



Health and Human Services

State Medicaid Managed Care Advisory Committee (SMMCAC)

Children and Youth with Medical, Behavioral and Developmental Complexity (CYC) Subcommittee

February 12, 2026

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.





Children and Youth with Medical, Behavioral, and Developmental Complexity

Subcommittee focuses on improvements in the care of children and youth with medical, behavioral, or developmental complexity within Medicaid managed care. Objectives include, but are not limited to, advising HHSC on topics related to the ongoing operation and review of the STAR Kids Medicaid managed care and other managed care programs, assessing best practices for providing care for children and youth with complex needs, customization of and access to specialized care, transitions of care, and improving health outcomes and quality of services. Also collaborates with other SMMCAC subcommittees when a topic pursuant to children and youth with medical, behavioral, and/or developmental complexity within Medicaid managed care falls within another subcommittee's charge.

Members Present: Neil Naik,

1. Call to order, introductions, and roll call.

The meeting was convened by Neil Naik, a quorum was not present (only one member was present)

2. Consideration of November 6, 2025, draft meeting minutes.

The minutes could not be approved due to the absence of a quorum

3. Discussion on the SMMCAC 2025 annual report and possible integration of various recommendations from the former STAR Kids Managed Care Advisory Committee 2023 report,

Recommendations 1, 4, 7, 32, 33, 41 were under consideration. The discussion was between the Chair and two subject matter experts. All matters were postponed until the next meeting of the subcommittee. The document they were working from was not made available to the public.

The Chair and two subject matter experts discussed a condensed list of recommendations from the previous STAR Kids Managed Care Advisory Committee. Items highlighted included:

- Improving access to single case agreements and making the process easier for families and physicians.



- Allowing families in border regions to select providers in neighboring regions for better access to care.
- Requiring MCO service directors/coordinators to contact families about terminations and appeal rights, using modern communication methods (e.g., text, email, portal notifications).

Ongoing work and stakeholder input is needed to improve the STAR Kids screening and assessment tool, ensuring it accurately reflects the needs of medically complex children and avoids penalizing families whose children are stable due to effective care.

The SMEs Advocated for smoother transitions for children losing eligibility for the Medically Dependent Children program, including access to other waivers without loss of Medicaid. It was agreed that there is some overlap the different between subcommittee. Certain recommendations will be retained for future action when a quorum is met. Members were encouraged to review the full document and suggest additional items for the condensed list.

4. Medically Dependent Children Program (MDCP) crisis diversion slots.

Summary HHSC presented new MDCP crisis diversion slots, an initiative resulting from the 89th Texas Legislature. Crisis diversion slots aim to improve access for medically fragile children, replacing the "Limited Stay Process" by December 1, 2026. Slots allow families in crisis to bypass the interest list, reducing reliance on unnecessary institutional stays. Changes involve obtaining CMS approval, updating handbooks, contracts, rules, and technical guidance. A public hearing will be held in March 2026 for stakeholder comments; 120 slots per year are planned. Questions were raised about eligibility criteria, expected slot numbers, and the intent to keep criteria flexible for varying cases of medical fragility.

Presentation

The Medically Dependent Children Program (MDCP) is authorized under a 1915(c) waiver and an 1115 waiver.

- MDCP serves people birth through age 20 who require a nursing facility (NF) or hospital level of care.
- Children and youth in MDCP are often medically fragile.



- MDCP currently has an interest list.

Ways to Access a Waiver

Interest List	Potential enrollee waits until a waiver slot becomes available and, if determined eligible, enrolls.
Money Follows the Person (MFP)	Eligible individual residing in an institution uses the MFP process to transition to the community.
MDCP Limited Stay	Eligible individual is admitted to a NF for 24 hours and transitions to MDCP, bypassing the interest list.
Reserved Capacity Slots	Eligible individuals use a reserved slot to bypass the interest list. Examples include NF diversion slots.

