Administrative Complaint

Office for Civil Rights
U.S. Department of Health and Human Services 200 Independence Avenue, S.W.,
Room 509F Washington, DC 20201

U.S. Department of Justice
Civil Rights Division
950 Pennsylvania Avenue, NW
Washington, DC 20530

Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, Maryland 21244

Re: Discriminatory Medicaid Renewal Processes in Texas

The National Health Law Program (NHeLP) and Disability Rights Texas (DRTx) file this complaint on behalf of the people with disabilities who are discriminated against by the policies and processes of, and failure to act by, the Texas Medicaid program and the Texas Health and Human Services Commission (HHSC). NHeLP protects and advocates for the health rights of low-income and underserved individuals, including people with disabilities, through advocacy, education, and litigation at the federal and state levels. DRTx is the federally mandated protection and advocacy program (P&A) for Texas and helps people with disabilities understand and exercise their rights under the law, ensuring their full and equal participation in society. NHeLP and DRTx have been advocating to address Medicaid renewal issues causing unwarranted coverage losses in Texas throughout the unwinding of the Medicaid continuous coverage period.

Texas Medicaid operates renewal systems and processes that fail to provide equal access to Medicaid coverage. Texas processes cause home and community-based services (HCBS) waiver enrollees to undergo administratively burdensome renewals when they are eligible in Medicaid categories that should be renewed based on information readily available to the state. In addition, HCBS enrollees are not being
properly evaluated for all categories of coverage under Texas Medicaid policies. When HCBS enrollees are wrongfully terminated, Texas Medicaid directs individuals to the state’s call center that often provides incorrect and misleading information to people with disabilities, screening them out from coverage and dissuading them from requesting a Medicaid fair hearing.

Legal Background

Texas HHSC has an affirmative obligation to people with disabilities to ensure equal access to services and nondiscrimination under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973. States must not simply avoid disability discrimination, but actively ensure access to its programs and services, including through program design and policy choices as well as evaluations of access. A state must also make reasonable accommodations to its policies and procedures when necessary to ensure program access to people with disabilities and make operational choices such that the program does not discriminate by design or policy. A program that responds ad hoc to access issues, fails to adequately plan, requires individuals to hope assistance occurs, or otherwise deters access does not meet the affirmative obligations of disability discrimination protections. The relevant inquiry is “whether those with disabilities are as a practical matter able to access benefits to which they are legally entitled.” Texas Medicaid HCBS waiver enrollees do not have such access.

Statement of Problems

1 “DOJ and HHS both enforce the Americans with Disabilities Act (ADA) with respect to state Medicaid programs. . . . This includes providing individuals with disabilities equal opportunity to participate in and benefit from a state’s Medicaid program.” U.S. Dep’t of Justice Civil Rts. Div. & Ctrs. for Medicare & Medicaid Services, Dear State Medicaid Admin. & Other Interested Parties (Jan. 24, 2024).

2 42 U.S.C. § 12132; 29 U.S.C. § 794; see also Pierce v. Dist. of Columbia, 128 F. Supp. 3d 250, 269 (D.D.C. 2015) (discussing the affirmative obligations under the ADA and obligation to evaluate programs and services to ensure they are providing access).

3 42 U.S.C. § 12132; 28 C.F.R. § 35.130(b); Tennessee v. Lane, 541 U.S. 509, 524-26 (2004) (the ADA is prophylactic measure needed to counter systematic deprivations of rights); Ability Ctr. of Greater Toledo v. Sandusky, 385 F.3d 901, 907 (6th Cir. 2004); see also Pierce 128 F. Supp. 3d at 269.

4 42 U.S.C. § 12101(a)(5) (ADA purpose includes discriminatory policies and criteria); 385 F.3d at 901; Disabled in Action v. Bd. of Elections, 752 F.3d 189, 200-02 (2d Cir. 2014).

