

Inspections Report

**Mental Health Targeted
Case Management
and Mental Health
Rehabilitative Services
in Managed Care**

**Local Mental Health Authorities and
Local Behavioral Health Authorities
in Texas Medicaid**



**Inspector
General**

Texas Health
and Human Services

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INTRODUCTION

Objective and Scope

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Inspections) conducted an inspection of mental health targeted case management and mental health rehabilitative services in managed care. The inspection objectives were to determine whether local mental health authorities (LMHAs) or local behavioral health authority (LBHA) contracted providers:

- Provided members in Texas Medicaid programs with the opportunity to receive services.
- Met select Texas Administrative Code requirements when providing mental health targeted case management and mental health rehabilitative services to Texas Medicaid members.
- Communicated member's mental health assessment results to the applicable managed care organization (MCO) for service coordination.
- Identified potential causes for Texas Medicaid members not receiving mental health targeted case management and mental health rehabilitative services.

The inspection scope covered Texas Medicaid recipients enrolled in the State of Texas Access Reform Plus (STAR+PLUS)¹ program through an MCO who were assessed during the period from March 1, 2019, through May 31, 2019, but had not received recommended core services as of November 30, 2019.

Background

LMHAs provide mental health services and LBHAs contract with mental health providers to provide mental health and substance abuse services to Texas Medicaid managed care members. LMHAs and LBHA contracted providers deliver an array of mental health services to Texas Medicaid managed care members, including:

- Case management
- Pharmacological management
- Counseling

¹ STAR+PLUS is a Texas Medicaid managed care program for members with disabilities or who are age 65 or older.

- Medication training and support
- Psychosocial rehabilitative services
- Skills training and development

One way MCOs provide mental health services to Texas Medicaid members is through contracts with 37 LMHAs, and the state of Texas contracts with 2 LBHAs,² which contract with mental health service providers.

Mental health targeted case management and mental health rehabilitative services are intended to improve or maintain a member's ability to remain integrated in the member's community. Mental health targeted case management focuses on assisting the member with gaining and coordinating access to necessary care and services appropriate to the member's needs. Mental health rehabilitative services involve a therapeutic team to address challenges resulting from serious mental illness and affecting the member's ability to develop and maintain social relationships; obtain occupational or educational achievement; develop and implement independent living skills; or obtain housing.

Members eligible for mental health targeted case management and mental health rehabilitative services must (a) have a diagnosis of serious mental illness and (b) be evaluated using a mental health assessment.³ Mental health assessments are administered by LMHA and LBHA contracted provider staff members. Serious mental illnesses are defined in the mental health field to include diagnoses of schizophrenia, schizoaffective disorder, bipolar disorder, and major depression. The results of the mental health assessment identify the appropriate level of care for the member. LMHAs and LBHA contracted providers must (a) document the results of mental health assessments, (b) include additional documentation required as part of the mental health assessment, and (c) develop a written treatment plan with the member based on the mental health assessment.⁴

Texas Administrative Code requires LMHAs and LBHA contracted providers to comply with Texas Resilience and Recovery Utilization Management Guidelines: Adult Mental Health Services (TRRUMG), which details 12 levels of care. This inspection focused on the main four levels of care offering mental health targeted case management and mental health rehabilitation as core services.^{5,6}

² The state of Texas contracts with LBHAs, which contract with providers that are contracted by MCOs to provide Medicaid services to members.

³ 1 Tex. Admin. Code § 354.2651(b) (Oct. 17, 2018).

⁴ 25 Tex. Admin. Code §§ 412.322 (Apr. 29, 2009, through Mar. 15, 2020) and 301.353 (Mar. 15, 2020).

⁵ 25 Tex. Admin. Code §§ 412.304(b) (Apr. 29, 2009, through Feb. 21, 2020) and 301.305(b) (Mar. 15, 2020).

⁶ Texas Resilience and Recovery Utilization Management Guidelines: Adult Mental Health Services, Texas Health and Human Services Commission (Apr. 2017).

Table 1 outlines the core services provided by the four levels of care relevant to this inspection.

