

**Rebalancing Long-Term Care Systems in Texas:  
Case Study as of December 2007**

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The overall Rebalancing Research is being conducted through a Task Order under a CMS Master Contract between CMS and the CNA Corporation, Arlington, VA, and subcontracts and consultant agreements between CNAC and the various researchers. Rosalie A. Kane is the principal investigator from the University of Minnesota and Elizabeth Williams is the CNAC project director. This final case study for the State of Arkansas covers a period through December 2007. The statements and opinions in the report are those of the writers and do not necessarily reflect the views of CMS or any of its staff, or the State liaisons to the project, or any other state staff or persons who spoke to us from participating states. We thank Marc Gold, Director, Promoting Independence Initiative, Texas Department of Aging and Disability Services, who served as liaison to the study.

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## Preface

In 2003, Congress directed the Centers for Medicare & Medicaid Services (CMS) to commission a study in up to 8 States to explore the various management techniques and programmatic features that States have put in place to rebalance their Medicaid long-term care (LTC) systems and their investments in long-term support services towards community care. The States of Arkansas, Florida, Minnesota, New Mexico, Pennsylvania, Texas, Vermont, and Washington are participating in this 3-year Rebalancing Study. For the study, CMS defined rebalancing as reaching “a more equitable balance between the proportion of total Medicaid long-term support expenditures used for institutional services (i.e., Nursing Facilities [NF] and Intermediate Care Facilities for the Mentally Retarded [ICFs-MR]) and those used for community-based supports under its State Plan and waiver options.” CMS further clarified that a balanced LTC system “offers individuals a reasonable array of balanced options, particularly adequate choices of community and institutional options.”

The products for the study include 3 iterations of State-specific case studies that qualitatively and quantitatively examine each State’s management approaches to rebalance its long-term care systems, six crosscutting topic papers on issues in rebalancing, and a series of 5 Chartbooks presenting quantitative analyses of Medicaid expenditures for consumers in HCBS versus nursing homes, as well as Medicare expenditures for individuals dually eligible for Medicaid and Medicare. A list of these products with web links for completed documents is provided in the Appendix.

For the final case studies—in this instance for the State of Texas, we concentrated on the perspective of State officials on accomplishments in rebalancing their long-term support systems for all clientele, and the future directions for the State. We also updated particular strategies that we had highlighted in the 2005 case study and the 2006 Updates. The report is based on comprehensive review of web and print materials, a site visit conducted by Rosalie Kane and Dann Milne on November 26 and 27, 2007, supplemented by telephone interviews before and after the site visit as needed.

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## Executive Summary

The State of Texas has made substantial progress in increasing options for HCBS services. In 2006 it ranked 6<sup>th</sup> among states for its investment in HCBS expenditures as proportion of its investment in institutional expenditures for seniors and people with physical disabilities. Its national ranking for the balance between HCBS and institutional services for persons with intellectual disability or developmental disability (ID/DD) was only 47<sup>th</sup>, but Texas is currently undertaking serious initiatives to make choices of community services available to persons with ID/DD currently residing in institutions. The legislature is assisting this effort by successive appropriations to increase waiver slots and reduce interest lists (waiting lists) for community services.

Texas programs are driven by an articulated set of values emphasizing choice and independence for consumers (or their agents) and respectful, dignified, high quality care in all settings. (Rebalancing per se is not an objective, though it tends to be a result of individuals having real choices for community care.) Texas took the Olmstead Supreme Court seriously and, at the behest of two successive governors, developed its Promoting Independence Initiative and a specific and detailed plan for community care. The 2001 plan has been updated twice (in 2004 and 2007) and is used by State officials and advocates alike to benchmark progress. Through this planning and accountability process the Legislature has become familiar with and is supportive of the goals of the initiative and has in successive sessions voted to increase allocations for community services and to winnow down the interest lists.

The organizational structure of the Department of Aging and Disability Services (DADS) within the umbrella agency the Texas Health and Human Services Commission (HHSC) facilitates the drive towards community care. All DADS' work is conducted based on functions (e.g., access and intake, provider services, regulatory services, policy and innovation) rather than according to age group or disability group. This has led to a comprehensive cross-disability focus of DADS initiatives, which takes into account children and seniors, which deals with schools and workplaces, and which takes into account institutions, group residential settings, and in-home and community services construed very broadly. Texas has evolved a large number of waiver programs and state programs, so much so that the State is now looking at "waiver optimization" and how to achieve consistency across programs. It has also developed and recently increased the opportunities for consumer direction in its waivers and in its State Plan optional services.

Given the large investment in institutional care that characterized Texas in the 1990s, the State has emphasized facilitating transitions from institutions as much as it has emphasized diversion from entering them in the first place. The transition strategies developed in Texas, including Money Follows the Person; relocation specialists drawn largely from Centers for Independent Living; transition expenses as one-time waiver benefits; using nursing home MDS data from Section Q to guide the work of transition specialists; and development of options counseling (now particularly highlighted as an approach in State Schools and ICF-MRs) have all been refined over the last five years. Many of these strategies have been adopted by other States and have also found their way into the federal Money Follows the Person Demonstration. Between 2001 and 2007, Texas assisted more than 12,000 long-stay residents to leave nursing homes, demonstrating for the nation that elderly individuals or their legal agents will choose community care if given the option and will be able to succeed in the community.

## Texas

Texas' strategies related to local delivery systems have several components. First, the State has facilitated a streamlined approach to establishing Medicaid eligibility in the HHSC's TIERS assessment and information system with its multiple ways for the applicant or his advocates to access the system and make applications. Second, and with increased attention in recent years, the DADS Division of Intake and Access has taken steps to encourage local areas to develop their own cross-disability and cross-age efforts to identify barriers and improve access to services. The Aging and Disability Resource Center grant was used to pilot three models, and the State has extended that effort to other regions through creative use of Older Americans Act Administrative funds, but DADS strategy is not to impose a model on localities but rather to encourage a process in each region that in some ways mirrors the process of cross-disability planning that was undertaken when DADS was formed. This strategy reflects a Texas vision of minimalist governmental mandates, but is also practical: Texas is a huge State and DADS could not readily micromanage local areas even if it wanted to do so. Therefore, building the local motivation and capacity is crucial.

