



COMMISSIONER  
Chris Traylor

April 30, 2010

To: Community Based Alternatives Providers  
Consumer Directed Services Agencies  
Day Activity and Health Services Providers  
Integrated Care Management 1915(c) Waiver Providers  
Primary Home Care Providers

Subject: Information Letter No. 10-42  
Expansion of the STAR+PLUS Program

The Health and Human Services Commission (HHSC) is required by the 2010-2011 General Appropriations Act (Article II, Special Provisions, Section 46, S.B. 1, 81st Legislature, Regular Session, 2009), to implement the most cost-effective, integrated managed care model for aged, blind and disabled Medicaid clients in the Dallas and Tarrant service areas. The Dallas service area includes the following seven counties: Collin, Dallas, Ellis, Hunt, Kaufman, Navarro and Rockwall. The Tarrant service area includes the following six counties: Denton, Hood, Johnson, Parker, Tarrant and Wise.

After analyzing the Integrated Care Management (ICM), Primary Care Case Management (PCCM), and STAR+PLUS Medicaid managed care models and obtaining feedback from stakeholders, HHSC has determined that the most appropriate, cost-effective model to implement is the STAR+PLUS program. The anticipated operational start date for the expansion of the STAR+PLUS program into the Dallas and Tarrant service areas is February 1, 2011. This date is contingent upon federal approval.

STAR+PLUS is a Texas Medicaid program designed to integrate delivery of acute and long-term care services through a managed care model. The STAR+PLUS program provides a continuum of care through a licensed Health Maintenance Organization (HMO). The current STAR+PLUS service areas, counties and initial implementation year are:

- Bexar Service Area: Atascosa, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson counties (2007);
- Harris Service Area: Harris county (1998);
- Harris Expansion Service Area: Brazoria, Fort Bend, Galveston, Montgomery and Waller counties (2007);
- Nueces Service Area: Aransas, Bee, Calhoun, Jim Wells, Kleberg, Nueces, Refugio, San Patricio and Victoria counties (2007); and
- Travis Service Area: Bastrop, Burnet, Caldwell, Hays, Lee, Travis and Williamson counties (2007).

## **STAR+PLUS Expansion Procurement**

HHSC is conducting a competitive procurement to select health plans for STAR+PLUS in the Dallas and Tarrant service areas. The final Request For Proposals for the Dallas/Tarrant expansion was posted in November 2009. HHSC will select at least two HMOs for each service area in order to provide STAR+PLUS members with a choice of health plans and provider networks. These HMOs will assist HHSC in the operation of the STAR+PLUS program by managing and coordinating acute care services and long term services and supports (LTSS) for eligible STAR+PLUS members.

## **STAR+PLUS Enrollment**

HHSC contracts with an independent organization, called an enrollment broker, to enroll individuals into the STAR+PLUS program and to ensure that HMOs do not market directly to potential STAR+PLUS consumers. Eligible consumers will receive "enrollment packets" in the mail. Under the HHSC STAR+PLUS contract, each HMO will provide the same array of Medicaid acute care services and LTSS to Medicaid-only members. Dual Eligible (i.e., Medicare and Medicaid) members will receive acute care services through Medicare. The state's enrollment broker is MAXIMUS.

## **Impact to DADS LTSS Consumers**

Expansion of the STAR+PLUS program into the Dallas and Tarrant service areas will impact about 75,000 Medicaid consumers, about 10,000 of whom receive one or more of the following services through the Department of Aging and Disability Services (DADS):

- ICM 1915(c) Nursing Facility Waivers (or "Waiver");
- Day Activity and Health Services (DAHS); and
- Primary Home Care (PHC).

The following summary describes the impact of STAR+PLUS expansion on Waiver, Title XIX DAHS, and PHC consumers.

- **Waiver:** DADS will terminate the waivers effective the end of the month prior to the STAR+PLUS expansion operational start date. Assuming a STAR+PLUS operational start date of February 1, 2011, DADS anticipates terminating the waivers effective January 31, 2011. This means that DADS cannot operate the waiver programs in the STAR+PLUS expansion service areas after January 31, 2011. All waiver consumers residing in the current ICM service area counties will begin receiving STAR+PLUS 1915(c) waiver services through STAR+PLUS HMO network providers on or about February 1, 2011.