Table 1: Core Services for Levels of Care Relevant to This Inspection

Level of Care	Description	Core Services
Level of Care 1S (LOC-1S)	Basic Services (Skills Training)	Pharmacological management and routine case management ⁷
Level of Care 2 (LOC-2)	Basic Services Including Counseling	Pharmacological management, routine case management, ⁷ and counseling
Level of Care 3 (LOC-3)	Intensive Services with Team Approach	Pharmacological management, psychosocial rehabilitative services, ⁸ and supported housing
Level of Care 4 (LOC-4)	Assertive Community Treatment	Pharmacological management, psychosocial rehabilitative services, ⁸ and supported housing

Source: *OIG Inspections, compiled from information contained in Texas Resilience and Recovery Utilization Management Guidelines: Adult Mental Health Services (Apr. 2017)*

Core services are the services in a level of care that (a) are essential and (b) are expected to be delivered by LMHAs and LBHA contracted providers to support a member's recovery.⁹

TRRUMG allows certain exceptions for not providing core services, including:

- The mental health assessment did not indicate the need for a specific core service.
- Delivery of a core service was clinically contraindicated. Documentation is required to identify if a core service was clinically contraindicated.
- The member refused a core service. Member refusals and efforts to provide services must be documented.¹⁰

Texas Medicaid members enrolled in STAR+PLUS with serious mental illness diagnoses of schizophrenia, bipolar disorder, and schizoaffective disorder were reviewed as part of this inspection.

In April 2019, the Texas Legislative Budget Board reported that the Texas Health and Human Services Commission (HHSC) does not track data to determine why

⁷ TRRUMG refers to routine case management. Routine case management is one component of targeted case management and is considered a core service.

⁸ TRRUMG refers to psychosocial rehabilitative services. Psychosocial rehabilitative services is one component of mental health rehabilitative services and is considered a core service.

⁹ Texas Resilience and Recovery Utilization Management Guidelines: Adult Mental Health Services, § XII: Service Definitions, Texas Health and Human Services Commission (Apr. 2017).

¹⁰ Texas Resilience and Recovery Utilization Management Guidelines: Adult Mental Health Services, § XII: Service Definitions, Texas Health and Human Services Commission (Apr. 2017).

members with a mental health-related diagnosis indicative of serious mental illness did not receive mental health targeted case management and mental health rehabilitative services.¹¹ OIG Inspections conducted this inspection to provide additional information on this issue.

Methodology

The inspection focused on adult Texas Medicaid members enrolled in STAR+PLUS with serious mental illnesses who were assessed at a LOC-1S through LOC-4 level of care and did not receive mental health targeted case management or mental health rehabilitative services. OIG Inspections reviewed member files for 115 such Texas Medicaid members who were assessed as eligible during the period from March 1, 2019, through May 31, 2019, but had not received core recommended services as of November 30, 2019. Specifically, OIG Inspections reviewed members files for 85 members from five LMHAs and 30 members from one LBHA.

¹¹ *Improve Oversight of Mental Health Targeted Case Management and Rehabilitative Services in the Texas Medicaid Program*, Legislative Budget Board Staff Reports – ID: 4830, Legislative Budget Board (Apr. 2019).

INSPECTION RESULTS

LMHAs and LBHA contracted providers reviewed as part of this inspection did not always meet documentation requirements for some types of required information. Specifically:

- 35 of the 115 member files reviewed did not contain the required treatment plan.
- 58 of the 115 member files reviewed did not include documentation that eligible members refused recommended core services.
- 38 of the 115 member files reviewed did not include the mental health assessor's documentation to indicate that core services were discussed with the member so an informed decision could be made.

The sections that follow detail observations regarding member files that did not (a) contain required treatment plans, (b) include documentation to identify why core services were not received, and (c) contain documentation to indicate core services were discussed with the member.

REQUIRED INFORMATION IN MEMBER FILES

Mental health providers are required to perform and document assessments of individuals seeking mental health services. The mental health assessment must include documentation such as the assessment guideline calculations and the mental health assessor's recommendations and conclusions regarding treatment needs.¹² Mental health providers must also develop a written treatment plan that includes recovery goals and objectives based on the assessment.

