

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850



Children and Adults Health Programs Group

September 15, 2022

Stephanie Stephens
Medicaid Director, Medicaid/CHIP Division
Medical and Social Services
State of Texas, Health and Human Services Commission
4601 W. Guadalupe St.
Austin, TX 78751

Dear Ms. Stephens:

Your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA), TX-18-0042, submitted on July 31, 2018, has been approved. This SPA implements mental health parity requirements to ensure that financial requirements (FRs) and treatment limitations applied to mental health (MH) and substance use disorder (SUD) benefits are no more restrictive than those applied to medical/surgical (M/S) benefits. Except as otherwise noted below, this SPA has an effective date of September 1, 2017.

Section 2103(c)(7)(A) of the Social Security Act (the Act), as implemented through regulations at 42 CFR 457.496(d)(3)-(5), requires states that provide both M/S and MH/SUD benefits to ensure that FRs and treatment limitations applied to MH/SUD benefits covered under the state child health plan are consistent with the mental health parity requirements of section 2705(a) of the Public Health Service Act, in the same manner that such requirements apply to a group health plan. Texas demonstrated compliance by providing the necessary assurances and supporting documentation that the state's application of FRs and non-quantitative treatment limitations to MH/SUD benefits are consistent with section 2103(c)(7)(A) of the Act.

In response to CMS feedback and to comply with parity requirements, effective September 1, 2021, one of the state's managed care organizations (MCO) eliminated the concurrent review process that was previously applicable to MH/SUD partial hospitalization, but not applicable to any M/S outpatient benefits. In place of concurrent review, the MCO will now apply prior authorization to partial hospitalization services, ensuring parity with other MH/SUD and M/S outpatient services. The health plan is also providing education to staff to ensure the review process for prior authorization applied to partial hospitalization services is the same as that for the other MH/SUD and M/S outpatient benefits.

In addition, the state suspended MH/SUD office visit copays effective March 13, 2020 due to the pandemic, and will permanently eliminate office visit copays and residential treatment copays effective July 1, 2022 to comply with parity requirements.

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This approval relates only to benefits provided under the CHIP state plan; Medicaid benefits will be analyzed separately.

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

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If you have any questions, please contact Meg Barry, Director, Division of State Coverage Programs, at (410) 786-1536. We look forward to continuing to work with you and your staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah deLone".

Sarah deLone
Director