5 Disabled in Action, 752 F.3d at 200-02.

Texas Medicaid fails to meet the needs of HCBS waiver enrollees, all of whom have disabilities and would otherwise be served in institutional settings. The Texas eligibility system and eligibility workers fail to properly screen HCBS waiver enrollees for ongoing eligibility in their current categories or any other category of Medicaid eligibility. The system choices and problems also fail to renew these individuals on information already available to it, as is required, including those eligible as disabled adult children (DAC). Such a failure screens out disabled individuals by subjecting them to unnecessary administratively burdensome processes. When a person tries to address a Medicaid termination, Texas’ processes create additional barriers for people with disabilities. The call center provides erroneous information to HCBS waiver enrollees about their eligibility and fails to provide accurate information about appeals that would be critical to continuing services for HCBS enrollees.

I. Texas Medicaid Home and Community-Based Services Programs

Texas operates several Medicaid HCBS programs that provide services to over 300,000 individuals. These programs include Community Living Assistance and Support Services (CLASS), Home and Community-based Services (HCS), Medically Dependent Children Program (MDCP), and the STAR+PLUS waiver program. These waivers include individuals eligible for Medicaid under a variety of eligibility categories and provide eligibility for individuals in the “special home and community-based waiver group” that permits individuals to enroll if they would otherwise be institutionalized, including those with incomes higher than typical Medicaid income levels. Texas allows the special income level of 300% of the SSI Federal Benefit Rate for many of its waivers. These Medicaid HCBS waivers are designed to provide critical services to help people with disabilities live, work, and recreate in the most integrated settings appropriate to their needs. Most waiver participants rely on services, such as personal

---


9 See, e.g., Texas CLASS Waiver, at 27 (Feb. 26, 2024), https://www.hhs.texas.gov/sites/default/files/documents/class-waiver-amend-feb-26-2024.pdf; see also Molly O’Malley Watts et al., supra note 7, at App. Tbl. 3 (summarizing the financial eligibility criteria for HCBS waivers by target population and state for FY 2020)
care, to meet their basic daily living needs and a gap in services can be detrimental to their health, safety, and ongoing community integration.\textsuperscript{10} While the Texas HCBS waivers have a significant number enrolled, there are more people on the interest lists awaiting these services. This means that should a person lose their waiver slot through a loss of Medicaid eligibility, there are many more waiting for that spot.\textsuperscript{11}

\textbf{II. Texas Medicaid Renewal Policies}

The early stages of the Texas Medicaid renewal process are automated. The first step of a Texas Medicaid renewal is automated, including the sending of correspondence. The automated renewal process is supposed to use information from the existing case record and electronic data sources to determine if the person remains eligible.\textsuperscript{12} This includes when a person is determined eligible for another type of Medicaid due to a change in circumstances.\textsuperscript{13} If there is enough information in the data sources checked automatically, then the person is renewed without staff action. Similarly, if more verification is required, the eligibility system automatically generates and mails a renewal form and applicable correspondence.\textsuperscript{14}

While Texas has some processes for streamlined redetermination for disabled individuals, these processes are for a limited number of eligibility types.\textsuperscript{15} It is not clear from the relevant handbooks what information is reviewed in the automated system, including whether the system interprets the Social Security data that indicates type of

\textsuperscript{10} \textit{Olmstead v. L.C. ex rel. Zimring}, 527 U.S. 581 (1999). Managed care of waiver services, such as the STAR+PLUS program, can also create an additional gap in services because a person typically has to wait until the beginning of the next month to be re-enrolled in the relevant managed care plan.

\textsuperscript{11} Kaiser Fam. Found., Medicaid HCBS Waiver Waiting List Enrollment, by Target Population and Whether States Screen for Eligibility (2023), \url{https://www.kff.org/medicaid/state-indicator/medicaid-hcbs-waiver-waiting-list-enrollment-by-target-population-and-whether-states-screen-for-eligibility/?currentTimeframe=0&sortModel=%7B%22collId%22:%22Location%22,%22sort%22:%22asc%22%7D} (showing that Texas has 342,575 individuals on its “interest list” and noting that the State does not screen for eligibility before a person goes on such lists).


\textsuperscript{13} \textit{Id.} at B-8460.

