



Health and Human Services

SMMCAC Children and Youth with Medical, Behavioral, and Developmental Complexity

Subcommittee

May 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.





This subcommittee focuses on improvements in the care of children and youth with medical, behavioral, or developmental complexity within Medicaid managed care.

Objectives include,

- giving HHSC advice on topics related to the STAR Kids Medicaid managed care and other managed care programs,
- reviewing 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.
- works together with other SMMCAC subcommittees when a topic about children and youth with medical, behavioral, and/or developmental complexity within Medicaid managed care falls within another subcommittee's charge.

Members: Demetria Haffort, Neel Naik, Karl Serrao, Samantha Moreno

1. Call to order, introductions, and roll call. The meeting was convened by Karl Serrao, MD, Presiding Officer.

2. Consideration of November 6, 2025, and February 12, 2026, draft meeting minutes. The minutes were approved as drafted

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

It had been suggested to include item six below into the report (see below). There was concern that there could be additional burden on the MCOs.

MOTION: Add item six to the recommendations prevailed.

MOTION: Submit the entire list of recommendations to the full SMMCAC for the annual report prevailed.

<p>Assessment and Service Delivery Subcommittee</p>	
<p>1. Assessing Improve access to single-case agreements and make the process easier for families to access and physicians to accept.</p>	
<p>4. Assessing Consider allowing families who live on bordering regions to select the neighboring region if most of their health care providers are in that region.</p>	<p>If a member wants to receive a service from a provider who is out-of-network with the member's MCO, the member can ask their MCO to do a single-case agreement with the provider. See STAR Kids contract section 8.1.23.4, Single Case Agreements with Out-of-Network Specialty Providers.</p>
<p>6. Assessing HHSC should require the MCOs to notify individuals via a text, email or call when a document has been uploaded to the member portal. Parent contact information including email addresses can be updated at every reassessment for accuracy.</p>	
<p>7. Assessing Require MCO service coordinators to contact families when an adverse determination is being sent and remind the family of their right to appeal the denial.</p>	
<p>32. Completed Continue to work with knowledgeable stakeholders (ongoing) on improvements to the SK-SAI.</p>	<p>HHSC encourages members, families, providers, MCOs, and other stakeholders to provide feedback. HHSC encourages individuals to provide public comment and subject matter expert (SME) involvement at State Medicaid Managed Care Advisory Committee (SMMCAC)</p>



4. STAR Kids to STAR+PLUS Transition Work Update.

Ashton Eskew, HHSC program policy manager. HHSC began quarterly joint calls (started in March), bringing STAR Kids and STAR Plus MCOs together. In addition, monthly individual calls are made to improve cross-plan communication and address shared issues.

- Next quarterly joint call scheduled for June 19.
- Goals are evolving; near-term focus includes deeper discussion of the STAR Kids to STAR Plus transition.

SMEs suggested adding family input

5. Presentation on Complex Care Management billing codes

Summary The HHSC topic nomination process was explained, including typical timelines (initial review up to 120 days. If advanced, the policy analysis phase can take 12–18 months (longer for complex topics).

Prolonged non-direct E&M services: The current benefit for Medicaid recipients from birth through age 20 (also described in the children’s handbook under clinician-directed care coordination) is limited to 90 minutes per client/provider, with additional time possible via prior authorization for significant condition change. This is not a benefit for adults 21+.

Chronic/complex care management codes: The proposed benefit is currently in the analysis phase and requires leadership and fiscal approval before implementation.

Interprofessional consultations: The proposed benefit is currently in the analysis phase and requires leadership approval.

Transitional care management: Not covered and not under consideration currently; stakeholders may submit a topic nomination to request consideration.

Presentation

Provide updates on billing codes related to the care of children with medical complexity.

- Prolonged Non-direct E/M Services
- Care Management: Chronic and Complex



- Interprofessional Consultations
- Transitional Care Management

Topic Nomination Process

- HHSC has an established process for making decisions about medical and dental benefits coverage for Medicaid recipients.
- Stakeholders can submit a topic nomination to suggest a topic to be added as a benefit to Texas Medicaid.
- The topic is researched then presented to an internal governance committee for consideration to move forward with more in-depth research and policy analysis.

The topic is assigned to a subject matter expert to begin the policy analysis phase. This phase includes further research and development of a cost estimate.

- Entering the analysis phase does not guarantee coverage of the benefit.
- The submission process information is available at :the HHSC website

Prolonged Non-direct E/M Services

- Prolonged non-direct services are clinician services provided without face-to-face contact, beyond the usual service, in the inpatient or outpatient setting.
- Prolonged non-direct services are a current benefit for children birth through 20 years of age.
- 99358 – 30-60 minutes
- 99359 - additional 15-30 minutes

Care Management: Chronic and Complex

- Chronic care management supports clients with two or more chronic conditions requiring ongoing monthly management.
- Codes proposed for consideration as benefits:
 - 99490 - First 20 minutes (clinical staff)
 - 99439 - Each additional 20 minutes
 - 99491 - First 30 minutes (provider-only)
 - 99487 - First hour complex chronic cases (clinical staff)
 - 99489 - Each additional 30 minutes
- The proposed benefit is currently in the analysis phase and will need final leadership approval for coverage.



Interprofessional Consultations Interprofessional consultation codes cover specialist input without a separate patient visit. Codes proposed for consideration as benefits:

- 99446-99449 – Verbal and written consultations (Consulting specialists)
- 99451 – Written-only consultations
- 99452 – Preparing and requesting consultation (Treating/requesting provider)

The proposed benefit is currently in the analysis phase and will need final leadership approval for coverage.