DADS is also attending to the improvement of health services, both medical and psychiatric, for persons needing LTSS. The success of the Star + Plus program in Houston has prompted the current expansions of managed care options. DADS is developing policies and safeguards to ensure that its emphasis on opportunities to choose consumer direction and opportunities to leave institutions is possible within managed care. So far, it is DADS impression that penetration of consumer directed models is greater in Star + Plus than in the waiver for aged and disabled persons. Featured in this case study, among other things, are:

- The organization of the HHSC and DADS, and its effect on increasing community care options for all populations;
- The Original Money Follows the Person program in Texas, and the current initiatives that are embedded in the Texas Money Follows the Person national demonstration, of which Texas is a participant;
- The expansion of capacity for relocation specialists;
- The reduction of interest lists for Texas LTSS programs, and the increase of consumer directed options;
- Efforts to increase local access and capability for cross-disability activity, in part through a process of Community Roundtables;
- Expansion of managed care for Medicaid acute and long-term care in the Star + Plus program;
- Data driven quality initiatives at DADS and their emphasis on direct face-to-face surveys of participants

## **Rebalancing Long-Term Care Systems in Texas Case Study as of December 2007**

### **Introduction**

#### Background

The State of Texas is by far the largest state among the 8 states participating in the Rebalancing Research project; it has a large and diverse population dispersed over a very large land mass with many urban areas with populations of more than a million and many somewhat isolated rural areas. Bringing a new emphasis on community care to all 254 counties in the vast state of Texas is a particular challenge, and one that the State has been engaging in for several decades. Historically, Texas has been above average among States in the proportion of expenditures on HCBS as opposed to nursing homes, ranking 6<sup>th</sup> nationally in 2006 on this measure.

Texas is a politically conservative state with a strong anti-tax movement and a strong preference for private-sector rather than government-run operations. Long interest lists of persons interested in a state waiver or program that is currently full attest that funding is insufficient to meet all needs (although people on one or more interest lists may be receiving a services from some other program while waiting to be assessed for others). Nonetheless, Texas has proceeded effectively with shaping the nature of its services and, in collaboration with strong and sophisticated consumer stakeholders and provider stakeholders, have made great strides in developing a range of choices for community care, and in developing consumer directed options in accordance with its vision of choice. The phrase “Money Follows the Person,” which is now the name of a closely watched national demonstration for transitions out of institutions is a term initiated by Texas advocates and became the name for a Texas state initiative that over a five year period was able to facilitate relocation of thousands of nursing home residents to the

community. At baseline, challenges identified for Texas included: reducing or eliminating interest lists; and developing effective local access systems even though the State exercises no direct authority over local lead agencies except in terms of contracting rules.

#### Summary of Early Rebalancing Case Studies

The initial case study for Texas, based on experience in that State through 2005, highlighted several management approaches: a massive reorganization of State government for human services into the Texas Commission for Health and Human Services and within the Commission, the consolidation of functions related to long-term support services (LTSS) for people of all ages and disabilities and in all settings within the Department of Aging and Disability Services (DADS); the statutorily developed Promoting Independence Initiative and the work of the Promoting Independence Advisory Committee (PIAC), which sets goals and monitors quarterly progress in post-Olmstead activities towards community care; the development of the Texas Money Follows the Person (MFP) programs through riders enacted by the Texas Legislature and the successful transition of thousands of participants from nursing homes to the community, two-thirds of whom were over age 65; the development of a capacity for relocation specialist services and utilization of data from the Nursing Home Minimum Data Set (specifically section Q) to identify specific residents in specific nursing homes with an interest in considering return to the community; the development of a large attendant program under the State Plan (called Primary Home Care) and the infusion of consumer direction into this program through the development of the Service Responsibility Option (SRO); and multifaceted evidence-based quality initiatives for both institutions and HCBS services, the latter built around the CMS quality framework and incorporating participant feedback. Activities were also under development to improve and simplify access to services.

The Update on activities in Texas through the end of 2006 noted the continuation of the activities highlighted the year before; the expansion of Money Follows the Person with a small-scale pilot of the effort to help people with intellectual disability or developmental disability (ID/DD) move from large ICF-MRs, including state-run schools; and efforts to increase the use of managed care in long-term care through expansion of the Houston-based into other counties and regions by 2007. Short and long baseline case studies on rebalancing in Texas were released in 2005; an update of activities in Texas between July 2006 and July 2007 was released in April 2007.<sup>1</sup>

## **State Initiatives**

### Update on Previously Identified State Initiatives

State organization and the Department of Aging and Disability Services (DADS). In the baseline case study we noted the consolidation of all activities related to long-term supportive services (LTSS) whether in the community or in institutions and across all disability populations and age groups into the Department of Aging and Disability Services (DADS). (The formation of DADS was part of a more massive reorganization of Texas State Government into the Health and Human Services Commission (HHSC) that combined numerous separate organizations.) The DADS structure continues largely unchanged and is discussed under State Organization below. Key informants at the State level believe the structure works very well by bringing all constituencies together around functions such as Intake and Access, Regulatory Services, and Provider Relations and establishing a mechanism so that those who work on behalf of different

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<sup>1</sup> Links to the short case study *Rebalancing Long-Term Care Systems in Texas: Experience up to July 31<sup>st</sup>, 2005* and to the update report, *A Year in State Management Practice for Rebalancing Long-Term Care Systems: Update of Activities in 8 States*, July 2005 to July 2006 are on the CMS New Freedom website, last visited on April 8, 2008 at [http://www.cms.hhs.gov/NewFreedomInitiative/035\\_Rebalancing.asp#TopOfPage](http://www.cms.hhs.gov/NewFreedomInitiative/035_Rebalancing.asp#TopOfPage). A long baseline case study on Texas is on the website of the Long-Term Care Resource Center at University of Minnesota, at [http://www.hpm.umn.edu/ltrresourcecenter/on\\_going\\_research/Rebalancing\\_state\\_ltc\\_systems\\_case\\_studies.htm](http://www.hpm.umn.edu/ltrresourcecenter/on_going_research/Rebalancing_state_ltc_systems_case_studies.htm).

disability and age groups and different service structures can interact and develop common approaches. The reorganization has removed barriers to coordination and collaboration and has greatly improved accountability in program operations and service delivery. According to the Commissioner of DADS, the consolidation has helped the Legislature understand the system of care, and has resulted in less confusion or competition among agencies.