Observation 1: Member Files Did Not Consistently Contain Required Treatment Plans

Providers must develop a written treatment plan for each member assessed based on the needs identified in the mental health assessment. The plan must include input from the member and a description of recovery goals and objectives based on the mental health assessment.¹³ The plan provides a list of treatments to be provided to the member to meet recovery goals.

¹² 25 Tex. Admin. Code §§ 412.322(a) (Apr. 29, 2009, through Mar. 15, 2020) and 301.353(a) (Mar. 15, 2020).

¹³ 25 Tex. Admin. Code §§ 412.322 (Apr. 29, 2009, through Mar. 15, 2020) and 301.353 (Mar. 15, 2020).

Of the 115 member files reviewed, 35 did not contain a treatment plan. Without a written treatment plan, members cannot benefit from a plan to address problems and needs identified in the assessment.

The LMHAs and the LBHA contracted providers stated that insufficient training and oversight were primary causes for member files not containing treatment plans. They also noted additional controls could have been implemented in their electronic health record systems to ensure member treatment plans were included in the documentation.

Recommendation 1.1

LMHAs and LBHA contracted providers should provide ongoing training for staff on Texas Administrative Code requirements, including requirements related to completing treatment plans.

Recommendation 1.2

LMHAs and LBHA contracted providers should utilize available controls in electronic health record systems to encourage mental health assessors to consistently document treatment plans as required.

Observation 2: Member Files Did Not Consistently Include Documentation to Identify Why Eligible Members Did Not Receive Core Services

Providers must document mental health assessments and include the mental health assessor's conclusions and recommendations for treatment needs.¹⁴ When a member refuses the treatment recommended, the refusal must be documented in the member's file. TRRUMG (a) outlines core services that are expected to be delivered when a member is assessed with a certain level of care and (b) member refusal of those services must be documented.¹⁵

In 58 of the 115 member files reviewed, member files did not contain documentation that the eligible members, who were recommended core services on their treatment plan, refused these services, and the members did not receive recommended core services.

¹⁴ 25 Tex. Admin. Code §§ 412.322(a) (Apr. 29, 2009, through Mar. 15, 2020) and 301.353(a) (Mar. 15, 2020).

¹⁵ Texas Resilience and Recovery Utilization Management Guidelines: Adult Mental Health Services, Texas Health and Human Services Commission (Apr. 2017).

The LMHAs and the LBHA stated that, in general, insufficient training and oversight as well as staff turnover and caseload size were causes for not documenting reasons members did not receive services. Some LMHAs also noted that their electronic health record systems were not configured to prompt the user to enter the reason services were not received or to flag for missing documentation.

As discussed in the *Documentation of Reductions to Authorized Levels of Care* inspection report, released July 28, 2021, when members refuse recommended services, LMHAs should consider documenting reasons for the refusal of services. LMHAs could use the information obtained to develop strategies to further educate members and encourage members to utilize available services. This is not an instance of noncompliance.

Recommendations for both Observation 2 and Observation 3 will follow Observation 3.

Observation 3: Member Files Did Not Consistently Document That Core Services Were Discussed with the Member

LMHAs and LBHA contracted providers must document mental health assessments. Required information on each assessment includes (a) information from the member regarding preferences for and objections to specific treatments and (b) the mental health assessor's conclusions and recommendations for treatment needs.¹⁶

Member files did not contain sufficient documentation to indicate the member was provided adequate information about eligible mental health targeted case management and mental health rehabilitative services in 38 of the 115 member files reviewed.

For the 38 files, LMHAs and LBHA contracted providers were unable to identify whether members were provided adequate information about eligible mental health targeted case management and mental health rehabilitative services. LMHAs and LBHA contracted providers could better serve Texas Medicaid members if the assessor provided (a) member preferences for and objections to specific treatments and (b) conclusions and recommendations for treatment needs in the member file.

