February 2021, the new process implemented was leveraged to benefit all LTC providers beyond nursing facilities, such as HCS, TxHML, and private ICFs. Initial data shows the new LTC EDI process has significantly reduced error rates and decreased processing time. Implementation Issues/Risks N/A
4.2	HHSC and TMHP should collaborate to streamline processes, to include issuing new PIN numbers to NF providers by secure email instead of postal mail.	Complete	Originally included in recommendation 4.1, the recommendation to issue new PINs by secure email to NFs undergoing a CHOW is now incorporated in the larger TMHP Provider Enrollment and Management System (PMES) project. The PMES project was implemented in December 2021 and TMHP validated on June 27, 2022, that the electronic issuance of the PIN has been implemented