



**Implementation of Acute
Care Services and Long-
Term Services and
Supports System Redesign
for Individuals with an
Intellectual or
Developmental Disability**

**As Required by
Texas Government Code, Section
534.054**

**Texas Health and Human Services
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TEXAS
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Executive Summary

The Health and Human Services Commission (HHSC) submits this annual report on the Implementation of Acute Care Services and Long-Term Services and Supports (LTSS) System Redesign for Individuals with an Intellectual or Developmental Disability (IDD) in compliance with [Texas Government Code, Section 534.054](#).

Sections [534.051](#) and [534.052](#) direct HHSC to design and implement an acute care and LTSS system for individuals with IDD to improve outcomes; improve access to quality, person-centered, efficient, and cost-effective services; and implement a capitated, managed care delivery system. HHSC is also required under this statute to implement the federal Community First Choice (CFC) option. Section [534.053](#) created the IDD System Redesign Advisory Committee (IDD SRAC) to advise HHSC in the implementation of the system redesign.

[Section 534.054](#) requires HHSC, in coordination with the IDD SRAC, to report annually to the Legislature on the implementation of the IDD system redesign. This report provides an overview of the work HHSC and the IDD SRAC completed in fiscal years 2023 and 2024 to further progress towards achieving the goals laid out in [Section 534.051](#).

To date, the IDD SRAC has submitted to HHSC over 400 recommendations for improving the IDD service delivery system. In 2023, HHSC worked with the IDD SRAC subcommittees to prioritize these recommendations. Through this work, the subcommittees have prioritized 224 recommendations for potential implementation. HHSC has made significant progress on the IDD system redesign, but opportunities still exist for systemic improvement. In the coming year, HHSC will continue to coordinate with the IDD SRAC to address the recommendations to make improvements for Texans with IDD.

1. Introduction

[Texas Government Code, Section 534.054](#), requires Texas HHSC, in coordination with the intellectual or developmental disability IDD SRAC, to report annually to the Legislature on implementation of IDD system redesign, including an assessment of the implementation, recommendations regarding improvements to the system, and an assessment of the effect of the redesign system on the services and outcomes for individuals with IDD under Medicaid. This report provides an overview of the work HHSC and the IDD SRAC completed in 2023 to further progress towards achieving the goals set forth in [Section 534.051](#).

To increase individuals' access to employment services and support, HHSC released the Employment First Discovery Tool, creating a uniform process for assessing employment goals and using goals in the service planning process. HHSC also established an Employment First steering committee and workgroup to increase interagency collaboration and data sharing. Additionally, HHSC increased the amount of Employment First training opportunities and resources available including improving accessibility of the [HHSC Employment First webpage](#), implementing three pilot programs to promote Employment First, and providing eight in-person training sessions.

HHSC engaged in several other initiatives to improve access and patient outcomes. To promote person-centered planning (PCP) practices, HHSC executed a quality improvement review of person-centered counseling and certified two HHSC employees as Person-Centered Thinking (PCT) mentor trainers. The Community Living Assistance and Support Services (CLASS) waiver policy was also updated to promote inclusion and active participation in the implementation of person-centered practices.

To ensure compliance with the requirements of the federal home and community-based services (HCBS) Settings Rule, HHSC adopted rules for Medicaid IDD waiver programs and transitioned individuals in the Home and Community-based Services waiver program (HCS), Texas Home Living (TxHmL), and Deaf Blind with Multiple Disabilities (DBMD) programs from day habilitation to the new Medicaid waiver service called individualized skills and socialization.

To promote independence, increase the use of HCBS services, and prevent institutionalization, HHSC continued implementation of Money Follows the Person (MFP) demonstration projects and increased utilization of crisis intervention and

crisis respite support to individuals with IDD. HHSC also focused collaboration with the IDD SRAC on prioritizing recommendations for improvements to the LTSS system, identifying high-priority opportunities.

To address challenges with recruiting, retaining, and ensuring adequate access to personal care attendants, HHSC increased access to resources and training opportunities for attendants and providers. HHSC also collaborated with ADvancing States to develop a web-based portal for providers and agencies to recruit and hire personal care attendants. To improve the electronic visit verification (EVV) system, HHSC procured a new EVV System manager and a new EVV vendor and prepared for the expansion of EVV to home health by engaging in multiple communication and training activities to support this transition.

To improve the accessibility and utilization of CFC services, HHSC conducted trainings on CFC services for managed care organizations (MCOs), local mental health authorities, and state advisory committees. Lastly, HHSC adopted a new strategy to simplify the Medicaid renewal processes for clients and achieve administrative efficiencies for HHSC.

2. Background

[Texas Government Code, Section 534.051](#) directs HHSC to design and implement an acute care services and LTSS system for individuals with IDD to support several important goals, including:

- Providing Medicaid services to more individuals in a cost-efficient manner by providing the type and amount of services most appropriate to the individuals' needs and preferences in the most integrated and least restrictive setting;
- Improving individuals' access to services and supports by ensuring that the individuals receive information about all available programs and services, including employment and least restrictive housing assistance, and how to apply for the programs and services;
- Improving the assessment of individuals' needs and available supports, including the assessment of individuals' functional needs;
- Promoting PCP; self-direction; self-determination; community inclusion; and customized, integrated, competitive employment;
- Promoting individualized budgeting based on an assessment of individuals' needs and PCP;
- Promoting integrated service coordination of acute care services and LTSS;
- Improving acute care and LTSS outcomes, including reducing unnecessary institutionalization and potentially preventable events;
- Promoting high-quality care;
- Providing fair hearing and appeals processes in accordance with applicable federal law;
- Ensuring the availability of a local safety net provider and local safety net services;
- Promoting independent service coordination and independent ombudsmen services; and
- Ensuring that individuals with the most significant needs are appropriately served in the community and that processes are in place to prevent inappropriate institutionalization of individuals.

3. Implementation Activities

For an overview of past implementation activities, see Appendix B: Overview of Certain Programs and Services for Persons in an IDD waiver or ICF/IID Historical IDD System Redesign Implementation Activities.

Employment First

Employment First Discovery Tool

[Texas Government Code, Section 531.02448](#) requires HHSC to develop a uniform process to assess competitive and integrated employment goals and opportunities available to people in the IDD waivers and STAR+PLUS HCBS, and to use those identified goals and opportunities to direct plans of care. In response, HHSC developed the Employment First Discovery Tool. HHSC successfully released the tool in the fall of 2023 and adopted the final rules governing its use.¹ HHSC conducted a stakeholder webinar in January of 2024 to formally introduce the tool and provide guidance on how to use the tool.

House Bill (H.B.) 4169, 88th Legislature, Regular Session, 2023, codified in [Texas Human Resources Code, Section 32.0755](#), requires HHSC to establish clearly stated, service-related performance standards for providers of prevocational or similar services in HHSC's IDD waiver programs including, HCS, TxHmL, and DBMD. HHSC is developing administrative rules to implement the provisions of H.B. 4169 relating to performance standards.

Cross-Agency Employment First Activities

HHSC continues to coordinate with other state agencies to improve access to competitive and integrated employment for people in the IDD waivers. To increase data sharing and aid in achieving the goals of Section 531.02448, HHSC oversaw the development of a memorandum of agreement with the Texas Workforce Commission (TWC). Data sharing on employment services via Secure File Transfer Protocol occurs quarterly, improving access to accurate information among stakeholders.

¹ HHSC adopted rules in Texas Administrative Code, Title 26, Chapter 284, effective November 14, 2023, to require use of the Employment First Discovery Tool in the CLASS, DBMD, HCS, and TxHmL programs.

To increase collaboration, HHSC, TWC, and the Texas Education Agency (TEA) have established a steering committee and workgroup focused on Employment First efforts across the state. HHSC also provided input to Texas Workforce Solutions-Vocational Rehabilitation Services (TWS-VRS) (a division within TWC) on a document explaining how Medicaid waiver services and TWS-VRS services work together. This document will be available on the TWC and HHSC Employment First webpages. Finally, HHSC will provide TEA with subject matter expertise in the development of a waiver journey map for students.

Employment First Pilot Programs

HHSC implemented three pilot programs to promote Employment First and pursue opportunities for improving employment processes.

- **Electronic Tablets Pilot:** This project uses electronic tablets and applications to provide individuals who have disabilities with interactive technology that lessens their dependency on assistance or intervention from others, eliminating the need for a job coach to be on site.
- **Community-based Apprenticeship Pilot:** This project provides opportunities for paid internships for individuals with IDD or receiving behavioral health services. The pilot provides transferrable skills for further employment through a combination of classroom and on the job training. HHSC is currently partnering with 15 local intellectual and developmental disability authorities (LIDDAs). Apprenticeship sites have included culinary, hotel, retail, animal care, and IT industries. Several participants have received full-time job offers, with competitive wages and benefits.
- **Employment Navigators:** HHSC will contract with LIDDAs to hire employment navigators to educate, guide, and assist individuals and family members through the process of obtaining employment. Employment navigators are an advocate and point of contact, facilitating communication and services among individuals, families, HHSC, TWC, TEA, and other organizations to reach employment goals.

Employment First Toolkits and Guides

To promote Employment First and improve the employment process for people in the IDD waivers, HHSC developed two toolkits and a set of guides to assist in seeking employment. These toolkits and guides are available on the [HHSC Employment First webpage](#) and were included in training curriculum for eight in-

person training activities held between June and August 2024. The toolkits and guides provide training to providers on transitioning to more integrated and competitive employment services, training communities on how to improve inclusiveness, and providing resources to families based on needs identified by families across the state. In 2023, the HHSC Employment First webpage was also updated to increase access, usability, and function.

The State Employment Leadership Network and eLearning Initiative

HHSC is an active member of the [State Employment Leadership Network \(SELN\)](#), which brings together state IDD agencies for sharing, educating, and providing guidance on practices and policies around employment. The SELN offers technical assistance to its member states to boost their efforts to make substantial changes in their service systems.

The SELN developed an eLearning initiative titled, "Supporting a Vision for Employment." As a member of the SELN, Texas was given 50 eLearning slots and distributed them among staff from HHSC, LIDDAs, and state supported living centers (SSLCs). This training was well received and HHSC secured additional funding from the Centers for Medicare and Medicaid Services (CMS) through MFP to purchase 1,300 eLearning slots to distribute to staff from HHSC, LIDDAs, SSLCs, and 1915(c) waiver providers. Distribution of slots is ongoing and monitored by HHSC Employment First Coordinators.

Information Technology Modernization

The 2020-21 General Appropriations Act, H.B. 1, 86th Legislature, Regular Session, 2019, included funding to create changes that would support the presumed eventual transition of the IDD waiver programs into managed care. This transition was completed in July 2023.

