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Statement on Approval of Waiver That Allows Texas to Expand Medicaid Managed Care

(AUSTIN, Texas) — Center for Public Policy Priorities Associate Director Anne Dunkelberg made the following comments today about the approval of the “Texas Healthcare Transformation and Quality Improvement” Medicaid 1115 Waiver. *(Note: This waiver is different from the waiver to block grant Medicaid, which the Health and Human Services Commission has not yet submitted and about which the Center has grave concerns.)*

“The Center is cautiously optimistic about the news the Obama Administration has approved the ‘Texas Healthcare Transformation and Quality Improvement’ Medicaid 1115 Waiver.

“This waiver, which the state submitted for approval in July, is designed to protect federal Medicaid funds for Texas hospitals, and at the same time, to promote service delivery and payment reforms, such as health homes, clinical integration, and payment systems tied to improved outcomes.

“We are optimistic, because:

- The waiver program will help support the Texas hospitals that already care for large numbers of uninsured Texans, and may also encourage other Texas hospitals to provide more care to the uninsured.
- The waiver may help prepare Texas for health reforms that move away from paying health care providers for volume, and toward payment that depends on better health outcomes and more cost-effective care.

“We are cautious, because:

- Many policy decisions remain to be made, and stakeholders must participate in the further policy development for this waiver to ensure that standards are set high for reimbursing uncompensated care and for delivery system incentive payments. Meaningful progress toward well-coordinated care in a medical home should be pursued as rapidly as possible while acknowledging that reasonable time is needed for systems to make reforms.
- The legislature also authorized HHSC to use Medicaid waivers to coordinate care to Texans getting locally funded services for chronic health conditions like mental health conditions, HIV, and diabetes, but the waiver so far does not include these components. Stakeholders must engage in further waiver development if they want to make sure this new option is put to work improving cost-effective care for chronic conditions.
- Consumers and other stakeholders need to get involved and stay involved in working with Texas HHSC to ensure Texans can have meaningful input into—not merely comment on—key provisions of this waiver, now and for the life of the program.

(more)



“Getting involved and speaking up matters. For example, HHSC’s original request to federal officials proposed limiting all adults in Texas Medicaid to three prescription medications per month, though Texas Medicaid Managed Care had imposed no such limits on adults previously. Texas stakeholders of all types protested the limit, arguing that delivery reform, safety, care coordination, and improved outcome goals could not be achieved under the limit. State officials removed the limit, and that decision is reflected in federal correspondence.”

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