Health and Human Services

State Medicaid Managed Care Advisory Committee (SMMCAC) Complaints, Appeals, and Fair Hearings (CAFH) Subcommittee

August 7, 2025

This summary contains supplemental information from reliable sources where that information provides clarity to the issues being discussed. Power Point tables used in the presentations may also be used in this summary. Names of individuals may be misspelled but every attempt has been made to ensure accuracy. Tables and Text have been used from executive and legislative agencies and departments' presentations and publications.

The Complaints, Appeals, and Fair Hearings (CAFH) Subcommittee focuses on more effectively leveraging complaints data to identify potential problems in the Medicaid program, opportunities for improved MCO contract oversight and increasing program transparency. Also focuses on appeals and fair hearings processes, including implementation of an independent external medical reviewer.

In attendance: Jane Concha, Marcella Ford, Shane Curnell, Carl Sorrell

1. Call to order, introductions, and roll call. The meeting was convened by Dr. Sjorrell, Chair. A quorum was present.

2. Consideration of May 8, 2025, draft meeting minutes. The minutes were adopted as presented.

3. Medically Dependent Children Program (MDCP) eligibility data update

Interest List Open Counts for MDCP Date Range: April 2024 - June 2025	
Month	**Client Counts**
April 2024	5,839
May 2024	5,655
June 2024	5,948
July 2024	5,811
August 2024	5,931
September 2024	6,271
October 2024	5,962
November 2024	5,940
December 2024	6,173
January 2025	6,135
February 2025	6,375
March 2025	6,535
April 2025	6,768
May 2025	7,023
June 2025	7,333
Unduplicated Total *	**9,885**

Changes may be related to population growth, but this is just speculation.

Enrollment Counts for MDCP Date Range: April 2024 - June 2025	
Month	Client Counts
April 2024	6,221
May 2024	6,315
June 2024	6,377
July 2024	6,447
August 2024	6,493
September 2024	6,494
October 2024	6,539
November 2024	6,500
December 2024	6,491
January 2025	6,472
February 2025	6,476
March 2025	6,457
April 2025	6,458
May 2025	6,472
June 2025	6,390
Unduplicated Total	7,308

The numbers are very tight.

Future data will be presented over the same timeframe:

- Total number of initial / Total number of reassessments per month
- Total auto-approval / Rate
- Total Nursing Approval / Rate
- Total Physician Approval / Rate
- Total Physician Denial / Rate

Discussion

Interest list fluctuations will be helpful in future presentations

What are the criteria used? HHSC stated extremely fragile children. They will provide the validated list if requested.

When will the data be available? HHSC stated they hope to have the data by the next meeting.

4. External medical review update

The external medical review is required by Senate Bill (S.B.) 1207, 86th Legislative Session https://capitol.texas.gov/tlodocs/86R/billtext/html /SB01207F.htm. The

commission shall contract with an independent review organization (IRO) to conduct external medical reviews.

A Member receives Managed Care Organization (MCO) Notice of Adverse Benefit determination, and they may choose to:

- Accept MCO decision
- Request an External Medical Review (EMR) and State Fair Hearing
- Request a State Fair Hearing only

Applicable Programs • STAR • STAR+PLUS • STAR Health • STAR Kids • Dental

EMRs Received in Quarter Three 2025

- 181 EMRs Received (174 Standard (96%) and 7 Expedited (4%))
- 2 EMRs withdrawn
- 179 Decisions Rendered

IRO Decisions

179 Decisions were rendered

- 37 Overturned (21%)
- 5 Partially Overturned (3%)
- 137 Upheld (76%)

TOP Overturned or Partial Overturned Denial Types

- 8 Durable Medical Equipment (19%)
- 6 Medication (14%)
- 6 Physical Therapy (14%)
- 5 Occupational Therapy (12%)
- 4 Personal Attendant Services (PAS) (10%)

Top Five Plan Denial Types

- 73 Personal Attendant Services (40.78%)
- 18 Durable Medical Equipment (10.06%)
- 15 Medication/Prescription (8.38%)
- 15 Physical Therapy (8.38%)
- 11 Private Duty Nursing (6.15%)

Program Stats (percent of all programs)

- 42 STAR (23.5%)
- 42 STAR Kids (23.5%)
- 4 STAR Health (2.2%)
- 91 STAR+PLUS (50.8%)
- 0 Dental (0.00%)

State Fair Hearing Results --179 IRO Overall decisions

State Fair Hearing decision:

- 46 Dismissed / Abandoned / Failure to Appear
- 25 Sustained
- 18 Withdrawn sustained
- 30 Withdrawn due to favorable action
- 11 Reversed benefits due/Information needed
- 3 Reversed no benefits due
- 46 Pending state fair hearing or decision

IRO Partially Overturned or Overturned (42 IRO decisions)

State Fair Hearing decision:

- 23 Withdrawn due to favorable action in favor of member
- 10 Dismissed failure to appear
- 3 Withdrawn Sustained
- 1 Reversed Benefits Due
- 5 Pending state fair hearing or decision

IRO upheld 137 MCO decisions

State Fair Hearing decision:

- 36 Dismissed / Abandoned / Failure to Appear
- 25 Sustained
- 15 Withdrawn sustained
- 9 Reversed No Benefits Due / Information Needed
- 7 Withdrawn due to favorable action in favor of member
- 4 Reversed Benefits Due
- 41 Pending state fair hearing or decision

Discussion.

MCO oversight. If an MCO doesn't return the data, what is the consequence. HHSC stated that if there are three in close proximity, then education is provided and if it continues there will be liquidated damages.

When it is time for the MCO appeal, therapists cannot appeal. The MCO requires the physician to appeal. Can the therapist file an IRO. HHSC stated that appeals come from the members. Members can always appeal ANY adverse decision. Therapists can be designated as an authorized representative, but only the member can request continued benefits. If there are barriers then HHSC will follow up to bridge the gap.

The member is the driver of the request.

We need an update from MCOs on the internal appeal process.

There were a high number of denials (41%) related to personal attendant services. Is this a change? HHSC stated that this comes in waves. There were only 4 previously so this quarter was a little bit high. It is hard to tell if it is a trend yet. We will have to look at if it was total denials or partial denials.

Looking at the specialty requirement for attendant services may be warranted.

5. Public comment. A written comment was provided by Jordan Smelly who also provided a comment in person.

Jordan Smelly, representing himself commented on those attending fair hearings and due process requirements. The present denial of specific professionals is in violation of several legal standards. He provided several legal precedents. He asked the committee to ask HHSC amend the TAC to grant exception requests for fair hearings.

The Chair commented that the hearing process already allows the ability for public comment. We can look at an agenda item to address oversight of the fair hearing process.

6. Review of action items and agenda items for next meeting.

Next meeting November 6, 2025.

Items for the agenda

- Review of the fair hearing process
- Standing reports on data

7. Adjourn. There being no further business, the meeting was adjourned.