4. Effects on the System

Complaints, Appeals, and Fair Hearings

Complaints, appeals, and state fair hearings data provide information about access to and quality of acute care services following the transition of acute care services to managed care. Complaints are currently filed by contacting a member's MCO or the HHSC Office of the Ombudsman.

Complaint means an expression of dissatisfaction expressed by a complainant, orally or in writing to the MCO or HHSC, about any matter related to the MCO other than an adverse benefit determination. Possible subjects for complaints include the quality of care or services provided, aspects of interpersonal relationships such as rudeness of a provider or employee, or failure to respect the member's rights regardless of whether remedial action is requested. Complaints include the member's right to dispute an extension of time (if allowed by law) proposed by the MCO to make an authorization decision.

Requirements for MCOs

STAR+PLUS, STAR Kids, and STAR Health MCOs must maintain a system for receiving, tracking, responding to, reviewing, reporting, and resolving complaints regarding services, processes, procedures, and staff. Individuals enrolled in STAR+PLUS, STAR Kids, and STAR Health, or their legally authorized representative (LAR), may file a complaint with their MCO if they are dissatisfied with a matter other than an adverse benefit determination taken by the MCO,² and may file an appeal with their MCO if they are dissatisfied with an adverse benefit determination taken by the MCO.

² Per Title 42 Code of Federal Regulations (CFR) § 438.400(a), an adverse benefit determination means: the denial or limited authorization of a member or provider requested services, including the type or level of service, requirements for medical necessity, appropriateness, setting, or effectiveness of a covered benefit; the reduction, suspension, or termination of a previously authorized service; the denial in whole or in part of payment for service; the failure to provide services in a timely manner as determined by the State; the failure of an MCO to act within the timeframes set forth in the contract and 42 CFR §438.408(b); for a resident of a rural area with only one MCO, the denial of a Medicaid members' request to obtain services outside of the Network; or the denial of a member's request to dispute a financial liability, including cost sharing, copayments, premiums, deductibles, coinsurance, and other member financial liabilities.

Table 1 below shows the total number of acute care-related complaints from individuals enrolled in a managed care program and in an IDD waiver or intermediate care facility for individuals with intellectual disabilities (ICF/IID) received by the MCOs in fiscal year (FY) 2023. The total number of acute care-related complaints is a unique count of all the complaints submitted. A single member could have made more than one complaint.

Table 1. Total Number of Acute Care Complaints by Program for Individuals in Managed Care and an IDD Waiver or ICF/IID, FY 2023

Managed Care Program	Total Number of Acute Care Complaints from Members in an IDD Waiver or ICF/IID
STAR+PLUS	221
STAR Kids	84
STAR Health	1

Source: TexConnect – MCO self-reported data

The top two reasons for complaints from members in an IDD waiver or ICF/IID across managed care programs in fiscal year 2023 were access to care and quality of care. Other common reasons included prescription-related issues, claims payment, medical transportation, and customer service. All reasons for complaints in fiscal year 2023 from members in an IDD waiver or ICF/IID are listed below:

- Access to care
- Access to durable medical equipment
- Balance billing
- Behavioral health
- Claims payment
- Continuity of care
- Customer service and accuracy of guidance and information
- EVV
- Emergency room services
- Home health
- Maternity and obstetric services
- Medical transportation
- Out-of-network providers

- Outpatient services
- Pharmacy/prescription services
- Policies and procedures
- Quality of care
- Service coordination

A member’s oral or written dissatisfaction with an adverse benefit determination is considered a request for an MCO internal appeal. Table 2 identifies the number of MCO internal appeals upheld³, overturned⁴, or withdrawn for people enrolled in an IDD waiver or community-based ICF/IID program by managed care program.

Table 2. Acute Care Appeal Outcomes for Members in an IDD Waiver or ICF/IID by Managed Care Program, FY 2023

Managed Care Program	Total # of Acute Care Appeals Filed	# of Appeals Upheld by MCO	# of Appeals Overturned by MCO	# of Appeals Partially Overturned by MCO	# of Appeals Withdrawn by Member
STAR+PLUS	308	152 (49%)	138 (45%)	10 (3%)	8 (3%)
STAR Kids	269	133 (49%)	109 (41%)	14 (5%)	13 (5%)
STAR Health	9	5 (56%)	3 (33%)	1 (13%)	0
Total	586	290 (49%)	250 (43%)	25 (4%)	21 (4%)

Data Source: TexConnect – MCO self-reported data

Only after exhausting the MCO internal appeals process may STAR+PLUS, STAR Kids, and STAR Health members, or their LAR, request a state fair hearing by HHSC. The top reasons for state fair hearings in fiscal year 2023 for members enrolled in an IDD waiver or ICF/IID were related to medical necessity criteria and issues with service access and availability. All reasons for state fair hearings in 2023 for members enrolled in an IDD waiver or ICF/IID are listed below:

- Access and availability
- Dental

³ An upheld appeal means that the decision made by the MCO was found to be issued correctly, the adverse benefit determination is upheld, and the member’s appeal is denied.

⁴ An overturned appeal means that the decision made by the MCO was found to be issued incorrectly, the adverse benefit determination is overturned, and the member’s appeal is accepted.

- Durable medical equipment, including power wheelchairs
- Medical necessity denials
- Private duty nursing
- Physical therapy
- Prescription brand names
- Out-of-network services
- Non-covered benefits
- Vendor complaints

Office of the Ombudsman

If the member is unable to resolve a complaint with their assigned MCO through the process noted above, the member can then file a complaint through the Office of the Ombudsman. In fiscal year 2023, the Office of the Ombudsman received 66 complaints for STAR+PLUS and STAR Kids members enrolled in an IDD waiver. Nine of these complaints were determined to be substantiated⁵ and 57 were determined to be either unsubstantiated⁶ or unable to substantiate.⁷ Access to care was the primary general complaint category. All general complaint categories and the number of complaints received for each category are listed below.

- Access to care (40)
- Claims and payment (3)
- Customer service (1)
- Member enrollment (2)
- Policies and procedures (2)
- Prescription services (4)
- Quality of care (7)
- Therapy (2)

⁵ A substantiated complaint is a complaint for which research clearly indicates HHSC policy was violated or HHSC expectations were not met.

⁶ An unsubstantiated complaint is a complaint for which research clearly indicates HHSC policy was not violated or HHSC expectations were met.

⁷ An unable to substantiate complaint is a complaint for which research does not clearly indicate HHSC policy was violated or HHSC expectations were not met.

- Transportation Issues (5)

5. Initiatives to Improve Access and Outcomes

For details on past HHSC initiatives to improve access and outcomes, please reference past reports, which can be found on the [HHSC website](#).

Person-Centered Planning

HHSC continues to track PCP initiatives and best practices trends at an agency, state, and national level to inform future efforts in advancing person-centered thinking, planning and practices. Since the last report, HHSC has made the following progress to strengthen and infuse person-centered practices:

- In 2023, the Administration for Community Living awarded HHSC federal funds to evaluate, assess, identify, and define different aspects of Texas' No Wrong Door (NWD) system with a focus on quality improvements. NWD refers to a coordinated, streamlined system of access to LTSS. Key efforts include gathering feedback via statewide listening sessions, a statewide survey, and an environmental scan across HHSC. This investigation includes a review of person-centered counseling implementation across the designated doors and potential recommendations for improvement across the HHSC NWD system.
- HHSC completed a policy review and update to the CLASS waiver regarding the implementation of person-centered practices. These updates require the individual receiving services be an active participant within the planning process for their supports in accordance with person-centered concepts and expectations outlined in the federal HCBS settings rule.
- The Learning Community for Person-Centered Practices certified two HHSC employees as PCT mentor trainers. This provides additional capacity to certify new PCT trainers who can teach, train, and support person-centered practices across HHSC and contracted entities.
- HHSC finished the build of the My Life Plan within the Texas Medicaid and Healthcare Partnership (TMHP) system intended for STAR+PLUS Pilot Program (SP3) implementation. This included development of training materials specific to the implementation of the My Life Plan, with an instructional guide with facilitation and meeting tips that reinforced PCP. Although SP3 is not moving forward at this time, HHSC will integrate the

information gathered through this effort into current and potential future projects.

HCBS Services Settings Requirements

In March 2014, CMS issued the federal HCBS settings rule, which adds requirements for settings where Medicaid HCBS are provided. The HCBS settings rule supports individuals' rights to:

- Privacy, dignity, and respect;
- Community integration;
- Competitive employment; and
- Individual choice concerning daily activities, physical environment, and social interaction.

States were required to fully comply with these rules by March 17, 2023. HHSC has adopted rules for Medicaid IDD waiver programs to align with requirements of the HCBS Settings Rule. This includes rules for HCS and TxHmL which were adopted in December 2022; and rules for CLASS and DBMD adopted in January 2023.

CMS allowed states to request a corrective action plan (CAP) for certain requirements of the rule with which the state is not fully compliant by March 17, 2023, as a result of the novel coronavirus public health emergency (PHE). For Texas, a CAP was requested seeking more time to implement requirements related to site-specific on-site assessments for compliance with regulations, off-site delivery of individualized skills and socialization services, and implementation of PCP in STAR+PLUS. [CMS approved HHSC's CAP in October 2023](#).

Transition of Day Habilitation Services

Effective March 1, 2023, individuals in the HCS, TxHmL, and DBMD programs transitioned from day habilitation to the new Medicaid waiver service called individualized skills and socialization. Individualized skills and socialization can be provided on-site (center-based), off-site (community-based), or in-home for individuals who meet specific requirements (HCS and TxHmL only).

A service provider must have a day activity and health services facility license with a special designation for individualized skills and socialization to provide on-site and off-site individualized skills and socialization services. As of March 2024, there were

727 licensed individualized skills and socialization providers, including 670 providers licensed to provide on-site and off-site individualized skills and socialization and 57 providers licensed to provide off-site individualized skills and socialization only. There is not an option for providers to have an on-site individualized skills and socialization only license.

At this time, HHSC does not have a full year of individualized skills and socialization utilization data to be able to accurately report the number of individuals receiving individualized skills and socialization. Program rules allow for the submission of claims within 12 months after the last day of the month in which a service was delivered. It is not uncommon for program providers to submit claims several months after the service was provided. Therefore, HHSC cannot guarantee that all claims have been submitted to date.

HHSC maintains an [Individualized Skills and Socialization Provider webpage](#), an online source of information for service providers of individualized skills and socialization to find and review links to individualized skills and socialization rules, trainings on the service, provider letters, and other releases related to individualized skills and socialization.

