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State/Territory Name: Texas

State Plan Amendments (SPA) #: TX-17-0043

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) State Plan

AUG 31 2017

Jami Snyder
State Medicaid/CHIP Director
Health and Human Services Commission
P.O. Box 13247
Mail Code H100
Austin, TX 78711

Dear Ms. Snyder:

In light of the many challenges facing the State of Texas in the wake of Hurricane Harvey, the Centers for Medicare & Medicaid Services (CMS) is pleased to provide immediate approval of your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA) number TX-17-0043, submitted on August 31, 2017. This SPA provides temporary adjustments to the state's enrollment and redetermination policies, and cost-sharing requirements for children in families impacted by disaster events.

CMS understands that this event has disrupted the lives of millions of Texans and appreciates the state's efforts to ensure that families enrolled in CHIP do not experience an interruption in their health coverage. Through this SPA, the state can provide families with additional time to complete the renewal process, and has the flexibility to waive enrollment fees and co-payments for children in families living in Federal Emergency Management Agency (FEMA) declared disaster counties. This amendment, as it applies to the August 2017 hurricane, has a retroactive effective date of August 25, 2017, and a duration through November 30, 2017.

Specifically, the state will be able to take the following actions for enrollees in FEMA declared disaster counties:

- Provide enrollees eligibility, allowing them to receive services beyond their certification period and provide additional time to submit a renewal or verification.
- Waive certain verification requirements at application and renewal. The state may allow self-attestation to complete the eligibility determination, consistent with the regulations.
- Waive co-payments through November 30, 2017.
- Waive enrollment fees for families approved for coverage or renewal in August, September, October and November 2017.

In the event of a future natural disaster, this SPA provides Texas with the authority to implement the aforementioned temporary policy adjustments by simply notifying CMS of its intent, the effective date and duration of the provision, and a list of the FEMA or Governor declared disaster areas that are applicable. While the state must provide notice to CMS, this option

provides an administratively streamlined pathway for the state to effectively respond to this evolving event.

Your title XXI project officer is Ms. Janice Adams. She is available to answer questions concerning this amendment and other CHIP-related issues. Ms. Adams' contact information is as follows:

Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health Operations
Mail Stop: RX-200
701 Fifth Avenue, Suite 1600
Seattle, WA 98104
Telephone: (206) 615-2541
Facsimile: (443) 380-6118
E-mail: Janice.Adams@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Adams and to Mr. Bill Brooks, Associate Regional Administrator (ARA) in our Dallas Regional Office. Mr. Brooks' address is:

Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health Operations
1301 Young Street, Suite 714
Dallas, TX 75202

If you have additional questions, please contact Ms. Amy Lutzky, Director, Division of State Coverage Programs, at (410) 786-0721. We look forward to continuing to work with you and your staff on your program and stand ready to assist the state in any capacity to further the recovery efforts.

Sincerely,

/ Brian Neale /

Brian Neale
Director

cc:

Mr. Bill Brooks, ARA, CMS Region VI, Dallas

MODEL APPLICATION TEMPLATE FOR
STATE CHILD HEALTH PLAN UNDER TITLE XXI OF THE SOCIAL SECURITY ACT
STATE CHILDREN'S HEALTH INSURANCE PROGRAM

Preamble

Section 4901 of the Balanced Budget Act of 1997 (BBA) amended the Social Security Act (the Act) by adding a new title XXI, the State Children's Health Insurance Program (CHIP). Title XXI provides funds to states to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children in an effective and efficient manner. To be eligible for funds under this program, states must submit a state plan, which must be approved by the Secretary. A state may choose to amend its approved state plan in whole or in part at any time through the submittal of a plan amendment.

This model application template outlines the information that must be included in the state child health plan, and any subsequent amendments. It has been designed to reflect the requirements, as they exist in current regulations, found at 42 CFR part 457. These requirements are necessary for state plans and amendments under Title XXI.

The Department of Health and Human Services will continue to work collaboratively with states and other interested parties to provide specific guidance in key areas like applicant and enrollee protections, collection of baseline data, and methods for preventing substitution of Federal funds for existing state and private funds. As such guidance becomes available, we will work to distribute it in a timely fashion to provide assistance as states submit their state plans and amendments.

Form CMS-R-211

**MODEL APPLICATION TEMPLATE FOR
STATE CHILD HEALTH PLAN UNDER TITLE XXI OF THE SOCIAL SECURITY ACT
STATE CHILDREN'S HEALTH INSURANCE PROGRAM**

(Required under 4901 of the Balanced Budget Act of 1997 (New section 2101(b)))

State/Territory: Texas
(Name of State/Territory)

As a condition for receipt of Federal funds under Title XXI of the Social Security Act, (42 CFR, 457.40(b))

Thomas M. Suehs

(Signature of Governor, or designee, of State/Territory, Date Signed)

submits the following State Child Health Plan for the State Children's Health Insurance Program and hereby agrees to administer the program in accordance with the provisions of the approved State Child Health Plan, the requirements of Title XXI and XIX of the Act (as appropriate) and all applicable Federal regulations and other official issuances of the Department.

The following state officials are responsible for program administration and financial oversight (42 CFR 457.40(c)):

Name: Billy R. Millwee Position/Title: State Medicaid and CHIP Director

Name: Greta Rymal Position/Title: Deputy Executive Commissioner of
Financial Services

Name: Position/Title:

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0707. The time required to complete this information collection is estimated to average 160 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 02-14-26, Baltimore, Maryland 21244.

Section 1. General Description and Purpose of the State Child Health Plans and State Child Health Plan Requirements (Section 2101)

1.1 The state will use funds provided under Title XXI primarily for (Check appropriate box) (42 CFR 457.70):

1.1.1. Obtaining coverage that meets the requirements for a separate child health program (Section 2103); **OR**

1.1.2. Providing expanded benefits under the state's Medicaid plan (Title XIX); **OR**

1.1.3. A combination of both of the above.*

* Phase I children (Medicaid "Phase-In" children) covered under the original Texas CHIP state plan have been completely phased in to Medicaid as an eligibility group. However, the state would reserve the right to continue to claim FMAP for any outstanding and unpaid Medicaid claims for that group for dates of service prior to their conversion to a regular Medicaid FMAP group.

1.2 Please provide an assurance that expenditures for child health assistance will not be claimed prior to the time that the State has legislative authority to operate the State plan or plan amendment as approved by CMS. (42 CFR 457.40(d))

1.3 Please provide an assurance that the state complies with all applicable civil rights requirements, including title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28 CFR part 35. (42CFR 457.130)

1.4 Please provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this plan or plan amendment (42 CFR 457.65):

Effective dates: See below.*

Implementation date: May 1, 2000 (CHIP Phase II)

* The Compliance SPA amendment, approved May 5, 2003, reformatted Texas' previous CHIP state plan covering Phase I and Phase II children. In general, the effective date(s) are the same as the original CMS-approved effective dates for Phase I (Medicaid coverage for phase-in children) and Phase II (separate, state-designed CHIP

coverage up to 200 percent FPL).

Subsequent amendments to the original CHIP state plan (related to the Phase II program) were incorporated into the new state plan template, and are effective per their CMS-approved effective dates. The amendments to date are listed below:

- CHIP Method of Finance Change – Approved December 13, 2001, Effective September 1, 2001.
- CHIP Cost-sharing Changes- Approved May 1, 2002, Effective March 1, 2002.
- CHIP Car Seat Initiative- Approved November 25, 2002, Effective June 15, 2002.
- CHIP Community Health Worker Initiative – Approved May 5, 2003, Effective May 5, 2003.
- CHIP Program Changes related to actions of the 78th Texas Legislature – Approved July 25, 2003, Effective September 1, 2003.
- CHIP Program Changes related to Community Health Worker Initiative – Approved November 18, 2004, Effective August 1, 2004.
- CHIP Restoration of Medical Benefits – Approved May 26, 2006, Effective September 1, 2005.
- CHIP Cost-sharing Changes – Approved May 10, 2006, Effective January 1, 2006.
- CHIP Restoration of Dental Benefits – Approved December 23, 2005, Effective April 1, 2006.
- CHIP Program changes related to the time period for payment of cost-sharing obligations – Approved January 18, 2007, Effective August 1, 2006.
- CHIP Program changes related to the CHIP Perinatal Program – Approved June 2, 2006, Effective September 1, 2006.
- CHIP Program changes related to Applicant and Enrollee Protections – Approved September 24, 2007, Effective May 1, 2007.
- CHIP Program changes related to HB 109, 80th Legislature, Regular Session, 2007 – Approved December 28, 2007, Effective September 1, 2007.
- CHIP Program changes related dental benefits – Approved November 8, 2007, Effective September 1, 2007.
- CHIP extension for enrollment fee payments for Hurricane Ike – Approved October 30, 2008, Effective September 7, 2008.
- CHIP income exemption for temporary census employees – Approved October 30, 2008, Effective October 1, 2008.
- CHIP Program changes applying payment requirements consistent with the Medicaid prospective payment system for federally qualified health centers and rural health clinics, Approved October 25, 2010, Effective October 1, 2009.
- CHIP eligibility expansion for qualified aliens under age 19, Approved February 11, 2011, Effective May 1, 2010.

- CHIP Program change related to hospice care, Approved October 25, 2010, Effective August 1, 2010.
- CHIP Perinatal Program changes allow eligible unborn children to receive coverage for 12 continuous months, except when labor with delivery is paid for by Medicaid and the newborn is deemed eligible for Medicaid, Approved October 25, 2010, Effective September 1, 2010.
- CHIP method of finance change to provide federal matching funds for public school employee children, Approved February 11, 2011, Effective September 1, 2010.
- CHIP changes for behavioral health benefits and cost-sharing, Approved October 25, 2010, Effective March 1, 2011.
- CHIP change to provide federal matching funds for public employee children, Approved July 27, 2011, Effective September 1, 2011.
- CHIP Program change related to the dental program and cost-sharing, Approved August 5, 2011, Effective March 1, 2012..
- Provisions for implementing temporary adjustments to eligibility and enrollment policies for application and redetermination, and cost-sharing requirements for children in families living in in Federal Emergency Management Agency (FEMA) or Governor declared disaster areas at the time of the disaster event: In the event of a disaster, the State will notify CMS of the intent to provide temporary adjustments to its eligibility and enrollment policies for application and redetermination policies and cost-sharing requirements, the effective dates of such adjustments, and the counties/areas impacted by the disaster, Approved , Effective August 25, 2017.

Section 2. General Background and Description of State Approach to Child Health Coverage and Coordination (Section 2102 (a)(1)-(3)) and (Section 2105)(c)(7)(A)-(B))

- 2.1. Describe the extent to which, and manner in which, children in the state including targeted low-income children and other classes of children, by income level and other relevant factors, such as race and ethnicity and geographic location, currently have creditable health coverage (as defined in 42 CFR 457.10). To the extent feasible, make a distinction between creditable coverage under public health insurance programs and public-private partnerships (See Section 10 for annual report requirements). (42 CFR 457.80(a))

The Texas State Data Center projects that in 2007 the population of children under age 19 in Texas will reach 6,731,000. The projected race/ethnic distribution is as follows: 2,613,000 (38.8 percent) Anglo; 822,000 (12.2 percent) African American; 3,054,000 (45.4 percent) Hispanic; and 242,000 (3.6 percent) for all other groups.

The March 2006 Current Population Survey (CPS) is the source for the most recent official estimates for poverty and health insurance coverage in Texas. The estimates are for calendar year 2005.

The survey indicates that in 2005 about 3.7 million (16.2 percent) of Texans had incomes below the federal poverty level (FPL). That total includes approximately 1.5 million children under age 19. The survey also indicates that in 2005 nearly 3.2 million (47.7 percent) of the 6.7 million children under age 19 were in families with incomes at or below 200 percent of FPL.

For 2005, the health insurance coverage status of Texas children under age 19 is estimated as follows*:

**Health Insurance Coverage in 2005:
Texas Children Under Age 19**

<u>Insurance Type</u>	<u>Number of Children</u>	<u>Percent of Children</u>
Medicaid/CHIP/Medicare	1,913,000	28.42%
Private	3,524,000	52.35%
Uninsured	1,294,000	19.22%
Total	6,731,000	100%

Medicaid is the public health insurance program generally available in Texas. There are several public-private partnerships in the State (see 2.2.2 below).

For 2005, the estimated number of uninsured Texas children under age 19 according to age group is as follows*:

Uninsured Texas Children in 2005 by Age Group

Age Group	Number of Children	Number of Uninsured Children	Percent of Children Uninsured
0 – 5	2,206,000	411,000	18.63%
6 – 14	3,131,000	556,000	17.76%
15 – 18	1,394,000	327,000	23.46%
0 – 18	6,731,000	1,294,000	19.22%

For 2005, the estimated distribution of uninsured children under age 19 according to percent of poverty income category is as follows*:

Uninsured Texas Children Under 19 in 2005 by Percent of Poverty Income Category

Percent of Poverty Category	Number of Uninsured Children	Percent of Children Uninsured
0 – 100%	382,000	29.52%
101 – 150%	282,000	21.79%
151 – 200%	235,000	18.16%
Above 200%	395,000	30.53%
Total	1,294,000	100%

For 2005, the estimated distribution of uninsured children according to age group and percent of poverty income category is as follows*:

Uninsured Texas Children in 2005 by Age and Percent of Poverty Income Category

Age Category	0 – 100%	101 – 150%	151 – 200%	Above 200%	Total
0 – 5	134,000	69,000	64,000	144,000	411,000
6 – 14	163,000	133,000	106,000	154,000	556,000
15 – 18	85,000	80,000	66,000	97,000	327,000
0 – 18	382,000	282,000	235,000	395,000	1,294,000

* The sums across some categories may not add up exactly to the total due to rounding. The

poverty and health insurance estimates apply to the segment of the population for whom poverty income status was determined. Poverty income status was determined based on the reported annual household/family income.

2.2. Describe the current state efforts to provide or obtain creditable health coverage for uncovered children by addressing: (Section 2102)(a)(2) (42CFR 457.80(b))

2.2.1. The steps the state is currently taking to identify and enroll all uncovered children who are eligible to participate in public health insurance programs (i.e. Medicaid and state-only child health insurance):

The Texas Health and Human Services Commission (HHSC), which has oversight responsibilities for the four other health and human services agencies, is responsible for the administration of certain programs, including the Texas Medicaid program and CHIP. Children are identified and enrolled in Medicaid or CHIP through a variety of mechanisms.

Enrollment

Medicaid applications are processed in local eligibility offices, hospitals, clinics throughout the State, and by the administrative services contractor. Families may access the application online or by calling a toll-free number to request that an application be mailed to them. They may then submit the completed application and supporting documentation by mail or by fax. Alternatively, families may apply by phone or in person or by mail. HHSC processes all applications when families apply for children's Medicaid and other related programs, such as Medicaid for adults, Temporary Assistance for Needy Families (TANF), etc. The administrative services contractor processes all Children's Medicaid applications when the application is only for Children's Medicaid and/or CHIP. The administrative services contractor collects all required verification and then electronically transmits the application and required verification to a centralized State office where an HHSC employee makes the final eligibility determination for Children's Medicaid.

Identification

HHSC identifies children who are eligible to participate in Medicaid or CHIP through the following resources:

Out-stationed Eligibility Staff - HHSC outstations eligibility workers in clinics and hospitals. This staff perform eligibility functions as well as screening functions for potential Medicaid and CHIP eligibles. There are approximately 300 eligibility workers out-stationed in 190 facilities. The number of out-stationed eligibility staff in a facility is a function of the volume of eligibility determinations made at the facility. In some cases, disproportionate share hospitals (DSH) and Federally Qualified Health

Centers (FQHCs) fund the state share of salary and benefits costs associated with staff above and beyond those required by federal law. Facilities that are not DSH hospitals or FQHCs can contract with HHSC for eligibility specialists and appropriate support staff to be placed in the facility. Under these contracts, the facilities also reimburse HHSC for the state share of the employee's salary and benefits.

