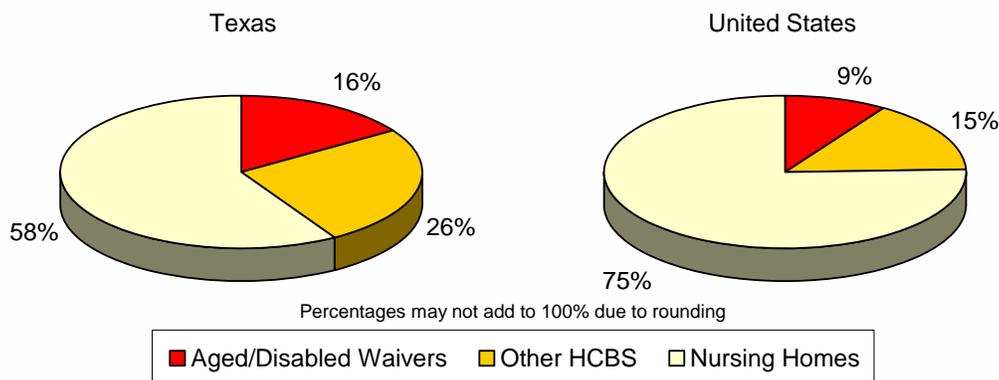


State Long-Term Care Reform in **TEXAS**

Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Texas and the U.S., 2006



Compared to the U.S. average, Texas allocates a much greater percentage (42 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to home and community-based services (HCBS). In FY 2006, Texas spent 16 percent on waiver services and 26 percent on other HCBS, including personal care services (PCS) and Community Attendant Services (CAS), a program which provides personal care services to individuals who are not eligible to receive other Medicaid services.

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS*	95,739	108,698	+12,959	\$828	\$1,301	+\$473
Nursing Homes	95,812	111,437	+15,625	\$1,604	\$1,833	+\$229

Texas serves nearly as many older people and adults with physical disabilities with HCBS as it does with nursing home services in its Medicaid program, and recent Medicaid trends indicate that the state is making progress in funding more HCBS. From FY 2001 to FY 2006, the increase in Medicaid spending on HCBS was more than double the increase in spending on nursing homes. The number of participants receiving HCBS and nursing home

¹ This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

* Because of differences in the data sources used for participants and expenditures, participants in Community Attendant Services are *not* included in the HCBS participant totals, but spending for this program *is* included in HCBS spending. The average monthly CAS enrollment increased from 21,274 in 1999 to 40,256 in 2004.

services both increased from 1999 to 2004. Participant and expenditure numbers are underreported because they do not include Texas STAR+PLUS, a Medicaid managed care program; the participant numbers also exclude CAS.

Despite the state's progress, a substantial number of Medicaid participants with disabilities still have unmet need. As of December 31, 2007, more than 39,800 people were on an "interest list" (waiting list) in Texas for HCBS waiver services; about 8,800 of them are in counties served by STAR+PLUS. The Texas legislature appropriated an additional \$71.5 million for waitlist reduction in 2007; however, this funding is projected to reduce the waiting list by only 10 percent.

Major Initiative

Texas STAR+PLUS is a managed care program that integrates acute and LTC under a combination of 1915(b) and (c) waivers from the federal government. LTC services include health services, personal and home health attendant services, home-delivered meals, adaptive aids, adult foster care, adult day services, assisted living, and minor home modifications. Enrollment is required for persons who have a physical or mental disability and qualify for Supplemental Security Income or Medicaid due to low income, and for persons who qualify for the Medicaid Community Based Alternatives (CBA) waiver program. Texas began STAR+PLUS as a pilot program in Harris County (Houston) in 1998. The program had 65,000 enrollees in that county by the time the state announced an expansion to four additional regions in January 2007, with enrollment beginning in February 2007. Several provider and staff problems arose in the first few months of 2007, however. At one point, too few physicians were willing to accept new patients in the Austin area, and there were not enough trained staff in the San Antonio service area to complete LTC needs assessments in a timely manner. Nonetheless, by February 2008, this program had more than 155,000 Medicaid clients enrolled (55,268 aged; 1,736 blind; and 98,239 people with disabilities).

"Texas STAR+PLUS"

This Medicaid managed LTC program integrates acute and LTC services for people with disabilities. Although the program has experienced several problems, it has expanded and now serves more than 155,000 Medicaid clients with disabilities.

Other Developments

Money Follows the Person (MFP). Texas was awarded a \$17.9 million federal Money Follows the Person demonstration grant in January 2007 to help provide transition services for approximately 3,000 people leaving nursing homes for community settings. Texas pioneered the MFP model, which the Texas legislature authorized initially through "riders" (amendments) to appropriations, and then codified in 2005. From September 2001 to 2006, more than 12,000 persons were transitioned.

Consumer Direction. Legislation signed into law in June 2007 defines a consumer-direction model for community services as a service delivery payment program under which the consumer exercises control over his or her service plan or over the person delivering the services. The legislation charges the Consumer Direction (CD) Work Group with developing recommendations to expand CD services, expand access to support advisors, and provide outreach assistance.