Nursing Facility Diversion Slots The 89th Texas Legislature appropriated funds that allow the Health and Human Services Commission (HHSC) to improve access to MDCP by establishing NF diversion slots.

Required Amendments Implementation of diversion slots for MDCP will require:

- 1915(c) waiver amendment
- Waiver handbook amendment
- Managed care organization (MCO) contract amendment
- Rule amendment
- Technical guidance to providers and MCO service coordinators as needed

Texas Administrative Rules Amendment HHSC will seek external stakeholder feedback. A public hearing will be held on March 24, 2026.

- Hearing will be hybrid (virtual and in person).
- Meeting location will be the John H. Winters Public Hearing Room.
- Public comments can be submitted verbally, electronically, or by mail.

Written comments will also be able to be submitted through both an informal and formal public comment process.

Discussion. There was no substantive discussion other than there were 120 slots allocated



5. [Senate Bill 855, 89th Legislature, Regular Session, 2025](#)

Summary. Leslie Weans outlined SB 855, which permits medical consenter (other than caseworkers) for children in DFPS conservatorship to pay privately for out-of-network services within the STAR Health program. This change does not reduce Medicaid benefits or the MCO's network adequacy obligations but gives families another choice. Pharmacy services must still be filled through STAR Health network pharmacies; PMUR (psychotropic medication utilization review) continues to apply. Providers must follow Medicaid billing rules, and families must notify DFPS within 10 business days after out-of-network care for proper documentation. Educational webinars are planned for stakeholders, and documentation requirements will be clarified.

Q&A covered the rationale behind the legislation, potential impact on network adequacy, and procedures around single case agreements and private insurance use. Also, the discussion clarified that prior to this policy, foster parents were only allowed to use STAR Health Medicaid, so there is no data on private insurance use for foster children.

Presentation

STAR Health Program Overview Individuals Served

- Children and youth in the Texas Department of Family and Protective Services (DFPS) conservatorship
- Extended Foster Care
- Former Foster Care Children program
- Medicaid for Transitioning Foster Care Youth
- An infant born to a mother who is enrolled in STAR Health
- Adoption Assistance program or Permanency Care Assistance program



The bill permits medical consenters for children in conservatorship to assume financial responsibility for out-of-network (OON) healthcare services for certain STAR Health members. Children and youth in DFPS custody have a designated, trained Medical Conserver identified to make informed healthcare decisions on his or her behalf. This individual is usually a foster parent, relative caregiver, or caseworker assigned to the child or youth.

Key Elements of SB855

- Does not limit or restrict foster child's access to Medicaid benefits
- Allows elective out-of-network option for Medicaid-covered services, not including pharmacy
- Out-of-network providers (Medicaid-enrolled and Not Medicaid-enrolled)
- Medical consenters must notify DFPS within 10 days of services
- STAR Health MCO may not prevent or discourage use of the option
- "Financial responsibility" may involve enrolling the child in a health insurance plan

Maintains Existing Requirements

Network Adequacy Requirements

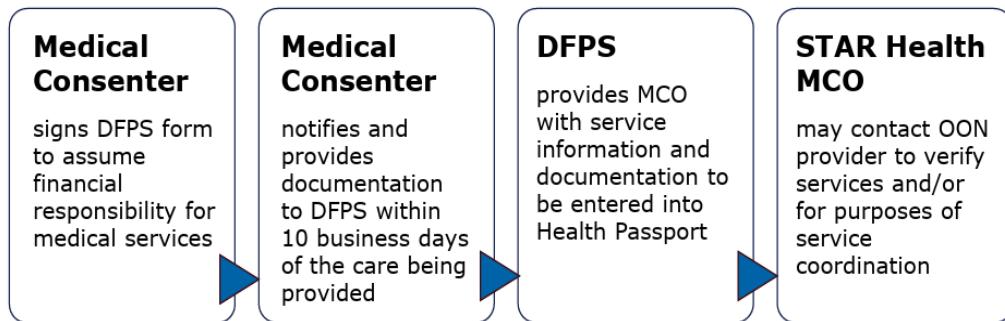
- MCO must provide timely access to quality care through a network designed to meet members' needs.
- MCO must create and maintain a network capable of delivering all covered services to members throughout the service area, and that is accessible to all members for prompt delivery of those services.
- MCO must provide members with access to qualified providers that meet distance, travel time, and appointment waiting time standards.