HHSC Office of the Ombudsman Texas Works Hotline (1-800-252-9330) - The Hotline primarily handles complaints concerning Food Stamps, Medicaid or temporary cash assistance (TANF). However, when a client calls and relays information about potential eligibility, or inquires about programs for which they may be eligible, the client is referred to the correct local office or, if appropriate, to a designated regional contact.

HHSC Office of the Ombudsman (1-877-787-8999) - Clients and potential clients who call HHSC State Office are referred to the Office of the Ombudsman. Some of these calls may be from potential clients asking for instructions/assistance in applying for benefits. Callers are referred to local HHSC offices as appropriate.

Texas Medicaid Healthcare Partnership (TMHP) Client Hotline (1-800-335-8957 and 1-800-252-8263) - The hotline handles Medicaid client issues pertaining to the status of Medically Needy cases, billing questions, and Medicaid program benefits, as well as contact information for the Medical Transportation Program, Texas Health Steps (Texas' EPSDT program) services, and for HIPAA privacy violations.

Blue Pages Listings - Current information for local HHSC offices is contained in local telephone directories in the government blue pages section. This information is broken down by program and is updated as needed.

Worldwide Web Sites - HHSC maintains an agency home page that contains information about what types of benefits are available throughout the agency and also contains links to home pages for each of the HHSC regions. The regional home pages contain listings of local offices and the services available at each of the local offices.

Food Stamps – Individuals applying for food stamps are tested for eligibility for Medicaid during the same interview.

Temporary Assistance to Needy Families (TANF) - Individuals eligible for TANF are made Medicaid eligible by virtue of their certification for TANF. Those who apply and are determined ineligible for TANF are tested to determine their eligibility for Medicaid under other eligibility categories.

Newborns of Medicaid Eligible Mothers - Enrollment in Medicaid is

automatic for the majority of newborns of Medicaid-eligible mothers. When the medical facility notifies an HHSC centralized unit about the birth of the child to a Medicaid-eligible mother, the HHSC unit establishes eligibility for the child. An automated system then notifies the child's mother, designated providers, and the mother's caseworker about the child's eligibility. These newborn children are also included in the Texas Health Steps outreach (see below).

Title V - In the Texas Title V Children with Special Health Care Needs (CSHCN) program, most clients are required to apply to Medicaid or CHIP before they receive full CSHCN eligibility. Some are enrolled in Medicaid as a result. Those who reach a certain expenditure level for CSHCN services are required to apply again to Medicaid, with the emphasis on eligibility for the Medicaid Medically Needy Program, the spend down program under Title XIX.

The regional Title V CSHCN social work and eligibility staff and the CSHCN case management contractors help families with CSHCN to obtain Medicaid eligibility when appropriate.

In Title V Maternal/Child Health (MCH) contracts across the State, children who, after eligibility screening, appear to be eligible for Medicaid, are required to apply for Medicaid in order to continue to receive MCH services in the contractors' clinics. The contractors include many local health departments as well as hospital districts and other providers. An automated screening tool, the State of Texas Assistance and Referral System (STARS), is used by many of these providers to screen for possible eligibility for Medicaid, CSHCN, and other programs. The client must then go on to actual Medicaid eligibility determination if the STARS screen indicates they may be Medicaid eligible.

Supplemental Security Income (SSI) - SSI eligible persons are automatically enrolled in Medicaid in Texas. The Texas Rehabilitation Commission Disability Determination Divisions make disability determinations for SSI.

Foster Care - For children who are removed from their households by court order through the Texas Department of Family and Protective Services

(DFPS), Medicaid is provided through foster care if the child was eligible for Medicaid prior to being removed from the household or if the child is determined to be Medicaid eligible by DFPS standards. Medicaid is also provided, under TANF limits, to children under 18 placed by a district court in the managing conservatorship of DFPS as a result of findings of abuse or neglect by DFPS.

Child Support - The Child Support Enforcement Office of the Attorney

General seeks out the non-custodial parent for financial and/or medical support to supplement and/or replace state liability. This office also processes through the Third Party Reimbursement (TPR) system to seek premium reimbursement for cases where medical coverage is provided.

Local Mental Health Authorities (LMHAs) - Under the authority of the Department of State Health Services (DSHS), LMHAs are required to do outreach to identify clients with serious mental illness and mental retardation. The LMHAs vary in the amount and types of outreach conducted. Outreach activities may include: public announcements; distribution of brochures in targeted areas, such as doctors' offices, schools, and juvenile courts; public forums; or public festivals.

At intake, information, which may indicate Medicaid eligibility, is gathered by the LMHA. Individuals who appear to be Medicaid eligible are then referred for Medicaid eligibility determination. If the individual needs assistance with this referral, the LMHA will assist.

LMHAs may have out-stationed HHSC Medicaid eligibility workers on staff that do the Medicaid eligibility determinations on site.

Texas Health Steps (THSteps) - THSteps outreach efforts are aimed at encouraging the use of services (program participation) by enrolled THSteps clients. Texas Health Steps communicates with Medicaid-eligible families on the state level as well as on the regional and local level through a statewide system of DSHS staff and contractors using the following tools:

- ▣ over 435,000 informing letters per month;
- ▣ a variety of brochures and other handouts in English and Spanish for recipient and provider use;
- ▣ home visits, telephone calls, outreach at places where clients may be found, and efforts targeting specific groups such as migrant workers and newly enrolled Medicaid recipients;
- ▣ a single statewide toll-free number (1-877-THSTEPS) that is routed to the appropriate regional outreach location.
- ▣ regional provider newsletters which help to keep Health Steps providers informed of developments in the program;
- ▣ regional provider relations staff who help recruit and maintain Health Steps and Medicaid providers, supplementing the provider relations activities for which DSHS contracts with the Texas Medicaid and Healthcare Partnership (TMHP);

- ▣ the Medicaid Bulletin, which provides information to all Medicaid providers; and
- ▣ the Medicaid managed care enrollment broker, whose staff helps educate clients as they are enrolled in health plans.

In the course of promoting use of EPSDT service, THSteps staff and contractors inform interested families of the way to apply for Medicaid for other children.

Family Health Services Information & Referral Line - Toll-free hotline, funded by Title V, provides information and referrals for families who call in, including referrals to Medicaid and Title V MCH and CSHCN services.

Texas Information and Referral Network – The Texas Information and Referral Network (TIRN) at HHSC coordinates a statewide network of state and local contact points to provide information regarding health and human services in Texas, including Medicaid.

Effective May 1, 2010, Texas extends federally-matched CHIP coverage to qualified alien children who are otherwise eligible without a five-year delay. Section 214 of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), Public Law 111-3, authorizes states to provide federally-matched Medicaid and CHIP coverage to qualified alien children.

State employees' children who otherwise meet CHIP eligibility criteria are eligible for enhanced state-funded subsidy of their coverage through the Uniform Group Insurance Program offered to state employees.

- 2.2.2. The steps the state is currently taking to identify and enroll all uncovered children who are eligible to participate in health insurance programs that involve a public-private partnership:

Texas has a variety of established programs and programs under development which involve private-public partnerships in providing health insurance coverage to uninsured children.

The Texas Health Insurance Risk Pool was funded by the Texas legislature in 1997 to provide the administrative structure for ensuring that health coverage is available to persons unable to otherwise obtain coverage because of their medical history or because they lose employer coverage. Coverage is automatic for uninsurable persons with certain diagnoses, such as metastatic cancer, leukemia, diabetes, epilepsy, and sickle cell anemia. The first Health Pool policies were effective February 1, 1998.

An extensive preferred provider network is utilized by the Pool. In addition,

a prescription drug benefit is included with the policy. Participants can select a \$500 deductible package, a \$1,000 deductible package, a \$2,500 deductible package or a \$5,000 deductible package. Premium rates are based on deductible plan, age, sex, area of the State, and smoking status. Effective January 1, 2004, the Pool's rates were set at two times the Standard Rate. At present, premiums for children up to age 18 range from \$121 per month to \$549 per month. Benefits include inpatient and outpatient care and are limited to \$1.5 million over a lifetime. Children are eligible for Pool coverage, either as eligible Pool applicants or as dependents of eligible Pool applicants.

The Community Access To Child Health (CATCH) Program is a program of the American Academy of Pediatrics (AAP) designed to improve access to health care by supporting pediatricians and communities that are involved in community-based efforts for children. The CATCH program provides pediatricians with training; technical assistance and resources; peer support and networking opportunities; and funding opportunities. A variety of funding opportunities are available, including implementation funds, planning funds, and resident funds. The Implementation Funds program supports pediatricians in the initial and/or pilot stage of developing and implementing a community-based child health initiative. Implementation funds are supported by Hasbro Children's Foundation, Ronald McDonald House of Charities, CVS Pharmacy, and AAP. The Planning Funds program offers grants to pediatricians to develop community-based initiatives that increase children's access to medical homes or to specific health services not otherwise available. The program is supported by a grant from Wyeth, with additional support provided by the AAP Friends of Children Fund, and the American Academy of Pediatric Dentistry Foundation. Resident funds are available for pediatric residents planning community-based child health initiatives, and are supported by grants from the Irving Harris Foundation and the AAP Friends of Children Fund, with additional support provided by the American Academy of Pediatric Dentistry Foundation. Projects have included providing health care services for children living in the colonias (rural developments along the Texas-Mexico border that frequently may not have basic amenities such as running water) and case management for very low birth weight babies.

The Healthy Tomorrows Partnership for Children Program is a collaborative grant of the federal Maternal and Child Health Bureau and the AAP for local entities, such as local health departments, county hospital districts, and community health centers that are supported in part with state funds to increase access to health services for mothers and children. Projects include providing direct health care, prevention of sexually transmitted disease among minority youth, and improving the health status of medically indigent, low birth weight infants.

Two public programs identify children who could benefit from a private-public partnership. The Texas Medicaid program, through the Health Insurance Premium Payment (HIPP) Program, pays health insurance premiums for Medicaid eligible children. HIPP works with other state agencies, private employers, and private health coverage providers to ensure that Medicaid eligible children are able to take advantage of health coverage to which they have access. Given the broader scope of Medicaid benefits relative to the typical defined benefits package, children are able to take advantage of both public and private resources in receiving the services they need.

The Texas Title V Program for Children with Special Health Care Needs (CSHCN) has a similar program that pays private health coverage premiums when doing so is cost effective for CSHCN and when the family is unable to afford the premiums. This program serves children with family incomes up to 200 percent of FPL.

- 2.3. Describe the procedures the state uses to accomplish coordination of CHIP with other public and private health insurance programs, sources of health benefits coverage for children, and relevant child health programs, such as Title V, that provide health care services for low-income children to increase the number of children with creditable health coverage. *(Previously 4.4.5.)*
(Section 2102)(a)(3) and 2102(c)(2) and 2102(b)(3)(E)) (42CFR 457.80(c))

Linkages established with other public/private health insurance partnerships provide opportunities for collaboration and mutually supportive operations.

Coordination with Medicaid is achieved through coordinated outreach efforts and a joint children's application. Outreach efforts are coordinated through contracts with local, community-based organizations (CBOs). The CBOs were selected based on their local expertise and experience with low-income populations. CHIP enrollment information is routinely shared with Texas' Title V agency in order to coordinate program benefits. Texas' CHIP coordination efforts are ongoing, but appear successful, as Texas' CHIP enrollment growth rate was at one time among the fastest in the nation.

Section 3. Methods of Delivery and Utilization Controls (Section 2102)(a)(4))

- **Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue on to Section 4.**

- 3.1. Describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of the choice of financing and the methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102)(a)(4) (42CFR 457.490(a))

Child health benefits are delivered through managed care models, including an (HMO) model and an exclusive provider organization (EPO) model primarily in rural areas of the State. In the HMO and EPO models, the State contracts to deliver health care services, relying on managed care principles that will include a “manager of care” or “medical home” and utilization controls on inpatient hospital and certain other services in the case of the HMOs model and the latter only in the case of the EPO. The same requirements are applied to both HMOs and EPOs.

The CHIP procurement of health plan services is aligned as closely as possible with other plans, such as Medicaid and the Title V CSHCN program to improve continuity of care. Enrollees are given a choice of at least two plans whenever possible and Medicaid plans are given extra consideration in the procurement of CHIP health plans.

Federally qualified health centers (FQHCs) and rural health clinics (RHCs) receive the full encounter rates for services rendered to CHIP members on or after October 1, 2009, consistent with Section 503 of the CHIP Reauthorization Act of 2009, Public Law 111-3. The full encounter rates are determined by the State, and are at least equal to the amount the State would be required to pay the FQHCs and RHCs under Section 2107(e)(1)(E) of the Social Security Act.

- 3.2. Describe the utilization controls under the child health assistance provided under the plan for targeted low-income children. Describe the systems designed to ensure that enrollees receiving health care services under the state plan receive only appropriate and medically necessary health care consistent with the benefit package described in the approved state plan. (Section 2102)(a)(4) (42CFR 457.490(b))

Under the HMO/EPO model, plans are required to provide the range of children's health services for a contracted per member/per month cost determined through actuarial analysis. The state monitors utilization of HMO/EPO services as part of its overall monitoring program. Please see section 7 for more information on the state's monitoring efforts.

The HMO model includes a number of utilization management controls. Inpatient hospital stays and other services determined by the Medical Director are subject to

prospective review for medical necessity and appropriateness of proposed care before services can be rendered. Clients are required to obtain authorized referrals from their primary care providers to other professional providers. The state or its designee also conduct retrospective utilization review activities to examine services to clients directly provided by the network's primary care provider specialty, services performed with authorization, and other services such as emergency room services. The same controls are used in the EPO model, except that the EPO operates without a gatekeeper function being performed by the HMO model's PCP.

Section 4. Eligibility Standards and Methodology. (Section 2102(b))

- **Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the states Medicaid plan,** and continue on to Section 5.

4.1. The following standards may be used to determine eligibility of targeted low-income children for child health assistance under the plan. Please note whether any of the following standards are used and check all that apply. If applicable, describe the criteria that will be used to apply the standard. (Section 2102(b)(1)(A)) (42CFR 457.305(a) and 457.320(a))

These standards are used for Texas CHIP:

- 4.1.1. Geographic area served by the Plan: Eligible children throughout the state will receive services.
- 4.1.2. Age: Children through the age of 18 years will be eligible.
 - 4.1.2.1 Age: For unborn children, coverage can begin from the confirmation of pregnancy and enrollment in CHIP Perinatal Program.
- 4.1.3. Income: Children whose countable family income (gross income minus all eligible childcare expenses) is at or below 200 percent of FPL will be eligible.

Eligible childcare expenses include verified expenses the family has paid for the care of a child in the household and/or transportation of a child in the household to and/or from day care or school.

Families may deduct up to:

- \$200 per month for each child under age two; and
- \$175 per month for each child age two or older.

Gross income excludes income from temporary employment with the United States Census Bureau for work on the decennial census.

- 4.1.4. Resources (including any standards relating to spend downs and disposition of resources): Family resources are not taken into account in the determination of eligibility for children at or below 150 percent of FPL.

For children with countable family income above 150 percent of FPL, a family resource test is applied. For these families, the resource limit will be \$10,000 or less in countable liquid resources, combined with excess vehicle value.

Up to \$18,000 of the fair market value of the family's highest valued vehicle will be exempted.

For other countable vehicles, fair market value in excess of \$7,500 will be counted.

The total value of certain types of vehicles, such as income producing or vehicles modified to transport disabled household members will be exempted.

Additionally, family resources are evaluated as part of the screening and enrollment process for Medicaid eligibility.

