Texas Health and Human Services Commission Nursing Facility Change of Ownership Committee Recommendation Update Report

As Required by
Texas Legislature 86th Session, 2019,
House Bill 1, Rider 171

Texas Health and Human Services
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Introduction

Nursing facilities (NF) and other long-term care providers are required to be licensed to provide services in Texas. The license is non-transferable. In order to change the ownership of the license, the providers (outgoing and incoming) go through a change of ownership (CHOW) application process. The license becomes the basis for receiving the Medicaid contract and subsequent payments. Delays in this process impact the provider's ability to receive funding which impacts their ability to provide care to residents. Based on feedback from NF providers and their provider associations, the 86th Legislature in 2019, approved House Bill (H.B.) 1, Rider 171 to the General Appropriations Act requiring the Health and Human Services Commission (HHSC) to:

> Review the agency's process for completing nursing facility change of ownership, including timeframes for application processing, survey, contracting, licensure, and payments following the completed change of ownership. Submit a report detailing the agency's current processes and timeframes and recommendations for improving the change of ownership process to reduce the duration a nursing facility provides services without Medicaid reimbursement to the Governor, Legislative Budget Board, and permanent committees in the House of Representatives and the Senate with jurisdiction over health and human services by March 1, 2020.

HHSC tasked the Office of Transformation & Innovation (OTI) to lead the evaluation of the process and creation of the report, including meeting with internal and external stakeholders. In March 2020, OTI published the required NF CHOW and Payments Report, which aligns with the 2020 business plan and details a series of recommendations to reduce the time for completing a CHOW for NFs. This includes reducing the time between issuing a license, securing a Medicaid contract, and receiving payment for services. As detailed in the 2020 business plan, the NF CHOW Committee is required to oversee implementation of the report's recommendations and report on progress.

The NF CHOW Committee is co-chaired by the Director of Long-term Care Regulation (LTCR) Licensing & Credentialing and the Director of Medicaid/CHIP Services Contract Administration & Provider Monitoring (CAPM).

1. Improvements

Since March 2020, HHSC has implemented a series of improvements. The tables in Appendix A outline the specific recommendations from the NFCHOW and Payments Report and the status associated with each.

Reductions in CHOW Processing Time

As noted in the March 2020 NF CHOW report, HHSC estimated that the overall CHOW-to-payment process could be reduced by about 45 percent. HHSC exceeded this goal by achieving a 47.9 percent reduction in average processing time, or from 171.1 days to 89.1 days, as shown in the chart below. This improvement is based on validated data for fiscal year 2020, and seven months of fiscal year 2021 data. These reductions in processing times are the result of the NF CHOW Committee implementing numerous action items in collaboration with the OTI and the Texas Medicaid & Healthcare Partnership (TMHP). As the Committee and TMHP implement additional improvements, such as issuing a new PIN by secure email, this process time will continue to decline.

NF CHOW Process Time Savings Fiscal Years (FY) 2020-21

CHOW Process Phase	Avg. Time in Days – FY 20	Avg. Time in Days – FY 21	Overall % Reduction in Time
Licensing	76.9	45.8	40.4%
Contracting	69.2	34.3	50.4%
Subtotal Licensing & Contracting	146.1	80.1	45.2%
TMHP: LTC EDI Agreement	18	2	88.9%
TMHP: Issue Pin	7	7	0
Totals	**171.1**	**89.1**	**47.9%**

Notes:
- The March 2020 NF CHOW report included an average process time of 212 days; however, this was based on an inconsistent data point that is now corrected.
- FY 2021 data includes seven months from September 2020 to March 2021.
- FY 2019 data is only available for three months and is not included in this chart.

Streamlining of Licensure Process

Licensing reduced the initial review of a NF CHOW application from the stretch goal of 14 days to 10 days from the 30-day allowance in the Texas Administrative Code. In addition, a clear policy was developed for when and how many times the CHOW effective date could be changed by the provider. In order to communicate this change with providers, a provider letter (PL) 20-36 was published. A new CHOW affidavit was created to streamline this form. The new form will be used for all Long-term Care (LTC) providers. At the request of CAPM, the contract number is included on the form to be used for their function as well. PL 21-02 was published to communicate this change with providers.

Streamlining of Contracting Process

The function of Medicaid contracting for NFs transferred to CAPM in the Medicaid and CHIP Division on January 1, 2019. The CAPM unit responsible for NF Medicaid contracting mapped processes, created policies and procedures, and provided training to all contracting staff on the NF CHOW contracting process. To increase information sharing, CAPM's access into the Texas Unified Licensure Information Portal (TULIP) was validated. A forms workgroup reviewed and reduced a significant number of the required contracting forms and identified an obsolete contracting rule, and associate form to be abolished.