\textsuperscript{14} \textit{Id.}

\textsuperscript{15} \textit{Id.} at B-8440, Streamlined Redetermination (Passive Redetermination). These processes apply to most of the MSP populations and the Community Attendant Services if they are considered stable, meaning one bank account, excluded burial funds, excluded resources, income requiring not more than annual verification, and variable income not more than $4.99.
benefits or if it recognizes that a person is currently enrolled in an HCBS waiver. Or what steps the system takes if it recognizes either of the aforementioned statuses. Whether a person is renewed through one of these limited streamlined process is fully automated, leaving all others to face more administratively burdensome renewal processes.

A. Texas Fails to Renew Eligible Disabled Adult Children Based on Available Data.

Texas is a “1634 state,” meaning that individuals who receive SSI are also eligible for Medicaid without further application or processing. States receive information about who gets SSI and is thus eligible through data transfers from SSA. States are expected to assume that people in this population remain eligible unless SSA sends information indicating the person has lost or will be losing SSI. SSA data includes information that an individual is eligible as a disabled adult child. By statute, an individual eligible as a Disabled Adult Child (DAC) is eligible for Medicaid. Despite the fact that SSA data indicates DAC status, Texas Medicaid requires people transitioning from SSI to DAC

---


17 CMS, End of the Medicaid Continuous Enrollment Condition Frequently Asked Questions for State Medicaid and CHIP Agencies, Q18 at 12 (May 12, 2023) https://www.medicaid.gov/sites/default/files/2023-08/caa-2023-unwinding-faqs-05122023.pdf (regarding the reliability of SDX data and that state retain Medicaid eligibility for those on SSI until SDX indicates termination of SSI; also noting the renewal requirements of 42 C.F.R. §§ 435.916(d) & (f); 435.930 before terminating coverage, which includes relying on data and requesting needed information from individuals).

18 SDX, which is commonly how states receive SSA information, includes the Beneficiary Identification Code field, which indicates a person’s Medicaid eligibility status by type of category, including Disabled Adult Child, which appears as a “D” in that field. SSA, SDX https://www.ssa.gov/dataexchange/documents/SDX%20record.pdf. For an explanation of field codes, see the SVES-SOLQ manual, which is part of the data transferred to states. SSA, The State Verification and Exchange System (SVES) and State Online Query (SOLQ) Manual 78-79 (July 2023), https://www.ssa.gov/dataexchange/documents/sves_solq_manual.pdf. See generally SSA, Program Operations Manual System (POMS), GN 03314.155 Automated Data Exchanges between the Social Security Administration and State Agencies, https://secure.ssa.gov/poms.nsf/lnx/0203314155.

19 42 U.S.C. § 1383c(c).
status to file the general Medicaid application (form H-1200), within a two month period from SSI termination to have their Medicaid renewed.  

Since the unwinding of the continuous coverage began, HCBS enrollees have lost eligibility when they are both eligible for DAC and through the HCBS waiver, leading to gaps in coverage of critical waiver services. Even families that dutifully follow the procedures to reapply for Medicaid have lost coverage due to the failures of Texas Medicaid. When these individuals and families seek to problem-solve their eligibility determinations, they frequently run into barriers and have only been able to resolve their problems through intervention from advocacy. In some cases, even the efforts of attorneys have been met with inaction by HHSC.

**B. Texas Medicaid Fails to Evaluate HCBS Enrollees for All Categories of Eligibility.**

Like many enrollees, HCBS enrollees may shift categories of eligibility and remain eligible for Medicaid. However, HCBS enrollees are frequently eligible in categories that are less familiar to front-line staff, such as call center employees, and even many eligibility workers. Disability-related categories are also less frequently fully automated, requiring workers to process a category by looking in other data sources or doing particular calculations. Additionally, people with disabilities are often eligible for waiver services through multiple categories of eligibility. As such, states must have clear policies and processes to ensure that individuals with disabilities are fully evaluated for all categories of eligibility, and that this evaluation is first done using available data sources so as to not require action by the enrollee.