Unborn children to be delivered to families with income at or below 200 percent of FPL are exempt from family resource test requirements for eligibility determination.

- 4.1.5. Residency (so long as residency requirement is not based on length of time in state): Children must be residents of Texas to be eligible for services.
- 4.1.6. Disability Status (so long as any standard relating to disability status does not restrict eligibility): Not applicable.
- 4.1.7. Access to or coverage under other health coverage: The application form asks for information on the insurance status of children making application. Children with existing health insurance are denied eligibility for Texas CHIP. Unborn children with existing health insurance are denied eligibility for Texas CHIP.
- 4.1.8. Duration of eligibility: Eligible children in the traditional CHIP Program with incomes at or below 185 FPL receive coverage for 12 continuous months. Eligible children in the traditional CHIP Program with incomes above 185 percent of FPL receive coverage for up to 12 months and are required to verify income eligibility at month six of their 12-month CHIP coverage period. Eligible unborn children receive coverage for 12 continuous months, except when labor with delivery is paid for by Medicaid and the newborn is deemed eligible for Medicaid.
- 4.1.9. Other standards (identify and describe): Immigration status: children who are legal residents but have not passed the five year bar are enrolled at the cost of the State.

As referenced in Section 4.3, the State does require the child's social security number or proof of application for a social security number at the time of application.

- 4.1.10. Check if the State is electing the option under section 214 of the Children's Health Insurance Program Reauthorization Act of 2009

(CHIPRA) to provide coverage to the following children as specified below who are lawfully residing in the United States, and consist of the following:

A child shall be considered lawfully present if he or she is:

- (1) A qualified alien as defined in section 431 of PRWORA (8 U.S.C. §1641);
- (2) An alien in nonimmigrant status who has not violated the terms of the status under which he or she was admitted or to which he or she has changed after admission;
- (3) An alien who has been paroled into the United States pursuant to section 212(d)(5) of the Immigration and Nationality Act (INA) (8 U.S.C. § 1182(d)(5)) for less than 1 year, except for an alien paroled for prosecution, for deferred inspection or pending removal proceedings;
- (4) An alien who belongs to one of the following classes:
 - (i) Aliens currently in temporary resident status pursuant to section 210 or 245A of the INA (8 U.S.C. §§1160 or 1255a, respectively);
 - (ii) Aliens currently under Temporary Protected Status (TPS) pursuant to section 244 of the INA (8 U.S.C. §1254a), and pending applicants for TPS who have been granted employment authorization;
 - (iii) Aliens who have been granted employment authorization under 8 CFR 274a,12(c)(9), (10), (16) (18), (20), (22), or (24);
 - (iv) Family Unity beneficiaries pursuant to section 301 of Pub. L. 101-649, as amended;
 - (v) Aliens currently under Deferred Enforced Departure (DED) pursuant to a decision made by the President;
 - (vi) Aliens currently in deferred action status; or
 - (vii) Aliens whose visa petition has been approved and who have a pending application for adjustment of status;
- (5) A pending applicant for asylum under section 208(a) of the

INA (8 U.S.C. § 1158) or for withholding of removal under section 241(b)(3) of the INA (8 U.S.C. § 1231) or under the Convention Against Torture who has been granted employment authorization, and such an applicant under the age of 14 who has had an application pending for at least 180 days;

- (6) An alien who has been granted withholding of removal under the Convention Against Torture;
- (7) A child who has a pending application for Special Immigrant Juvenile status as described in section 101(a)(27)(J) of the INA (8 U.S.C. § 1101(a)(27)(J));
- (8) An alien who is lawfully present in the Commonwealth of the Northern Mariana Islands under 48 U.S.C. § 1806(e); or
- (9) An alien who is lawfully present in American Samoa under the immigration laws of American Samoa.

- The State elects the CHIPRA section 214 option for children up to age 19.
- The State elects the CHIPRA section 214 option for pregnant women through the 60-day postpartum period.

4.1.10.1. The State provides assurance that for individuals who it enrolls in CHIP under the CHIPRA section 214 option that it has verified, both at the time of the individual's initial eligibility determination and at the time of the eligibility redetermination, that the individual continues to be lawfully residing in the United States. The State must first attempt to verify this status using information provided at the time of initial application. If the State cannot do so from the information readily available, it must require the individual to provide documentation or further evidence to verify satisfactory immigration status in the same manner as it would for anyone else claiming satisfactory immigration status under section 1137(d) of the Act.

4.2. The state assures that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102)(b)(1)(B)) (42CFR 457.320(b))

- 4.2.1. These standards do not discriminate on the basis of diagnosis.
- 4.2.2. Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income.

- 4.2.3. These standards do not deny eligibility based on a child having a pre-existing medical condition.

- 4.3. Describe the methods of establishing eligibility and continuing enrollment.
(Section 2102)(b)(2)) (42CFR 457.350)

The eligibility process for CHIP is easy to access, convenient for families, and is identical to the Children's Medicaid eligibility process. A single application form is used for Medicaid and CHIP. Families may access the application online or by calling a toll-free number to request that an application be mailed to them. They may then submit the completed application and supporting documentation by mail or by fax. Alternatively, families may apply by phone or in person.

The application asks for the following information:

- Family's gross income and the names of employers
- Age, names, social security numbers, and insurance status of children
- Composition of the family
- Resource information
- Immigration/Citizenship Status
- Income disregards such as child care expenses

Information from the application is entered into the CHIP eligibility system. This entry may occur through several means: data entry by a telephone operator who receives the information through a phone call; data entry by a clerk at a central processing unit who reads the information from the application; or direct data entry via the internet to the extent feasible.

All applicants are screened for Medicaid eligibility before being deemed eligible for CHIP. Any application in which the family income and resources fall within Medicaid eligibility is routed to a Medicaid worker. Data on that applicant is transferred, electronically and in hard copy, to the Medicaid system. Data on those applicants who are denied Medicaid by Medicaid eligibility staff are transmitted to the CHIP system and those applicants are notified of their CHIP eligibility and enrolled in CHIP health plans.

Applicants applying via the Internet currently print out and sign applications, and mail them with necessary verifications to the central processing unit. Mail-in applications need to include the necessary verifications. In the case of phone applications, the data are printed out and sent to the family with a self-addressed envelope. The family returns the signed application with necessary verifications after reviewing the application for accuracy.

Based on the eligibility information and the receipt of necessary verifications, the system makes a determination of eligibility and sends written notification to the family.

If a child is determined CHIP eligible, the administrative services contractor sends the family an enrollment packet, which provides information about their health plan choices and any applicable enrollment fee. The family returns to the administrative services contractor the completed enrollment forms and any applicable enrollment fee owed, and the administrative services contractor processes the forms and enrolls the child in a health plan.

For a child's initial enrollment in CHIP, a three-month waiting period applies to a child who was covered by a health benefits plan at any time during the 90 days before the date of application for coverage under CHIP, unless the child qualifies for an exception to the waiting period. The CHIP eligibility date begins 90 days (three calendar months) after the last month in which the applicant was covered by a third party health benefits plan. Following the waiting period (if applicable), a term of coverage up to 12 months begins on the first day of the following month or, if the waiting period does not apply, on the first day of the month following the month in which the enrollment process was completed (by the enrollment processing cut-off date).

Exceptions to the waiting period:

A child is not subject to the waiting period if the family lost coverage for the child as a result of:

- (A) termination of employment because of a layoff or business closing;
- (B) termination of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub L. No. 99-272) where the termination is based upon the expiration of the period of coverage (usually 18 months);
- (C) change in marital status of a parent of the child led to the loss of health insurance coverage;
- (D) loss of health benefits coverage due to: 1) loss of employment or reduction in the hours of employment where the individual is ineligible for COBRA continuation coverage or where the cost of COBRA continuation coverage exceeds 10 percent of the family's income; 2) employer termination of coverage for all employees or dependents or for the category of employees or dependents that includes the applicant; 3) change to employment that does not offer dependent coverage; 4) involuntary termination of coverage by the health insurer for a reason other than nonpayment of premiums; 5) in the case of divorce or separation, the noncustodial, nonapplicant parent refusing to continue providing coverage previously provided through that parent's employer; or
- (E) the family terminated health benefits plan coverage for the child because the cost to the child's family for the coverage exceeded 10 percent of the family's income.

Unborn children enrolled in the CHIP Perinatal Program are exempt from the waiting period.

HHSC will not grant any exemption where it is apparent that the family engaged in

an action that resulted in the lost of health benefits coverage solely for the purpose of substituting CHIP coverage for previous health benefits coverage.

The enrollment fee amount, if applicable (See Section 8.2.3), must be paid and the health plan selection, if applicable, must be made in advance of the enrollment cutoff date, unless an extension is authorized under Section 8.2.1.

In the sixth month of traditional CHIP coverage, families with income above 185 percent FPL will be subject to an income review to determine countable income does not exceed 200 percent FPL. This process does not apply to the CHIP Perinatal Program.

Three months before the end of the 12-month term of coverage, families are sent a renewal notice informing them that they must renew the CHIP coverage.

As children are enrolled into CHIP, they will be enrolled into the CHIP dental program. Families enrolling in CHIP will receive enrollment packets, member ID cards, provider directories, member handbooks, and certificates or evidence of coverage (COC or EOC). The COC or EOC describes the covered benefits, the cap on dental coverage, the copayment amounts for non-preventive dental visits, and the complaint and appeal process. The dental contractor(s) will issue a new COC or EOC any time there is a change to benefits.

The dental contractor(s) will be responsible for providing the enrollment broker with a description of the dental benefit for the broker to use in explaining the benefit to enrollees. For specific questions regarding the benefit, the member will need to contact their dental contractor.

In the event of a FEMA- or Governor- declared disaster, the State will notify CMS of the intent to provide temporary adjustments to its eligibility and enrollment policies, the effective dates of such adjustments, and the counties/areas impacted by the disaster.

In the event of a FEMA- or Governor- declared disaster and at the State's discretion, enrollees may be granted eligibility and receive services beyond their certification period and may be provided additional time to submit a renewal or verification.

In the event of a FEMA- or Governor- declared disaster and at the State's discretion, eligibility verification requirements may be waived at application and renewal. The state may allow self-attestation to complete the eligibility determination, in accordance with 42 CFR 457.380.

In the event of a FEMA- or Governor- declared disaster and at the State's discretion, the State may waive or delay collection of enrollment fees in accordance with Sections 8.2.1 and 8.2.3.

4.3.1 Describe the state's policies governing enrollment caps and waiting lists (if any) ~~(Section 2106(b)(7)) (42CFR 457.305(b))~~.
 Check here if this section does not apply to your state.

4.4. Describe the procedures that assure that:

- 4.4.1. Through the screening procedures used at intake and follow-up eligibility determination, including any periodic redetermination, that only targeted low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan) are furnished child health assistance under the state child health plan. (Sections 2102(b)(3)(A) and 2110(b)(2)(B)) (42 CFR 457.310(b) (42CFR 457.350(a)(1)) 457.80(c)(3))

The CHIP application asks whether applicant children are covered through existing health insurance. Information about the availability of employer-based insurance and the employer name is obtained during the application process. Children with health coverage are ineligible for CHIP.

As described in Section 4.1 above, the application for Texas CHIP and Medicaid screens for Medicaid eligibility. Applications and renewals for children eligible for Medicaid are processed by Medicaid workers and eligible children are enrolled in Medicaid. Data matches with Medicaid are also carried out to minimize the chances that children found eligible for Texas CHIP are not already receiving health insurance.

Texas has two “state health benefits” plans: state employee health coverage under the state Employee Retirement System (ERS) and health coverage for active school district employees available through the Teachers Retirement System (TRS “Active Care”). State law treats these two groups differently. Additionally, electronic data matching is performed with both the ERS and TRS systems to identify children enrolled in to those benefit plans.

Children who would otherwise qualify for ERS health coverage or TRS Active Care but meet Texas CHIP program eligibility criteria may be enrolled in the Texas CHIP program and paid as federally-matched CHIP members, pursuant to Section 10203(d)(2)(D) of the Patient Protection and Affordable Care Act of 2010 (PPACA). This section of the PPACA allows a hardship exception to the general rule that children of public employees are excluded from enrolling in federally-matched CHIP.

- 4.4.2. The Medicaid application and enrollment process is initiated and facilitated for children found through the screening to be potentially eligible for medical assistance under the state Medicaid plan under Title XIX. (Section 2102)(b)(3)(B)) (42CFR 457.350(a)(2))

As described in Section 4.4.2 above, Medicaid workers complete the enrollment of these children into the program. The State tracks applications of children who are determined Medicaid eligible to report whether eligible applicants choose to enroll.

- 4.4.3. The State is taking steps to assist in the enrollment in CHIP of children determined ineligible for Medicaid. (Sections 2102(a)(1) and (2) and 2102(c)(2)) (42CFR 431.636(b)(4))

Children determined ineligible for Medicaid are automatically enrolled in CHIP based on electronic data sharing between the Medicaid eligibility agency and the CHIP administrative services contractor.

- 4.4.4 The insurance provided under the state child health plan does not substitute for coverage under group health plans. Check the appropriate box. (Section 2102)(b)(3)(C)) (42CFR 457.805) (42 CFR 457.810(a)-(e))

- 4.4.4.1. Coverage provided to children in families at or below 200

percent FPL: describe the methods of monitoring substitution. Labor analyses show that Texas has a low percentage of jobs in the manufacturing industries where dependent insurance coverage is highest. Employment in Texas is concentrated in retail, services, and small business, all of which have low rates of employee health benefits, particularly for lower-paying positions. Also, program design for Texas CHIP, with such features as a commercially-based benefits package and cost-sharing provisions, are similar to private insurance and will thereby diminish the differences in consumers’ minds between group health plans and CHIP. Up to 150 percent FPL, crowd out is not anticipated to be a significant issue. The data are less clear at incomes between 150 percent and 200 percent FPL. Consequently, the program requires that applicants be uninsured for 90 days as a condition of eligibility. Provision is made to exempt families whose coverage has been discontinued through no fault of their own or who have discontinued coverage because the cost exceeded 10 percent of family income.

The application screens for whether the child has current insurance. If that is the case, eligibility for CHIP is denied. If the application indicates that other insurance coverage was in effect during the previous 90 days, the applicant must indicate the date coverage ended, the reason, and the cost of the coverage. This information is used to determine if the child meet a good cause exception to the 90-day waiting period.

The State also monitors for substitution of coverage through CHIP consumer surveys conducted by the External Quality Review Organization, evaluation of trends indicated by administrative data (e.g. rates of “good cause” exceptions granted), and evaluation of statewide trends in insured/uninsured rates as indicated by the Current Population Survey (CPS) data.

- 4.4.4.2. Coverage provided to children in families over 200 percent and up to 250 percent FPL: describe how substitution is monitored and identify specific strategies to limit substitution if levels become unacceptable.
- 4.4.4.3. Coverage provided to children in families above 250 percent FPL: describe how substitution is monitored and identify specific strategies in place to prevent substitution.

4.4.4.4. If the state provides coverage under a premium assistance program, describe:

The minimum period without coverage under a group health plan, including any allowable exceptions to the waiting period.

The minimum employer contribution.

The cost-effectiveness determination.

4.4.5 Child health assistance is provided to targeted low-income children in the state who are American Indian and Alaska Native. (Section 2102(b)(3)(D)) (42 CFR 457.125(a))

Texas has three Native American tribes:

- ☐ The Alabama Coushatta, located in Livingston, has 800 members;
- ☐ The Ysleta Del Sur, located in El Paso, has 1500 members;
- ☐ The Kickapoo, located in Eagle Pass, has 750 members.