6. Promoting Independence and Preventing Institutionalization

Money follows the Person Demonstration

MFP is a federal demonstration project designed to increase the use of HCBS and reduce the use of institutional-based services. The Federal Consolidated Appropriations Act, 2023, [Section 5114](#), extended funding for the MFP demonstration project at \$450 million per federal fiscal year, for all MFP states, beginning December 29, 2022, through September 30, 2027.

In addition to extending the federal funding of MFP, the Act intends to increase the number of eligible participants by:

- Decreasing the institutional residency period from 90 days to 60 days; and
- Counting as part of the institutional residency requirement any days that an individual was admitted to an institution solely for purpose of receiving short-term rehabilitative services.

Many of the MFP-funded demonstration projects in Texas are designed to promote independence for individuals with IDD and are outlined in the [Promoting Independence Plan](#), which HHSC developed in response to the United States Supreme Court ruling in *Olmstead v. L.C.*. Some of the projects are highlighted below:

- Multiple MFP-funded activities are designed to increase the number of persons with IDD in competitive integrated employment. These include HHSC employment recruitment coordinators who work to promote hiring people with IDD; Employment First coordinators to promote employment in the general workforce; creating an Employment First website; and developing a web-based training. MFP also funds the state's membership with the SELN.
- Texas has eight regional Transition Support Teams (TSTs), often referred to as "hubs," to serve all 254 Texas counties, including all 39 LIDDAs and the community waiver providers within a designated region. A licensed professional, such as a clinical social worker, serves on each team as a TST coordinator. TSTs include licensed medical staff such as physicians, physician's assistants, nurse practitioners, registered nurses, psychiatrists,

psychologists, behavioral specialists, and other professionals who have expertise working with individuals with IDD. These interdisciplinary teams support the LIDDAs and service providers within their designated service areas. TSTs provided the following support services in calendar year 2023:⁸

- ▶ 6,633 people attended 493 educational and training activities such as webinars and videos focused on increasing the expertise of LIDDAs, providers, and community members in supporting individuals with complex needs;
 - ▶ 4,455 people received 2,564 instances of technical assistance provided to LIDDAs, program providers, and other community support services on specific disorders and diseases, emerging and best practices, and evidence-based services for individuals with significant challenges; and
 - ▶ 19,560 people attended 2,387 case consultations (up to 15 people may be present at a consultation). Peer reviews were provided to service coordinators, crisis intervention staff, direct care staff, and other members of an individual's service planning team who needed assistance providing effective care for an individual.
- LIDDA Enhanced Community Coordination (ECC) is provided by experienced LIDDA staff for people with IDD who transition or divert from institutional settings, including SSLCs, nursing facilities, and large and medium ICFs/IID, to community settings. ECC strengthens the services and supports for individuals who have both IDD and complex medical or behavioral health needs as they transition or divert to services in community-based settings. ECC support is delivered in a person-centered manner including pre- and post-transition services, monitoring the person for one year after the transition, and arranging for support needed to prevent and manage a crisis. In calendar year 2023, 3,716 people received ECC.
 - MFP funds are used to employ transition specialists and a continuity of services specialist at the SSLCs. These specialists provide training to SSLC staff, residents, LARs, and family members about the community transition process and planning. They serve as a resource for the individual's interdisciplinary team to help identify services and supports for individuals in the community, to identify obstacles to community transition, and to develop

⁸ The number of educational and training activities, instances of technical assistance, and case consultations appears to decrease from previous reports. However, these differences in utilization are due to changes in definitions of activities rather than actual use of the resources.

strategies to mitigate barriers for transitioning. The continuity of services specialist monitors the final community living discharge plan and post-move support to assure quality of services and provides consultation to the individual's interdisciplinary team for improvement and best practices.

- The Affordable Housing Partnership is a collaboration between HHSC and the Texas State Affordable Housing Corporation to provide capital subsidies to developers to build or rehabilitate housing units as affordable, accessible, and integrated within Dallas, Bexar, Harris, and Travis counties for qualified individuals receiving or eligible for Medicaid LTSS. The project has contractual agreements with developers of six housing projects and is on track to create 28 new units for individuals with disabilities transitioning out of institutions. Priority for available units will be designated for individuals transitioning into their communities from nursing facilities or ICFs/IID. Three properties (15 units) have been completed and three are under construction (13 units). As of April 2024, ten units have been occupied.
- The Section 811 Project Rental Assistance Program is a project-based, federally-funded program that allows state housing finance agencies and state Medicaid agency partners to create rental assistance opportunities for persons with extremely low incomes who have a disability and are eligible to receive services and supports. MFP funding supports this housing effort. Texas Section 811 Project Rental Assistance operates in select areas of the state and serves the following target populations:
 - ▶ Persons with disabilities exiting institutions (e.g., nursing facilities and ICFs/IID), who are eligible to receive LTSS through a Medicaid waiver;
 - ▶ Persons with severe mental illness who are eligible to receive services through HHSC; and
 - ▶ Youth or young adults with disabilities exiting Department of Family and Protective Services (DFPS) foster care.
- The direct service workforce (DSW) development project supports the implementation of a multi-year strategic plan to improve recruitment and retention of direct service workers. The DSW Taskforce was launched in March 2021 and all project objectives address two primary goals, enhancing workforce development and improving data collection.⁹

⁹ Please see the "Attendant Workforce" section for more information on this project.

Crisis Intervention and Crisis Respite Services

The 84th Legislature, Regular Session, 2015, allocated \$18.6 million for crisis intervention and crisis respite services. This funding was increased by \$10 million over subsequent legislative sessions, for a total of \$28.6 million allocated to provide crisis intervention and crisis respite support to individuals with IDD who have behavioral health or mental health support needs. All 39 LIDDAs provide crisis intervention and crisis respite services to support individuals to maintain independent lives in the community, and to avoid unnecessary institutionalization. During fiscal year 2023, 2,657 individuals were provided therapeutic supports for successful community integration through crisis intervention services and 520 individuals were diverted from institutionalization or hospitalization by receiving crisis respite services. Of these, 444 utilized IDD Crisis Respite and 76 utilized Mental Health Crisis Respite services.

7. IDD SRAC

The IDD SRAC collaborates with HHSC on the IDD acute care and LTSS system redesign by providing recommendations and identifying areas for improvement. The advisory committee consists of 24 members representing the communities of interest identified in [Texas Government Code, Section 534.053](#). IDD SRAC subcommittees include:

- Collaboration with Managed Care
- Meaningful Skills Development and Employment Services
- System Adequacy

The IDD SRAC meets quarterly, and subcommittees meet as frequently as needed, which is determined by the IDD SRAC. Many IDD SRAC recommendations require a multi-year focus due to the need for funding and the complexity of policy and system changes recommended (see Appendix A: IDD SRAC Recommendations). During fiscal year 2023, the IDD SRAC prioritized and built upon recommendations for suggested improvements to the service system, both fee-for-service (FFS) and managed care, for legislative and HHSC consideration. The recommendations address a host of suggested service improvements to:

- Simplify access to dental services
- Educate individuals on nonemergency medical transportation benefits
- Create affordable housing options and housing support specialists
- Improve use of consumer-directed services (CDS) option
- Improve the EVV system
- Expand capacity for health care services including physician, specialty care, behavioral health, and LTSS services
- Identify and develop acute health care initiatives
- Improve the IDD assessment process
- Develop and implement a regional partnership
- Identify employment and meaningful day goals and increase utilization of employment services
- Improve community access through HCBS regulations

8. Challenges and Areas for Further Consideration

HHSC and stakeholders have identified opportunities to improve the current system of services and supports for people with IDD. Many of these challenges and considerations are being prioritized by IDD SRAC subcommittees for the upcoming year. Some of them may require funding or staff resources to implement.

Attendant Workforce

Personal care attendants play an important role in providing care for older adults and people with disabilities, enabling them to complete daily tasks and activities within their homes and community.

To make comparisons between personal care attendants and occupations recognized by the Standard Occupational System utilized by the U.S. Bureau of Labor Statistics (BLS), HHSC identified two occupational groups with job descriptions that involve performing the tasks typically associated with personal care aides (PCAs) and home health aides (HHAs). PCAs are generally limited in their roles to providing non-medical services. HHAs perform the same tasks as PCAs but may also perform some medical tasks such as monitoring vital signs and dispensing medications under the direction of a nurse or another healthcare practitioner. As of May 2023, BLS reported 312,420 PCAs and HHAs employed in Texas, not including self-employed workers. BLS forecasts an increased demand for this workforce based on the projected state population of people who are aging or who have a disability.

The 2020-21 General Appropriations Act, H.B. 1, 86th Legislature, Regular Session, 2019 ([Article II, HHSC, Rider 157](#)) directed HHSC to develop strategies to recruit, retain, and ensure adequate access to personal care attendants. In response, HHSC developed the [Community Attendant Workforce Strategic Plan](#) for retention and recruitment of personal care attendants. Many of the strategies described in this plan are being explored by the DSW Taskforce. Since the 2023 report, HHSC:

- Created a [dedicated space on the HHSC website](#) for personal care attendant resources and promotional material.
- Featured a guest presenter from the University of Texas Technology Access Program to share and consult with taskforce members regarding the

statewide availability of accessible technology to support independence and grow or maintain adaptive skills as a supplemental workforce strategy.

- Continued development of multi-part series of brief documents focusing on various topics related to the workforce.
- Partnered with ADvancing States, a national entity that supports aging and disability state agencies, to develop Direct Care Careers (DCC), a customized, web-based portal for providers and agencies delivering HCBS to recruit and hire personal care attendants. DCC launched in Fall 2023. Additional promotional materials and a campaign toolkit are in progress. Since the initial launch, HHSC has:
 - ▶ Identified and added training material to DCC for candidates and employers regarding a range of topics such as supporting individuals with dementia, preventing abuse, neglect, and exploitation (ANE) and realistic job previews.
 - ▶ Enhanced DCC through new or refined features such as increases to site security, bidirectional messaging, search features, the ability to save and sort prospective candidates, and customize communication preferences.
 - ▶ Made progress on user guides, instructional sheets, process mapping, and methods to support users and increase user friendliness of the platform.
 - ▶ Begun leveraging DCC data reporting elements to collect additional data points to illustrate statewide needs and trends.

To stay informed and involved in the best practices related to recruitment and retention strategies, the DSW Taskforce and dedicated HHSC workforce team keep up with research and opportunities for continuous learning.