Promoting Independence Initiative and Advisory Committee. The Promoting Independence Initiative began in 2000 with an Executive Order by then Governor Bush to implement the mandates of the Supreme Court Olmstead Decision of 1999. From the beginning the Initiative had strong consumer input in the form of an Advisory Committee, later for a time called the Stakeholder Task Force. In 2001 a Texas Promoting Independence Plan was developed, and in a 2002 Executive Order from Governor Perry the structure and mission was clarified, established that the Promoting Independence Task Force (PIAC) would be appointed by the Executive Commissioner of the HHSC on recommendation by the Commissioner of DADS as a stakeholder group to develop and monitor Olmstead-related goals and programs. From the outset, DADS provided substantial support to the Initiative and the PIAC, which meets at least quarterly and which has set target goals against which achievement is tracked. Marc Gold, the manager of the Promoting Independence Initiative is highly experienced in state government and LTSS, and he reports directly to the Commissioner of DADS. The Promoting Independence Plan was updated in 2004 and again in 2007. Annual reports of the PIAC for 2005 and 2006 are on the DADS website, as are the 3 iterations of the Promoting Independence Plan.<sup>2</sup> These plans and recommendations are concrete and specific, and written with the original intent of the Olmstead legislation in mind as well as the realities of the State budget. Thus, Texas has established a clear track record of goals and activities under Olmstead with a specificity and

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<sup>2</sup> See [http://www.dads.state.tx.us/providers/pi/piac\\_reports/index.html](http://www.dads.state.tx.us/providers/pi/piac_reports/index.html).

comprehensiveness that few States have achieved. The detail of these plans and reports is both a result and cause of the sophistication of consumer groups in Texas: at the outset Texas was home to national policy leaders of various consumer constituencies who were able to help jump-start the process, and arguably participation in this process helped other consumer leaders develop enhanced policy awareness.

Money Follows the Person. The original Money Follows the Person initiative was established by the legislature as a rider to the then-Department of Human Services Appropriations bill in 2001; the rider allowed Medicaid-certified nursing home residents to access a 1915 (c) waiver and other community services without being placed on a waiting list (called an interest list in Texas). The allocation was literally withdrawn from the nursing home budget to fund the individual in the community. Subsequent legislatures continued the rider until in 2005 the legislature codified the policy into law with House Bill 1867. In the permanent program, the allocation followed the individual, who got immediate access to HCBS waivers without displacing anyone from the waiting list, but the allocation returned to the nursing home budget if the individual died or re-entered an institution. This program continues and as of June 30, 2007, the State transitioned 13,337 individuals from nursing facilities to community-based services; about 2/3 of those individuals were over age 65 and many were well over age 80, even including a substantial number of centenarians. Over this period the State developed an infrastructure to assist with individual transitions, including appropriating Transition to Life in the Community Funds from general revenue to allow for household and moving expenses not covered by Medicaid; developing Transition Assistance Services (TAS), which are a \$2500 one-time capped allowable expense under HCBS waiver to assist with down payments and purchases related to establishing a community residence; dedicating housing vouchers to persons leaving

nursing homes; and developing relocation specialists (discussed below) and community transition teams. Real Choice System Change grants were used to assist in the development of the relocation infrastructure.

The 2001 Promoting Independence Plan required that individuals living in a state school for persons with intellectual or developmental disability be able to access HCBS waiver services within six months of referral, and individuals in large community ICFs/MR (14 people or greater) be able to do so twelve months. Since these programs began, 1,031 individuals have moved from the state school system and another 796 individuals have moved from large community ICFs/MR into community services. In 2006 the Legislature expanded the Money Follows the Person program to allow children under 21 with intellectual and developmental disabilities who are in nursing facilities to access waiver services.

Relocation specialists (informed by MDS data). Relocation specialists are individuals who work with LTSS participants who want to leave nursing homes. The role includes outreach to identify those who would like to relocate; education; individual assistance with planning, application for benefits, locating housing, and other logistics; and follow-up after they leave the nursing home (at least weekly for the first month and at intervals thereafter as needed). At the outset, the State used general revenue to let four contracts to Centers for Independent Living (CIL) for this function; over the years the amount of funding and the number of contracts have increased. In its 2006 appropriation DADS allocated \$1.3 million dollars per year for this function and let six contracts. The PIAC goal is that all 21 CILs in Texas will have a contract to provide relocation assistance and that appropriations will be sufficient to provide the service to all those interested. At the time of our site visit, the idea of adding relocation services to HCBS waivers and

drawing federal match was being considered.<sup>3</sup> DADS sends periodic Provider Letters to all nursing homes clarifying the official role of the relocation specialist, the fact that facilities may not deny residents to meet with them if the residents wish, and that relocation specialists must not be considered as solicitors who can be prevented from speaking to residents. Relocation Specialists carry the most recent Provider Letter to show facility personnel, and they are empowered to complain through the DADS nursing home hotline, if they are denied access. Relocation specialists work with the nursing home social worker, the ombudsman, and with members of local community transition teams to facilitate the actual relocations. Relocation specialists are all providers for Transition Assistant Services (TAS) under the waiver, as are other qualified providers, which may include Area Agencies on Aging and other community agencies. (For the Money Follows the Person demonstration, these services will qualify for the enhanced match.)

