



COMMISSIONER  
Jon Weizenbaum

February 27, 2015

To: Nursing Facility Providers

Subject: Information Letter No. 15-18  
Nursing Facility Managed Care Transition: Services Covered Under Managed Care

This letter provides information regarding STAR+PLUS managed care organization (MCO) payment responsibilities once nursing facility (NF) services transition to managed care. It also identifies services excluded from the managed care transition that will continue to be paid via Medicaid fee-for-service (FFS).

Beginning March 1, 2015, STAR+PLUS MCOs will be responsible for payment of:

- The NF unit rate based on Resource Utilization Group ([RUG](#)) which includes daily room and board, medical supplies and equipment, personal needs items, social services and over-the-counter medications.
  - NFs will continue to be responsible for completing the MDS.
  - MCOs will not assess service provided under the NF unit rate, or require authorizations.
- Medicare co-insurance.
- Acute care services for Medicaid-only residents, including preventive care, primary care, and other medical care provided under the direction of a physician for a condition having a relatively short duration, such as labs, x-rays, podiatry, etc.
- NF add-on services, including goal directed therapies, customized power wheelchairs, augmentative communication devices, emergency dental services, and durable medical equipment not included in the NF unit rate.
- Providers will need to seek authorization from the MCO for medically necessary acute care and NF add-on services. Authorizations are time limited depending on need (usually 30 to 60 days in duration).

If a NF or professional providing NF services chooses not to contract with an MCO, the NF or professional providing NF services will be considered out of network. The MCO must reimburse an out-of-network, in-area service provider the Medicaid FFS rate in effect on the date of service, less five percent ([Title 1 of the Texas Administrative Code § 353.4](#)). However, the MCO must reimburse in-network NFs contracted with the MCO at or above the prevailing NF unit rates established by the Health and Human Services Commission (HHSC) for the date of service.

Excluded services paid via Medicaid FFS and not billed to the MCO include:

- Hospice
- Preadmission Screening and Resident Review (PASRR) specialized services
- Behavioral Health Services in the NorthStar Area (Dallas) only.

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NF providers or professionals providing NF services also can visit the [HHSC Nursing Facility Provider Page](#) for more information, or email HHSC at: [Managed\\_Care\\_Initiatives@hhsc.state.tx.us](mailto:Managed_Care_Initiatives@hhsc.state.tx.us).

Sincerely,

*[signature on file]*

Donna Jessee  
Director  
Center for Policy and Innovation

*[signature on file]*

Elisa J. Garza  
Assistant Commissioner  
Access and Intake

*[signature on file]*

Mary T. Henderson  
Assistant Commissioner  
Regulatory Services