Before the implementation of Texas CHIP in these areas, the state contacted the tribes to determine how best to ensure the continued participation of tribal health clinics in the care of tribal members. Health plans are required to contract with or enter into special arrangement with tribal providers. These arrangements help ensure continuity of care for clients that choose to enroll in CHIP.

Section 5. Outreach (Section 2102(c))

Describe the procedures used by the state to accomplish:

Outreach to families of children likely to be eligible for child health assistance or other public or private health coverage to inform them of the availability of the programs, and to assist them in enrolling their children in such a program: (Section 2102(c)(1)) (42CFR 457.90)

Historical Background

Outreach in the first two years of TexCare, which was the State's generic outreach campaign for Children's Medicaid and CHIP, focused on a statewide media/marketing campaign focused on a call-to-action to families to call the TexCare hotline or send in a written application; direct application assistance by TexCare's CBOs' outreach staff; and mass dissemination of information about the program. These strategies were appropriate for the "start-up" phase, as the challenge was to reach hundreds of thousands of unidentified families eligible for children's health insurance.

TexCare was designed to outreach on behalf of both Children's Medicaid and CHIP. However, because CHIP was a new and separately financed program that offered the first-ever opportunity of coverage to hundreds of thousands of families, much of the focus of state and local stakeholders has been on assuring the achievement of the ambitious CHIP "start-up" goal. Now that CHIP has been successfully launched, Texas is entering a new outreach phase that is dominated by the need to promote renewal and appropriate utilization of services. The Medicaid focus of the outreach effort has been sharpened with the implementation of SB 43, 77th Legislature, Regular Session, 2001, which is state legislation simplifying Children's Medicaid. This legislation benefits many families because it mandates that the application and enrollment process for Children's Medicaid-eligible families is as seamless, simple, and transparent as that enjoyed by CHIP-eligible families.

Texas' call-to-action outreach efforts were so effective in the first two years of the program have not stopped. In 2006, however, the TexCare logo was retired and replaced with CHIP/Children's Medicaid as the State integrated the applications for CHIP and Children's Medicaid into one application form. With the implementation of HB 109, 80th Legislature, Regular Session, 2007, the outreach focus shifted to include the permanent incorporation of CHIP/Children's Medicaid information in systems (e.g., schools, emergency rooms, provider offices, pharmacies) in the community and the perpetuation and appropriate utilization of existing coverage.

In all aspects of implementing CHIP/Children's Medicaid, Texas has learned from the experience of other states. A review of that experience suggests that a broadening of Texas' strategy was appropriate. By diversifying beyond mass information dissemination and direct application assistance, the program will benefit

from:

- ☐ increasing the efficiency of efforts to identify and target under-served populations;
- ☐ broadening and incorporating automatic information dissemination systems within organizations that have frequent contact with families;
- ☐ increasing the emphasis on all aspects of disease and disability prevention;
- ☐ communicating the fact that, through CHIP/Children's Medicaid, families can afford to keep their children healthy and protected in the event of illness; and
- ☐ emphasizing family maintenance of health care coverage and appropriate utilization of services.

Other states' experience also shows that the program and the enrolled children benefit when efforts are made to keep enrolled children in health care coverage when their first period of eligibility expires.

Based on this experience, the State adopted the following goals for the next phase of outreach for CHIP/Children's Medicaid:

- ☐ a long-term, integrated communication plan that includes coordinated community-based and statewide initiatives;
- ☐ an appropriate level of call-to-action through broad appeals and mass communications to reach eligible families;
- ☐ mass media messages and activities by CHIP/Children's Medicaid contracted CBOs and health plans shifting primary emphasis from a call-to-action to the idea that through CHIP/Children's Medicaid, families can afford to keep their children healthy and protected in the event of illness;
- ☐ increased emphasis on activities by CHIP/Children's Medicaid CBOs and stakeholders to place CHIP/Children's Medicaid information in the hands of families at times and places in which they are likely to be motivated by and interested in the information;
- ☐ activities by CHIP/Children's Medicaid CBOs and stakeholders to work within organizations that have regular contact with families (e.g. emergency rooms, provider offices, pharmacies, schools) to set in place automatic and recurring "systems" to inform families and help them apply for health care coverage through CHIP/Children's Medicaid; and
- ☐ continued activities to support enrollee families in successfully completing their annual renewal process, involving health plans, the administrative services contractor, and CHIP/Children's Medicaid CBOs.

Outreach has become more strategic in nature as Texas has sought to work with entities in all sectors of the community to broaden and institutionalize the message to include the value of insurance, the importance of renewal, and education on appropriate utilization of services.

Outreach strategies will result in the identification of non-Medicaid eligible pregnant women whose unborn children may be eligible for this program.

Based on previous experience, the State will develop:

- ☐ a long-term, integrated communication plan that includes coordinated community-based and statewide initiatives;
- ☐ an appropriate level of call-to-action through broad appeals;
- ☐ increased emphasis on activities by CBOs and stakeholders to place information in the hands of women at times and places in which they are likely to be motivated by and interested in the information; and
- ☐ activities by CBOs and stakeholders to work within organizations that have regular contact with pregnant women such as provider offices.

Section 6. Coverage Requirements for Children's Health Insurance (Section 2103)

- Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan, and continue on to Section 7.

6.1. The state elects to provide the following forms of coverage to children:
(Check all that apply.) (42CFR 457.410(a))

- 6.1.1. Benchmark coverage; (Section 2103(a)(1) and 42 CFR 457.420)
 - 6.1.1.1. FEHBP-equivalent coverage; (Section 2103(b)(1))
(If checked, attach copy of the plan.)
 - 6.1.1.2. State employee coverage; (Section 2103(b)(2)) (If checked, identify the plan and attach a copy of the benefits description.)
 - 6.1.1.3. HMO with largest insured commercial enrollment (Section 2103(b)(3)) (If checked, identify the plan and attach a copy of the benefits description.)
- 6.1.2. Benchmark-equivalent coverage; (Section 2103(a)(2) and 42 CFR 457.430)
Specify the coverage, including the amount, scope and duration of each service, as well as any exclusions or limitations. Please attach a signed actuarial report that meets the requirements specified in 42 CFR 457.431. **See instructions.**
- 6.1.3. Existing Comprehensive State-Based Coverage; (Section 2103(a)(3) and 42 CFR 457.440) [Only applicable to New York; Florida; Pennsylvania]
Please attach a description of the benefits package, administration, date of enactment. If an existing comprehensive state-based coverage is modified, please provide an actuarial opinion documenting that the actuarial value of the modification is greater than the value as of 8/5/97 or one of the benchmark plans. Describe the fiscal year 1996 state expenditures for an existing comprehensive state-based coverage.
- 6.1.4. Secretary-Approved Coverage. (Section 2103(a)(4)) (42 CFR 457.450)
 - 6.1.4.1. Coverage the same as Medicaid State plan
 - 6.1.4.2. Comprehensive coverage for children under a Medicaid Section 1115 demonstration project
 - 6.1.4.3. Coverage that either includes the full EPSDT benefit or that the state has extended to the entire Medicaid population

- 6.1.4.4. Coverage that includes benchmark coverage plus additional coverage
- 6.1.4.5. Coverage that is the same as defined by existing comprehensive state-based coverage
- 6.1.4.6. Coverage under a group health plan that is substantially equivalent to or greater than benchmark coverage through a benefit by benefit comparison (Please provide a sample of how the comparison will be done)
- 6.1.4.7. Other (Describe) The state elects to provide a basic set of health care benefits that are focused on primary health care needs and that contain the cost of the benefit package. Specific covered services are described in Section 6.2 below.

6.2. The state elects to provide the following forms of coverage to children:
(Check all that apply. If an item is checked, describe the coverage with respect to the amount, duration and scope of services covered, as well as any exclusions or limitations) (Section 2110(a)) (42CFR 457.490)

- 6.2.1. Inpatient services (Section 2110(a)(1))
Covered, medically necessary inpatient services are unlimited and include, but are not limited to: Semi-private room and board (or private if medically necessary as certified by attending); general nursing care; ICU and services; patient meals and special diets; operating, recovery and other treatment rooms; anesthesia and administration (facility technical component); surgical dressings, trays, casts, splints, drugs, medications and biologicals; X-rays, imaging and other radiological tests (facility technical component); laboratory and pathology services (facility technical component); machine diagnostic tests (EEGs, EKGs, etc); oxygen services and inhalation therapy; radiation and chemotherapy; access to DSHS-designated Level III perinatal centers or hospitals meeting equivalent levels of care; hospital-provided physician services (facility technical component); and, in-network or out-of-network facility and physician services for a mother and her newborn(s) for a minimum of 48 hours following an uncomplicated vaginal delivery and 96 hours following an uncomplicated delivery by caesarian section.

Exclusions and Limitations include: Infertility treatments or reproductive services other than prenatal care, labor and delivery, and care related to disease, illnesses, or abnormalities related to the reproductive system; personal comfort items including but not limited to personal care kits provided on inpatient admission, telephone,

television, newborn infant photographs, meals for guests of patient, and other articles which are not required for the specific treatment of sickness or injury; experimental and/or investigational medical, surgical or other health care procedures or services which are not generally employed or recognized within the medical community; treatment or evaluations required by third parties including, but not limited to, those for schools, employment, flight clearance, camps, insurance or court; custodial care; mechanical organ replacement devices, including, but not limited to artificial heart; private duty nursing services when performed on an inpatient basis; and, hospital services and supplies when confinement is solely for diagnostic testing purposes, unless otherwise pre-authorized by the Health Plan.

The health plan may require prior authorization for: non-emergency care and following stabilization of an emergency condition; and, for in-network or out-of-network facility and physician services for a mother and her newborn(s) after 48 hours following an uncomplicated vaginal delivery and after 96 hours following an uncomplicated delivery by caesarian section.

CHIP Perinatal Program:

- ☐ Inpatient facility services are not a covered benefit for unborn children at or below 185 percent of the Federal Poverty Level (FPL). Once the child is born, they will receive full CHIP benefits.
- ☐ Covered medically necessary inpatient services are limited to labor and delivery until birth for unborn children.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.2. ☒

Outpatient services (Section 2110(a)(2))

Covered, medically necessary outpatient services are unlimited and include, but are not limited to, the following services provided in a hospital clinic, a clinic or health center, hospital-based emergency department or an ambulatory health care setting: X-ray, imaging, and radiological tests (technical component); laboratory and pathology services (technical component); machine diagnostic tests; ambulatory surgical facility services; drugs, medications and biologicals; casts, splints, dressings; preventive health services; physical occupational and speech therapy; renal dialysis; respiratory services; radiation and chemotherapy; and blood or blood products (if not provided free-of-charge to the patient) and the administration of these products.

Exclusions and Limitations include: The health plan may require prior authorization and physician prescription for outpatient services.

CHIP Perinatal Program:

- ☐ Covered, medically necessary outpatient services for the unborn child are limited to those outpatient services that directly relate to prenatal or postpartum care and/or the delivery of the covered unborn child until birth.
- ☐ Outpatient observation is a covered benefit under the CHIP Perinatal Program.
- ☐ Ultrasound of the pregnant uterus is a covered benefit of the CHIP Perinatal Program when medically indicated. Ultrasound may be indicated for suspected genetic defects, high-risk pregnancy, fetal growth retardation, or gestational age confirmation.
- ☐ Amniocentesis, Cordocentesis, Fetal Intrauterine Transfusion (FIUT) and Ultrasonic Guidance for Amniocentesis, Cordocentesis, and FIUT are covered benefits of the CHIP Perinatal Program with an appropriate diagnosis.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.3.

Physician services (Section 2110(a)(3))

Covered, medically necessary physician and physician extender services are unlimited and include, but are not limited to, the following: American Academy of Pediatrics recommended well-child exams and preventive health services (including but not limited to vision and hearing screening and immunizations); physician office visits; inpatient and outpatient services; laboratory, x-rays, imaging and pathology services and professional interpretation; medications, biologicals and materials administered in the physician's office; allergy testing, serum and injections; (in/outpatient) surgical services, including surgeons for surgical procedures including appropriate follow-up care, administration of anesthesia by physician (other than surgeon) or CRNA, second surgical opinions, same-day surgery performed in a hospital without an over-night stay; invasive diagnostic procedures such as endoscopic examination; hospital-based physician services (including physician-performed technical and interpretative components); and, in-network and out-of-network physician services for a mother and her newborn(s) for a minimum of 48 hours following an uncomplicated vaginal delivery and 96 hours following an uncomplicated delivery by caesarian section.

Exclusions to physician services include: infertility treatments, prostate and mammography screening; reproductive services other than prenatal care, labor and delivery, and care related to diseases, illnesses, or abnormalities related to the reproductive system; elective surgery to correct vision; gastric procedures for weight loss; cosmetic

surgery/services solely for cosmetic purposes; cut-of-network services not authorized by the Health Plan except for emergency care and physician services for a mother and her newborn(s) for a minimum of 48 hours following an uncomplicated vaginal delivery and 96 hours following an uncomplicated delivery by caesarian section; services, supplies, meal replacements or supplements provided for weight control or the treatment of obesity, except for the services associated with the treatment for morbid obesity as part of a treatment plan approved by the Health Plan; acupuncture services, naturopathy and hypnotherapy; immunizations solely for foreign travel; routine foot care such as hygienic care; and diagnosis and treatment of weak, strained, or flat feet and the cutting or removal of corns, calluses and toenails (this does not apply to the removal of nail roots or surgical treatment of conditions underlying corns, calluses or ingrown toenails).

The Health Plan may require prior authorization for specialty physician services.

CHIP Perinatal Program:

- ☐ Covered, medically necessary physician services are limited to prenatal and postpartum care and/or the delivery of the covered unborn child until birth.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.
- ☐ Ultrasound of the pregnant uterus is a covered benefit of the CHIP Perinatal Program when medically indicated. Ultrasound may be indicated for suspected genetic defects, high-risk pregnancy, fetal growth retardation, or gestational age conformation.
- ☐ Amniocentesis, Cordocentesis, Fetal Intrauterine Transfusion (FIUT) and Ultrasonic Guidance for Amniocentesis, Cordocentesis, and FIUT are covered benefits of the CHIP Perinatal Program with an appropriate diagnosis.

6.2.4. Surgical services (Section 2110(a)(4)).

Covered, unlimited medically necessary surgical services, and limitations and exclusions to surgical services are described under inpatient, outpatient, and physician services.

CHIP Perinatal Program:

- ☐ Covered, medically necessary surgical services for the unborn child are limited to services that directly relate to the delivery of the unborn child enrolled in the program until birth.
- ☐ Coverage for the CHIP Perinatal newborn is the same as

coverage for traditional CHIP clients.

- 6.2.5. Clinic services (including health center services) and other ambulatory health care services. (Section 2110(a)(5))
Covered, unlimited medically necessary clinic services (including health center services) and other ambulatory health care services, and limitations and exclusions to these services are described under outpatient services.

CHIP Perinatal Program:

- Covered, medically necessary clinic services for the unborn child are limited to prenatal and postpartum care and/or the delivery of the unborn child until birth.
- Ultrasound of the pregnant uterus is a covered benefit of the CHIP Perinatal Program when medically indicated. Ultrasound may be indicated for suspected genetic defects, high-risk pregnancy, fetal growth retardation, or gestational age conformation.
- Amniocentesis, Cordocentesis, Fetal Intrauterine Transfusion (FIUT) and Ultrasonic Guidance for Amniocentesis, Cordocentesis, and FIUT are covered benefits of the CHIP Perinatal Program with an appropriate diagnosis.
- Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

- 6.2.6. Prescription drugs (Section 2110(a)(6))
Open formulary based on the Texas Medicaid Program open formulary. Covered, unlimited medically necessary prescription drugs include non-experimental, FDA-approved physician-prescribed drugs that are prescribed for the medical treatment of illness or injuries.