Texas pioneered the approach of utilizing the potential of data from Section Q of the nursing home Minimum Data set to identify nursing homes where significant numbers of residents were interested in return to the community, and to identify the actual residents who wish to leave. Aggregate monthly data going back to September 2004 and current up to the present month are posted by nursing home on the DADS website.<sup>4</sup> As contracted agents of the State, the relocation specialists also have the individual names of those who indicate a preference for leaving on Section Q. In practice, further assessment might determine that some of those answering affirmatively were not realistic candidates to leave whereas others who did not indicate a wish to leave on the MDS might indicate that wish to the relocation specialist in person. But the use of the MDS for this purpose provides a starting point. It is also politically useful to be able to show that the percentages

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<sup>3</sup> In 2008, “relocation service” was added to Texas’ Money Follows the Person Demonstration and the state will receive an “enhanced match” to cover the cost.

<sup>4</sup> The “Report on People Wishing to Return to the Community” is prominently identified on the DADS website, last visited June 11, 2008 where June data were already available at <http://www.dads.state.tx.us/providers/pi/reports/index.html>.

of residents wishing to leave the nursing home typically approaches 20% of the nursing home's population. Texas' attention to the relocation infrastructure, noted in the baseline study, has continued and relocation specialists have become incorporated into the service structure.

Quality initiatives. In the baseline report, we discussed data-driven quality initiatives in nursing homes, including the development of a monitoring and technical assistant capacity, and the development of quality programs across the whole spectrum of HCBS services. These initiatives have continued, including the incorporation of systematic consumer feedback into most programs. Quality programs and quality reporting are described in a later section of this case study.

Other continuing efforts. In the baseline study, we described consumer directed options in the attendant care programs under the State Medicaid Plan, and also the Service Responsibility Option (SRO) that was incorporated into the Primary Home care program under the State Plan. In the SRO model, the participants does not directly employ the personal care provider but has opted for the responsibility to select and dismiss personnel coming from agencies, and to shape the nature of the services received. These programs continue and have grown as more funds have been allocated to them.

At baseline work was proceeding to develop and test the Texas Integrated Eligibility Redesign System (TIERS) to simplify and systematize application for all Human Services and Medicaid services. That work has been completed and TIERS is functioning. Presumptive eligibility is incorporated. Recent work to improve access at the local level is discussed in a section below.

Star + Plus, a capitated long-term care program, was functioning in Harris County (the Houston area) at baseline, and plans were underway to expand Star + Plus and develop other

managed long-term care programs in the State. This expansion has occurred and is discussed under Integration of Acute and Long-Term Care below.

### New initiatives

Money Follows the Person Demonstration. Money Follows the Person (MFP) is not strictly speaking a new initiative for Texas, which has operated a large-scale program with that name since 2001. Texas is now participating in the national Money Follows the Person Demonstration, which provides a more generous federal match for the first year of services for consumers who leave institutions. The MFP demonstration allows Texas to further refine its system for helping participants make transitions to the community, and provides resources to work more intensively with persons with ID/DD and with behavioral health needs. Texas aspires to help an additional 2600 people make transitions from institutions as part of the MFP demonstration.<sup>5</sup> The MFP demonstration fits into the general goals of the Promoting Independence Initiative and the PIAC is overseeing what Texas authorities say are hundreds of initiatives that are tied to MFP. In conjunction with transitions for people with ID/DD, an initiative is underway to assist ICF-MRs with 9 or more beds to voluntarily close. Texas aims to serve 1599 people with ID/DD over the 5 years of the project and estimates that 324 of them will be from ICF-MRs that have voluntarily closed. It is envisaged that the these services to ICF-MRs willing to voluntarily close could include helping the organizations to become providers under HCBS waivers. The State plans to work with 200 nursing home residents with behavioral needs (134 of them elderly) to facilitate transitions, as well as with 1100 residents from the general nursing home population. To facilitate community services to complex or behaviorally

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<sup>5</sup> The operational protocol for the Texas MFP Demonstration is posted on the DAD's Website and provides a great deal of well organized information, not only about the demonstration, but also about the range of HCBS programs in Texas. On web, last visited June 12, 2008, at [http://www.dads.state.tx.us/providers/pi/mfp\\_demonstration/operationalprotocol/index.html](http://www.dads.state.tx.us/providers/pi/mfp_demonstration/operationalprotocol/index.html)

challenged individuals, new Cognitive Adaption Training and Adult Substance Abuse Treatment Services have been developed as additional waiver services. New initiatives to develop housing opportunities are also tied to the MFP demonstration and are discussed below.

Community Living Options Process. Under the Community Living Options (CLO) process, residents of state schools for mental retardation or ICF-MRs must be informed about their options annually or as requested by the individual's interdisciplinary team (IDT), which includes the participant, his/her (LAR) and, if the individual requests, family members and others actively involved in the individual's life. The CLO process has the goal of identifying: the individual's personal preferences for living arrangements; the LAR/family preferences for living arrangements; medical, behavioral, or psychiatric issues; quality of life issues; and recommendations of the Mental Retardation Authority. In 2007 legislation was enacted that mandates that the mental retardation authorities will be directly part of the CLO process for individuals living in State Schools. This enhanced CLO for the State Schools is expected to help identify individuals to participate in the MFP demonstration. A CLO assessment form had been developed and its use mandated, which should guard against the CLO process being perfunctory.

### **Goals, Objectives, and Accomplishments**

Key informants in DADS and related agencies are clear that the Texas legislature is the body that sets goals and priorities in the State and that they implement legislative directives. In accordance with such directives, the DADS vision is that "Older Texans and persons with disabilities will be supported by a comprehensive and cost-effective service delivery system that promotes and enhances individual well-being, dignity, and choice." Its mission is to "provide a comprehensive array of aging and disability services, supports, and opportunities that are easily

accessed in local communities.” As part of the mission statement, the DADS website indicates that “key responsibilities to the citizens of Texas include: 1) working in partnership with consumers, caregivers, service providers, and other stakeholders; 2) developing and improving service options that are responsive to individual needs and preferences; and 3) ensuring and protecting self-determination, consumer rights, and safety.”