Streamlining of TMHP Process

Streamlining the ability of incoming NF owners to be reimbursed for providing services is the key to improving the TMHP Electronic Data Interchange (EDI) application process. In February 2021, with the support of OTI, TMHP implemented a new online LTC EDI application process, which was leveraged to benefit all LTC providers, not just nursing facilities. Initial data shows a significant reduction in application error rates, resulting in more applications being approved on first submittal, and a reduction of process time by over two weeks compared to the previous mail-in process.

2. Pending Improvements

HHSC has pending improvements that the NF CHOW committee is implementing. The tables in Appendix A outline the specific recommendations from the NF CHOW and Payments Report and the status associated with each.

NF CHOW Reporting Through a Centralized Data Mart

The NF CHOW Committee requested OTI lead the development of a NF CHOW report that would meet the needs of both internal and external stakeholders. This is intended to allow both greater visibility into the CHOW process and enable more accurate reporting on the timeliness of the CHOW process.

In addition to the report, the Committee approved a detailed project proposal for the initiative to create a data mart to support the NF CHOW reporting function. Currently, the NF CHOW data resides in several source data application systems in both HHSC as well as the TMHP contract partner. The new data mart will consolidate data from these various source systems into a central repository. The availability of the NF CHOW data in one location will allow HHSC business units that rely on this information to:

- more easily understand where in the process a particular CHOW is without the need of checking multiple systems,
- provide more accurate reporting by having an established process that combines the data the same way each time,
- support ongoing process improvement, and
- give staff access to data which represents the entire CHOW process rather than a limited view of their single program area, allowing for enhanced reporting and data queries with an intent to utilize this data for further opportunities to improve the process.

External partners outside of HHSC will not have access to the data mart. Reports will be provided to external partners to improve processes such as NFs establishing new contracts with MCOs.

The Office of Data Analytics & Performance (DAP) is contributing resources to this effort and will be responsible for developing and maintaining the data mart, which

will include loading data into the data mart at an agreed-upon frequency and training end-users or assisting with/facilitating utilization of the data mart. In addition, in January OTI and DAP reached out to NF providers and Managed Care Organizations (MCOs) to get their feedback on information and data needs related to the NF CHOW process. In April 2021 as an initial deliverable, DAP provided the NF CHOW Committee pilot data report and visualizations. DAP is developing timelines for completion of the data mart. Next steps, following the creation of the data mart, will be the creation of NF CHOW Reports for internal and external users and determining responsibility for providing this information.

TULIP Improvements

TULIP is the online licensure portal where providers are required to submit their licensure applications, including CHOW applications. Several recommendations relate to enhancements/corrections to TULIP, including:

- beginning application processing earlier,
- improving TULIP navigation for providers,
- modifying how ownership information is entered,
- allowing staff to alter the CHOW effective date,
- allowing providers to alter the CHOW effective date prior to submission,
- providing real-time notifications, and
- maintaining contract documents in TULIP.

The improvement of TULIP navigation is in progress now and is undergoing user acceptance training in September 2021. This will make the portal more user friendly for the provider.

The Regulatory Services Division continues to evaluate and prioritize TULIP corrections and enhancements. At the time of this report, the TULIP Roadmap is being updated and is in the approval process.

Provider Training

The NF CHOW committee has been working with the LTC Regulation Policy, Rules, and Training unit to create training related to the NF CHOW licensure and Medicaid contracting process. At the time of this report, the training is drafted. The implementation of the training has been delayed due to the expected update to

TULIP, which will change how the provider sees TULIP. Once the TULIP application initiation project is implemented, the provider training for licensing and contracting can be finalized and published.

Electronic Issuance of TMHP PIN

Updating the process to issue NF providers a new PIN remains a component of TMHP process improvements. TMHP recommended issuing NF providers a new PIN by secure email, instead of through the mail, which will further reduce processing time. This recommendation is being implemented through a Provider Enrollment and Management System (PEMS) project discussed below. TMHP included this recommendation in the PEMS project because the capability to collect and send information by secure email is already part of PEMS, and this would be a more effective use of TMHP resources.

3. Key Dependencies

Technical Constraints

Enhancements to TULIP are limited to the technical constraints of the Salesforce platform and the current TULIP structure.

Resource Constraints

All improvements, including enhancements to TULIP, are dependent on the availability of resources for implementation.

IT Governance Project

Additional improvements related to the streamlining of contracting forms are dependent on the IT Governance Project timeline and resources.