Improving the EVV System

EVV is a computer-based system that electronically documents and verifies service delivery information, such as date, time, service type and location for certain Medicaid service visits. Personal care attendants must use one of three HHSC-approved electronic verification methods to clock in at the beginning of service delivery and clock out at the end of service delivery:

- Mobile method (smart phone or tablet): The personal care attendant or CDS employee may use a mobile method for clocking in and clocking out of the EVV system.

- Home landline: The personal care attendant or CDS employee may use the member’s home phone landline, if the member agrees, for clocking in and clocking out of the EVV system by calling the EVV vendor’s or EVV proprietary system operator’s (PSO’s) toll-free number.
- Alternative device: An alternative device is an HHSC-approved electronic device provided at no cost by an EVV vendor or PSO, if applicable, that allows the personal care attendant to clock in and clock out of the EVV system from the member’s home.

HHSC must comply with Section 12006 of the [Federal 21st Century Cures Act](#), passed in 2016, on EVV requirements. Since the last report program providers began using EVV for Medicaid home health services in order to comply with the 21st Century Cures Act.

Fiscal Year 2024 EVV Improvements

During fiscal year 2024, HHSC engaged in the following activities:

- Procured a new contract for the EVV System Manager (TMHP) and changed from two state funded EVV vendor systems (Data Logic and First Data) to one EVV vendor system (HHAeXchange) that went live October 1, 2023. In-person information sessions were held for providers in several Texas cities.
- EVV users were transitioned from the two EVV vendors (DataLogic and First Data) to the single EVV vendor (HHAeXchange) in two phases: October 1, 2023, and November 1, 2023.
- Increased the number of approved PSOs by implementing process improvements in HHSC operational readiness review sessions. This allowed HHSC to approve and onboard 422 program providers and financial management services agencies (FMSAs) as PSOs as of April 1, 2024, compared to only 90 in 2023.
- Prepared for the expansion of EVV to home health care services by:
 - ▶ Hosting numerous monthly workgroup meetings.
 - ▶ Publishing GovDelivery notices and updated information on the HHSC EVV webpage.
 - ▶ Hosting live training via webinar and offering self-paced training options on the HHSC Learning Portal.

- ▶ Supporting the EVV vendor to offer system training in multiple formats, including in-person, webinar, and self-paced training.
- ▶ Conducting outreach to help ensure providers onboarded with the EVV system prior to the expansion.
- ▶ Implementing EVV for home health care services on January 1, 2024.
- ▶ Requiring that EVV claims with a date of service of April 1, 2024 and after must correspond to an accepted EVV visit transaction for the payer to pay the EVV claim.

Community First Choice Initiatives

To ensure everyone entitled to receive CFC services can access them, HHSC has provided training to MCOs and conducted overviews of CFC services in settings such as meetings of children’s services directors for local mental health authorities, the STAR Kids Medicaid Managed Care Advisory Committee, and the Statewide Medicaid Managed Care Advisory Committee. HHSC is also exploring the feasibility of initiatives to increase the accessibility and utilization of CFC services for those who qualify, including:

- Offering training to providers on how to assess, deliver and bill for CFC services;
- Developing a plan to target and assess individuals with IDD currently on an IDD waiver interest list;
- Developing information for individuals and their families on CFC; and
- Introducing habilitation training for providers who have not previously provided services for individuals with IDD.

Public Health Emergency

In March 2020, Congress passed the [Families First Coronavirus Response Act](#), allowing states to receive enhanced federal match provided they maintained continuous coverage for most people enrolled in Medicaid until the end of the federal PHE. The [Federal Consolidated Appropriations Act of 2023](#) separated the continuous Medicaid coverage requirement of the Families First Coronavirus Response Act from the PHE declaration. The requirement to maintain continuous coverage ended as of March 31, 2023. HHSC had from April 1, 2023, to May 31, 2024, to initiate and complete redeterminations for approximately 6 million people

enrolled in Medicaid as of March 31, 2023. Over 99 percent of these Medicaid renewals were completed by the May 2024 deadline. A small number of individuals (less than 1 percent) required additional time to process. Progress updates were shared on the [End of Continuous Medicaid Coverage website](#).

HHSC expects Medicaid enrollment numbers to continue to fluctuate as the agency completes Medicaid eligibility redetermination processes, completes new Medicaid applications, and assesses the impact of the extension of 12-month postpartum coverage¹⁰. HHSC will continue to process applications as quickly as possible to serve all eligible Texans.

Texas adopted the 1902(e)(14) ex parte renewal strategy to enroll or renew individuals based on the Supplemental Nutrition Assistance Program eligibility modified adjusted gross income waiver to increase the number of redeterminations that can be completed based on information available in the case record and reliable electronic data sources. Ex parte renewal is an automated process where an individual is potentially approved for Medicaid benefits without needing to provide additional verification. This makes the renewal process easier for the client and HHSC due to the administrative efficiency. HHSC also implemented additional strategies to make the unwinding as smooth as possible for clients and eligibility staff, including:

- Hiring more than 2,000 new eligibility workers to prepare for the extraordinary volume of work.
- Automating system processes to reduce tasks for staff.
- Expanding the Community Partner Program and establishing the Case Assistance Affiliate program with Medicaid MCOs to increase the number of community organizations that can provide application and renewal assistance to clients.
- Establishing a multi-pronged communications strategy to ensure clients are aware of the need to renew their eligibility and know what to do to maintain their coverage if they remain eligible. HHSC mailed renewal notices in yellow envelopes; conducted outreach with automated calls, emails, and texts; used channels such as social media posts, electronic, and mailed notices; provided files to MCOs to conduct additional outreach; and created toolkits and sample

¹⁰ H.B. 10, 88th Legislature, Regular Session, 2023, which extended Medicaid and the Children's Health Insurance Program postpartum coverage to 12 months, went into effect on March 1, 2024.

communications for providers, advocates, and other organizations supporting unwinding in HHSC's Ambassador Program.

List of Acronyms

Acronym	Full Name
ACRE	Attendant Compensation Rate Enhancement
ARPA	American Rescue Plan Act
ANE	Abuse, neglect, and exploitation
BLS	Bureau of Labor Statistics
CAP	Corrective action plan
CDS	Consumer-directed services
CFC	Community First Choice
CFR	Code of Federal Regulations
CLASS	Community Living Assistance and Support Services
CMS	Centers for Medicare & Medicaid Services
DBMD	Deaf Blind with Multiple Disabilities
DCC	Direct Care Careers
DCW	Direct care workers
DFPS	Department of Family and Protective Services
DSA	Direct Services Agency
DSW	Direct Service Workforce
ECC	Enhanced Community Coordination
EVV	Electronic visit verification
FFS	Fee-for-service
FMAP	Federal Medical Assistance Percentage
FMSA	Financial management services agency
FY	Fiscal year
GR	General revenue
GRO	General Residential Operation
H.B.	House Bill
HAB	Habilitation
HCBS	Home and community-based services
HCS	Home and Community-based Services waiver program
HHA	Home health aides
HHSC	Texas Health and Human Services Commission
ICF/IID	Intermediate care facility for an individual with an intellectual disability
IDD	Intellectual or developmental disabilities
IDD SRAC	Intellectual and Developmental Disabilities System Redesign Advisory Committee
IEP	Individual Employment Plan
LAR	Legally authorized representative
LIDDA	Local intellectual and developmental disability authority
LON	Level of Need
LTSS	Long-term services and supports
MCO	Managed care organization

Acronym	Full Name
MDCP	Medically Dependent Children Program
MFP	Money Follows the Person
NWD	No Wrong Door
PAS	Personal assistance services
PCA	Personal care aides
PCP	Person-centered planning
PCT	Person-Centered Thinking
PHE	Public health emergency
PSO	Proprietary System Operators
SELN	State Employment Leadership Network
SP3	STAR+PLUS Pilot Program
SSI	Supplemental Security Income
SSLC	State supported living center
TEA	Texas Education Agency
TMHP	Texas Medicaid and Healthcare Partnership
TST	Transition Support Team
TWC	Texas Workforce Commission
TWS-VRS	Texas Workforce Solutions-Vocational Rehabilitation Services
TxHmL	Texas Home Living
YES	Youth Empowerment Services

Appendix A. 2024 IDD SRAC Priority Recommendations

Disclaimer

This appendix was not authored by and does not reflect the views and opinions of the HHSC system, its component agencies, or staff.

Executive Summary

People with IDD rely on a system of community-based services to live successfully in their homes. The 88th Legislature did not fund the supports necessary to maintain this system, and the result is a system in crisis. People with IDD are in danger of losing the supports that protect their health and safety and the opportunity to continue to live a quality of life in their communities.

Since 2014, recommendations developed by the IDD SRAC for each statutorily required annual report have remained essentially the same with only minor revisions and additions. As a result, and given the number of recommendations presented in each report, the committee decided to use a different approach in developing its recommendations for the *Implementation of Acute Care Services and LTSS System Redesign for Individuals with an Intellectual or Developmental Disability 2024 Annual Report*.

The approach used was to maintain the recommendations included in the 2023 Annual Report, yet prioritize, those recommendations deemed critical to address the workforce crisis for IDD direct care workers (DCWs), support the stability of the IDD community-based services system, and ensure Texas has a comprehensive, effectively working [Promoting Independence Plan](#) that prevents unnecessary institutionalization. While the Committee supports the Legislature's consideration of all recommendations in the 2023 Annual Report (see [Appendix A: IDD SRAC 2023 Recommendations](#)), members of the IDD SRAC request the Legislature's review and consideration of the four priority areas and related recommendations presented below which were developed and prioritized by the IDD SRAC's three subcommittees: *System Adequacy, Collaboration with Managed Care, and Meaningful Skills Development and Employment Services*.

The *Subcommittees* identified four priority areas requiring legislative action to address the workforce crisis for IDD DCWs, support the stability of the IDD community-based services system, and prevent unnecessary institutionalization:

- **Priority 1:** Address the direct care attendant and nursing workforce crisis that is placing the health and safety of persons served at risk and increasing risks for institutionalization.
- **Priority 2:** Provide a comprehensive service array to meet a person’s needs, thereby preventing crises that may result in institutionalization.
- **Priority 3:** Provide comprehensive and timely assessments of a person’s level of need (LON) in order to receive necessary and critical services, thereby preventing crises that result in institutionalization.
- **Priority 4:** Increase access to waiver slots and existing benefits.

Details for each priority area, by IDD SRAC Subcommittee, are as follows:

Priority 1

Address the direct care attendant and nursing workforce crisis that is placing the health and safety of persons served at risk and increasing risks for institutionalization.

System Adequacy Recommendation 1

Provide emergency funding to address the workforce crisis by funding attendant and DCW wages to be competitive market wages (at least \$15 per hour) across all community-based settings which include group homes, host homes, family homes, and individuals’ own homes.