The vision, mission, and specific goals for LTSS in Texas are not framed in terms of reducing institutional use and balancing expenditures and utilization towards more community care. Rather the focus is on choice, and developing the community services to that they may be chosen by those who prefer, even those already living in institutions. One of the major accomplishments in Texas is that almost 13,000 individuals who were long-stay residents in institutions were helped to relocate to the community since 2001. Many of those individuals were very old and 2/3 were over age 65.

Even if not an explicit goal, Texas has made substantial progress in rebalancing its LTSS expenditures, particularly for older people and people with physical disabilities. Texas ranked 8<sup>th</sup> in that regard in 2004 among States and the District of Columbia, and 6<sup>th</sup> in 2006.<sup>6</sup> (See Table 1). The rebalancing of expenditures and the national ranking (47<sup>th</sup>) suggests that Texas is not a leader in its outcomes for community care for people with ID/DD, and this population is the focus of many of the initiatives currently under way.

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<sup>6</sup> These figures come from Medicaid Long-Term Care Expenditures 2006, prepared by Thompson Health Care (formerly /Medstat), available on the web, last visited June 12, 2008 at [http://www.hcbs.org/moreInfo.php/source/150/doc/2016/Medicaid\\_Long\\_Term\\_Care\\_Expenditures\\_FY\\_2006](http://www.hcbs.org/moreInfo.php/source/150/doc/2016/Medicaid_Long_Term_Care_Expenditures_FY_2006).

Table 1. HCBS and Institutional Expenditures under Medicaid in Texas, 2004 & 2006

Population	2004			2006		
	Institution	Community	Rank in US	Institution	Community	Rank in US
Aged/Disabled	62.4 %	37.6 %	8	54.4%	45.6%	6
MR/DD	68.5 %	31.5 %	47	62.9%	37.1%	47
All	64 %	36 %	25	56.5%	43.5%	16

The most recent Promoting Independence Plan cites a number of other accomplishments made in the 2007-2008 biennium. Among them are the reduction of the DADS interest lists by an average of 11% each year; an expansion of the consumer directed services model to several additional waivers; passing the threshold of the 12,000<sup>th</sup> nursing facility resident who made a transition into the community through the Texas “money follows the person” program; and a decrease in the number of individuals admitted to a state mental health hospital with three or more hospitalizations in 6 months with a concomitant increase in those receiving mental health services in the community.

### **Organization of State Services**

The structure of the State Health and Human Services Commission (HHSC) and its Department of Aging and Disability Services (DADS) has already been discussed under management strategies. The basic structure remains very much as described in the baseline case study with only a few minor variations: DADS is headed by a Commissioner and is comprised of three Divisions, each headed by an Assistant Commissioner and each with an Advisory Board: namely, the Division of Access and Intake, the Division of Provider Services, and the Division of Regulatory Services. DADS contains three Centers: the Center for Policy and Innovation, the Center for Program Coordination, and the Center for Consumer and External Affairs (with functions such as Stakeholder Relations, Government Relations, Volunteer and Community

Engagement and the State LTC ombudsman). A Deputy Commissioner oversees the Centers. The Promoting Independence Initiative is high on the organizational chart, reporting directly to the Commissioner. The head of the internal audit group also reports to the Commissioner. The Area Agencies on Aging, the Mental Retardation Authorities, the DADS regional offices, and the Guardianship program all fall under the purview of the Assistant Commissioner for Access and Intake. The community services, the institutional services, and the State schools fall to the Assistant Commissioner for Provider Services. Under regulatory services fall Survey Operations, Enforcement, and Licensing and Credentialing.

DADS works closely its three sister departments in the HHSC: the Department of Assistive and Rehabilitation Services, (which oversees the Centers for Independent Living; the Division of State Health Services, contains classic public health functions and mental health programs; and the Department of Family and Protective Services, which includes Adult Protective Services and Adoption and Foster Care, and the classic child welfare functions. The Medicaid program is situated in the Office of the Executive Commissioner of the HHSC, which is where managed care programs such as Star + Star are housed.

The massive restructuring for the HHSC began in 2003, and resulted in 12 large governmental agencies being reduced to 5: the HHSC and its 4 Departments. Within this structure DADS represents a dramatic transformation and an elimination of silos based on age or various statutory responsibilities (e.g. for mental retardation). The result is that a single agency—DADS—with working teams that cross disability groups is able to reflect a very broad view of disability, from children to elderly, and including behavioral and intellectual disability. DADS operates with transparency. An enormous amount of information is posted on DADS website, and is relatively easy to find, including budget information, survey and quality

information, information about the interest lists, reports, presentations, statutory authorities, and manuals for all waivers and programs.

### **Access to Services**

From its inception, the HHSC aimed to create a user-friendly and efficient way that Texans can establish eligibility for and access services with multiple choices of method—telephone, internet, in-person—as would befit a very large state with many rural areas. The TIERS system of financial eligibility determination is now in place.

### Information on DADS Website

DADS similarly has been involved with making services easier to access across its many counties. In the four years of the Rebalancing Project the DADS website keeps becoming more informative and easier to use. As present, under a tab called “contact DADS,” there are sites for contacting DADS local offices, Area Agencies on Aging, and Mental Retardation Offices. Consumers can enter their city, county, or zip-code to search for the office that would serve them. In another part of the website, with the label “Find and Compare Long-term Care Providers,” which as its major function is a repository of quality information, consumers can choose a category such as assisted living or home health and again access a list of providers searching by county, city, or zip code. They can select “home and community based waiver programs” and find a menu of all waivers and, under each waiver, can search for providers certified for that waiver in their area and get information about the services the provider offers.