Exclusions include: contraceptive medications prescribed only for the purpose of primary and preventive reproductive health care, and medications for weight loss or gain.

The state will require prior authorization for selected drugs. The state will also implement a preferred drug list (with provisions for medically necessary exceptions) and may establish a four-prescription limit on brand name drugs and a thirty-four day supply limit, if determined to be cost effective. Medically necessary exceptions will also apply to both of these limits.

CHIP Perinatal Program:

- Covered medically necessary prescription and injection drugs

are a covered benefit for the unborn child.

- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.7. Over-the-counter medications (Section 2110(a)(7))

6.2.8. Laboratory and radiological services (Section 2110(a)(8))
Covered, unlimited, medically necessary laboratory and radiological services, and limitations and exclusions to laboratory and radiological services are described under inpatient, outpatient, and physician services.

CHIP Perinatal Program:

- ☐ Covered, medically necessary laboratory and radiological services for the unborn child are limited to services that directly relate to antepartum care and/or the delivery of the covered unborn child until birth.
- ☐ Ultrasound of the pregnant uterus is a covered benefit of the CHIP Perinatal Program when medically indicated.
Ultrasound may be indicated for suspected genetic defects, high-risk pregnancy, fetal growth retardation, or gestational age conformation.
- ☐ Amniocentesis, Cordocentesis, Fetal Intrauterine Transfusion (FIUT) and Ultrasonic Guidance for Cordocentesis, FIUT are covered benefits of the CHIP Perinatal Program with an appropriate diagnosis.
- ☐ Laboratory tests for the unborn child are limited to: nonstress testing, contraction stress testing, hemoglobin or hematocrit, or complete blood count (CBC), urinalysis, blood type and Rh antibody screen, rubella antibody titer, serology for syphilis, hepatitis B surface antigen, cervical cytology, pregnancy test, gonorrhea test, urine culture, sickle cell test, tuberculosis (TB) test, human immunodeficiency virus (HIV) antibody screen, Chlamydia test, other laboratory tests not specified but deemed medically necessary, and multiple marker screens for neural tube defects (if the client initiates care between 16 and 20 weeks).
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.9. Prenatal care and prepregnancy family services and supplies (Section 2110(a)(9))
Covered, unlimited prenatal care and medically necessary care related to diseases, illnesses, or abnormalities related to the reproductive system, and limitations and exclusions to these services are described

under inpatient, outpatient, and physician services.

Primary and preventive health benefits do not include pre-pregnancy family reproductive services and supplies, or prescription medications prescribed only for the purpose of primary and preventive reproductive health care.

CHIP Perinatal Program:

- ☐ Prenatal care and prepregnancy family services and supplies are limited to an initial visit and subsequent prenatal (antepartum) care visits that include: one visit every four weeks for the first 28 weeks of pregnancy; one visit every two to three weeks from 28 to 36 weeks of pregnancy; and one visit per week from 36 weeks to delivery. More frequent visits are allowed as medically necessary.
- ☐ Limit of 20 prenatal visits and two postpartum visits (maximum within 60 days) without documentation of a complication of pregnancy. More frequent visits may be necessary for high-risk pregnancies. High-risk obstetrical visits are not limited to 20 visits per pregnancy. Documentation supporting medical necessity must be maintained in the physician's files and is subject to retrospective review.
- ☐ Subsequent visits must include: interim history (problems, marital status, fetal status), physical examination (weight, blood pressure, fundal height, fetal position and size, fetal heart rate, extremities) and laboratory tests (urinalysis for protein and glucose every visit; hematocrit or hemoglobin repeated once a trimester and at 32-36 weeks of pregnancy; multiple marker screen for fetal abnormalities offered at 16 to 20 weeks of pregnancy; repeat antibody screen for Rh negative women at 28 weeks followed by Rho immune globulin administration if indicated; screen for gestational diabetes at 24 to 28 weeks of pregnancy; and other lab tests as indicated by medical condition of client).
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

- 6.2.10. ☒ Inpatient mental health services, other than services described in 6.2.18, but including services furnished in a state-operated facility and including residential or other 24-hour therapeutically planned structural services (Section 2110(a)(10))

Covered, medically necessary inpatient mental health services include, but are not limited to, mental health services furnished in a free-standing psychiatric hospital, psychiatric units of general acute

care hospitals and state-operated facilities, as well as neuropsychological and psychological testing.

When inpatient psychiatric services are ordered by a court of competent jurisdiction under the provisions of Chapters 573 and 574 of the Texas Health and Safety Code, relating to court-ordered commitments to psychiatric facilities, the court order serves as a binding determination of medical necessity. Any modification or termination of services must be presented to the court with jurisdiction over the matter for determination.

Prior authorization may be required for non-emergency inpatient mental health services; however, PCP referral is not required.

CHIP Perinatal Program:

- ☐ Inpatient mental health services are not a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

- 6.2.11. ☒ Outpatient mental health services, other than services described in 6.2.19, but including services furnished in a state-operated facility and including community-based services. **(Section 2110(a)(11))** Covered, medically necessary outpatient mental health services include, but are not limited to, mental health services provided on an outpatient basis, neuropsychological and psychological testing, medication management, rehabilitative day treatments, residential treatment services, sub-acute outpatient services (partial hospitalization or rehabilitative day treatment), and skills training (psycho-educational skills development).

When outpatient psychiatric services are ordered by a court of competent jurisdiction under the provisions of Chapters 573 and 574 of the Texas Health and Safety Code, relating to court-ordered commitments to psychiatric facilities, the court order serves as a binding determination of medical necessity. Any modification or termination of services must be presented to the court with jurisdiction over the matter for determination.

The visits can be furnished in a variety of community-based settings (including school and home-based settings) or in a state-operated facility.

Prior authorization may be required for outpatient mental health services; however, these services do not require PCP referral.

CHIP Perinatal Program:

- ☐ Outpatient mental health benefits are not a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.12. ☒

Durable medical equipment and other medically related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices) (Section 2110(a)(12)) Covered services includes durable medical equipment (DME) (equipment which can withstand repeated use, and is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of illness, injury or disability, and is appropriate for use in the home), and other medically-related or remedial devices that are medically necessary and necessary for one or more activities of daily living, and appropriate to assist in the treatment of a medical condition. These devices include, but are not limited to: orthotic braces and orthotics; prosthetic devices such as artificial eyes, limbs and braces; prosthetic eyeglasses and contact lenses for the management of severe ophthalmological disease; hearing aids; other artificial aides including surgical implants.

DME and other medically related or remedial devices are for a 12-month coverage period. Limitations include: \$20,000 per 12-month coverage period limit for DME, prosthetics, devices, and disposable medical supplies (implantable devices and diabetic supplies and equipment are not counted against this cap).

Exclusions include: Replacement or repair of prosthetic devices and DME due to misuse, abuse, or loss when confirmed by the member or the vendor; corrective orthopedic shoes; convenience items; diagnosis and treatment of flat feet; routine refractory services and glasses/contacts; and orthotics primarily used for athletic or recreational purposes.

The health plan may require prior authorization and physician prescription.

CHIP Perinatal Program:

- ☐ DME or other medically related remedial devices are not a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

- 6.2.13. Disposable medical supplies (Section 2110(a)(13))
Covered benefits include diagnosis-specific disposable medical supplies, including diagnosis-specific prescribed specialty formulas and dietary supplements. However, coverage is limited to formulas prescribed for chronic hereditary metabolic disorders, a non-function or disease of the structures that normally permit food to reach the small bowel; or malabsorption due to disease (expected to last longer than 60 days when prescribed by the physician and authorized by the Health Plan) are covered.

Limitations and exclusions: Disposable medical supplies are included under the \$20,000 limit per term of coverage Durable Medical Equipment cap; however, diabetic supplies and equipment are exempted from this cap.

CHIP Perinatal Program

- Disposable medical supplies are not a covered benefit for the unborn child.
- Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

- 6.2.14. Home and community-based health care services (See instructions) (Section 2110(a)(14))
Covered, medically necessary home and community-based health care services include, but are not limited to: Speech, physical, and occupational therapy; home infusion; respiratory therapy; skilled nursing visits as defined for home health purposes (may include R.N. or L.V.N.); home health aide services, when provided under the supervision of a R.N. and included as part of a plan of care during a period that skilled visits have been approved.

Limitations and exclusions to home and community-based health care services are: Excludes custodial care that assists a child with the activities of daily living and does not require the continuing attention of trained medical or paramedical personnel; excludes services intended to replace the child's caretaker or to provide relief for the caretaker; skilled nursing visits are provided on an intermittent level and are not intended to provide 24-hour skilled nursing services; services are for blocks of time and are not intended to replace 24-hour inpatient or skilled nursing facility services; excludes housekeeping services; excludes public facility services and care for conditions that federal, state, or local law requires be provided in a public facility or care provided while in the custody of legal authorities; excludes services or supplies received from a nurse, which do not require the skill and training of a nurse.

The health plan may require prior authorization and physician prescription.

CHIP Perinatal Program:

- Home and community-based health care services are not a covered benefit for the unborn child.
- Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

- 6.2.15. Nursing care services (See instructions) (Section 2110(a)(15))
Covered, unlimited medically necessary nursing care services include home visits for private duty nursing (R.N., L.V.N., block of time)

The health plan may require prior authorization and physician prescription.

CHIP Perinatal Program:

- Nursing care services are not a covered benefit for the unborn child.
- Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

- 6.2.16. Abortion only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest (Section 2110(a)(16))

- 6.2.17. Dental services (Section 2110(a)(17))
The state will provide dental coverage to children through one of the following (Section 2103(a)(5)):

- 6.2.17.1 State Dental Benefit Package. The State assures coverage of dental services from each of the following categories:

1. Diagnostic (must follow periodicity schedule);
2. Preventive (must follow periodicity schedule);
 3. Restorative;
 4. Endodontic;
 5. Periodontic;
 6. Prosthodontic;
 7. Oral and Maxillofacial;
 8. Orthodontics; and
9. Emergency Dental Services.

Covered services are subject to dental necessity requirements and

include: oral evaluations, routine check ups, x-rays, cleanings, topical fluoride, sealants, space maintainers, fillings, crowns/caps, pulpotomy/pulpectomy, root canals, gingivectomy/gingivoplasty, periodontal scaling, debridement, dentures, extractions, surgical extractions, orthodontic services (limited to pre- and post-surgical orthodontic services to treat craniofacial anomalies requiring surgical intervention), and emergency dental services.

The dental benefit covers up to \$564 annually per CHIP member. Limitations to dental services are limited to a 12-month coverage period. Emergency dental services are not subject to the dental benefit limit and do not count toward a CHIP member's benefit limit.

Exceptions to the \$564 annual benefit maximum are:

(1) the preventative services identified in the 2009 American Academy of Pediatric Dentistry periodicity schedule (Volume 32, Issue Number 6, at pp. 93-100); and

(2) other medically necessary services approved through a prior authorization process. These services must be necessary to allow a plan member to return to normal, pain and infection-free oral functioning. Typically this includes:

- o Services related to the relief of significant pain or to eliminate acute infection;
- o Services related to treat traumatic clinical conditions;
- o Services that allow a patient to attain the basic human functions (e.g. eating, speech, etc.); and
- o Services that prevent a condition from seriously jeopardizing one's health/functioning or deteriorating in an imminent timeframe to a more serious and costly dental problem.

CHIP Perinatal Program:

- Dental services are not a covered benefit for the unborn child.
- Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.17.1.1 Periodicity Schedule. Please select and include a description.

- Medicaid
- American Academy of Pediatric Dentistry recommendations for age appropriate dental care including but not limited to: clinical oral evaluations, cleanings and topical fluoride treatment,

x-rays, caries-risk assessment, sealants, and treatment for dental disease and injury.

- Other Nationally recognized periodicity schedule: (Please Specify)_____

6.2.17.2. Benchmark coverage; (Section 2103(c)(5), 42 CFR 457.410 and 42 CFR 457.420) States must, in accordance with 42 CFR 457.410, provide coverage for dental services necessary to prevent disease and promote oral health, restore oral structures to health and function, and treat emergency conditions if these services are not provided in the chosen benchmark package.

6.2.17.3. FEHBP-equivalent coverage; (Section 2103(c)(5)(C)(i)) (If checked, attach a copy of the dental supplemental plan benefits description and the applicable CDT codes. If the necessary dental services are not provided, please also include a description of, and the CDT code(s) for, the required service(s).)

6.2.17.4. State employee coverage; (Section 2103(c)(5)(C)(ii)) (If checked, identify the plan and attach a copy of the benefits description and the applicable CDT codes. If the necessary dental services are not provided, please also include a description of, and the CDT code(s) for, the required service(s).)

6.2.17.5. HMO with largest insured commercial enrollment (Section 2103(c)(5)(C)(iii)) (If checked, identify the plan and attach a copy of the benefits description and the applicable CDT codes. If the necessary dental services are not provided, please also include a description of, and the CDT code(s) for, the required service(s).)

6.2.18. Inpatient substance abuse treatment services and residential substance abuse treatment services (Section 2110(a)(18))
Covered, medically necessary services include, but are not limited to: inpatient and residential substance abuse treatment services including detoxification and crisis stabilization, and 24-hour residential rehabilitation programs.

Prior authorization may be required for nonemergency services; however, PCP referral is not required.

CHIP Perinatal Program:

- ☐ Inpatient substance abuse treatment services and residential substance abuse treatment services are not a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.19.

Outpatient substance abuse treatment services (Section 2110(a)(19))

Medically necessary outpatient substance abuse treatment services include, but are not limited to, prevention and intervention services that are provided by physician and non-physician providers, such as screening, assessment, and referral for chemical dependency disorders; intensive outpatient services; and partial hospitalization.

Intensive outpatient services is defined as an organized non-residential service providing structured group and individual therapy, educational services, and life skills training which consists of at least 10 hours per week for four to 12 weeks, but less than 24 hours per day. Outpatient treatment services is defined as consisting of at least one to two hours per week providing structured group and individual therapy, educational services, and life skills training.

These services do not require a PCP referral, but prior authorization may be required.

CHIP Perinatal Program:

- ☐ Outpatient substance abuse treatment services and residential substance abuse treatment services are not a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.20.

Case management services (Section 2110(a)(20))

Medically necessary case management services above and beyond those normally provided to all members are covered for Children with Complex Special Health Care Needs. These covered services include outreach, informing, intensive case management, care coordination and community referral.

State-certified Community Health Workers, also known as promotora(s), are utilized in target areas to focus education to underserved populations. The program aims to bridge social, economic and cultural gaps to provide information about effective utilization of CHIP and preventive care to enrolled families. Delivery of Community Health Worker training and services are designed to

improve preventive care in CHIP.

CHIP Perinatal Program:

- ☐ Case management services are a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.21. Care coordination services (Section 2110(a)(21))

CHIP Perinatal Program:

- ☐ Care coordination services are a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.22. Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders (Section 2110(a)(22))
Covered, medically necessary habilitation (the process of supplying a child with the means to reach age-appropriate developmental milestones through therapy or treatment) and rehabilitation services include, but are not limited to physical, occupational, and speech therapy and developmental assessment.

Reimbursement for school-based services is not covered, except for therapy services ordered by the PCP.

The health plan may require authorization and physician prescription.

CHIP Perinatal Program:

- ☐ Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders are not a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.23. Hospice Care (Section 2110 (a) (23))
Covered, medically necessary hospice services include, but are not limited to, palliative care, including medical and support services, for those children who have six months or less to live, to keep patients comfortable during the last weeks and months before death.
Treatment for unrelated conditions is unaffected.

Hospice care services are for a six-month coverage period.

Limitations include: Services apply only to the hospice diagnosis; limited to a maximum of 120 days with a six-month life expectancy; and, patients electing hospice may cancel this election at any time.

