

Texas Medicaid and CHIP Hospital Program Initiative Summary
September 29, 2011

Medicaid Managed care expansion

- Contiguous counties and Jefferson County expansions effective September 1, 2011
- South Texas managed care expansion on track to implement March 1, 2012
- Dental expansion March 1, 2012
- Prescription drug “carve-in” on schedule to implement March 1, 2012
- 3 prescription limit no longer in expansion plans
- Hospital “carve-in” on schedule to implement March 1, 2012
- 164 County rollout – omitted from timeline recently published by HHSC

Medicaid 1115 Wavier

- Agreement in Principle September 14, 2011
- Agency working on transition plan and terms and conditions

Reduce managed care administrative portion of premiums

- Effective September 1, 2011

Medicaid SDA rate rebasing (statewide rate)

- 8 percent aggregate reduction built into statewide rate
- Effective September 1, 2011 in fee for service and in managed care rate assumptions
- Reduction in outlier payments (70% to 60%)

Medicaid Outpatient Rates

- 8 percent reduction
- 40% reduction in “non-emergent” ER procedures
- Fee schedule for radiology
- Effective 9/1/2011 and incorporated into MCO rate assumptions

Elimination or reduction of outpatient payments for Medicare/Medicaid dual eligible clients

- Scheduled January 1, 2012

Policy changes for DADS services

- HCS, CBA and other policy changes effective September 1, 2011
- Other policy changes of “amount duration and scope” scheduled for December 2011

Coding for OB procedures

- Effective October 1, 2011
- Retro-review, no payment for non-medically-necessary deliveries and inductions prior to 39 weeks

Payment Reform and Quality-Based Payments

- Hospital adjustments for potentially preventable readmissions scheduled for FY2013
- APR-DRG conversion and rebasing effective September 1, 2012 – Acute Care
- APR-DRG conversion and rebasing effective September 1, 2013 – Children’s Hospitals
- Conversion to outpatient PPS (EAPGs) – no published timeline
- Neo-natal care initiatives – formation of NICU Council, NICU standards, reporting and accreditation
- Physician Payment Committee to identify overused services
- Other Quality Based Payment Reform Initiatives including QBP Advisory Committee

Other Initiatives

- Copayments in the Medicaid program
- Expedite client enrollment into Medicaid managed care