Strategies:

- A. Fund strategies to address both the workforce crisis and increased access to waivers as the top priorities in HHSC’s fiscal year 2026-2027 Legislative Appropriations Request.
- B. Require HHSC to periodically educate lawmakers on the crisis, particularly with regard to group home closures and other limitations resulting in reduced access to community services, and immediately seek emergency funding from the Texas Legislative Budget Board as part of a legislative special

session to address the crisis and its adverse impact on the health, stability, and lives of persons with IDD.

- C. Fund attendant and DCW wages to be competitive market wages commensurate with current labor market demand to increase and equalize the median or average wage rate of attendants and DCWs to at least \$15/hour across all Medicaid programs and service settings who use DCWs and attendants.
- D. Fund re-evaluation and implementation of the wage floor for nurses, DCWs, and attendants in all community-based programs, including the community-based ICF/IID program, to match the compensation of nurses and DCWs working in the SSLCs and state hospitals. Consider local competitive market for wages across all Medicaid programs and service settings.
- E. Require HHSC to explore options for providers to be able to offer modest benefits to their employees including benefits that offer economic stability like health and dental insurance as well as benefits that protect employee's mental health and offer some opportunities for self-improvement. Providers are no longer able to provide these benefits without additional assistance in the form of increased rates, the availability of pooled insurance strategies, or other support to ensure a qualified workforce is in place to assist Texans with disabilities.
- F. Establish sustainable CFC rates that allow for hiring and retention of DCWs with skills and abilities in teaching habilitation. Set rates for CFC services across all programs, including rates paid by MCOs, to attract and retain DCWs. Rates for DCWs who support persons with IDD must take into account the lifelong needs of persons with IDD and the distinct skills and abilities required to teach persons to perform tasks independently.

System Adequacy Recommendation 2

Ensure the health and safety of persons with complex medical and behavioral needs through the implementation of strategies to hire and train qualified DCWs, and to enhance staffing ratios and wages to retain qualified staff.

Strategies:

- A. Establish enhanced rates in IDD waiver programs to address provider capacity to meet the needs of individuals with complex needs.

- B. Fund LON 9 for both medical and behavioral needs in all waivers. Currently, LON 9 exists in the HCS waiver program for behavioral needs only.
- C. Establish enhanced staffing ratios when justified by complex medical or high behavioral needs and when necessary to maintain health and safety of the person to remain in the community.
- D. Establish enhanced staffing ratios and enhanced wages for DCWs and other staff serving individuals with high medical needs, behavioral needs, or both across IDD programs to meet needs of the most medically involved individuals at risk of institutionalization or hospitalization. Reimbursement of staff and program must support varying levels of need, including CFC services.
- E. Require HHSC to develop training related to physical, medical, and environmental triggers for behavior. Training should include training of IDD providers, training and on-site consultation from highly trained clinical staff, and training and consultation for behavioral health systems in the specialized needs of the IDD population.
- F. Establish rates that support a higher wage paid to DCWs who perform delegated nursing tasks.

System Adequacy Recommendation 3

Expand billable services for providers delivering critical services such as nursing and behavior supports. Implement flexibilities, incentives, add-on rates, and other process improvement initiatives to retain staff.

Strategies:

- A. Establish add-on rates for more complex services, service coordination, and monitoring for individuals with complex needs enrolling in waivers from the interest lists, as well as those transitioning from an institution to the community.
- B. Establish rates for nurse supervision, oversight, and coordination.
- C. Require HHSC to ensure that providers statewide have adequate flexibility and funding that allows for billable critical services such as nursing, DCWs, attendants, and supervision of non-licensed staff based on a comprehensive assessment tool that captures all needs.

- D. Fund an increase in the amount provided through the Attendant Compensation Rate Enhancement (ACRE) program for all services in which ACRE is available by at least 20 cents per each level.
- E. Establish parity in wages across all waivers for like services.
- F. Establish enhanced incentive payments for the completion of reporting data elements and meeting predetermined outcomes and quality metrics with the condition that it captures data elements to allow for the implementation of future alternative payment models (i.e., bundled payments).

Collaboration with Managed Care Recommendation 4

Ensure times worked are recorded accurately and timely paid, and systems align with billing and claims matching for agencies, MCOs, and individuals using the CDS option so that they are able to retain their workforce.

Strategies:

- A. Fund upgrades to the EVV proprietary systems. These systems need to be upgraded to include timekeeping for non-EVV services and a way to track total number of hours per week per employee. In the current model, attendants are being asked to switch back and forth between two timekeeping systems throughout a shift, when performing services such as transportation and supported employment. Each timekeeping system rounds differently when calculating hours and pay. Because of this, an employee cannot accurately know how many hours they have worked or how much they are being paid, and they lose time while swapping between systems. This negatively affects recruitment and retention, and causes undue stress to the employers, possibly leading to unnecessary reduction in self-determination and discouraging use of Employment First practices.
- B. Require HHSC to establish policies for all FMSAs to perform visit maintenance to identify any pending visits that are approved, but not paid within a three-month period. The EVV system is complex and can often suspend a visit that is beyond the current payroll period. Require the FMSA to monitor the system to ensure all visits approved by the CDS employer are paid. Require HHSC to apply sanctions for non-compliance.
- C. Require HHSC to establish processes for CDS employees to easily access and account for their total hours worked and approved in each pay period.

Currently, CDS employees cannot look at their work history for the current pay period on EVV. Once employees sign out, they cannot access the information for that EVV session. There is no way to look back at hours worked during the week. The only way to keep up with the hours is for the employee to ask the CDS employer to look up their work hours.

- D. Establish a non-EVV option as a part of the EVV service menu. This would reduce the episodes of non-compliance with visit maintenance standards and noncompliance with signing in and out.
- E. Establish an EVV option that allows employees that switch between EVV and non-EVV tasks during a work shift, to sign in and sign out once for the shift, rather than signing in and out between tasks. The option should allow the employee to select which services the employee performed throughout the day and allocate the hours to the correct service at the end of the day, the week, or the pay period.
- F. Establish an EVV option that prompts if the visit is overnight at the beginning of the shift (sign-in) rather than at the end of the shift (sign-out). Explore how other EVV systems document overnight visits.

Meaningful Skills Development and Employment Services Recommendation 5

Adequately address wages for direct support professionals delivering Individualized Skills and Socialization and employment services. Establish higher rates for providers delivering services to persons with higher support needs (medical and behavioral).

Strategies:

- A. Establish an employment services rate structure so there is parity with TWC supported employment wages that allows the provider to deliver the service. Review the current payment model and consider revisions to the rate structure to ensure that providers can deliver the service.
- B. Establish a billable service in the IDD waivers that allows for Employment Assistance providers to be present with an individual when a Supported Employment staff person is being trained to ensure that the transition from Employment Assistance to Supported Employment is successful.
- C. Establish a higher Employment Assistance and Supported Employment reimbursement rate, in all waivers, for participants who have higher support

needs, such as medical and/or behavioral supports, and who require staff to have a higher skill set of training.

- D. Establish a transportation benefit to allow flexibility to include the use of taxis, bus passes, and ride shares. Allow this benefit to be billable through Employment Assistance and Supported Employment services when it is employment related transportation.

Priority 2

Provide a comprehensive service array to meet a person's needs, thereby preventing crises that may result in institutionalization.

System Adequacy Recommendation 1

Ensure access to services at the time services are needed in order to prevent crises, to include enhanced medical services for children and adults, Medicaid waivers, CFC, crisis respite, and intermediate care settings for jail and emergency room diversion.

Strategies:

- A. Require HHSC to streamline access to General Revenue (GR) and other additional funds for those who exceed the cost cap for Medicaid waivers, including in managed care, all waivers, and any pilot. Modify eligibility for GR funds to remove the institutional bias and use language consistent with maintaining services in the most integrated setting.
- B. Establish flexibility within the waivers that allows for use of GR to individuals with either high behavioral or high medical needs.
- C. Establish and ensure access to crisis respite and long-term stabilization options as a measure to prevent hospitalization and/or institutionalization across all waiver programs and in non-waiver services for all persons with IDD.
- D. Require HHSC to develop cross-system crisis prevention and interventions to ensure that providers and families have options that limit the inappropriate use of police and emergency rooms for behavior interventions.
- E. Establish immediate access for eligible Medically Dependent Children Program (MDCP) recipients who receive Medicaid and are enrolled in STAR Kids or STAR Health managed care programs through a no-interest list policy. If

additional LTSS services are carved into managed care over the next decade, ensure access for recipients with Supplemental Security Income (SSI) who qualify for IDD waivers through a no-interest list policy.

System Adequacy Recommendation 2

Expand service array in all waivers to include enhanced behavior services, enhanced medical services, and overnight supervision for persons with complex needs.

Strategies:

- A. Establish and fund high needs services, such as enhanced behavioral supports, enhanced medical supports, and enhanced case management, that support advanced direct service professional training, credentialing, supervision and compensation when supporting persons with high medical, behavioral, physical, or psychiatric needs.
- B. Establish and fund enhanced rates and training in CFC services, provided through all waivers and non-waiver CFC services for persons with more complex needs. Evaluate a rate structure equivalent to that of residential and Individualized Skills and Socialization rates based on LON in the HCS Medicaid waiver program. Support a higher rate for persons with higher acuity needs. Ensure rate enhancement is included for CFC services provided in all waivers and non-waiver CFC services, and in all service models (CDS and Agency options).
- C. Fund development of small community-based, short-term, therapeutic, emergency out-of-home options for persons in crisis until they reach stabilization and a plan for support is implemented for their return to the home.
- D. Fund the enhanced medical and behavioral health LTSS benefits that were developed for the IDD Pilot but not implemented. These benefits will provide consistent services between waiver programs and provide additional support to the individuals, and their caregivers, in a waiver program. Benefits include: Enhanced Behavioral/Family Caregiver Coaching Services; Enhanced Behavioral Extended Substance Use Disorder Services; Enhanced Behavioral Peer Supports; Enhanced Behavioral Therapeutic in Home Respite; Enhanced Behavioral Therapeutic Out of Home Respite; Enhanced Medical Services; and Host Homes.

- E. Fund and require HHSC to fully implement a comprehensive and effective policy with stakeholder input to address the medical and care needs for medically fragile individuals in the STAR+PLUS HCBS waiver program. Implementation should include a process for ongoing evaluation of the recent July 2024 medically fragile group policy, funding, and eligibility with adjustments as needed. The policy must include processes for the individual to be informed of the medically fragile group benefit and their right to request assessment for inclusion in the medically fragile group.
- F. Fund overnight supports and/or protective supervision across all HCBS waivers. For example, the CLASS program provides direct care supports to persons with complex physical needs who require medical and/or personal care assistance during overnight hours to ensure health and safety.