### Streamlining Access Across Disabilities at Local Level.

Information is but one aspect of access. Consumers often need assistance to literally access the services, and of course, services need to be available in their area. The local system under DADS purview is huge; it includes 1290 staff at DADS local offices, the staff of 40 contracted

mental retardation agencies, the staff of 28 contracted Area Agencies on Aging, and a large public guardianship program, with 684 participants receiving guardianship from regional office employees and about 160 participants working with 5 contracted guardianship agencies. (The Guardianship program responds to referrals from adult protective services and referrals from child protective services of children aging in foster care and other programs, where coordination is especially important. The Division of Access and Intake has several initiatives recently completed or underway to improve access and coordination.<sup>7</sup>

The Aging and Disability Resource Center. In 2005 DADS obtained an ADRC grant, which it used to develop three pilot projects to develop comprehensive entry points. DADS encouraged the pilot sites to consider different MIS modifications and improvement options, including enhancements that would allow organizations to share client and program data. However, rather than impose a single model, decisions would be made locally on how to best improve all access processes, such as intake, assessment, eligibility determination and counseling services through participation with other key agencies and organizations in the region. Local partners went beyond traditional health and human services organizations to include agricultural extension services, local housing authorities, homelessness initiatives, and public schools. The Central Texas project (in Waco area) developed a one-stop shop by integrating Area agencies on Aging, Mental Retardation Authorities and the regional office of DADS. Bexar County (in San Antonio area) developed a no-wrong door system. At the end of its pilot period, Texas became

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<sup>7</sup> Staff from the Division of Intake and Access presented a useful overview of their initiatives at a 2006 advisory committee meeting. Slides are on web, last visited on June 10, 2008, [http://www.dads.state.tx.us/news\\_info/council/2006/access\\_intake\\_1-25-06.pps](http://www.dads.state.tx.us/news_info/council/2006/access_intake_1-25-06.pps).

the first state to use remaining Older Americans Act administrative dollars to extend the ADRC initiative. Specifically, 2008 legislation enabled DADS to develop 5 more pilot ADRCs.<sup>8</sup>

Community Roundtables. To extend the initiative statewide, the Division of Access and Intake conducted a series of Roundtable discussions around the State. The idea was to avoid imposing a model but to help localities consider what kind of collaborative processes would help streamline access in their regions. Staff from ADRC pilots attended these round tables to present examples. Before a roundtable is scheduled local personnel completed a community readiness process of self-study to pinpoint access issues in their area. Seven roundtables had been held in 2007 and 11 were scheduled for 2008 at the time of our visit. This effort involved a great deal of effort from DADS staff but officials in the Access and Intake Division were enthusiastic about how helpful the roundtables have been in galvanizing local communities and in providing information to DADS.

Alzheimer's Project. The Alzheimer's grant, funded by AOA from 2005 to 2008 permitted piloting an initiative to help consumers navigate through the complex and often confusing array of long-term care providers and programs in order system navigation effort to improve access to services that are specifically designed for people with Alzheimer's disease and their caregivers. The project was modeled after more general system navigation efforts developed in a Real Choice System Change grant. The pilot is taking place in Harris County (the Houston area).

#### Interest Group Reduction Efforts

The existence of long interest group lists for various waivers and programs is evidence that access is impeded because of insufficient funding.<sup>9</sup> In recent years, these interest group lists

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<sup>8</sup> Information about the Texas ADRC and its extension using Older Americans Act administrative funds is found on the Lewin ADRC technical assistance website, last visited June 11, 2008 at <http://www.adrc-tae.org/tiki-index.php?page=TexasPagePublic>.

have been winnowed down, largely because the legislature has included funds for this purpose for the last two biennium sessions prior to our site visit in November 2007. Those additions injected over \$160 million into the funding base. People can be on multiple interest lists and, as of April 2008, the unduplicated number of people on the interest lists was 72,911 excluding Star + Plus. Length of time on the interest lists varied from waiver to waiver with an average ranging from 1.4 to 3.3 years. The wait list time for some of the waivers serving people with ID/DD are artificially distorted because of people under age 18 who are not ready to accept service when their names come up. The table on the website indicated, for example, that many people interested in the DBMD (deaf/blind with multiple disabilities) waiver, which has the longest interest list, had actually risen to the top of the list multiple times. (When that happens, the individual can remain on the list but goes to the bottom.) As the managed care waiver program Star + Plus expands, the interest groups should further diminish because, by design, that program does not have wait lists.

### **Array of Services**

Texas has a wide array of services. Its waiver programs tend to have a long list of allowable services, and considerable flexibility built in due to an increase in consumer-directed models.<sup>10</sup> DADS recently began a process called Waiver Optimization, which is examining how to standardize the eight HCBS waiver managed by DADS and perhaps combining some. To that end stakeholder meetings have been conducted that focus on services definitions, contract

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<sup>9</sup> An interest group reduction report summary for 2008-2009 is on the DADS website, last visited June 12, 2008 at <http://www.dads.state.tx.us/services/interestlist/index.html#summary>. Earlier summaries can also be accessed from that website

<sup>10</sup> A helpful list of all waivers and state plan programs with their related services is found in testimony that DADS gave to the Texas House Human Services Committee in January 2007, on web, last visited June 12, 2008 at [http://www.dads.state.tx.us/news\\_info/presentations/HHS\\_2\\_20\\_07.doc](http://www.dads.state.tx.us/news_info/presentations/HHS_2_20_07.doc).

processes, and monitoring. The various waivers originated in different agencies before DADS was created and cross-waiver variation in coverage has been noted.

A huge list of providers are licensed by or registered with DADS, and, as indicated above, their names can be found on the DADS web-site, arrayed by county. The adequacy of the array of services needs to be considered on a local level, especially in a State as large as Texas, which is why the efforts to improve access and information at a local level, discussed above, are so important. Several new waiver services are being developed as part of the Money Follows the Person Demonstration, especially to assist people with high levels of need and/or behavioral problems. The PIAC has been concerned about the payment levels for attendants and other direct care workers, which affects both the availability and quality of services, and Texas has a work force initiative in place to increase that supply. Transportation programs, housing, and assistive devices are also areas where there may be insufficient services, especially in some parts of the state.

### **Quality Initiatives**

DADS has developed a multifaceted quality assessment and improvement program, most on a cross-disability basis. One of its hallmarks is the direct sampling of participant experience through face-to-face interviews. Texas participates in both Client Experience Surveys (most recently for a sample of 2, 000 elderly and disabled consumers, and the Core Indicator Survey on a sample of persons with ID/DD. In 2006, DADS conducted a mail survey of children 17 years of age and younger in all DADS waiver programs and all families in the Medically Dependent Children Program.