The health plan may require authorization and physician prescription.

CHIP Perinatal Program:

- ☐ Hospice care is not a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

- 6.2.24. Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services. (See instructions) (Section 2110(a)(24))

Skilled Nursing Facility (including Rehabilitation Hospital) Services

Covered, medically necessary skilled nursing facility and rehabilitation hospital services include, but are not limited to, semi-private room and board; regular nursing services; rehabilitation services; and medical supplies and use of appliances and equipment furnished by the facility. Skilled nursing facility services are for a 12-month coverage period. Coverage is limited to 60 days per 12-month coverage period. Private duty nurses, television and custodial care are excluded. The health plan may require authorization and physician prescription.

CHIP Perinatal Program:

- ☐ Skilled nursing facility and rehabilitation hospital services are not covered a benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

Emergency Services including Emergency Hospitals and Physician

Covered, medically necessary services include: emergency services based on prudent lay person definition of emergency health condition; hospital emergency department room and ancillary services and physician services 24 hours a day, seven days a week, both by in-network and out-of-network providers; medical screening examination; stabilization services; emergency dental coverage for a dislocated jaw, traumatic damage to teeth, removal of cysts, and treatment of oral abscess of tooth or gum origin; and access to designated Level I and Level II trauma centers or hospitals meeting equivalent levels of care for emergency services. The health plan cannot require authorization as a condition for payment for emergency conditions or labor and delivery; however, the health plan may require authorization for post-stabilization

services.

CHIP Perinatal Program:

- ☐ Covered, medically necessary emergency services for the unborn child are limited to those emergency services that directly relate to the delivery of the unborn child until birth.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.
- ☐ Post-delivery services or complications resulting in the need for emergency services for the mother of the CHIP Perinatal newborn are not a covered benefit.

Vision Services

Covered, medically necessary services include: one examination of the eyes to determine the need for, and prescription for, corrective lenses per 12-month coverage period, without health plan authorization; and one pair of non-prosthetic eyewear per 12-month coverage period. Vision services are for a 12-month coverage period. The health plan may reasonably limit the cost of frames/lenses. The health plan may require authorization for protective and polycarbonate lenses when medically necessary as part of a treatment plan for covered diseases of the eye. Vision training and vision therapy are excluded.

CHIP Perinatal Program:

- ☐ Vision services are not a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

Transplant Services

Using up-to-date FDA guidelines, all non-experimental human organ and tissue transplants and all forms of non-experimental corneal, bone marrow and peripheral stem cell transplants, including donor medical expenses are covered, if medically necessary. Donor non-medical expenses are not covered. The health plan may require prior authorization.

CHIP Perinatal Program:

- ☐ Transplant services are not a covered benefit for the unborn child.
- ☐ Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

Tobacco Cessation Programs

A health plan-approved tobacco cessation program is covered up to a \$100 limit per 12-month coverage period. Tobacco cessation program services are for a 12-month coverage period. The health plan may require prior authorization and use of a formulary.

CHIP Perinatal Program:

- Tobacco cessation programs are not a covered benefit for the unborn child.
- Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

Chiropractic Services

Medically necessary services are limited to spinal subluxation. Chiropractic services do not require physician prescription and are for a 12-month coverage period. These services are limited to 12 visits per 12-month coverage period (regardless of number of services or modalities provided in one visit). The health plan may require authorization for additional visits.

CHIP Perinatal Program:

- Chiropractic services are not a covered benefit for the unborn child.
- Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.25. Premiums for private health care insurance coverage (Section 2110(a)(25))

6.2.26. Medical transportation (Section 2110(a)(26))
Emergency ground, air, or water transportation is a covered service.

CHIP Perinatal Program:

- Medical transportation is not a covered benefit for the unborn child.
- Ambulance services for labor and threatened labor are a covered benefit for the unborn child.
- Coverage for the CHIP Perinatal newborn is the same as coverage for traditional CHIP clients.

6.2.27. Enabling services (such as transportation, translation, and outreach services) (See instructions) (Section 2110(a)(27))

6.2.28. Any other health care services or items specified by the Secretary and not included under this section (Section 2110(a)(28))

6.3 The state assures that, with respect to pre-existing medical conditions, one of the following two statements applies to its plan: (42CFR 457.480)

6.3.1. The state shall not permit the imposition of any pre-existing medical condition exclusion for covered services (Section 2102(b)(1)(B)(ii)); **OR**

6.3.2. The state contracts with a group health plan or group health insurance coverage, or contracts with a group health plan to provide family coverage under a waiver (see Section 6.4.2. of the template). Pre-existing medical conditions are permitted to the extent allowed by HIPAA/ERISA (Section 2103(f)). Please describe: *Previously 8.6*

6.4 **Additional Purchase Options.** If the state wishes to provide services under the plan through cost effective alternatives or the purchase of family coverage, it must request the appropriate option. To be approved, the state must address the following: (Section 2105(c)(2) and (3)) (42 CFR 457.1005 and 457.1010)

6.4.1. **Cost Effective Coverage.** Payment may be made to a state in excess of the 10% on use of funds for payments for: 1) other child health assistance for targeted low-income children; 2) expenditures for health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children); 3) expenditures for outreach activities as provided in section 2102(c)(1) under the plan; and 4) other reasonable costs incurred by the state to administer the plan, if it demonstrates the following (42CFR 457.1005(a)):

6.4.1.1. Coverage provided to targeted low-income children through such expenditures must meet the coverage requirements above; Describe the coverage provided by the alternative delivery system. The state may cross reference section 6.2.1 - 6.2.28. (Section 2105(c)(2)(B)(i)) (42CFR 457.1005(b))

6.4.1.2. The cost of such coverage must not be greater, on an average per child basis, than the cost of coverage that would otherwise be provided for the coverage described above. Describe the cost of such coverage on an average per child basis. (Section 2105(c)(2)(B)(ii)) (42CFR 457.1005(b))

6.4.1.3. The coverage must be provided through the use of a community-based health delivery system, such as through contracts with health centers receiving funds under section 330 of the Public Health Service Act or with hospitals such as those that receive disproportionate share payment adjustments under section 1886(c)(5)(F) or 1923 of the Social Security Act. Describe the community-based delivery system. (Section

2105(c)(2)(B)(iii) (42CFR 457.1005(a))

- 6.4.2. **Purchase of Family Coverage.** Describe the plan to purchase family coverage. Payment may be made to a state for the purpose of family coverage under a group health plan or health insurance coverage that includes coverage of targeted low-income children, if it demonstrates the following: (Section 2105(c)(3)) (42CFR 457.1010)
- 6.4.2.1. Purchase of family coverage is cost-effective relative to the amounts that the state would have paid to obtain comparable coverage only of the targeted low-income children involved; and (Describe the associated costs for purchasing the family coverage relative to the coverage for the low income children.) (Section 2105(c)(3)(A)) (42CFR 457.1010(a))
- 6.4.2.2. The state assures that the family coverage would not otherwise substitute for health insurance coverage that would be provided to such children but for the purchase of family coverage. (Section 2105(c)(3)(B)) (42CFR 457.1010(b))
- 6.4.2.3. The state assures that the coverage for the family otherwise meets title XXI requirements. (42CFR 457.1010(c))

Section 7. Quality and Appropriateness of Care

- **Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue on to Section 8.**

7.1. Describe the methods (including external and internal monitoring) used to assure the quality and appropriateness of care, particularly with respect to well-baby care, well-child care, and immunizations provided under the plan. (2102(a)(7)(A)) (42CFR 457.495(a))

The state has used numerous methods to assure that CHIP beneficiaries receive quality services that are appropriate to their needs. These methods include the following:

- ☐ Requirement that health plans submit patient-level encounter data to the CHIP External Quality Review Organization (EQRO). The data is analyzed using HEDIS and other benchmarks to assess the provision of well-baby, well-child and immunization services.
- ☐ Assess health plan delivery of child health services through comprehensive surveys of the enrolled CHIP population.
- ☐ Requirement that HMOs and EPOs develop and maintain quality assurance and quality improvement programs.
- ☐ Verification that the HMOs and EPO have sufficient network providers and procedures to ensure that children have access to routine, urgent, and emergency services; telephone appointments; and advice and member service lines.
- ☐ Restrictions on physician incentive plans.
- ☐ Requirement that HMOs and EPOs provide training to providers on a number of topics including the special needs of CHIP Phase II clients.
- ☐ Requirement that HMOs and EPOs have health education and wellness promotion programs.
- ☐ Requirement that HMOs and EPOs maintain a toll-free member hotline 24 hours a day, seven days a week for obtaining assistance in accessing services.
- ☐ Requirement that HMOs and EPOs develop, implement and maintain a member complaint system.
- ☐ Requirement that HMOs and EPOs send notice to CHIP beneficiaries on the HMO's appeals process for services that are denied, delayed, reduced or terminated.

- Access to a grievance process to appeal an HMO or EPO action.

In addition to internal monitoring processes, an external quality monitor is used to evaluate quality assurance activities described above for the HMO and EPO models.

To ensure children receive proper well-baby and well-child care and immunizations, HMO and any EPO providers are required to do the following:

- Provide children with well-baby and well-child care and immunizations according to the American Academy of Pediatrics or DSHS periodicity schedule for children. Provide well-child care and immunizations to all children except when the family refuses services after being provided accurate and complete information about services.
- Ensure that families are provided information and education materials about well-child care and immunizations, especially the importance of well-child checkups, and about how and when to obtain the services.
- Provide training to network providers and provider staff about well-child care and immunizations.

Will the state utilize any of the following tools to assure quality?

(Check all that apply and describe the activities for any categories utilized.)

- 7.1.1. Quality standards
Health Plans are encouraged to follow QISMC guidelines and other standards established by the state in the development and maintenance of their Quality Improvement Programs.
- 7.1.2. Performance measurement
Texas is using a variety of performance measures to assess program quality, including pediatric HEDIS measures, ambulatory care sensitive conditions, case-mix adjusted actual versus expected experience rankings, and consumer survey results (including results from the Consumer Assessment of Health Plans Study (CAHPS)).
- 7.1.3. Information strategies
The EQRO produces reports for analysis which focus on the review and assessment of quality of care given by CHIP health plans, detection of over and under-utilization, and other user-defined reporting criteria and standards.
- 7.1.4. Quality improvement strategies
The state requires all CHIP Health Plans to develop and maintain a

Quality Improvement Program (QIP) system that complies with federal regulations relating to Quality Assurance systems, and state insurance department regulations. Each Health Plan QIP must be approved by the state. Health Plans must conduct focused health studies in areas established by the state. All aspects of the health plans QIP will be monitored by the state. The state will also perform ongoing medical record reviews, and retrospective medical record reviews for health plans.

7.2. Describe the methods used, including monitoring, to assure: (2102(a)(7)(B)) (42CFR 457.495)

As a means of measuring accessibility, the state has established standard ratios of full-time equivalent PCPs to CHIP beneficiaries and full-time board certified/board eligible pediatricians to CHIP beneficiaries.

Network managers are required to ensure that primary care providers (PCP) are located no more than 30 miles from any member, unless approved by the state. Members are generally not required to travel in excess of 75 miles to secure initial contact with referral specialists; special hospitals, psychiatric hospitals; diagnostic and therapeutic services; and single service health care physicians or providers except when approved by the state. Networks must include pediatricians and physicians with pediatric experience that is adequate to provide eligible children and adolescents with the full scope of benefits.

Network managers are required to demonstrate their ability to monitor network capacity and member access to needed services throughout the geographic service area in order to maintain the adequacy of the network. Managers need to maintain systems for monitoring patient load so that they can effectively plan for future needs and recruit providers as necessary to assure adequate access to primary care and specialty care. Health plan are also required to routinely monitor and ensure the after-hours availability and accessibility of PCPs.

The state requires that networks provide access to urgent care within 24 hours of request and routine care within 2 weeks of request. The state also requires that networks provide medically necessary emergency services 24 hours a day, seven days a week, either by access to the PCP or after-hours coverage through the Health Plan's network facilities, or through reimbursement of out-of-network providers.

Networks are required to maintain a toll-free member hotline 24 hours a day, seven days a week for obtaining assistance in accessing services.

The state tracks network utilization controls and will monitor inpatient admissions, emergency room use, ancillary, and out-of-area services for CHIP network clients.

7.2.1 Access to well-baby care, well-child care, well-adolescent care and childhood and adolescent immunizations. (Section 2102(a)(7)) (42CFR 457.495(a))

SEE 7.1

7.2.2 Access to covered services, including emergency services as defined in 42 CFR §457.10. (Section 2102(a)(7)) 42CFR 457.495(b)

SEE 7.2

7.2.3 Appropriate and timely procedures to monitor and treat enrollees with chronic, complex, or serious medical conditions, including access to an adequate number of visits to specialists experienced in treating the specific medical condition and access to out-of-network providers when the network is not adequate for the enrollee's medical condition. (Section 2102(a)(7)) (42CFR 457.495(c))

The state monitors the status of children with special health care needs through quarterly reviews of encounter data and periodic surveys of the CHIP families. When deficiencies are identified, among particular plans, corrective action plans are implemented.

7.2.4 Decisions related to the prior authorization of health services are completed in accordance with state law **or**, in accordance with the medical needs of the patient, within 14 days after the receipt of a request for services. (Section 2102(a)(7)) (42CFR 457.495(d))

The state assures decisions related to the prior authorization of health services are completed in accordance with state law by reviewing quarterly member and provider complaint reports, conducting spot audits and completing, with the state's EQRO, a periodic Quality of Care Survey of members.

CHIP health plans are subject to state commercial insurance statutes and regulations regarding utilization review, which contain requirements as stringent as federal provisions.

Section 8. Cost-sharing and Payment (Section 2103(e))

- **Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue on to Section 9.**

8.1. Is cost-sharing imposed on any of the children covered under the plan? (42CFR 457.505)

8.1.1. YES

8.1.2. NO, skip to question 8.8.

8.2. Describe the amount of cost-sharing, any sliding scale based on income, the group or groups of enrollees that may be subject to the charge and the service for which the charge is imposed or time period for the charge, as appropriate.

(Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) &(c), 457.515(a)&(c))

8.2.1. Premiums: See costing sharing table. Unborn children are exempt from cost-sharing through the duration of their eligibility period, which is described in Section 4.1.8.

In the event of a FEMA- or Governor- declared disaster and at the State's discretion, the State may waive or delay collection of enrollment fees at initial application or renewal for families living in FEMA- or Governor- declared disaster areas at the time of a disaster event. If the state elects to delay collection of enrollment fees, eligible individuals will be enrolled prior to payment of the enrollment fee.

~~Families from a disaster county, as declared by the Federal Emergency Management Agency for Hurricane Ike, are allowed a two-month extension to pay the enrollment fee. The two-month extension applies to families that were approved for renewal in August 2008, but that had not paid the enrollment fee. These families must pay the enrollment fee by November 14, 2008 to remain enrolled in CHIP. This provision expires on December 1, 2008.~~

8.2.2. Deductibles: None.

8.2.3. Coinsurance or co-payments: See costing sharing table. Unborn children are exempt from cost-sharing through the duration of their eligibility period, which is described in Section 4.1.8.

In the event of a FEMA- or Governor- declared disaster and at the State's discretion, the state may waive co-payments for families living FEMA- or Governor- declared disaster areas at the time of a disaster event.