PEMS Project

Implementation of the electronic issuance of the THMP PIN is dependent on execution of PEMS. OTI is tracking implementation and will report progress to the NF CHOW Committee.

Conclusion

HHSC leadership remains committed to streamlining the NF CHOW process. Enhanced processes are critical to respond to the challenges and demands facing state agencies and providers in the rapidly changing health and human services environment.

Focusing on process efficiencies through technology is key to this effort. Enhancements to current systems, such as TULIP, are central to improving navigation for providers. Exploring new electronic options and reducing manual processes, such as the newly implemented online LTC EDI application process, are also important.

The NF CHOW Committee has made significant strides on implementation of the recommendations and sees improvement in the NF CHOW process. Providers' feedback shows they have also seen improvement, and the NF CHOW Committee is meeting directly with providers to hear their concerns. It is vital the current momentum continue, and remaining recommendations be implemented.

The NF CHOW Committee is committed to improving the quality of current processes and strives to break down barriers that providers encounter in the NF CHOW process.

List of Acronyms

Acronym	Full Name
CAPM	Contract Administration and Provider Monitoring
CHOW	Change of Ownership
EDI	Electronic Data Interchange
H.B.	House Bill
HHSC	Health and Human Services Commission
IT	Information Technology
LTCR	Long-term Care Regulation
MCO	Managed Care Organization
NF	Nursing Facility
OP	Office of Performance
OTI	Office of Transformation & Innovation
PIN	Personal Identification Number
PL	Provider Letter
PMES	Provider Management and Enrollment System
TMHP	Texas Medicaid & Healthcare Partnership
TULIP	Texas Unified Licensure Information Portal

Appendix A. Table of Recommendations

Table 1: Overarching Recommendations

No.	Recommendations	Status	Status Notes as of April 2021
1.1	Form a CHOW Committee to oversee implementation of improvements and report on progress.	Complete	As of May 2020, the NF CHOW Committee is operational and co-chaired by the Directors RSD Licensing & Certification unit and MCS Contract Administration and Provider Monitoring (CAPM) unit. The Committee meets on a regular basis, approximately monthly. The following areas provide Committee and workgroup support as needed: Office of Transformation & Innovation Office of Performance Regulatory Services Division Medicaid & CHIP Services Division LTC Claims Management Texas Medicaid & Healthcare Partnership Office of Chief Counsel
1.2	Provide regular CHOW reports with key data elements to internal operational areas, providers, and external partners.	To begin in FY2022	On request of the NF CHOW Committee, as of November 2020, the Office of Transformation & Innovation is leading a workgroup for implementation. The Office of Data Analytics and Performance is contributing staff resources to this effort and will be responsible for developing and producing a NF CHOW Centralized Data Mart, which is a more comprehensive solution to providing needed data and information, including reports, for HHS business areas that rely on this information. **Implementation Issues/Risks** As the scope, frequency, and method of report delivery are more fully developed by the workgroup, technical and resource constraints could impact implementation. OTI and OP are monitoring issues/risks.
1.3	Expand or develop new internal and external trainings and guidance on the CHOW process.	Expected in FY2022	The NF CHOW committee has been working with LTCR Policy, Rules, and Training unit to create training related to the NF CHOW licensure and Medicaid contracting process. A draft of the training has been developed. The implementation of the training has been delayed due to the expected update to TULIP which will change how the provider sees TULIP. Once the TULIP application initiation project has been implemented, the provider training for licensing and contracting can be finalized and published.

Table 2: Licensing Recommendations

No.	Recommendations	Status	Status Notes as of April 2021
2.1	Streamline licensing processes. This includes reducing the time for initial review of a CHOW application.	Complete	Licensing was able to reduce the initial review of a NF CHOW application from the stretch goal of 14 days to 10 days from the 30-day allowance in the Texas Administrative Code.

