

THE FACTS

Texas' Medicaid Managed Care Procurements Follow Legislative Direction



1 Texans currently receiving Medicaid services **will not lose their Medicaid insurance coverage** due to the Medicaid managed care procurements.

- The law ensures eligible individuals will maintain coverage regardless of health plan contract changes.
- Procurement is a competitive process that ensures taxpayer accountability, rewards better patient outcomes and fosters innovation to spur the continuous improvement of care in Texas. Procurement is designed to get the most effective care possible.

2 Health care services will remain **uninterrupted.**

- Awarded health plans either **already have the same in-network providers** as exiting plans or are in the process of negotiating with providers to add them to their network.
- The state managed care contract **requires** health plans to collaborate on transitioning enrollees to new health plans, ensuring no disruption of services (ex.: prior authorizations from a previous plan must be honored by new plans).
- Members and their families maintain the ability to select an MCO.

3 Members will **continue to receive high quality health care.**

- Awarded health plans will continue to serve all eligible Texans and pay the same providers for the same services.
- **90% of every Medicaid dollar** will continue going to direct patient care.

2019

Texas Legislature directs HHSC to reform procurement and contracting through SB 65

Mercer audits HHSC procurements & develops recommendations

2020

HHSC adopts Mercer recommendations, overhauls procurements, begins developing STAR & CHIP RFP

2022

HHSC successfully procures STAR Health using new process

2023

HHSC successfully procures STAR+PLUS using new processes and releases STAR & CHIP RFP

2024

HHSC announces STAR and CHIP awards in March

STAR Kids procurement was posted in May and is currently open

4 The state's procurement and evaluation process **prioritizes quality.**

- HHSC prioritizes quality in its oversight process and measures health plan performance using many quality and performance measures.
- Health plans are even held financially accountable for not meeting quality metrics.
- STAR and CHIP RFPs require health plans to demonstrate their understanding of program requirements with historical data points, outline their quality metrics, and disclose their strategy for meeting requirements.
- All MCOs are required to have a quality accreditation from either the National Committee for Quality Assurance (NCQA) or the Utilization Review Accreditation Commission (URAC).
- All of the MCO's that were awarded a contract scored highly on their quality accreditations.

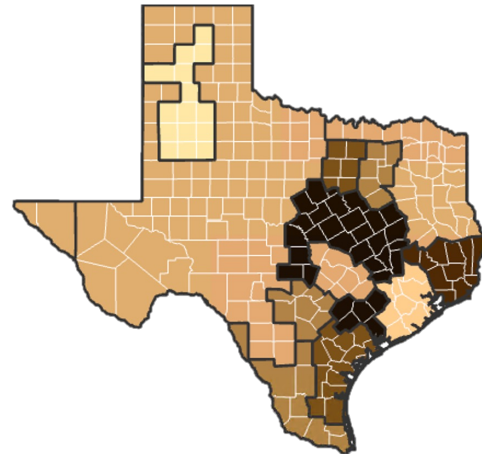
5 HHSC used **the same, consistent process** for the past three procurements – none were canceled.

STAR Health's (foster care) new contract has been implemented and STAR+PLUS (older Texans and adults with disabilities) goes live September 2024 – both serve the state's most vulnerable populations.

6 Health plans entering the market will **hire qualified, experienced Texans** familiar with serving the service area.

Areas of the state with exiting health plans will not see a reduction in jobs and wages – entering health plans will also employ Texas workers to ensure quality care continues.

7 **80% of CURRENT health plans** won a STAR and CHIP award, and a well-known plan will now enter Texas Medicaid.



No changes
4/5 health plans remain the same
2/3 health plans remain the same
2/4 health plans remain the same
1/3 health plans remain the same
1/4 health plans remain the same
All 3 health plans changing (1 service area)

Humana will enter the market in Nueces and Jefferson service areas, and HHSC reduced the number of contracted plans in these areas due to market size.

8 Cancelling **sets a negative precedent for all industries**, running counter to the predictable business climate that has made Texas an economic leader.

- Texas has long championed the importance of a predictable business and regulatory environment, which is one reason Texas is consistently ranked the top state for business.
- Changing a procurement decision because a particular entity did not win sets a dangerous precedent – a fact echoed by the 88th Texas Legislature in protecting the STAR+PLUS awards in 2023.