The LMHAs and the LBHA stated that insufficient training and oversight as well as staff turnover and caseload size were causes for not including all documentation. Some LMHAs and the LBHA also noted that their electronic health record systems

¹⁶ 25 Tex. Admin. Code §§ 412.322(a) (Apr. 29, 2009, through Mar. 15, 2020) and 301.353 (Mar. 15, 2020).

were not configured to prompt the user to enter documentation to indicate information was provided to the member.

Recommendations 2 and 3

LMHAs and LBHA contracted providers should:

- Provide ongoing training for staff on Texas Administrative Code and TRRUMG requirements, and ensure that oversight and monitoring of staff is adequate for the client caseload.
- Perform quality control reviews of member files to ensure completeness and accuracy of documentation in compliance with Texas Administrative Code and TRRUMG requirements.
- Consider configuring electronic health record systems to assist staff with documentation requirements. Consideration should be given to adding prompts and alerts for missing information to the systems.

LBHA OVERSIGHT OF CONTRACTED PROVIDERS

LBHAs contract out the provision of services for Texas Medicaid members to mental health providers across Texas. This contract includes quality assurance processes to monitor the quality of providers. These processes include routine audits of contracted mental health providers.

The following opportunity for improvement is not an instance of noncompliance with criteria.

Opportunity for Improvement

The LBHA reviewed as part of this inspection does reinforce and monitor the quality of their providers through routine provider audits; however, these provider audits are limited to non-Medicaid individuals. The LBHA should consider expanding quality assurance reviews and audits for a more robust provider review.

CONCLUSION

LMHAs and LBHA contracted providers reviewed as part of this inspection have policies and procedures to share mental health information with each member's MCO.

However, LMHAs and LBHA contracted providers reviewed as part of this inspection did not always meet documentation requirements for some types of required information.

OIG Inspections observed that:

- 35 of the 115 member files reviewed did not contain the required treatment plan.
- 58 of the 115 member files reviewed did not include documentation that the eligible members refused recommended core services, and the member did not receive services.
- 38 of the 115 member files reviewed did not include the mental health assessor's documentation to indicate that core services were discussed with the member.

OIG Inspections offered recommendations to LMHAs and LBHA contracted providers, which, if implemented, will correct deficiencies in compliance with Texas Administrative Code and TRRUMG for documentation in member files to (a) develop written treatment plans, (b) identify why eligible members did not receive core services, and (c) document that core services were discussed with the member.

OIG Inspections thanks management and staff at the inspected entities for their cooperation and assistance during this inspection.

Appendix A: Detailed Methodology

Percentage of Eligible Members Not Receiving Services

The OIG Fraud, Waste, and Abuse Research and Analytics team compiled encounter data to identify a population using the inspection's eligibility criteria, which included:

- The state fiscal quarter with the highest number of Texas Medicaid members assessed during the scope period from September 1, 2018, through August 31, 2019.
- STAR+PLUS non-dual eligible members who were continuously covered by the same MCO during the scope period.
- Texas Medicaid members with a qualifying diagnosis of bipolar disorder, schizophrenia, or schizoaffective disorder. These were selected after an encounter review identified that members with these diagnoses had the highest amount of services during state fiscal year 2018.
- Texas Medicaid members with a mental health assessment designating a level of care of LOC-1S through LOC-4.
- Texas Medicaid members that did not receive mental health targeted case management or mental health rehabilitative services for six months after their date of mental health assessment.

The encounter data identified that the third quarter of state fiscal year 2019 had the highest number of assessed members meeting the eligibility criteria. The third quarter of state fiscal year 2019 covered the period from March 1, 2019, through May 31, 2019.

Testing Population

OIG Inspections further examined the encounter data covering the third quarter of state fiscal year 2019 and identified five LMHAs and one LBHA with the highest percentage¹⁷ of eligible members who were not receiving services six months after their date of mental health assessment.

OIG Inspections tested the full population of 85 members identified within the third quarter of state fiscal year 2019 across the five identified LMHAs. The identified

¹⁷ The percentages ranged from 20 percent to 56 percent of eligible members who were not receiving services six months after their assessment date.