System Adequacy Recommendation 3

Implement flexibilities in billing guidelines, allowable waiver cost caps, and choice of the most appropriate waiver and other system improvement initiatives to ensure that people receive the right services at the right time to prevent crises.

Strategies:

- A. Fund the development of a separate billing rate for HCS that allows for respite, direct care supports, and transportation without lowering the daily rate for the host home/companion care benefit, to support people with high behavioral and medical needs, to avert burnout or disruption, and to promote stability and continuity of community living arrangements.
- B. Fund flexibility to exceed the annual cost cap in IDD waiver programs, MDCP, and STAR+PLUS HCBS to meet the rising cost of services when indicated by the individual's need determined by the nursing, behavioral, and functional assessments.
- C. Fund flexibility for HHSC to raise allowable waiver cost caps based on 'the most integrated setting', health and safety, and availability of community living arrangements in which the person's health and safety can be protected at that time, including but not limited to the TxHmL, HCS, CLASS, and DBMD waivers.
- D. Fund a nursing facility diversion target group in the MDCP program, serving children with medical fragility who are at imminent risk of nursing facility admission.

- E. Require HHSC to continue to provide oversight and structure to the TST through its MFP unit.
- F. Fund flexibility for HHSC to provide choice of the most appropriate waiver when a person in a SSLC or other institutional setting, is transitioning to the community. Choice would include all waivers (CLASS, DBMD, HCS, STAR+PLUS HCBS, TxHmL, and MDCP) for which a person qualifies.

Collaboration with Managed Care Recommendation

4

Improve use and flexibility of CDS to promote independence and self-determination.

Strategies:

- A. Increase funding within CDS to support the ability of CDS employers and non-CDS providers to offer attendants enhanced training and ongoing skill development. Establish polices for the funds to be accessed through a “program” similar to the current ACRE program, via an add-on rate, or as a program service for which evidence must be demonstrated and verified that the funds were used in accordance with their intended purpose.
- B. Increase funding within CDS to train employers to develop and enhance managerial skills, such as interviewing, hiring, training, supervising, conflict resolution, and terminating employees.
- C. Require HHSC to develop processes to ensure that all FMSAs have the capacity to pay individuals hired by the CDS employer to provide services to the CDS individual, and also, to pay CDS employees who are professional providers with tax ID numbers who are working as CDS employees for CDS employers. Require HHSC to assess readiness and capability prior to implementation.
- D. Support funds to address wage discrepancies among the waivers. CDS employees will see the wage discrepancies among the waivers and will opt out of working for people with lower wage waivers.

Collaboration with Managed Care Recommendation 5

Develop flexible policies and practices to improve access, availability, and service delivery that promotes health, independence, employment, and community living.

Strategies:

- A. Fund development of HHSC policy and require the use of flexibilities for current benefits to improve access, availability, and delivery of services to people who are underserved. This would promote opportunity for increased service delivery efficiencies and effectiveness to promote independence, employment, and community living.
- B. Fund development of HHSC policy and Medicaid benefits that promote remote monitoring and supports to include the monitoring of a person in his or her residence by staff using one or more of the following systems: live video feed, live audio feed, motion sensing system, radio frequency identification, web-based monitoring system, or other devices approved by the commission. The system shall include devices to engage in live two-way communication with the individual being monitored as described in the individual service plan. Each type of remote monitoring must be agreed to by the person based on informed consent. Telehealth already exists in Texas. This is not telehealth.
- C. Fund the development of flexible person-centered HHSC policies that allow DCWs to provide services, when appropriate, via telehealth and tele-monitoring to support a person's self-determination and well-being.

Collaboration with Managed Care Recommendation 6

Strengthen and expand regional collaboration among entities serving persons with IDD to improve health and community living.

Strategies:

- A. Fund the development of regional partnerships to include LIDDAs, Medicaid MCOs (STAR+PLUS and STAR Kids), TEA, TWC, comprehensive providers, diverse representations of persons with IDD, and families.

- B. Require HHSC to establish roles or positions to develop, manage, and operationalize regional partnerships. These positions must be filled by someone with communication skills, including professional staff and persons with lived experience.
- C. Fund development and implementation of regional collaboratives in all MCO service delivery areas referencing a unified framework for development.
- D. Fund increases in regional and statewide resources and personnel to develop and implement inclusive competitive and integrated employment programs for students.

Meaningful Skills Development and Employment Services Recommendation 7

Expand the service array in waivers to include essential supports for employment: transportation, benefits counseling, development of the Individual Employment Plan (IEP), peer support, and prevocational services.

Strategies:

- A. Fund the development of a [Peer Support Model](#) benefit, including self-advocates in the discovery process and assisting individuals to identify meaningful day activities. Below are some examples that should be considered:
 - ▶ [People Planning Together](#) - Learning Community;
 - ▶ Opportunities for individual and group learning; and
 - ▶ Exploring how to support families and friends to understand the value and possibilities of employment.
- B. Fund the expansion of the Employment Assistance service definition to include providing a person-centered, comprehensive employment plan with the support services needed. This could be similar to the IEP used by TWC. This service would provide assistance for waiver program participants to obtain or advance in competitive employment or self-employment. It is a focused service engaging a participant in identifying a career direction and developing a plan for achieving competitive, integrated employment at or above the state's minimum wage. Although currently it is a time limited service, it should be more person-centered with the option of limitations

being waived on a case-by-case basis for individuals who are actively engaged in seeking employment.

- C. Fund the expansion of career planning services to include transportation between the participant's place of residence and the site where career planning is delivered. Ensure the cost of this transportation is included in the rate paid to providers of career planning services and the state would include a statement to that effect in the service definition.
- D. Fund and establish a centralized source of resources for employment related services and supports including information regarding continued Medicaid, SSI, and Social Security Disability Insurance eligibility. Offer information on competitive, integrated employment and develop and expand existing educational campaigns and other initiatives to increase awareness of work incentives for participants.
- E. Fund the addition of Social Security benefits counseling as a service in all HHSC waiver programs to promote competitive, integrated employment by increasing awareness of work incentives, providing accurate information, and assisting with applying for and implementing work incentives that allow individuals who work to continue their Medicaid eligibility. The Social Security benefits counseling will be provided by certified social security benefits counselors or those who are Work Incentive Practitioner-Credentialed. This will ensure participants understand that their Medicaid waiver pilot benefits will be preserved after obtaining employment.
- F. Fund Social Security benefits training and full-time employees to increase the number of certified social security benefits counselors. Currently there are less than 30 state-certified benefits counselors in Texas. Develop and implement effective training which outlines benefits and services offered through waiver programs. Training should include effective strategies for accessing Social Security, Veterans Affairs, Railroad, and TWC (TWS-VRS specialized services and stakeholder relations) services, and competitive employment while maintaining eligibility for current waiver services.
- G. Require HHSC to develop policies for a transportation plan for individuals enrolled in state waiver programs that is included in service planning supports for employment, and ensures a seamless transition from TWC, or waiver Employment Assistance services to successful integrated competitive employment services in the community.
- H. Fund strategies to ensure parity in wages among staff providing similar services to similar populations; doing so would adequately address wages for

direct support professionals in order to recruit and retain a workforce to allow for meaningful implementation of the HCBS Settings Rule regulations across all programs.

Meaningful Skills Development and Employment Services Recommendation 8

Develop regional collaboratives to promote competitive integrated employment through data collection and analysis, resource development, and seamless transition of employment services.

Strategy:

- A. Fund the development and implementation of regularly scheduled regional and/or local collaboration on employment issues, including state agencies that provide employment services (direct services agencies (DSAs), TWC, TEA, and HHSC), to develop:
 - ▶ A joint plan for identification of federal and state funding and resources to promote competitive integrated employment;
 - ▶ A joint phase-out plan that transitions individuals with disabilities out of subminimum wage and segregated work environments;
 - ▶ Annual goals for increasing the numbers of persons with disabilities employed in competitive integrated employment; and
 - ▶ A requirement for each agency to develop a system for collecting and aggregating data that follows Workforce Innovation and Opportunity Act requirements and is reported to the HHSC Employment First designated staff annually.

This recommendation is included in the “Develop and Implement a Regional Partnership” recommendations of the Collaboration with Managed Care subcommittee.

Priority 3

Provide comprehensive and timely assessments of a person’s level of need in order to receive necessary and critical services, thereby preventing crises that result in institutionalization.

System Adequacy Recommendation 1

Develop and implement higher levels of services for persons with the most complex needs (all waivers, managed care, and any future pilot funded by the legislature), for persons transitioning from institutional settings and for persons requiring one-on-one staff supervision.

Strategies:

- A. Fund the development and implementation of a high medical LON (similar to LON 9 for behavior supports in CLASS, DBMD, HCS, and TxHmL and to be available at enrollment and annually).
- B. Fund the addition of higher levels of services with higher total cost allowance for persons with the most complex needs in Medicaid, including in managed care, all waivers, and any future pilot funded by the legislature. The increased level should include enhanced rates for DCWs.
- C. Fund the development and implementation of a one-year presumption of LON 6 or LON 9 for persons enrolling from all institutional settings or aging out from the Medicaid Comprehensive Care Program skilled nursing. Currently, a presumptive LON 6 or LON 9 is limited to SSLC transitions. Maintain, at a minimum, the LON of a person transitioning from another waiver or other IDD program for one year.
- D. Fund the development and modification of LON 9 in HCS to address the need for one-on-one staff, beyond aggressive behavior supports and supervision, to include any behavior, or medical or physical need that is life threatening or puts a person at risk of physical harm and requires the same high level of supervision and intervention.

Collaboration with Managed Care Recommendation 2

Ensure assessment processes are flexible, capture an individual's needs, and support the needs of the IDD population.

Strategies:

- A. Require HHSC to establish policies that ensure that assessment processes are flexible and can be readily modified to capture an individual's needs and goals for the person as they change.

- B. Require HHSC to annually re-evaluate adequacy and use of the International Resident Assessment Instrument Intellectual Disability and Inventory for Client and Agency Planning (ICAP) tools and resource algorithm with the IDD SRAC.

Meaningful Skills Development and Employment Services Recommendation 3

Ensure employment assessments capture individual needs and are performed by certified Employment Service Providers.