The Data Mart is another example of a cross-population quality initiative. It collects and organizes person-specific data on all clients in DADS long term care programs. Client

assessment, plan of care and demographic data are compiled for long term care clients over time. Program administrators can readily obtain sorts and data abstracts. Sorts and data extracts can be obtained readily by program administrators. A CMS QA/QI grant was used to develop an automated Critical Incident Reporting system.

On the facility side, in addition to the normal Survey and Certification process, the state also provides technical assistance to nursing facilities. They also have a NF Early Warning System that calculates a score for potential problems monthly which allows them to target their Technical Assistance. This is a data-driven quality assurance system that has been effective in reducing restraint use and other measurable parameters. Texas is now expanding this technical assistance effort to State Schools and ICF-MRs.

These cross-population system initiatives are facilitated by lower costs associated with economies of scale. The development and operations costs of a new quality management system are extended to the complete long term care population as a result of the scope of the enterprise after the consolidation of departments.

## **Housing**

DADS officials and disability advocates in Texas are conscious of the importance of meeting housing needs using all the vehicles for construction of affordable housing and for rent subsidies. As with all Texas delivery systems, the housing authority system is huge and complicated. Housing is particularly important because Texas emphasizes transition programs (which more than diversion programs require that housing be found for individuals who gave up or never established community housing. Further, Texas is embarking on the Money Follows the Person national demonstration, which further increase transition activity and has a stringent definition of qualified housing that rules out any group residential setting that serves more than four

participants. The Texas Department of Housing and Community Affairs (TDHCA) is one of the State agencies that by statute is represented on the Promoting Independence Advisory Committee and DADS collaborate with TDHCA on a number of initiatives. For the current biennium, the PIAC made several housing-related recommendations for Fiscal Year 2008 and Fiscal Year 2009:

- PIAC recommended an increase in dedicated HOME (Tenant Based Rental Assistance – TBRA) funds for persons who are aging and/or have disabilities. Given that many of the persons who are transitioning from institutional care are living on Supplemental Security Income, which is \$603 per month, making financial assistance for housing a requirement. TBRA is an excellent strategy because it allows the person to choose where they will live, provides true community integration, and fills the gap between income and fair market rents in the community.
- PIAC recommended a system of local housing coordinators/navigators to assist the participants and the human services system to locate and develop housing resources.
- PIAC recommended annual updates to the Texas Department of Housing and Community Affairs (TDHCA) inventory of accessible housing units;
- PIAC recommended compliance training and support for accessibility provision in funded programs; and

PIAC recommended minimum requirements and incentives to improve builder and provider performance in the development and operation of housing for people with disabilities; and state level coordination of housing activities across agencies.

### **Future of Nursing Homes and ICF-MRs**

Texas does not take an explicit position that nursing home supply should be reduced or that a specific number of nursing homes should close, and it does not have incentive programs for nursing homes to close beds. (This is in contrast to the new program being developed under the Money Follows the Person Demonstration to encourage ICF-MRs of 9 beds or greater to go out of business.) The emphasis in Texas is to develop and demonstrate the practicality of other choices for nursing home residents. Texas nursing homes have low occupancy rates at present. No explicit vision has been established for the nursing home of the future in terms of how many

are needed and what their qualitative characteristics should be. (Given the program to encourage larger ICF-MRs to close, there is an implicit vision that ICF-MRs should be small.) Consistent with its vision of choices in LTSS for Texans, however, DADS is clear that residents of nursing homes and ICF-MRs need to be informed about their options, and the Provider Letters mentioned earlier leave no doubt that nursing homes must allow relocation specialists to function in their settings.

The DADS quality initiatives emphasize achieving high quality standards for health services in nursing homes and ICF-MRs, and the monitor program discussed in an earlier section of this Case Study reflects an investment in helping nursing homes improve. DADS also emphasizes individualized and consumer directed services even in institutions. Two of the small-house nursing home developments with the Green House ® trademark are located in Texas, and the DADS Division of Regulatory Affairs is supportive of those efforts to transform nursing homes. Various materials have been developed for nursing home residents, their family members and their legal agents that describe resident's rights, and the complaint line is well publicized. Recently DADS has developed educational tools and programs to promote person centered planning and individualized services in ICF-MRs, including in State Schools. The DADS organizational structure facilitates a consistent approach to quality assurance and bringing the values of participant choice to services for people in institutions.

### **Integration of Acute and Long-term Care/Managed Care**

STAR+PLUS is a program operated directly by the HHSC designed to provide Medicaid acute care (medical and health services) and long-term services and supports within a managed care delivery model. STAR+PLUS has been operating in Harris County since 1998.<sup>11</sup> Section

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<sup>11</sup> More information on STAR+PLUS can be found on the HHSC STAR+PLUS website at: <http://www.hhsc.state.tx.us/starplus/starplus.htm>.

2.29 of House Bill (H.B.) 2292, 78th Legislature, Regular Session, 2003, directs HHSC to provide Medicaid services through the most cost-effective model(s) of managed care and to conduct a study to determine which managed care model(s) are most cost effective for the state's Medicaid program. Pursuant to H.B. 2292, a cost effectiveness study was conducted and was published in 2004. The 79<sup>th</sup> Legislature built upon H.B. 2292's authority and required HHSC to utilize cost-effective models to better manage the care of aged, blind, and disabled persons enrolled in Medicaid. The 2006-07 General Appropriations Act (Article II, Special Provisions, Sec. 49, S.B. 1, 79<sup>th</sup> Legislature, Regular Session, 2005) establishes conditions for the use of capitated managed care models.

HHSC, as directed, worked with local officials to decide whether the new STAR+PLUS model or the Integrated Care Management (ICM) model would be administered in a specific county. Through this process it was determined that STAR+PLUS would expand to four Texas services areas in early 2007; the expansion areas include the Bexar, Travis, Nueces and Harris service delivery areas.<sup>57</sup> ICM is scheduled to be implemented on July 1, 2007 in the two services delivery areas of Tarrant and Dallas Counties. Individuals living in the STAR+PLUS or ICM counties who receive supplemental security income (SSI), are 21 years or older, and receive Medicaid must be part of either system. Enrollment in STAR+Plus is *voluntary* for children under age 21 receiving SSI.