LBHA had a total population size of 457 members, from which OIG Inspections randomly selected 30 members. In total, OIG Inspections tested 115 Texas Medicaid members.

OIG Inspections selected a non-statistical sample of LBHA members through random selection. The sample items were not necessarily representative of the population; therefore, it would not be appropriate to project the test results to the population. OIG Inspections tested the entire population of LHMA members meeting the criteria for the third quarter of state fiscal year 2019. The population of this quarter does not necessarily represent the population of other state fiscal year 2019 quarters, so results should not be projected to LHMA members in those quarters.

Member files consisted of documents such as mental health assessments, progress notes, clinical notes, and treatment plans. Member files were reviewed to (a) determine compliance with Texas Administrative Code and TRRUMG, (b) determine why members did not receive services, and (c) identify documentation of provider communication with each member's MCO service coordinator.

Standards

OIG Inspections conducts inspections of Texas HHS programs, systems, and functions. Inspections are designed to be expeditious, targeted examinations into specific programmatic areas to identify systemic trends of fraud, waste, or abuse. Inspections typically result in observations and may result in recommendations to strengthen program effectiveness and efficiency. OIG Inspections conducted the inspection in accordance with *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

Appendix B: LMHAs and LBHA Reviewed

Table B.1 identifies the five LMHAs from which member files were reviewed as part of this inspection. The counties served by each LMHA are also listed.

Table B.1: LMHAs Reviewed as Part of This Inspection and Counties Served

LMHA	Counties
Bluebonnet Trails Community Services	Bastrop, Burnet, Caldwell, Fayette, Gonzales, Guadalupe, Lee, and Williamson
The Center for Health Care Services	Bexar
Gulf Bend Center	Calhoun, DeWitt, Goliad, Jackson, Lavaca, Refugio, and Victoria
Hill Country Mental Health & Development Disabilities Centers	Bandera, Blanco, Comal, Edwards, Gillespie, Hays, Kendall, Kerr, Kimble, Kinney, Llano, Mason, Medina, Menard, Real, Schleicher, Sutton, Uvalde, and Val Verde
MHMR Authority of Brazos Valley	Brazos, Burleson, Grimes, Leon, Madison, Robertson, and Washington

Source: *OIG Inspections compiled from information contained in "Find Your Local Mental Health or Behavioral Health Authority," HHSC, <https://hhs.texas.gov/services/mental-health-substance-use/mental-health-substance-use-resources/find-your-local-mental-health-or-behavioral-health-authority> (accessed Jan. 7, 2021)*

Table B.2 identifies the LBHA from which member files were reviewed as part of this inspection. The counties served by the LBHA are also listed.

Table B.2: LBHA Reviewed as Part of This Inspection and Counties Served

LBHA	Counties
North Texas Behavioral Health Authority	Dallas, Ellis, Hunt, Kaufman, Navarro, and Rockwall

Source: *OIG Inspections compiled from information contained in "Find Your Local Mental Health or Behavioral Health Authority," HHSC, <https://hhs.texas.gov/services/mental-health-substance-use/mental-health-substance-use-resources/find-your-local-mental-health-or-behavioral-health-authority> (accessed Jan. 7, 2021)*

Appendix C: Acronyms

Acronyms Used in This Report

HHS	Health and Human Services
HHSC	Health and Human Services Commission
LBHA	Local behavioral health authority
LMHA	Local mental health authority
LOC	Level of care
MCO	Managed care organization
OIG	Office of Inspector General
OIG Inspections	OIG Audit and Inspections Division
STAR+PLUS	State of Texas Access Reform Plus
TRRUMG	Texas Resilience and Recovery Utilization Management Guidelines

Appendix D: Report Team and Distribution

Report Team

OIG staff members who contributed to this inspection report include:

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Appendix E: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Susan Biles, Chief of Staff
- Dirk Johnson, Chief Counsel
- Christine Maldonado, Chief of Operations and Workforce Leadership
- Juliet Charron, Chief of Strategy
- Steve Johnson, Chief of Investigations and Reviews
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