Presentation to the Senate Finance Subcommittee on Medicaid: Optional Services

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Summary for Medicaid Optional Services Cost Reduction Proposals (in millions)

	Medicaid Cost Reduction Proposals for Optional Services	Total GR	Total All Funds
1	10% Reduction to Optional Services		
2	Prohibit Out-of-State Services	$ 0.2	$ 0.5
3	Review Medicaid benefits to determine if benefit limits need to be set so that providers can be aligned more closely around the mean.		
4	Tighten the Definition of Targeted Case Management Across Medicaid		

Texas Health and Human Services Commission

Medicaid Services

- Adults
- Federal law specifies required and optional Medicaid services for adults.
- States may choose to provide some, all, or no Medicaid optional services for adults.
- Children
- Federal law requires states to provide children under the age of 21 any medically necessary services allowed under Medicaid regardless of whether the services are covered for adults by the state's Medicaid program.

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Mandatory Services

- Acute Care
- Inpatient and outpatient hospital services
- Laboratory and x-ray services
- Physician services
- Medical and surgical services provided by a dentist
- Early and periodic screening, diagnostic, and treatment (EPSDT) services for individuals under 21
- Family planning services and supplies
- Federally qualified health centers
- Rural health clinic services
- Nurse midwife services
- Certified pediatric and family nurse practitioner services

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Optional Services

- Texas Medicaid covers the following optional acute care provider categories:
- Physician extenders
  - Nurse practitioners and certified nurse specialists
  - Certified registered nurse anesthetists
  - Physician assistants
- Mental health providers
  - Psychology
  - Licensed professional counselors
  - Licensed marriage and family therapists
  - Licensed clinical social workers
- Podiatry
- Chiropractic
- Maternity service clinics

Texas Health and Human Services Commission

Optional Services

Texas Medicaid covers the following optional acute care services for adults:

- Prescription drugs
- Rehabilitation and other therapies
  - Mental health rehabilitation
  - Rehabilitation facility services
  - Physical, occupational, and speech therapy
- Primary care case management
- Vision services
- Hearing aid services
- Renal dialysis
- Targeted case management for pregnant women
- Targeted care management for mental health

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Amount, Duration, and Scope

- Each required or optional Medicaid service must be sufficient in amount, duration, and scope to reasonably achieve its purpose.
  - Amount: Number of services
  - Duration: Amount of time
  - Scope: The service
- States may place limits on required and optional services based on medical necessity or to control utilization.
- States may not limit coverage for a required service based on type of condition, illness, or diagnosis.

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Examples of Amount, Duration & Scope Limitations in Medicaid

Amount (number of services)

- 3 prescription limit for PCCM adults
- 3 ultrasounds per pregnancy
- 30 behavioral counseling visits per client
- 1 preventative health check up per client

Duration (amount of time)

- 30-day inpatient stay per illness spell, except for transplant
- 2 month postpartum for pregnant women
- 35-day limit for adults in a substance abuse residential facility (per episode of care)
- 180-day limit on therapies (speech, physical & occupational) for adults

Scope (the service)

- Dental only for kids and institutionalized adults
- No coverage for childless, non-disabled, non-pregnant adults
- Specific targeted case management services available only to pregnant woman with a high-risk condition or a child (birth through 20 years of age) with a health condition or health risk
- Private duty nursing services in a home setting only for clients under 20 years of age

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Considerations

- Eliminating or reducing certain optional services may increase costs for other services. For example:
  - Eliminating or reducing coverage for prescription drugs may increase hospital and physician costs.
  - If renal dialysis were not covered, individuals may receive these services in the emergency room at a higher cost.
- Federal approval is required to change Medicaid benefits.
- Any changes to mental health services must comply with federal mental health parity requirements.
- In 2014, some Medicaid services that are currently optional will be required for the federal Medicaid expansion, including prescription drugs, mental health services, and rehabilitation services. This may impact federal approval of changes to these services.