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<i>Cost-Sharing</i>	
<i>Enrollment Fees (for 12-month enrollment period):</i>	<i>Charge</i>
At or below 150 % of FPL	\$0
Above 150% up to and including 185% of FPL	\$35
Above 185% up to and including 200% of FPL	\$50
<i>Co-Pays (per visit):</i>	
<i>At or below 100% of FPL</i>	<i>Charge</i>
Office Visit*	\$3
Non-Emergency ER	\$3
Generic Drug	\$0

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Brand Drug	\$3
Cost-sharing Cap	5% (of family's income)
Facility Co-pay, Inpatient	\$15
Above 100% up to and including 150% of FPL	<i>Charge</i>
Office Visit*	\$5
Non-Emergency ER	\$5
Generic Drug	\$0
Brand Drug	\$5
Cost-sharing Cap	5% (of family's income)
Facility Co-pay, Inpatient (per admission)	\$35
Above 150% up to and including 185% of FPL	<i>Charge</i>
Office Visit*	\$20
Non-Emergency ER	\$75
Generic Drug	\$10
Brand Drug	\$35
Cost-sharing Cap	5% (of family's income)
Facility Co-pay, Inpatient (per admission)	\$75
Above 185% up to and including 200% of FPL	<i>Charge</i>
Office Visit*	\$25
Non-Emergency ER	\$75
Generic Drug	\$10
Brand Drug	\$35
Cost-sharing Cap	5% (of family's income)
Facility Co-pay, Inpatient (per admission)	\$125
*The office visit co-payment amounts also apply to non-preventive dental visits.	

8.2.3-8.2.4. Other: None.

- 8.3. Describe how the public will be notified, including the public schedule, of this cost-sharing (including the cumulative maximum) and changes to these amounts and any differences based on income. (Section 2103(e)(1)(B)) (42CFR 457.505(b))

Outreach materials reference cost-sharing requirements. The administrative services contractor provides information to CHIP families about the required enrollment fee and co-payments for services. Health plans and dental plans also include information on co-payments in member handbooks sent to CHIP beneficiaries once enrolled.

- 8.4. The state assures that it has made the following findings with respect to the cost-sharing in its plan: (Section 2103(e))

- 8.4.1. Cost-sharing does not favor children from higher income families over lower income families. (Section 2103(e)(1)(B)) (42CFR 457.530)

8.4.2. No cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. (Section 2103(e)(2)) (42CFR 457.520)

8.4.3 No additional cost-sharing applies to the costs of emergency medical services delivered outside the network. (Section 2103(e)(1)(A)) (42CFR 457.515(f))

8.5. Describe how the state will ensure that the annual aggregate cost-sharing for a family does not exceed 5 percent of such family's income for the length of the child's eligibility period in the State. Include a description of the procedures that do not primarily rely on a refund given by the state for overpayment by an enrollee: (Section 2103(e)(3)(B)) (42CFR 457.560(b) and 457.505(e))

Families receive information during the enrollment process on how to track and report their cost-sharing expenditures. Texas uses a five percent aggregate cap per 12-month term of coverage (see section 8.2.3).

When a family is near their cap on out-of-pocket cost-sharing, they submit a form to the CHIP administrative services contractor, which in turn, notifies the member's health and dental plans. The health and dental plans send the member a new membership card that indicates no cost-sharing is required through the end of that member's enrollment period.

In addition to seeing the member's membership cards (which would indicate no cost-sharing required if the cap has been reached), providers can also access a toll-free line operated by the CHIP administrative services contractor that provides eligibility information.

8.6 Describe the procedures the state will use to ensure American Indian (as defined by the Indian Health Care Improvement Act of 1976) and Alaska Native children will be excluded from cost-sharing. (Section 2103(b)(3)(D)) (42CFR 457.535)

American Indian and Alaska Native applicants identify themselves on the application. The administrative services contractor uses special identifying codes for American Indians and Alaska Natives. This code ensures that American Indians and Alaska Natives are not charged an enrollment fee. The American Indian and Alaska Native identifiers are transmitted electronically to the health and dental plans. Under the State's contract, the health and dental plans are prohibited from assessing co-payments for American Indians and Alaska Natives. Health and dental plan Member ID cards for American Indians and Alaska Natives must show that they owe no co-payments for services. The health and dental plans also are contractually required to educate providers about the cost-sharing waiver for American Indians and Alaska Natives.

8.7 Please provide a description of the consequences for an enrollee or applicant who

does not pay a charge. (42CFR 457.570 and 457.505(c))

New enrollees must pay the enrollment fee prior to enrollment in the program. Families renewing coverage have until cut-off of the first month of the new 12-month coverage period to pay the enrollment fee, unless an extension is authorized under Section 8.2.1. Cut-off is usually 10-15 days prior to the end of the month. As long as payment is received by the cut-off date, no lapse in coverage is experienced. If the family fails to pay the enrollment fee by cut-off of the first month of the new 12-month coverage period and an extension is not authorized under Section 8.2.1, the family will be sent a disenrollment letter.

An applicant or member may request a review of a suspension or termination of enrollment, including disenrollment for failure to meet cost-sharing obligations. If the family wishes to request a review, the family must submit a timely written request. HHSC will complete its decision on the review in a timely manner as specified in 42 C.F.R. 457.1160 and furnish a written decision to the family. The decision is final and there are no further appeals.

In the event of a FEMA- or Governor- declared disaster and at the State's discretion, the State may waive or delay collection of enrollment fees in accordance with Sections 8.21 and 8.2.3.

8.7.1 Please provide an assurance that the following disenrollment protections are being applied:

- State has established a process that gives enrollees reasonable notice of and an opportunity to pay past due premiums, co-payments, coinsurance, deductibles or similar fees prior to disenrollment. (42CFR 457.570(a))
- The disenrollment process affords the enrollee an opportunity to show that the enrollee's family income has declined prior to disenrollment for non-payment of cost-sharing charges. (42CFR 457.570(b))
- In the instance mentioned above, the state will facilitate enrolling the child in Medicaid or adjust the child's cost-sharing category as appropriate. (42CFR 457.570(b))
- The state provides the enrollee with an opportunity for an impartial review to address disenrollment from the program. (42CFR 457.570(c))

8.8 The state assures that it has made the following findings with respect to the payment aspects of its plan: (Section 2103(e))

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- 8.8.1. No Federal funds will be used toward state matching requirements.
(Section 2105(c)(4)) (42CFR 457.220)
- 8.8.2. No cost sharing (including premiums, deductibles, co-pays,

coinsurance and all other types) will be used toward state matching requirements. (Section 2105(c)(5) (42CFR 457.224) (Previously 8.4.5)

- 8.8.3. No funds under this title will be used for coverage if a private insurer would have been obligated to provide such assistance except for a provision limiting this obligation because the child is eligible under this title.
(Section 2105(c)(6)(A)) (42CFR 457.626(a)(1))
- 8.8.4. Income and resource standards and methodologies for determining Medicaid eligibility are not more restrictive than those applied as of June 1, 1997. (Section 2105(d)(1)) (42CFR 457.622(b)(5))
- 8.8.5. No funds provided under this title or coverage funded by this title will include coverage of abortion except if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest.
(Section 2105)(c)(7)(B)) (42CFR 457.475) NOT COVERED.
- 8.8.6. No funds provided under this title will be used to pay for any abortion or to assist in the purchase, in whole or in part, for coverage that includes abortion (except as described above). (Section 2105)(c)(7)(A)) (42CFR 457.475) NOT COVERED.

Section 9. Strategic Objectives and Performance Goals and Plan Administration (Section 2107)

- 9.1. Describe strategic objectives for increasing the extent of creditable health coverage among targeted low-income children and other low-income children: (Section 2107(a)(2)) (42CFR 457.710(b))

Strategic Objective 1: Provide Increased Access to Health Care Coverage for the New CHIP-Enrolled Texas Children in Families with Income at or below 200% of Poverty.

Strategic Objective 2: Provide Increased Preventive and Primary Health Care Services to new CHIP-Enrolled Texas Children.

Strategic Objective 3: Provide Improved Health Outcomes for New CHIP-Enrolled Texas Children through Appropriate Utilization of Health Care Resources.

- 9.2. Specify one or more performance goals for each strategic objective identified: (Section 2107(a)(3)) (42CFR 457.710(c))

Strategic Objective 1: Provide Increased Access to Health Care Coverage for the New CHIP-Enrolled Texas Children in Families with Income at or below 200% of Poverty.

Performance Goal A: Compare annual data of the number and percent of children enrolled in CHIP to the estimated number of potentially CHIP eligible children in the state.

Performance Goal B: Track participation by county, age, and racial/ethnic groups.

Strategic Objective 2: Provide Increased Preventive and Primary Health Care Services to new CHIP-Enrolled Texas Children.

Performance Goal A: Track number and percentage of CHIP-coverage children with completed immunizations at end of middle school (approximately 12-14 years of age).

Performance Goal B: Track number and percentage of CHIP-coverage children receiving well child checkups by county, age, and racial/ethnic groups.

Strategic Objective 3: Provide Improved Health Outcomes for New CHIP-Enrolled Texas Children through Appropriate Utilization of Health Care Resources.

Performance Goal A: Track number and percentage of CHIP-coverage

children receiving well child checkups by county, age, and racial/ethnic groups.

Performance Goal B: Track number and percentage of CHIP-coverage children receiving emergency services by county and age.

Performance Goal C: Track number and percentage of CHIP-coverage children having hospital discharges by county and age.

- 9.3. Describe how performance under the plan will be measured through objective, independently verifiable means and compared against performance goals in order to determine the state's performance, taking into account suggested performance indicators as specified below or other indicators the state develops:
(Section 2107(a)(4)(A), (B)) (42CFR 457.710(d))

The strategic objectives and performance goals of the Title XXI CHIP program have been initiated for the first biennium based on the principal desire of the state to plan and implement a successful CHIP program in Texas. In order to be successful, the program design includes significant attention to outreach, eligibility determination, enrollment, and the participation of providers and children.

The state developed four strategic objectives to measure access, service provision, quality of care and health resources utilization as a means of evaluating the health status of children in the CHIP program. Data have been obtained from managed care plans, medical records and surveys. Health plan patient-level encounter data have been analyzed using case-mix adjustment process, including the Chronic Illness and Disability Payment System (CDPS) and Ambulatory Care Groups (ACGs) frameworks. In addition, the state has used encounter data to assess health plan performance on child and adolescent HEDIS measures. The state has also completed three enrollee surveys, including a survey of New Enrollees, Disenrollees, Established Enrollees Consumer Assessment of Health Plans Survey (CAHPS) of each health plan by service area.

Check the applicable suggested performance measurements listed below that the state plans to use: (Section 2107(a)(4))

- 9.3.1. The increase in the percentage of Medicaid-eligible children enrolled in Medicaid.
- 9.3.2. The reduction in the percentage of uninsured children.
- 9.3.3. The increase in the percentage of children with a usual source of care.
- 9.3.4. The extent to which outcome measures show progress on one or more

of the health problems identified by the state.

- 9.3.5. HEDIS Measurement Set relevant to children and adolescents younger than 19.
- 9.3.6. Other child appropriate measurement set. List or describe the set used.
- 9.3.7. If not utilizing the entire HEDIS Measurement Set, specify which measures will be collected, such as:
 - 9.3.7.1. Immunizations
 - 9.3.7.2. Well-child care
 - 9.3.7.3. Adolescent well visits
 - 9.3.7.4. Satisfaction with care (Surveys)
 - 9.3.7.5. Mental health
 - 9.3.7.6. Dental care
 - 9.3.7.7. Other, please list:
- 9.3.8. Performance measures for special targeted populations.
[Children with Special Health Care Needs (CSHCN)
Screener questions included in Surveys]
- 9.4. The state assures it will collect all data, maintain records and furnish reports to the Secretary at the times and in the standardized format that the Secretary requires. (Section 2107(b)(1)) (42CFR 457.720)
- 9.5. The state assures it will comply with the annual assessment and evaluation required under Section 10. Briefly describe the state's plan for these annual assessments and reports. (Section 2107(b)(2)) (42CFR 457.750)

Texas will develop the necessary data sources and baselines with which to assess and evaluate program performance consistent with Title XXI requirements and the requirements of day-to-day program management. HHSC will dedicate staff or contracted resources to review program

performance and develop strategies for improvement

- 9.6. The state assures it will provide the Secretary with access to any records or information relating to the plan for purposes of review of audit. (Section 2107(b)(3)) (42CFR 457.720)
- 9.7. The state assures that, in developing performance measures, it will modify those measures to meet national requirements when such requirements are developed. (42CFR 457.710(e))
- 9.8. The state assures, to the extent they apply, that the following provisions of the Social Security Act will apply under Title XXI, to the same extent they apply to a state under Title XIX: (Section 2107(e)) (42CFR 457.135)
- 9.8.1. Section 1902(a)(4)(C) (relating to conflict of interest standards)
- 9.8.2. Paragraphs (2), (16) and (17) of Section 1903(i) (relating to limitations on payment)
- 9.8.3. Section 1903(w) (relating to limitations on provider donations and taxes)
- 9.8.4. Section 1132 (relating to periods within which claims must be filed)
- 9.9. Describe the process used by the state to accomplish involvement of the public in the design and implementation of the plan and the method for insuring ongoing public involvement. (Section 2107(c)) (42CFR 457.120(a) and (b))

The state has actively sought the involvement of the public in the development of the Texas CHIP Phase II program through numerous avenues. The Lieutenant Governor established the Senate Interim Committee on Children's Health Insurance in March 1998, which heard extensive testimony during the summer from the public on the policy options and recommendations for CHIP. The Texas House Committee on Appropriations and the Texas House Committee on Public Health also participated in joint public hearings on CHIP with the Senate Interim Committee. Hearings were widely publicized through the Texas Register, media advisories, Internet web sites, and targeted mailings to advocacy groups. State agency representatives have met on a regular basis with legislative staff to gain legislative input on the development of draft proposals.

In addition to legislative public hearings, the Health and Human Services Commission, in collaboration with the Texas Department of Health, the Texas Department of Human Services, and the Texas Department of Mental Health and Mental Retardation held 10 public hearings around the state throughout the fall of

1998 and early in 1999. The state made a concerted effort to attract families, providers, health officials, advocates, community-based organizations, and other community representatives to these hearings, specifically by working with state and local CHIP Coalitions representing a broad range of consumer and provider interests. Public hearings were held in late afternoon – early evening to better allow family members to attend. The state also hosted local discussions at each of the public hearing sites to establish community linkages and gain community input on local outreach strategies and other topics in a more informal setting. Local advisory groups are used to provide ongoing direction and input on outreach strategies for Texas CHIP.

A number of advocacy groups in Texas formed the CHIP Coalition in Spring 1998. State representatives meet regularly with the CHIP Coalition, making presentations on various aspects of the program design and seeking feedback throughout the development process. The state used the CHIP Coalition to provide input and guidance on program components as Texas CHIP was implemented. The State also meets with the Disability Policy Consortium, which represents statewide disability advocacy groups, to discuss developments in Texas CHIP.

State representatives meet with state provider organizations, such as the Texas Medical Association and the Texas Hospital Association. State staff present at numerous provider conferences and meetings. Continued involvement of these organizations is essential in the operation of Texas CHIP.

Public involvement in implementation of Texas CHIP was ensured through state agencies' rule-making processes and through public participation in outreach efforts. In addition, regional advisory committees with broad representation across provider and consumer groups and including parents of CHIP enrollees were formed to provide advice on program policy, management, and outreach.

- 9.9.1 Describe the process used by the state to ensure interaction with Indian Tribes and organizations in the state on the development and implementation of the procedures required in 42 CFR §457.125. (Section 2107(c)) (42CFR 457.120(c))

HHSC requires health plans and dental plans to seek participation in its provider network from the tribal health clinics.

American Indian and Alaska Native children are exempt from cost sharing.

- 9.9.2 For an amendment relating to eligibility or benefits (including cost sharing and enrollment procedures), please describe how and when prior public notice was provided as required in §457.65 (b) through (d).