Expansion of the managed care options should have an immediate impact on DADS' Community-based Alternatives' (CBA) interest list. All STAR+PLUS members and those served through ICM will have immediate access to 1915(c) services upon meeting eligibility.

Star + Plus managers report that their expectation of better care coordination resulting in reduced inpatient stays has occurred. In 2007 the expansion in the Houston area and the expansion to three other services areas (Austin, Corpus Christi, and San Antonio) was accomplished. The interest lists were eliminated in those areas for the mandatory (i.e. the SSI) population. Key informant suggest that services in Star + Plus are more varied and individualized because the HMOs have the flexibility to buy non Medicaid services. They also believe that there has been no ratcheting down of services, and the use of some services, such as adult day care, has increased compared to its use in the Aging and Disability waiver. Finally, the program's managers believe care coordinators in Star + Plus provide better access because of outreach to members about available services, a member handbook, an outreach call, and an annual checkup. Members are no longer assigned to a dedicated care coordinator and much assistance is given by phone.

HMOs in Star + Plus are required to give members a consumer-directed option, and members sign a choice form indicating that they were offered that choice. According to our key informants, Star + Plus has a greater penetration rate for consumer-direction than fee-for-service. If the member opts for consumer direction, the fiscal services are provided by contracted home health agencies. In the Money Follows the Person Demonstration, great care is being taken to ensure that members of these plans in nursing homes will have the option to participate in the demonstration and make transitions to the community.

Advocates for persons with ID/DD have been deeply opposed to having their constituency participate in Star + Plus because of a general concern that needs would not be met under the fiscal constraints of managed care. Some disability advocates have speculated, however, that

this opposition may be short-sighted. If the ID/DD population were in the managed care program, the waiting list would be eliminated and more people would be served.

The 79<sup>th</sup> Legislature also established the *Integrated Care Management* (ICM) model as a non-capitated managed care alternative to ensure proper utilization and integration of acute care and long-term care services and supports. The ICM model was required to be implemented in Dallas County, where Star+Plus could not be expanded because of effects on the revenues of local hospitals.<sup>12</sup>

El Paso, Texas is home to one of the original eight PACE (Program of All-Inclusive Services to the Aging) which were developed in the first replication of San Francisco's On Lok program—a capitated, full risk program for acute care and long-term support services targeted at participants dually eligible for Medicare and Medicaid. That program continues to flourish and one other PACE site has been established in Amarillo. PACE is not a major focus of Texas policy although the State would be amenable to other organizations that decided to develop a PACE program.

## **Conclusions**

The State of Texas has made substantial progress in increasing options for HCBS services. It has done so with an articulated set of values emphasizing choice and independence for consumers (or their agents) and respectful, dignified, high quality care in all settings. Texas took the Olmstead Supreme Court seriously and, at the behest of two successive governors, developed its Promoting Independence Initiative and a specific and detailed plan for community care. The 2001 plan has been updated twice (in 2004 and 2007) and is used by State officials and advocates alike to benchmark progress. Through this planning and accountability process the

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<sup>12</sup> More information on the Integrated Care Management model can found on HHSC's website at: [http://www.hhsc.state.tx.us/pubs/031505\\_fpicmm.html](http://www.hhsc.state.tx.us/pubs/031505_fpicmm.html).

Legislature has become familiar with and is supportive of the goals of the initiative and has in successive sessions voted to increase allocations for community services and to winnow down the interest lists.

The DADS organizational structure facilitates the drive towards community care and the comprehensive cross-disability focus of DADS initiatives, which take into account children and seniors, which deal with schools and workplaces, and which take into account institutions, group residential settings, and in-home services construed very broadly. Texas has evolved a large number of waiver programs and state programs, so much so that the State is now looking at “waiver optimization” and how to achieve consistency across programs. It has also increased the opportunities for consumer direction in its waivers and in its State Plan optional services.

Given the large investment in institutional care that characterized Texas in the 1990s, the State has emphasized facilitating transitions from institutions as much as it has emphasized diversion from entering them in the first place. The transition strategies developed in Texas, including Money Follows the Person; relocation specialists; introducing transition expenses as one-time waiver benefits; using nursing home MDS data from Section Q to guide the work of transition specialists; and development of options counseling (now particularly highlighted as an approach in State Schools and ICF-MRs) have all been refined over the last five years. Many of these strategies have been adopted by other States and have also found their way into the federal Money Follows the Person Demonstration.

Texas’ strategies related to local delivery systems have several components. First, the State has facilitated a streamlined approach to establishing Medicaid eligibility in the HHSC’s TIERS assessment and information system with its multiple ways for the applicant or his advocates to access the system and make applications. Second, and with increased attention in recent years,

the DADS Division of Intake and Access has taken steps to encourage local areas to develop their own cross-disability and cross-age efforts to identify barriers and improve access to services. The Aging and Disability Resource Center grant was used to pilot three models, and the State has extended that effort to other regions through creative use of Older Americans Act Administrative funds, but DADS strategy is not to impose a model on localities but rather to encourage a process in each region that in some ways mirrors the process of cross-disability planning that was undertaken when DADS was formed. This strategy reflects a Texas vision of minimalist governmental mandates, but is also practical: Texas is a huge State and DADS could not readily micromanage local areas even if it wanted to do so. Therefore, building the local motivation and capacity is crucial.

DADS is also attending to the improvement of health services, both medical and psychiatric, for persons needing LTSS. The success of the Star + Plus program in Houston has prompted the current expansions of managed care options. DADS is developing policies and safeguards to ensure that its emphasis on opportunities to choose consumer direction and opportunities to leave institutions is possible within managed care. So far, it is DADS impression that penetration of consumer directed models is greater in Star + Plus than in the waiver for aged and disabled persons.