Coverage for Out-of-Network Services

- If covered services are not available through the provider network, the MCO must allow referral to an OON Medicaid provider.
- MCO must offer 24/7 Emergency Services coverage to members regardless of prior authorization or the provider's contract.
- MCO must give members access to a second opinion for covered services.
- When an incoming member has an existing treatment relationship with a provider not in network, the MCO should support continuity of care



Elective Out-of-Network Option Process



How it works

Texas Health Steps (THSteps) All new members birth through age 20 receive a THSteps medical checkup within 30 Days of enrollment and all THSteps medical checkups established by the THSteps periodicity schedule. STAR Health MCO must ensure Members receive a THSteps dental checkup within 60 Days of enrollment for members six months of age and older. The MCO must ensure Members under 6 months of age at the time of enrollment must receive their THSteps dental checkup within 30 Days of becoming six months of age.

A THSteps checkup must be performed by a Medicaid-enrolled THSteps provider. THSteps checkups are still required if a Medical Conserver uses the elective out-of-network option for primary care.

Pharmacy Services

- Not included in elective out-of-network option.
- MCO may cover prescriptions filled at a network pharmacy when prescribed by an out-of-network provider.
- Prescriptions cannot be filled when prescribed by a provider on the OIG Texas Exclusions List ([Exclusions | Office of Inspector General](#)).

Psychotropic Medication Utilization Review (PMUR) When a Medical Conserver uses the elective out-of-network option to engage an out-of-network provider who prescribes psychotropic medication, the STAR Health MCO will attempt to connect with the out-of-network prescribing provider(s) to obtain information necessary for a PMUR.



Medicaid providers not in STAR Health Network Medicaid-enrolled providers not in the STAR Health network must adhere to their Medicaid Provider Agreement

F00110_HHSC_Medicaid_Provider_Agreement.pdf. Per TMPPM, Vol. Section 1.7.21.1

1_01_Provider_Enrollment: A Medicaid provider may only accept payment from a Medicaid member if:

- The specific service or item is provided at the member's request; and
- The provider has obtained and kept a written Client Acknowledgement Statement signed by the Medical Conserver.

HHSC Implementation Activities

General Information Webinar

- Overview of Out-of-Network Elective option
- Information for all stakeholders
- February 23, 2026 at 3:00 p.m.

Registration link: <https://attendee.gotowebinar.com/register/3459624785074027611>

Provider Education Webinar

- Targeted education for providers
- February 24, 2026 at 3:00 p.m.
- Registration link:
<https://attendee.gotowebinar.com/register/663699756546647384>

Updates to Website HHSC is updating the STAR Health webpage including webinar recordings [STAR Health | Texas Health and Human Services](#)

Discussion

What is the impetus behind the legislation? Staff stated there was a hearing. There was a provider group that was interested in it moving forward. This provides an options for families beyond the STAR health network.

Will you be looking at a similar policy in other Medicaid programs? Staff stated they do not.

A single case agreement does not take care of access issues. Is there anything in place for accountability related to single case agreement. Staff stated this does not change network adequacy.



What percentage of foster families have private insurance> DFPS stated that up until now, only STAR Health was allowed to be used, so no data exists.

6. Public comment. No public comment was offered.

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

Future Meetings

- May 14, 2026
- Aug. 13, 2026
- Nov. 5, 2026

Action/Agenda Items

STAR Kids items combined into one document.

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

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