Texas processes and procedures are not reliably evaluating HCBS enrollees for all categories of eligibility before termination. HCBS enrollees are being wrongfully terminated from the categories of eligibility they are in and disenrolled from their waivers, and they are terminated from their waivers even though they remain eligible under one or more other categories of eligibility. For example, individuals who are eligible for Medicaid and continued HCBS enrollment as a DAC and who are also eligible for Medicaid because they are under the income limits of the special HCBS

---

20 Texas Health & Human Servs., Medicaid for the Elderly and People with Disabilities Handbook, B-7100, SSI Applications. This process is similar for other categories that also have SSA indicators, such as widow/widower.
21 App. 1, HCBS Enrollees 2, 8 & 9.
22 Id.
23 See generally App. 1
24 See, e.g., App. 1, HCBS Enrollee 1.
25 42 C.F.R. § 435.916(b.)
26 See, e.g., App. 1, HCBS Enrollee 2, 3 & 8.
waiver category, have been terminated despite their eligibility through multiple pathways.27

C. HCBS Enrollee Experiences Indicate System Errors that Screen Out People with Disabilities.

Texas Medicaid has erred on multiple HCBS enrollees’ cases in ways that indicate systemic problems for people with disabilities. Examples include ending eligibility and waiver enrollment for SSI recipients and being unable to move individuals who were automatically and erroneously transferred to the Healthy Texas Women program to the appropriate eligibility category.28 HCBS enrollees who have long been eligible under the same category, such as DAC, have been terminated from coverage.29 The lack of response to submitted applications and materials indicate systems issues with documentation that limit access to the program.30 Because people with disabilities are generally required by Texas policies to submit full applications as renewals or otherwise submit significant documentation, such as for assets, they are significantly impacted, and screened out, by HHSC’s errors.

Texas HCBS enrollees and advocates previously requested that Texas Medicaid use a targeted group of enrollment workers to perform the HCBS waiver renewals, or at least for certain of the waiver programs. Texas declined. And, in the face of numerous wrongful terminations of HCBS waiver enrollees, it is not clear that Texas Medicaid has taken any steps to identify people similarly affected by these issues, nor taken measures to ensure that the same types of errors do not repeat.

27 See, e.g., App. 1, HCBS Enrollee 2, 3 & 8.
28 See App. 1, HCBS Enrollees 1 & 3.
29 See, e.g., App. 1, HCBS Enrollees 5, 8, 9 & 11.
III. The Texas Call Center Routinely Provides Harmful Information & Limits Access.

Enrollees consistently report that 2-1-1, Texas Medicaid’s main call center, has extremely long wait times and then provides incorrect and harmful information. One particularly harmful practice of 2-1-1 is that it encourages people calling with termination questions to reapply rather than appeal. Or alternatively to complain, but not to appeal. This practice, which is likely a script or instructions provided to 2-1-1 workers, fails to understand the impact for people with disabilities, especially those receiving HCBS, of a gap in coverage or losing a waiver slot generally. Such a gap in coverage is exacerbated when an individual is enrolled in managed care as they frequently have to wait until the beginning of the next month to enroll in their managed care plan and thus receive services. By appealing, a person can elect to receive continued benefits pending appeal. But this request must be made timely. In contrast, if a person reapplies they may receive retroactive benefits, but this typically does not provide for HCBS services to continue during an application. In addition, while most applications are supposed to only take 45 days to process, those based on disability can take 90


32 See, e.g., App. 1, HCBS Enrollees 5, 6, 7, 9 & 12.


34 See, e.g., App. 1, HCBS Enrollees 11 & 12.

35 The Texas Medicaid appeals system is also not adequately functioning for people with disabilities as it is not reliably providing continuing benefits pending appeal when requested. See App. A, HCBS Enrollee 10.

36 Appealing timely such that a person can request continued benefits pending appeal requires that a person understand the notice they receive, and that they are not discourage from appealing, including through the provision of misleading information. Texas notices can be complicated and difficult to understand. See Ex. 1, Notice Example.
days. These deadlines presume the state is processing applications timely. Texas has reported significant delays during the unwinding period, including taking an average of 120 days for an application to be touched in November.