Strategies:

- A. Require HHSC to review and develop recommendations to ensure that assessment and service planning questions are meaningful to individuals. Ensure that the assessment is implemented for all program participants accessing Medicaid services.
 - ▶ Ensure that the [Employment First Discovery tool](#)¹¹ continues to include a specific module on employment along with modules on assisting people to develop activities which represent their personal preferences for meaningful activities for leisure, volunteerism, health and wellness, spirituality, and other activities which augment employment. The tool should be evaluated periodically for effectiveness.
 - ▶ Transportation is critical for accessing meaningful day activities and should be available to implement the person-centered plan.
- B. Require HHSC to provide training on the following principles of Employment First: waiver employment program services; steps to become an Employment Service Provider/Comprehensive System of Personnel with TWC; the development and implementation of an Employment Plan; work incentives and other resources to maintain benefits while employed; and the process to have a seamless transition of employment services from TWC-VRS to the individual's LTSS waiver employment services. This training should be required for TWC-VRS staff, LTSS providers, case managers, service coordinators, Individualized Skills and Socialization service providers, MCOs,

¹¹ Additional information about the tool and discovery process, including the January, 2024 webinar: <https://www.hhs.texas.gov/services/disability/employment-people-disabilities/employment-first/employment-first-training-opportunities>.

and DSAs in the CLASS waiver. CDS employers should have the option to include on boarding supported employment employees within their budget.

Priority 4

Increase access to waiver slots and existing benefits.

System Adequacy Recommendation 1

Reduce the waiver interest lists by fully funding slots for all persons currently on the interest list by August 31, 2035, and by minimally funding a 10 percent reduction per year. Manage the interest lists moving forward by setting policy to limit wait times to no more than five years to plan for future needs.¹²

Strategies:

- A. Fully fund interest list reduction to serve all individuals currently on the interest lists no later than August 31, 2035.
- B. At a minimum, fully fund 10 percent interest list reduction per year (20 percent per biennium).
- C. Fund strategies to ensure that no individual is on an interest list for more than five years and also, take into account population growth and increased needs.

¹² Senate Bill 1, 87th Legislature, Regular Session, 2021 (Article II, HHSC, Rider 19) requires HHSC to post interest list counts (individuals) by years on list. For information on current interest list wait times, see <https://www.hhs.texas.gov/about/records-statistics/interest-list-reduction>.

Table 3. CLASS, DBMD, MDCP, & STAR+PLUS HCBS Appropriated Slots by Biennium

HCBS Program	Purpose	FY 2014-2015	FY 2016-2017	FY 2018-2019	FY 2020-2021	FY 2022-2023	FY 2024-2025
CLASS Interest List Reduction	Statewide interest list reduction	712	752	0	240	381	213
DBMD Interest List Reduction	Statewide interest list reduction	100	50	0	8	6	8
MDCP Interest List Reduction	Statewide interest list reduction	120	104	0	60	42	161
STAR+PLUS HCBS Interest List Reduction	Statewide interest list reduction	490	0	0	0	107	0
Total	N/A	1,422	906	0	308	536	382

System Adequacy Recommendation 2

Ensure sufficient waiver slots for the Promoting Independence Plan as related to transition and diversion waivers for children and adults.

Strategy:

- A. Fully fund sufficient slots for the Promoting Independence Plan as related to transition and diversion waivers for children and adults, ensuring that the Texas Promoting Independence Plan is comprehensive, effectively working, and timely in meeting demands.
 - ▶ Fully utilize flexibilities to access Medicaid benefits through HHSC pending an application decision for SSI, if the SSI decision has been pending 3 months or longer (Medicaid for the Elderly and People with Disabilities Handbook, [Section D-2300](#)).
 - ▶ Ensure individuals, eligibility workers, and other stakeholders are fully informed of options for accessing Medicaid benefits through waiver enrollment.

Table 4. HCS and TxHmL Appropriated Slots by Biennium

HCBS Program	Purpose	FY 2014-2015	FY 2016-2017	FY 2018-2019	FY 2020-2021	FY 2023-2023	FY 2024-2025
Crisis Diversion (HCS)	To prevent institutionalization/crisis	300	400	0	0	0	0
Nursing Facility Diversion (HCS)	For persons with IDD diverted from nursing facility admission	150	600	150	0	0	0
Nursing Facility Transition (HCS)	For persons with IDD moving from nursing facilities	360	700	150	0	0	0
Child Protective Services Aging Out (HCS)	For children aging out of foster care	192	216	110	0	0	0
Nursing Facility Transition for Children (HCS)	For children moving from nursing facilities	0	20	0	0	0	0
Large or medium ICF/IIDs (HCS)	For persons moving out of an ICF/IID, including an SSLC	400	500	325	0	0	0
DFPS General Residential Operation (GROs)(HCS)	For children moving out of a DFPS GRO	25	25	0	0	0	0
State Hospital (HCS)	For persons moving out of state hospitals	0	120	0	0	0	0
HCS Interest List Reduction	Statewide interest list reduction	1,324	2,134	0	1,320	542	1,144
TxHmL Interest List Reduction	Statewide interest list reduction	3,000	0	0	0	471	305
Total	N/A	5,451	4,295	735	1,320	1,013	1,449

Notes: Crisis Diversion was known as SSLC Diversion in FY14-15 and FY16-17; FY14-15 HHSC Prior to Transformation the Department of Aging and Disability Services used resource allocations to designate 150 slots for the purpose of diverting

admission to nursing facilities; and none specified in appropriations, but HHSC historically provides about 20 slots per biennium to help transition children from nursing facilities.

Table 5. HCS Attrition Slot Utilization for the 2020-2021, 2022-2023, and 2024-2025 Bienniums

Attrition Target Group	FY 2020-2021 Released	FY 2020-2021 Enrolled	FY 2022-2023 Released	FY 2022-2023 Enrolled	FY 2022-2023 Pending	FY 2024-2025 Released	FY 2024-2025 Enrolled	FY 2024-2025 Pending
Crisis Diversion	770	647	904	751	35	270	76	178
Nursing Facility Diversion	265	220	232	187	3	47	17	30
Nursing Facility Transition	346	172	261	119	13	67	19	38
Nursing Facility Transition for Children	13	13	19	15	1	4	0	4
Child Protective Services Aging Out of care	190	173	176	146	9	52	17	35
Large or Medium ICF-IID	125	109	373	230	19	66	10	46
Total	1,709	1,334	1,965	1,448	80	506	139	331

Notes: Slots for persons transitioning from state hospitals or DFPS GRO may receive a Crisis Diversion slot, but there is no dedicated attrition slot type for these populations. Table data is for September 1, 2019, through April 30, 2024, tracked in HHSC monthly slot reports. HHSC continues to track issued slots across FYs. Attrition slots require input from HHSC Budget to determine if resources are available and to what capacity for the specified point in time. May 2024 data will not be available until mid-June. For the FY 2022-2023 pending column, HHSC still has these slots pending from the previous biennium (FY 2022-2023). These slots are in the process of enrollment, that HHSC continues to monitor.

Collaboration with Managed Care Recommendation

3

Streamline and provide access to dental benefits and educate all stakeholders on the benefits and processes to promote dental health.

Strategies:

- A. For TxHmL and HCS, fund the expansion of the approved list of covered Adaptive Aids to include dentures and implants with prior approval from HHSC and reflect the benefit change in all waiver renewals. More guidance is needed concerning the use of implants and dentures to individuals.
- B. Evaluate and fund strategies to align dental practices across waiver programs and to improve access to dental services. HHSC should explore other options such as centralizing the dental process for all IDD waivers and ICF/IID programs to simplify and standardize dental services and benefits.
- C. Fund flexibility for the utilization of dental benefits across two service plan years.
- D. Evaluate and fund efficiencies in the service planning and authorization processes for dental services. For those dental individual plans of care requiring utilization review that exceed the budget year, dental providers and care coordinators should be educated on the development of structured treatment plans. The maximum trigger for utilization review should exclude costs of anesthesia when determining overall costs. They should ensure strong and clear communication between the client's service planning team, DSA, and the client's treating dentist. This communication must ensure that all members of the client's service planning team, especially the treating dentist, understand the correct process for developing the client's dental treatment proposal and staying within the CLASS or DBMD fee schedules. Improved communication can be achieved by sending a reminder update based on the April 2019 Information Letter describing HHSC's guidance for developing dental treatment proposals.

Meaningful Skills Development and Employment Services Recommendation 4

Ensure adequate funding of existing services supporting and leading to competitive employment: CFC habilitation, on-site Individualized Skills and Socialization, and community inclusion activities for off-site Individualized Skills and Socialization.

Strategies:

- A. Fund the expansion of the Employment Assistance service definition to include providing a person-centered, comprehensive employment plan with support services needed. This could be similar to the IEP used by TWC. This service would provide assistance for waiver program participants to obtain or advance in competitive employment or self-employment. It is a focused, time-limited service engaging a participant in identifying a career direction and developing a plan for achieving competitive, integrated employment at or above the state's minimum wage.
- B. Require HHSC to establish, implement, and monitor policies to maximize the use of CFC habilitation and Individualized Skills and Socialization services to support prevocational and vocational activities and goals for integrated and competitive employment across all waiver programs.
- C. Establish and fund an Individualized Skills and Socialization service rate that enables providers to offer full participation to all participants in their communities. Fund compensation for the cost of providing the service to waiver and non-waiver participants. Funding of this rate should include individuals receiving in-home Individualized Skills and Socialization services.
- D. Fund within the Individualized Skills and Socialization rate the cost of individuals' participation in off-site community activities
- E. Require HHSC to evaluate and ensure that Individualized Skills and Socialization funding and regulatory structure do not create barriers to participants in the HCBS programs from maintaining and creating relationships and participating in activities with their friends in other programs.
- F. Establish and fund an Individualized Skills and Socialization service rate that ensures an adequate number of contracted providers to meet the need of program participants.

Appendix B. Overview of Certain Programs and Services for Persons in an IDD waiver or ICF/IID

STAR+PLUS

STAR+PLUS is a Texas Medicaid managed care program specifically designed to meet the health care and support needs of adults who are 65 years and older, adults who are 21 years or older and have a disability, and women who are 18 years and older enrolled in the Medicaid for Breast and Cervical Cancer program. STAR+PLUS members receive a full package of acute health care benefits, along with LTSS (for eligible individuals who are not receiving LTSS through an IDD waiver program) and service coordination.

In fiscal year 2023 an average of 574,334 individuals were enrolled in STAR+PLUS each month. Of that total, approximately 17,744 individuals were also enrolled in an IDD waiver or ICF/IID each month.

Eligibility

Adults with IDD receiving IDD waiver or ICF/IID services are eligible for STAR+PLUS for their acute health care benefits if they:

- Participate in the CLASS, HCS, TxHmL, or DBMD waiver programs; or
- Are in a community-based ICF/IID and not a SSLC; and
- Do not receive Medicare Part B, in addition to Medicaid benefits. Individuals who receive Medicare Part B and Medicaid are dually eligible and receive their acute care services through Medicare.