The STAR+PLUS 1915(c) waiver array of services is very similar to that of the ICM 1915(c) nursing facility waivers.

- **DAHS:** In the STAR+PLUS program, the DAHS program consists only of Title XIX DAHS. All Title XIX DAHS consumers residing in the current waiver service area counties will begin receiving DAHS through STAR+PLUS HMO network providers on February 1, 2011.

DADS cannot administer the Title XIX DAHS program in any of the STAR+PLUS counties after January 31, 2011. DADS will continue to operate the Title XX DAHS program in the STAR+PLUS counties.

- **PHC:** In the STAR+PLUS program, PHC services are referred to as Personal Assistance Services (PAS) and do not include Community Attendant Services (CAS) or Family Care (FC). As with Title XIX DAHS, PHC consumers residing in the current waiver service area counties will begin receiving PAS through STAR+PLUS HMO network providers on February 1, 2011. DADS cannot administer PHC services in any of the STAR+PLUS counties after January 31, 2011. DADS will continue to administer CAS and FC in the STAR+PLUS counties.

### **Contracts and Provider Payments**

Effective with the implementation of the STAR+PLUS expansion, the ICM 1915(c) nursing facility waivers will no longer operate in the Dallas and Tarrant service areas and DADS intends to cancel waiver-related contracts effective January 31, 2011. DADS will adjust current DAHS and PHC contracts by ending applicable service codes for PHC and Title XIX DAHS. Current DAHS and PHC providers will still be able to deliver and receive payment for Title XX DAHS, CAS and FC.

DADS will notify providers of the status of their contracts in relation to STAR+PLUS expansion no later than 60 days prior to the implementation of the STAR+PLUS program in the Dallas and Tarrant service areas.

DADS recommends that any provider wishing to serve STAR+PLUS members contract with all HMOs that are selected by HHSC to provide STAR+PLUS services in the Dallas and Tarrant service areas. This will enable providers to continue to deliver services to their current consumers, who will be asked to select a STAR+PLUS HMO at enrollment into the program. DADS will provide contact information for the selected HMOs after HHSC has executed the STAR+PLUS HMO contracts.

Prospective HMOs are currently developing STAR+PLUS expansion provider networks in anticipation of being awarded a STAR+PLUS contract to operate in one or both expansion service areas. These HMOs may contact current DADS-LTSS providers operating in those service areas to request that the providers sign a Letter of Intent to join a prospective STAR+PLUS provider network. Please note that STAR+PLUS HMOs contract with providers, authorize LTSS directly and pay their network providers directly, thus their requirements for documentation and billing may be different from those of DADS.

The HHSC STAR+PLUS contract includes a provision to ensure continuity of care for DADS consumers and providers during the transition from DADS program operations to STAR+PLUS managed care operations. For those members receiving LTSS in the STAR+PLUS expansion area, LTSS provider authorizations will be honored up to six months unless the member does not meet waiver eligibility criteria. The HMO will ensure that providers are paid during the six month transition period or until the HMO has developed a new transition plan for the member.

### **Provider Communication Regarding STAR+PLUS Program Expansion**

DADS plans to hold LTSS provider meetings regarding STAR+PLUS expansion in September 2010. DADS will also publish information regarding the transition of LTSS from DADS to the STAR+PLUS program, including billing procedures, on the DADS website at [www.dads.state.tx.us/providers/](http://www.dads.state.tx.us/providers/).

### **STAR+PLUS Program Contact Information**

If you have questions about the contents of this information letter, please contact the Community Services phone line at (512) 438-3015.

If you have general questions about the LTSS components of the STAR+PLUS expansion project, please contact Rhonda Pratt via e-mail at [rhonda.pratt@dads.state.tx.us](mailto:rhonda.pratt@dads.state.tx.us) or via telephone at (512) 438-5813.

For general information about the STAR+PLUS program, please refer to the HHSC STAR+PLUS website at <http://www.hhsc.state.tx.us/starplus/Overview.htm#top>.

For more information about the STAR+PLUS expansion to the Dallas and Tarrant service areas, please refer to the HHSC website at [http://www.hhsc.state.tx.us/medicaid/SP\\_DallasTarrantExpansion.shtml](http://www.hhsc.state.tx.us/medicaid/SP_DallasTarrantExpansion.shtml).

Sincerely,

*[signature on file]*

Tommy Ford  
Director  
Community Services

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