Even if Texas Medicaid could timely process applications, people with disabilities may be waiting 90 days to be enrolled. This type of gap in coverage can be devastating to those who use HCBS as they may lose their residential setting, their direct support providers, as well as access to other critical services. The result being that people no longer have the supports to participate in community activities, they may be institutionalized, and they may be injured or otherwise jeopardize their health and welfare as they try to struggle without HCBS. For example, a nine-year-old girl missed 5-6 weeks of HCBS and was unable to access the home care she needed, although her parents were able to pay for about $1,000 of care out of pocket. Losing eligibility for that period caused her to miss critical physical therapy, and she lost her place in that program. She was also hospitalized for reasons her parents associated with her lack of services. Similarly, a blind woman who lives alone was without Medicaid coverage for three months and went without critical personal care services throughout that time, threatening her community integration and causing her undue stress. As she explained, “that was the most horrible experience that I believe I have experienced in a long while.”

The call center also provides oversimplified and incorrect information. This is particularly relevant to people with disabilities as oftentimes the 2-1-1 workers are providing information based on simplified eligibility for MAGI populations and do not recognize that disability-related categories often have different income and other standards. For example, 2-1-1 has told individuals eligible for Medicaid through DAC and HCBS waivers that they are over-income for Medicaid and thus ineligible. The training materials, policies, and scripts used by the 2-1-1 call center workers have not been made publicly available, so it is unclear as to the basis of the inaccurate information provided. In any event, it is clear that 2-1-1 does not have a process through which a

---

37 42 C.F.R. § 435.911.
39 See, e.g., App. 1, HCBS Enrollee 12.
40 See generally App. 1.
42 App. 1, HCBS Enrollee 7.
43 App. 1, HCBS Enrollees 7, 9 & 12.
person identifies as disabled and is directed to someone who can provide appropriate information and assistance.

The policies and practices of the 2-1-1 call center screen out people with disabilities and impede equal access. The treatment and overall lack of meaningful assistance received by many HCBS enrollees also calls into question whether 2-1-1 and Texas Medicaid generally has necessary reasonable accommodation policies and practices.

**Conclusion**

Texas Medicaid policies and practices limit access to Medicaid coverage for HCBS waiver enrollees. Limiting access to coverage through system design and errors not only causes individuals to miss necessary health care appointments, but causes devastating gaps in HCBS that leave people without needed daily services and puts their community integration in jeopardy. As HCBS waiver participants, they are all eligible for institutional care and depend on their HCBS to keep them in the community.

Texas Medicaid ignored concerns raised prior to the start of unwinding about the accuracy of eligibility for HCBS waiver participants and the risk of harm. It has continued to ignore harbingers of systemic problems affecting eligibility for HCBS enrollees. And its customer service avenues continue to provide incorrect information. A system that requires HCBS waiver enrollees to only be able to resolve their eligibility problems through the help of legal advocacy organizations is not a functioning system providing access to people with disabilities.

Texas Medicaid is failing to provide equal access to ongoing coverage and is not meeting its affirmative obligations to the HCBS waiver populations. We ask that Texas Medicaid be required to promptly halt procedural terminations for the HCBS waiver populations. We also request that the Department order Texas Medicaid to quickly evaluate those in the HCBS waiver populations that have been terminated since renewals began anew in 2023 and determine if they should have been found eligible under another category of eligibility or were sent unnecessary information requests that led to a termination. We also ask that Texas Medicaid be required to either create a separate helpline for people with disabilities that is equipped with the requisite knowledge and information to help these populations or otherwise make changes to ensure that existing call center employees provide accurate information. We further ask that Texas Medicaid be required to implement monitoring protocols to ensure ongoing access by HCBS enrollees throughout the state.

Dated: March 11, 2024

Respectfully submitted,

Elizabeth Edwards
Jane Perkins
National Health Law Program

Maureen O’Connell
Peter Hofer
Disability Rights Texas