No.	Recommendations	Status	Status Notes as of April 2021
2.2	Start the license application process upon receipt of fee payment.	To begin in FY2023	In order to implement this recommendation, the system capability to initiate an initial review prior to payment received milestone in TULIP was evaluated and determined that an enhancement to TULIP would be needed to move forward. **Implementation Issues/Risks** The technical limitations of TULIP to allow this process without negative consequences on the application processing is being evaluated. Resource limitations related to TULIP corrections and enhancements may be a factor.
2.3	Improve TULIP licensing system navigation to more effectively guide applicants through the process.	To be deployed in FY2022	The improvement of TULIP navigation is in progress now and is Undergoing user acceptance testing in April 2021. This will enhance the portal from the provider's perspective to be more user friendly. As part of this process, RSD has been meeting with external stakeholders to gain input on how the provider portal will look. For additional elements of this recommendation, the Regulatory Services Division continues to evaluate and prioritize TULIP corrections and enhancements. The TULIP Roadmap is being updated and will include this recommendation. **Implementation Issues/Risks** The technical limitations of TULIP and resource limitations related to TULIP corrections and enhancements may be a factor.
2.4	Implement enhanced controls around changes to CHOW effective dates.	Complete	A clear policy was developed for when and how many times the CHOW effective date could be changed by the provider. In order to communicate this change with providers, a provider letter (PL 20-36) was published. A new CHOW affidavit was created to streamline this form. The new form will be used for all long-term care providers. As the request of CAPM, the contract number is included on the form so that they can use the form for their function as well. In order to communicate this change with providers, a provider letter (PL 21-02) was published.
2.5	Provide near real-time notifications from TULIP to key internal areas and external partners.	To begin in FY2022	The Regulatory Services Division continues to evaluate and prioritize TULIP corrections and enhancements. The TULIP Roadmap is being updated and will include this recommendation. **Implementation Issues/Risks** The technical limitations of TULIP and resource limitations related to TULIP corrections and enhancements may be a factor.

Table 3: Contracting Recommendations

No.	Recommendations	Status	Status Notes as of April 2021
3.1	Streamline contracting processes.	Complete	CAPM mapped their process and created policies and procedures and provided training to all contracting staff on the NF CHOW contracting process. To increase information sharing, CAPM's access into the licensure portal (TULIP) was validated. A forms workgroup reviewed and significantly reduced the number of forms required for the contracting process and identified an obsolete rule to be abolished s. **Implementation Issues/Risks** HHSC have retired unnecessary forms and received authorization to discontinue application of the obsolete rule. The repeal of the contracting ethics rules in 40 TAC Chapter 79, Subchapter S, is now unstuck. The Rules Coordination Office is beginning to route the proposal packet for final approvals. The current plan is to publish the proposed repeal before the matter goes to the Executive Council in August. If all goes according to plan, the repeal will be effective November 28, 2021.
3.2	Streamline and create auto populating contracting forms.	Closed	This recommendation was found to be not workable. There is a broader project with IT Governance that would include these forms.
3.3	Continue to coordinate with the Regulatory Services Division on simplifying the ownership disclosure process.	To begin in FY2022	The Regulatory Services Division continues to evaluate and prioritize TULIP corrections and enhancements. The TULIP Roadmap is being updated and will include this recommendation. **Implementation Issues/Risks** The technical limitations of TULIP and resource limitations related to TULIP corrections and enhancements may be a factor.
3.4	Maintain contracting documents in the TULIP licensing system.	Currently under discussion	The Regulatory Services Division continues to evaluate and prioritize TULIP corrections and enhancements. The TULIP Roadmap is being updated and will evaluated the inclusion of this recommendation. **Implementation Issues/Risks** The technical limitations of TULIP and resource limitations related to TULIP corrections and enhancements may be a factor.
3.5	Develop clear policies and procedures to guide the NF contracting process.	Complete	CAPM mapped their process and created policies and procedures and provided training to all contracting staff on the NF CHOW contracting process.

Table 4: Payment Recommendations -- Texas Medicaid & Health Care Partnership

No.	Recommendations	Status	Status Notes as of April 2021
4.1	HHSC and TMHP should collaborate to streamline processes. This includes electronic submission of EDI agreements and issuance of new PINs by secure email.	Complete	As of May 2020, OTI engaged with TMHP on implementation this recommendation. As of February 2021, the new process implemented was leveraged to benefit all LTC providers beyond nursing facilities, such as HCS, TxHML, and private ICFs. Initial data shows that the new LTC EDI process has significantly reduced error rates and decreased processing time. **Implementation Issues/Risks** N/A
4.2	HHSC and TMHP should collaborate to streamline processes, to include issuing new PIN numbers to NF providers by secure email instead of postal mail.	To begin in FY2022	Originally included in recommendation 4.1, the recommendation to issue new PINs by secure email to NFs undergoing a CHOW is now incorporated in the larger TMHP Provider Enrollment and Management System (PMES) project. The PMES project is expected to be completed in August of 2021, and OTI is monitoring progress. **Implementation Issues/Risks** TMHP included this recommendation in the PEMS project because the capability to collect and send information by secure email is already part of PEMS, and this would be a more effective use of TMHP resources. However, implementation is dependent on execution of PEMS.