Services

Adults with IDD receiving IDD waiver or ICF/IID services who are in STAR+PLUS receive acute care services through one of the Medicaid MCOs contracted to operate the STAR+PLUS program. As of September 1, 2024, there are seven STAR+PLUS MCOs. These adults continue to receive LTSS services through FFS.

STAR Kids

STAR Kids is the Texas Medicaid managed care program for children and adults ages 20 and younger who have disabilities. STAR Kids members receive managed care acute care benefits and, for those not also receiving services through an IDD waiver program, LTSS. In alignment with the requirements in Texas Government Code, Section 534.051, [STAR Kids](#) provides person-centered service coordination for children with disabilities and their families to support their needs related to health and independent living.

In fiscal year 2023 an average of 169,954 children and young adults were enrolled in STAR Kids each month. Of that total, approximately 3,447 children and young adults were also enrolled in an IDD waiver or ICF/IID each month.

Eligibility

Children and young adults under the age of 21 with disabilities are eligible for STAR Kids if they:

- Receive SSI;
- Receive SSI and Medicare;
- Receive services through MDCP waiver;
- Live in an ICF/IID or nursing facility;
- Receive services through a Medicaid Buy-In program;
- Receive services through the Youth Empowerment Services (YES) waiver; or
- Receive services through the following waiver programs:
 - ▶ CLASS;
 - ▶ HCS;
 - ▶ TxHmL; or
 - ▶ DBMD.

Services

Children and young adults in STAR Kids receive acute care services and some Medicaid LTSS and Comprehensive Care Program services, such as private duty nursing and personal care services, through one of nine Medicaid MCOs contracted

to operate the program. Children and young adults receiving IDD waiver or ICF/IID services continue to receive LTSS services, including CFC, through FFS.

STAR Health

[STAR Health](#) is the Medicaid managed care program for children and young adults in DFPS conservatorship and certain children and young adults who are transitioning or have transitioned out of conservatorship. STAR Health is a statewide program that began April 1, 2008.

STAR Health members receive a full package of health care and dental benefits, along with LTSS (for those who are not receiving LTSS through an IDD waiver program). STAR Health provides the same LTSS as STAR Kids. Superior Health Plan is the single MCO serving all children in STAR Health.

In fiscal year 2023 an average of 47,034 children and young adults were enrolled in STAR Health each month. Of that total, approximately 172 children and young adults were also enrolled in an IDD waiver or ICF/IID each month.

Community First Choice

In June 2015, the CFC option became available for Texans, expanding basic attendant and habilitation services to individuals with disabilities meeting the criteria for an institutional level of care.¹³ Federal law allows the CFC option under Section 1915(k) of the Social Security Act, and CFC services are offered in Texas as a Medicaid state plan benefit. CFC services are provided in home and community-based settings. Services are not time- or age-limited and continue as long as an eligible individual needs services and resides in their own home or another family home setting. CFC services are available through managed care and FFS. Persons with IDD who are enrolled in a managed care program receive their CFC through managed care unless they are also enrolled in an FFS waiver program. Those enrolled in an FFS waiver receive their CFC through FFS, delivered by their waiver provider.

Eligibility

Individuals may be eligible for CFC services if they:

¹³ Meeting an institutional level of care means needing the level of care provided in a nursing facility, ICF/IID, or Institution for Mental Disease.

- Are eligible for Medicaid;
- Meet criteria for an institutional level of care¹⁴; and
- Have functional needs that can be addressed by CFC services.

Services

CFC services are provided by LTSS providers, including home and community support services agencies and service provider agencies for the IDD waiver programs. CFC services include:

- Personal assistance services (PAS)¹⁵
- Habilitation (HAB)¹⁶
- Emergency response services¹⁷
- Support management¹⁸

Community First Choice for Non-Waiver Recipients

CFC provides an opportunity for people with IDD who are not currently receiving services in an IDD waiver to receive PAS and HAB services if they are enrolled in Medicaid, meet an institutional level of care, and have a need for CFC services. Eligible Medicaid beneficiaries do not have to wait to receive these services through the waiver programs, which have interest lists with wait times ranging from one to 16 years depending on the waiver program.

HHSC instituted a temporary policy change allowing service providers of CFC PAS/HAB to live in the same residence as an individual receiving HCS and TxHmL program services to provide needed services for individuals living in their own or family's home during the PHE. This policy expires March 31, 2025.

¹⁴ Meeting an institutional level of care means needing the level of care provided in a nursing facility, ICF/IID, or Institution for Mental Disease.

¹⁵ PAS is assistance with activities of daily living and instrumental activities of daily living.

¹⁶ HAB is the acquisition, maintenance, and enhancement of skills necessary to accomplish activities of daily living and instrumental activities of daily living and health related tasks based on the individual's person-centered plan.

¹⁷ Emergency response systems are backup systems and supports as defined in 42 CFR §441.505; limited to electronic devices (emergency call button).

¹⁸ Support management is voluntary training on how to select, manage and dismiss attendants.

Community First Choice for Waiver Recipients

HCBS 1915(c) waivers allow states to provide HCBS as an alternative for people who meet eligibility criteria for care in an institution (nursing facility, ICF/IID, or hospital). The STAR+PLUS HCBS program allows Texas to operate and expand Medicaid managed care by providing HCBS as an alternative to residing in a nursing facility. Although CFC services are a Medicaid state plan benefit, individuals enrolled in 1915(c) waivers serving individuals with an intellectual disability or related condition, such as HCS and TxHmL, receive their CFC services from their waiver provider. STAR+PLUS HCBS, YES, and MDCP enrollees receive CFC services from MCO-contracted providers.

Intermediate Care Facility – Level of Care

The HCS, TxHmL, CLASS, and DBMD waivers provide HCBS as an alternative to residing in an ICF/IID.

Nursing Facility – Level of Care

MDCP is a 1915(c) waiver providing HCBS as an alternative to a nursing facility for children and young adults in the STAR Kids or STAR Health programs. The STAR+PLUS HCBS and Dual Demonstration HCBS programs operated through the 1115 waiver provide a cost-effective alternative to living in a nursing facility to older adults or adults who have disabilities.

Institution for Mental Disease – Level of Care

YES is a 1915(c) waiver that provides HCBS to children as an alternative to an institution for mental disease.

Appendix C. Related State and Federal Legislation

State Legislation

The 88th Texas Legislature, Regular Session, 2023, passed several pieces of legislation that will impact services and programs for individuals with IDD.

H.B. 4696

[H.B. 4696](#) clarifies HHSC, DFPS, and provider responsibilities and processes for investigations of service delivery related cases of ANE. For purposes of reporting ANE, H.B. 4696 clarifies the provider types that must be reported to HHSC rather than DFPS. Finally, this bill directs HHSC to develop and implement a system to track reports and investigations of abuse and neglect.

H.B. 1009

[H.B. 1009](#) requires a Medicaid provider to review state and federal criminal history record information and obtain electronic updates from the Department of Public Safety of arrests and convictions for each residential caregiver the provider employs or contracts with to provide community-based residential care services to Medicaid recipient and prohibits an individual who has been convicted of the described offenses from being employed by or contracted as a residential caregiver or otherwise provide direct care to a Medicaid recipient with an IDD.

The Medicaid provider must immediately suspend upon notice of the reportable conduct finding, the employment or contract of a residential caregiver who HHSC finds has engaged in reportable conduct. The suspension must remain in place while the individual exhausts any applicable appeals process, including informal and formal appeals, pending a final decision by an administrative law judge. HHSC must take disciplinary action against a Medicaid provider that does not comply with this requirement.

H.B. 4169

[H.B. 4169](#) impacts three of HHSC's IDD waiver programs - HCS, TxHmL, and DBMD - by adding prevocational services to these waiver programs, either as part of an existing service called individualized skills and socialization, or as a new stand-alone

waiver service. The bill requires HHSC to establish clearly stated, service-related performance standards for providers of prevocational services.

General Appropriations Act

The 2024-25 General Appropriations Act, H.B. 1, 88th Legislature, Regular Session, 2023, included wage increases for personal care attendants and providers of private duty nursing. [Rider 29](#) allocates funding to change the DBMD case management rate from hourly to monthly. Finally, as noted earlier in this report, the SP3 initiative redesigning IDD services delivered through managed care was not funded.

Federal Legislation

American Rescue Plan Act (ARPA) of 2021

[ARPA](#) was signed into law on March 11, 2021. Section 9817 of the ARPA provides states with a time-limited 10 percent enhanced Federal Medical Assistance Percentage (FMAP) for Medicaid HCBS as well as a number of state plan services. The enhanced FMAP must be used to supplement, rather than supplant, enhancements to a state's HCBS programs and services.

States can claim the enhanced FMAP during the period beginning April 1, 2021, and ending on March 31, 2022. To claim the funds, states must submit a spending plan to CMS with an accompanying narrative that attests the state meets maintenance of effort requirements and a commitment to supplement rather than supplant state funds and explain how the state intends to sustain the activities beyond March 31, 2024.

HHSC submitted a proposal for expending the enhanced FMAP funding on July 12, 2021. The proposal contained 22 activities, which were developed collaboration with internal program experts, as well as submissions from external stakeholders.

Proposals fall under the following broad categories: supporting providers, supporting HCBS enrollees, and enhancing and strengthening the state's HCBS infrastructure. To ensure continued approval from CMS, HHSC sends the spending plan to CMS on a quarterly basis and the narrative portion describing updates and progress in implementation biannually. As of July 26, 2023, HHSC has decided to continue maintenance of effort in order to maintain its ability to receive the enhanced FMAP until March 31, 2025. On September 21, 2023, HHSC submitted a request to the Legislative Budget Board and Governor's Office to request approval

to continue compliance with maintenance of effort required by the ARPA and to continue projects that did not complete timely. This includes some technology improvements as well as to continue funding for Individualized Skills and Socialization and waiver slots.

Families First Coronavirus Response Act

The [Families First Coronavirus Response Act](#), effective on March 18, 2020, addressed the economic impact of PHE. The Families First Coronavirus Response Act allowed for continuous Medicaid eligibility for anyone eligible March 1, 2020, or later through the end of the PHE addition and established a temporary 6.2 percent enhancement in FMAP funding to help provide services to an increased number of eligible Medicaid enrollees throughout the PHE period. In accordance with the [Federal Consolidated Appropriations Act, 2023](#), continuous Medicaid coverage ended on March 31, 2023.