CHIP Program changes related to the time period for payment of cost sharing obligations – This amendment increases the amount of time that

enrollees have to pay the enrollment fee upon renewal of their coverage. Prior public notice was provided through:

- Posting of a notice in the *Texas Register* regarding the submission of the CHIP state plan amendment, including contact information to obtain a copy of the amendment.

CHIP Program Changes related to extension of coverage for Prenatal Care and Associated Health Care Services:

- Public input was sought through meetings with interested stakeholders such as the Texas Hospital Association, the Texas CHIP Coalition, and the Texas Association of Health Plans.
- Eligibility and cost-sharing rules were presented to members of the Medical Care Advisory Committee and the Texas Health and Human Services Commission Agency Council.
- Public testimony was taken at both meetings, and an additional public hearing was held on November 1, 2005.
- Public notice was also submitted to the *Texas Register*.

CHIP Program Changes related to HB 109, 80th Legislature, Regular Session, 2007:

- Public testimony on H.B. 109 was received during legislative hearings held on March 1, 2007, March 8, 2007, and May 17, 2007.
- Public input was sought through meetings with interested stakeholders, including the meeting with the Texas CHIP Coalition on June 8, 2007. Additional public input was sought through a meeting with the Texas CHIP Coalition on June 15, 2007.
- Proposed eligibility and cost-sharing rules were presented to members of the Medical Care Advisory Committee on June 14, 2007, and to the Texas Health and Human Services Commission Council on June 21, 2007. Both meetings were open to the public.
- The eligibility and cost sharing rules were published in the *Texas Register* on July 6, 2007, with a 30-day public comment period.
- A public hearing was held on the proposed rules on July 19, 2007.
- A public notice was submitted to the *Texas Register* in July 2007 regarding the State's intent to submit the state plan amendment to CMS. The public will be able to request copies of the proposed state plan amendment.

CHIP income exemption for temporary census employees:

- A public notice was submitted to the *Texas Register* for publication in September 2008 regarding the State's intent to submit the state plan amendment to CMS. The public was able to request copies of the proposed state plan amendment.

- Notification was provided to the three Native American tribes in Texas in September 2008.
- Notification was provided to the Texas CHIP Coalition in September 2008.

CHIP eligibility expansion for Qualified Aliens:

- A public notice was submitted to the *Texas Register* for publication in May 2010 regarding the State's intent to submit the state plan amendment to CMS. The public was able to request copies of the proposed state plan amendment.
- Notification was provided to the three Native American tribes in Texas in May 2010.
- Notification was provided to stakeholders, including the Texas CHIP Coalition in May 2010.

CHIP changes for hospice care:

- A public notice was submitted to the *Texas Register* for publication in August 2010 regarding the State's intent to submit the state plan amendment to CMS. The public was able to request copies of the proposed state plan amendment.
- Notification was provided to the Native American tribes in Texas in August 2010.
- Notification was provided to the Texas CHIP Coalition in August 2010.

CHIP Perinatal Program to deem newborns to Medicaid for 12 continuous months of coverage if the family income is at or below 185 percent of FPL:

- Public notice was mailed to interested stakeholders on April 13, 2010.
- Public notice of the proposed amendment was published in the *Texas Register* on April 23, 2010. The public can request copies of the state plan amendment.
- Proposed eligibility rules were presented to the Texas Health and Human Services Commission Council in a meeting held on April 29, 2010. This meeting was open to the public.
- Notification was provided to the three Native American tribes in Texas in August 2010.

CHIP method of finance change to provide federal matching funds for the children of public school employees:

- A public notice was submitted to the *Texas Register* for publication in January 2011 regarding the State's intent to submit the state plan

amendment to CMS. The public was able to request copies of the proposed state plan amendment.

- Notification was provided to the three Native American tribes in Texas in January 2011.
- Notification was provided to the Texas CHIP Coalition in January 2011.

CHIP changes for behavioral health benefits and cost-sharing:

- A public notice was submitted to the *Texas Register* for publication in August 2010 regarding the State's intent to submit the state plan amendment to CMS. The public was able to request copies of the proposed state plan amendment.
- Notification was provided to the three Native American tribes in Texas in September 2010.
- Notification was provided to the Texas CHIP Coalition in September 2010.

CHIP change to provide federal matching funds for public employee children:

- A public notice was submitted to the *Texas Register* for publication in June 2011 regarding the State's intent to submit the state plan amendment to CMS. The public was able to request copies of the proposed state plan amendment.
- Notification was provided to the three Native American tribes in Texas in June 2011.
- Notification was provided to the Texas CHIP Coalition in June 2011.

CHIP dental program and cost-sharing changes:

- A public notice was submitted to the *Texas Register* for publication in October 2010 regarding the State's intent to submit the state plan amendment to CMS. The public was able to request copies of the proposed state plan amendment.
- Notification was provided to the three Native American tribes in Texas in October 2010.
- Notification was provided to the Texas CHIP Coalition in October 2010.
- The Texas Dental Association was provided notice in October 2010.
- A public notice was submitted to the *Texas Register* for publication in July 2011 regarding the State's intent to submit a revised state plan amendment to CMS. The public was able to request copies of the proposed state plan amendment.
- Updated notification was provided to the three Native American tribes in Texas in July 2011.

Model Application Template for the State Children's Health Insurance Program

- Updated notification was provided to the Texas CHIP Coalition in July 2011.
- The Texas Dental Association was provided updated notice in July 2011.

9.10. Provide a one year projected budget. A suggested financial form for the budget is attached. The budget must describe: (Section 2107(d)) (42CFR 457.140)

- Planned use of funds, including --
 - Projected amount to be spent on health services;
 - Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
 - Assumptions on which the budget is based, including cost per child and expected enrollment.
- Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees.

CHIP Budget Plan

	Federal Fiscal Year 2012 Costs
Enhanced FMAP rate (state share)	0.2925
Benefit Costs	
Managed Care Premiums	
Per member/per month rate times the number of eligibles CHIP	1,004,495,903
Per member/per month rate times the number of eligibles Medicaid*	44,577,589
Fee for Service:	
Prescription Drugs CHIP	172,515,717
Prescription Drugs Medicaid*	7,721,240
Total Benefit Costs	1,229,310,449
(Offsetting beneficiary cost sharing payments)	(5,106,028)
Net Benefit Costs	1,224,204,421
Administration Costs	
Eligibility Enrollment and Outreach	61,305,850
Other Administration	11,755,091
Subtotal	73,060,941
Total Administration Costs	73,060,941
10% Administrative Cost Ceiling (benefits-cost share)/9)	136,022,713
Federal Share (multiplied by EFMAR rate)	917,815,244
State Share	379,450,118
TOTAL PROGRAM COSTS	1,297,265,362

Model Application Template for the State Children's Health Insurance Program

Notes: The Federal Fiscal Year (FFY) runs from October 1st through September 30th.
Members per Month and PMPM assumptions are derived from the FFY11 updated Spring forecast.
Client Service cost include HMO/EPO Premiums, Dental, Vaccines, and Prescription Drugs.

Average Monthly Caseload for Federally-Funded CHIP (Traditional): FFY 2012 = 563,046 (this includes caseload for public employee children of 12,131).

The PMPM assumptions are \$94.80 for premiums, \$19.62 for Dental, \$2.69 for Vaccines, and \$25.51 for Prescription Drugs.

Average Monthly Caseload for the Federally-Funded CHIP Perinate program: FFY 2012 = 38,217.
The PMPM assumptions are \$463.94 for premiums, \$0.01 for dental, and \$0.40 for vaccines.

* Average Monthly Caseload for Qualified Aliens in Medicaid (using Title XXI): FFY 2012 = 20,259.
The PMPM assumptions are \$183.36 for premiums and \$31.76 for prescription drugs.

Qualified Aliens in Medicaid do not pay cost sharing.

The State's funding sources include State Tobacco Funds, General Revenues, Rebates, and Cost Sharing.

Assumptions:

Benefit costs represent payments to health providers for providing health care services to CHIP enrollees. These cost estimates are based upon the yearly mean average of enrollees and the average cost per enrollee per month. Administration costs represent the cost of eligibility determination and enrollment services, outreach, quality assurance efforts by the agency, audits, and actuarial work.

Section 10. Annual Reports and Evaluations (Section 2108)

- 10.1. Annual Reports. The state assures that it will assess the operation of the state plan under this Title in each fiscal year, including: (Section 2108(a)(1), (2)) (42CFR 457.750)
- 10.1.1. The progress made in reducing the number of uncovered low-income children and report to the Secretary by January 1 following the end of the fiscal year on the result of the assessment, and
- 10.2. The state assures it will comply with future reporting requirements as they are developed. (42CFR 457.710(e))
- 10.3. The state assures that it will comply with all applicable Federal laws and regulations, including but not limited to Federal grant requirements and Federal reporting requirements.
- 10.3.1. The state assures that it will submit yearly the approved dental benefit package and submit quarterly the required information on dental providers in the state to the Human Resources and Services Administration for posting on the Insure Kids Now! website.

Section 11. Program Integrity (Section 2101(a))

- **Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue to Section 12.**

11.1 The state assures that services are provided in an effective and efficient manner through free and open competition or through basing rates on other public and private rates that are actuarially sound. (Section 2101(a)) (42CFR 457.940(b))

11.2. The state assures, to the extent they apply, that the following provisions of the Social Security Act will apply under Title XXI, to the same extent they apply to a state under Title XIX: (Section 2107(e)) (42CFR 457.935(b)) The items below were moved from section 9.8. (Previously items 9.8.6. - 9.8.9)

11.2.1. 42 CFR Part 455 Subpart B (relating to disclosure of information by providers and fiscal agents)

11.2.2. Section 1124 (relating to disclosure of ownership and related information)

11.2.3. Section 1126 (relating to disclosure of information about certain convicted individuals)

11.2.4. Section 1128A (relating to civil monetary penalties)

11.2.5. Section 1128B (relating to criminal penalties for certain additional charges)

11.2.6. Section 1128E (relating to the National health care fraud and abuse data collection program)

Section 12. Applicant and enrollee protections (Sections 2101(a))

- **Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan.**

Eligibility and Enrollment Matters

12.1 Please describe the review process for eligibility and enrollment matters that complies with 42 CFR §457.1120.

The HHSC review process described below is an impartial review performed by an HHSC unit that is separate from the unit that determines eligibility.

In 2007, a HHSC Request for Review unit was formed which consists of a manager and ten review specialists. This unit works independently of other CHIP Operations or Enrollment Broker Operations. No one in this review unit is directly involved in the initial eligibility determination. These review specialists are not involved in the eligibility determinations that they are responsible for reviewing; they are also not involved in any initial eligibility determination.

CHIP eligibility and enrollment is initially determined by the administrative services contractor. If the family disagrees with the outcome, the family submits a written Request for Review by mail or fax to HHSC.

A HHSC review specialist makes a decision that the RFR is either denied or approved and the family is notified of the decision by letter.

Objective decisions are ensured by the unit's independence from staff performing eligibility determinations. The review staff have no role in managing the vendor or measuring their performance and have no role in initial eligibility determinations. Persons who were directly involved "in the matter under review" do not participate in the review process. Additionally, the HHSC Office of Family Services Quality Assurance team completes audits to ensure requests for reviews were handled timely and accurately.

Eligibility and Enrollment Matters Review Process

- 1) **Matters Subject to Review.** An applicant or member may request a review of an initial adverse determination made by HHSC or its administrative contractor concerning the following:
 - a) denial of eligibility;
 - b) failure to make a timely determination of eligibility; and

- c) suspension or termination of enrollment (including disenrollment for failure to meet cost sharing obligations).
- 2) **Matters Not Subject to Review.** HHSC is not required to provide an opportunity for review if the sole purpose for the decision is:
- a) a provision in the State plan or in Federal or State law requiring an automatic change in eligibility, enrollment; or
 - b) a change in coverage under the health benefits package that affects all applicants or members or a group of applicants or members without regard to their individual circumstances.

Notice of Adverse Determinations

HHSC or its designee will provide the applicant or member written notice of any adverse eligibility or enrollment determination. The notice must include:

- 1) the action or determination and the reasons therefore;
- 2) the individual's right to request review of the action or determination;
- 3) the process for initiating a review;
- 4) the time frame that applies to the review; and
- 5) the circumstances under which enrollment, if applicable, may continue pending review.

Requesting a Review

The applicant or member must submit a timely written request for review.

Conduct of the Review

Applicants and members have a right to:

- 1) represent themselves or have representatives of their choosing participate in the review;
- 2) timely review their files and other applicable information relevant to the review; and
- 3) participate fully in the review, including by presenting supplemental information in the review process, whether the review is conducted in person, in writing, or by telephone.

Disposition of the Review

Timely Review. HHSC or its designee will complete its decision on the review in a timely manner as specified in 42 C.F.R. 457.1160 and furnish a written decision to the applicant or member. This decision is final and there are no further appeals.

Expedited Review. If HHSC or its designee becomes aware that an enrollee's medical condition requires an immediate need for health services, HHSC or its designee will conduct an expedited review.

Continuation of Enrollment Pending Disposition of Review and Reconsideration

If an enrollee files a timely request for review of a suspension or termination of enrollment, HHSC or its designee will grant continuation of enrollment pending the review decision.

Timelines for Reviews

- 1) Families have 30 working days from date of notification letter to submit an appeal concerning HHSC's decision to deny eligibility or disenroll.
- 2) HHSC has 10 working days after receiving appeal (in writing) to respond with a notice that the decision has been upheld or has been reversed.
- 3) Families have 15 working from date of response letter to submit written request for additional HHSC review.
- 5) HHSC has 15 working days to respond to family of the decision.

Health Services Matters

- 12.2 Please describe the review process for **health services matters** that complies with 42 CFR §457.1120.

HHSC requires health insurers to comply with State-specific grievance and appeal requirements currently in effect in the State. State laws concerning adverse determinations are found in the Texas Insurance Code, Chapter 843, subchapters G and H, and Chapter 4201.

Health Services Matters subject to review are:

- 1) delay, denial, reduction, suspension, or termination of health services, in whole or in part, including a determination about the type or level of services; and
- 2) failure to approve, furnish or provide payment for health services in a timely

manner.

Matters Not Subject to Review. HHSC is not required to provide an opportunity for review if the sole purpose for the decision is a provision in the State plan or in Federal or State law requiring an automatic change in eligibility, enrollment, or a change in coverage under the health benefits package that affects all applicants or members or a group of applicants or members without regard to their individual circumstances.

Complaints Concerning Health Services Matters Pursuant to Insurance Code

A member, or a person acting on the member's behalf, or the member's physician or health care provider may file a complaint about an adverse determination made by a health plan provider pursuant to the provisions of the Texas Insurance Code Chapter 843, subchapters G and H, and Chapter 4201.. Such a complaint may lead to review by an independent external review organization formed pursuant to Chapter 4202 of the Texas Insurance Code.

Expedited Process for Complaints Concerning Health Services Matters

Investigation and resolution of complaints concerning health services matters must be concluded in accordance with the medical needs of the patient.

Member Complaint and Appeal Process

The review process for health services matters is a Statewide Standard Review. All health and dental plans must have an internal appeals procedure to allow members to complain and appeal "adverse determinations," which are decisions made by: (1) a health plan that health care services provided or proposed to be provided to a member are not medically necessary or appropriate, or (2) a dental plan that the dental services provided or proposed to be provided to a member are not dentally necessary or appropriate.

The health and dental plans must ensure that member appeals are generally resolved within 30 calendar days. After a member exhausts his or her appeal rights within the health or dental plan, the member can request an Independent Review Organization (IRO) to review the denial and make a determination.

Premium Assistance Programs

- 12.3 If providing coverage through a group health plan that does not meet the requirements of 42 CFR §457.1120, please describe how the state will assure that applicants and enrollees have the option to obtain health benefits coverage other than through the group health plan at initial enrollment and at each redetermination of eligibility.