Managed Care Organizations: Value-Added Services

Managed Care Organizations (MCOs) across the state offer value-added benefits as a means to attract Medicaid and CHIP beneficiaries to enroll with their health plans. Value-added services are additional benefits not covered under Texas Medicaid and are paid for by the MCO that offers the benefit. Value-added benefits range from giveaways to members like dental kits and car seats to actual additional services that are covered under the health plan and reimbursed to the provider on top of Medicaid-covered benefits. Examples of these include sports physicals for CHIP recipients and limited adult dental benefits for STAR beneficiaries. Value-adds must be approved by the state before they are offered to Medicaid or CHIP recipients, and are subject to change over time. Also, value-added services often vary by service area and Medicaid or CHIP program.

Since value-adds are non-Medicaid-covered services, they are not reimbursable to FQHCs under the PPS methodology. Instead, FQHCs can expect to be reimbursed for value-adds under a fee for service rate that is determined by the MCO offering the value-added service. Because of the re-procurement of state Medicaid managed care contracts and dental contracts earlier this year, many value-added services will change on March 1, 2012 when the new contracts take effect.

Some MCOs will be offering new value-added services in the form of dental benefits for adult Medicaid STAR beneficiaries in the Medicaid Rural Service Areas (MRSA). Since the majority of Medicaid and CHIP beneficiaries will receive their dental services through the state dental program (with the exception of certain excluded populations like STAR Health foster children), most Medicaid-covered dental claims will go to one of the three dental managed care organizations (Delta Dental, MCNA and Denta Quest). However, some MCOs may be offering adult dental value-added benefits through another subcontractor who is handling only these dental value-added services. This means that health centers may have to contract with another subcontractor to be paid the extra value-added adult dental claims. Keep in mind that these contracts would not need to include PPS language if they only cover value-added dental benefits, because the value-added services will be reimbursed fee for service.

For example, Amerigroup is using a health plan called Health Velocity to handle its adult dental value-adds for Medicaid STAR recipients. So, if you are in a MRSA where Amerigroup holds a STAR contract and have received a dental contract to sign from Health Velocity, you may want to contract with them in order to be paid for providing those value-added benefits (but you won’t need to be contracted with them to be paid for providing Medicaid-covered dental benefits, as those will go through the dental MCOs, with the exception of certain excluded populations mentioned above who will continue to receive dental benefits through their current method). These value-adds generally have low annual caps per member, but you may end up providing the service to a large number of patients if you see a high number of adult Amerigroup STAR members.

Centers need to be familiar with the value-added services that are offered by each MCO in their service area so there will not be any missed opportunities to perform and be reimbursed for services that may be offered as value-adds but are not otherwise covered under Medicaid. HHSC provides comparison charts that show each MCO’s value-added services per Medicaid and CHIP program by service area.
These charts are available online if you search “value-added comparison charts” on the HHSC website (http://www.hhsc.state.tx.us/). Unfortunately, these charts have not yet been updated to reflect the changes that will take effect March 1, 2012 (but the dental MCO value-added services chart is already available). HHSC plans to have updated charts available soon. In the meantime, the old charts will be helpful to peruse if you want more information about value-adds or if you want current information for programs that were not included in the recent re-procurement and will not be changing (e.g. CHIP RSA contracts). Please contact Shelby Tracy (stracy@tachc.org) if you have questions on value-added services.