



COMMISSIONER  
Jon Weizenbaum

December 16, 2014

To: Nursing Facilities

Subject: **Provider Letter (PL) 14-34** – NF Expectations Related to Managed Care Organizations (MCOs)

The Texas Department of Aging and Disability Services (DADS) is issuing this letter to address the impact Senate Bill (SB) 7 (83rd Legislature, Regular Session, 2013) will have on NF survey expectations, including the plan of correction (PoC) and informal dispute resolution (IDR) processes. Specifically, providers have asked whether the implementation of SB 7 will change regulatory compliance expectations for an NF.

SB 7 requires the Health and Human Services Commission (HHSC) provide acute care Medicaid services for individuals who are elderly or who have disabilities eligible for acute care services and long-term services and supports under the medical assistance program through Medicaid managed care. However, the bill made no changes to the federal regulations and state statutes that govern the NF program surveys, PoCs or IDRs. For NFs, the Code of Federal Regulation (CFR) at 42 CFR §483 is explicit in detailing the requirements for NFs relating to a variety of topics including assessment, care planning, nursing services, physician services, and pharmacy services. Examples of NF requirements that fall under the NF regulations include ensuring:

- each resident has an initial and periodic comprehensive assessment of their needs and functional capacity;
- a care plan is developed based on the physician's orders and comprehensive assessment to meet the resident's acute care and long term care needs;
- nursing services are provided to meet the needs of the resident according to the care plan;
- physician services are provided in accordance with the CFR and care plan; and
- the services of a licensed pharmacist that accurately and safely provides pharmaceutical services required to meet the routine and emergency medication needs of residents.

The NF requirements outlined in the CFR and rules governing NFs at 40 Texas Administrative Code, Title 40, Part 1, Chapter 19, if applicable, remain the full and direct responsibility of the NF provider. As such, DADS Regulatory Services expects NFs to remain in compliance with all of the NF program requirements. Surveyors will continue to ensure NFs meet the applicable provisions of the CFR and licensure standards. The implementation of SB 7 will not change the way DADS Regulatory Services surveys a NF.

If NF providers experience coordination difficulties with an MCO, providers are encouraged to contact the MCO via its hotline to resolve concerns. Additionally, NFs may elevate the issue to HHSC by emailing HHSC's complaint mailbox at [HPM\\_complaints@hhsc.state.tx.us](mailto:HPM_complaints@hhsc.state.tx.us).

However, NF providers should note that the above action will not absolve the NF of its responsibility to comply with all applicable NF regulations. If a coordination difficulty with an MCO arises, the provider will be expected to maintain compliance with existing NF regulations by working with the physician and other available resources (e.g., healthcare professionals, the individual, the legally authorized representative, the interdisciplinary team, the MCO, etc.) to deliver the ordered service, obtain an amended physician's order, or develop, agree upon and implement an alternative plan to meet the individual's need until the coordination issues with the MCO are resolved.

If the facility has concerns or questions regarding compliance with nursing facility regulations that may relate to coordination with the MCOs, the facility may contact their DADS Regional Director and the Regional Director will follow-up with staff from DADS Regulatory Services Policy, Rules and Curriculum Development Section. [Contact information for Regulatory Services Regional Directors may be found online.](#)

Providers may also contact the DADS Regulatory Services Policy, Rules and Curriculum Development Section directly by emailing [NfRules@dads.state.tx.us](mailto:NfRules@dads.state.tx.us).

To [learn more about the expansion of managed care, please visit the HHS webpage.](#)

Please send questions regarding the STAR+PLUS expansion or MCOs to:  
[Managed\\_Care\\_Initiatives@hhsc.state.tx.us](mailto:Managed_Care_Initiatives@hhsc.state.tx.us).

Sincerely,

*[signature on file]*

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