Transitional Care Management Transitional Care Management supports transitions in care from inpatient or observation settings to a community setting. Services are not currently covered and are not under consideration at this time.

- 99495 - moderate medical decision making
- 99496 - high medical decision-making

Discussion

How long is the analysis phase? HHSC stated it takes about 12 -18 months depending on the complexity of the process.

Reimbursement based on time may reduce the time a physician spends with a patient. More information will be coming from HHSC.

Is it a different group that does the rate setting? HHSC stated after the internal governance reviews and approval to move forward then it will be brought to a rate hearing.

Chronic and Complex billing codes are available for Medicare but not available for Medicaid in Texas.

6. Update on the Medically Dependent Children Program (MDCP) Crisis Diversion Slots: Clinical Criteria and Diversion Pathways. (taken out of order)

Summary Renee Lombardo (HHSC Medicaid & CHIP Services, Office of Policy) presented on proposed MDCP waiver draft rule amendments following the March 26 public hearing and stakeholder meetings. The Key change discontinues the Money

Follows the Person (MFP) Limited Stay Exception pathway that used a short nursing facility stay to bypass the interest list; replace it with a dedicated nursing facility diversion slot pathway that allows direct access without a prior nursing facility admission. Clarifications were shared by HHSC:

- MDCP eligibility criteria are not changing; this is a new access pathway.
- Diversion slots are funded and not expected to increase the interest list.
- Diversion slots will not reduce the total number of people served; HHSC will serve as many as appropriations allow.
- Slot planning is based on limited-stay utilization data; future requests will account for diversion needs.

Timeline/milestones:

- Texas Register posting with formal comment: August 2026
- Formal comment period ends: September 2026
- Rule effective: December 2026

Presentation Materials

<h3>Purpose and Goal</h3> <ul style="list-style-type: none"> Transparency HHSC's goal is to make sure everyone understands the changes from this rule amendment by explaining them in a simple and clear way. Gathering Feedback HHSC continues to seek stakeholder input on this rule amendment, especially related to implementation activities and stakeholder impacts. 	<h3>Background</h3> <ul style="list-style-type: none"> • The Medically Dependent Children Program (MDCP) serves children and young adults from birth through age 20 who have complex medical conditions. • To qualify, individuals must demonstrate a medical need for the level of care typically provided in a nursing facility (NF), if not for the waiver. • MDCP participants are eligible for all medically necessary Texas Medicaid benefits, in addition to specialized waiver services.
<h3>Current Pathways for Accessing MDCP Services</h3> <ul style="list-style-type: none"> • MDCP Interest List <ul style="list-style-type: none"> ▶ Enrollment is first come, first served by the date individuals join the MDCP interest list. • Money Follows the Person (MFP) <ul style="list-style-type: none"> ▶ Eligible individuals transition directly from a NF into MDCP without waiting on the interest list. • Limited Stay Option <ul style="list-style-type: none"> ▶ Eligible individuals transition directly from a NF into MDCP after a shorter NF stay compared to MFP requirements. 	<h3>How Diversion Slots Work</h3> <ul style="list-style-type: none"> • Diversion slots enable eligible children to access MDCP services without first requiring a nursing facility admission. • These slots are limited and funded through legislative appropriations each biennium. • Diversion slots support families in taking proactive steps to prevent institutionalization when a crisis is approaching. • Individuals denied a diversion slot have the right to appeal the decision.

Clarification #1

Limited stay process will discontinue.

The limited stay process that requires a person to have a short nursing facility stay prior to bypassing the interest list will be replaced by diversion slots. The MFP process will continue.

Clarification 2

MDCP eligibility is not changing.

MDCP eligibility criteria is NOT changing. This rule adds a new way to access MDCP.

Clarification #3

Interest lists will not increase due to creation of diversion slots.

Availability of interest list slots is always subject to appropriations. HHSC + received enough funding to add diversion slots.

Clarification #4

Diversion slots will not impact the number of people served in MDCP.

HHSC will continue to serve as many clients as available funds allow.

Clarification 5

Diversion slots are based on limited stay utilization.

HHSC used limited stay utilization data to request enough funding to continue to meet the need.

Future interest list requests will account for diversion slot needs.

Summary of Rule Amendment

- Incorporates diversion slots into the rule, providing an additional pathway for individuals to access MDCP services.
- Updates and clarifies the clinical criteria for diversion slots.
- Establishes a clear process for eligible individuals to utilize available crisis diversion slots.

Next Milestones

August 2026

Texas Register posting (includes formal comment period)

Presentation at HHSC Executive Council

September 2026

Formal comment period ends

December 2026

Rule effective

Discussion

Is there a limited number of available slots. HHSC stated the same amount that was available for limited stay exists here.

There were open forums and stakeholder meetings related to the initial criteria taking away the limited stay criteria. The conversations informed the criteria for all the children in need. In addition, the recent open hearing feedback was included. We are finalizing the criteria to include epilepsy, immunology issues, and other clinical criteria.

How many slots are in the proposal? HHSC stated there is not a defined number. The number of slots used is remaining for this part without the nursing facility requirement.

There are a lot more people who should qualify and the numbers may not reflect that just using historical numbers

The Chair stated that this is a step in the right direction. He added there is a lot more we should be doing for complex needs children.

7. Public comment. No public comment offered.

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

Action or future items

Update from HCBS medically fragile project

Oral health for children with complex needs initiatives



Future Meetings

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

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

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