



MEPD and TW Bulletin 24-10

Date: August 1, 2024

To: Eligibility Services Supervisors and Staff
Program Managers
Regional Directors
Regional Attorneys
Hearings Officers

From: Access and Eligibility Services Program Policy
State Office 2106

**Subject: House Bill (H.B.) 12 Children's Health Insurance Program (CHIP)
Updates**

The information in this bulletin will be included in a future handbook revision. Until the handbook is updated, staff must use the information in this bulletin. If you have any questions regarding the policy information in this bulletin, follow regional procedures.

Active bulletins are posted on the following websites:

- [Medicaid for the Elderly and People with Disabilities Handbook \(MEPDH\)](https://hhs.texas.gov/laws-regulations/handbooks/mepd/policy-bulletins) at <https://hhs.texas.gov/laws-regulations/handbooks/mepd/policy-bulletins>;
- [Texas Works Handbook \(TWH\)](https://hhs.texas.gov/laws-regulations/handbooks/texas-works-handbook/texas-works-bulletins) at <https://hhs.texas.gov/laws-regulations/handbooks/texas-works-handbook/texas-works-bulletins>.

H.B. 12 CHIP Updates

Background

House Bill (H.B.) 12, passed by the 88th Texas Legislature, Regular Session, 2023, requires the Texas Health and Human Services Commission (HHSC) to provide 12 months of postpartum Medicaid coverage to women receiving Medicaid at the time their pregnancy ends. Federal guidance also requires states to provide the same 12-month postpartum coverage to pregnant children enrolled in the Children's Health Insurance Program (CHIP). H.B. 12 went into effect on March 1, 2024.

This bulletin provides updates to support the implementation of H.B. 12 for CHIP. With the exception of the policy included below, continue to follow policy and processes provided in [MEPD and TW Bulletin 24-01, 4. Extending Postpartum Coverage in Medicaid and the Children's Health Insurance Program \(CHIP\)](#)

Current Policy

CHIP (TA 84)

When a household reports a pregnancy for a child receiving CHIP, test the pregnant child for TP 40. If eligible for TP 40, transition the pregnant child to Medicaid. If the pregnant child is determined ineligible for Medicaid, provide continuous CHIP coverage through the child's pregnancy and 12-month postpartum period regardless of any change in circumstance, including reaching 19 years old, unless she:

- voluntarily withdraws;
- moves out of state;
- dies; or
- is ineligible due to agency error, fraud, abuse or perjury attributed to the person.

During the postpartum period, if the CHIP household reports a change that results in Medicaid eligibility, do not move the CHIP recipient to Medicaid. The child's postpartum coverage must be maintained on CHIP until the end of their 12-month postpartum period. During the postpartum period, if the CHIP recipient voluntarily chooses to end their CHIP coverage, the child is not eligible to receive Medicaid coverage for the remainder of their continuous postpartum period.

Exception: If the CHIP recipient becomes eligible for Nursing Facility Medicaid during her postpartum period, transition the child to Nursing Facility Medicaid once the child meets all eligibility requirements for Nursing Facility Medicaid. Terminate continuous CHIP eligibility for the remainder of the child's 12-month postpartum period.

New Policy

CHIP (TA 84)

When a pregnant child certified on CHIP reports a change, test the pregnant child for TP 40. If eligible for TP 40, transition the pregnant child to Medicaid. If the pregnant child is determined ineligible for Medicaid, her CHIP certification period is sustained through the end of her 12-month postpartum period.

Note: A transition from CHIP to TP 40 during a postpartum period is not allowed unless the child reports a new pregnancy.

Report of a New Pregnancy During the Postpartum Period

When a child certified on CHIP reports a new pregnancy during her postpartum period, update the Pregnancy LUW to test and transition her to TP 40, if eligible. If her household income is above the income limit for TP 40 but below the income limit for CHIP, a new CHIP certification period is established based on the new pregnancy.

If based on the new pregnancy, the pregnant child is determined ineligible for Medicaid and only eligible for CHIP perinatal (CHIP-P), the pregnant child's existing CHIP certification period is sustained through the end of her 12-month postpartum period.

Withdraws or Moves Out of State

When a child certified on CHIP withdraws from CHIP or moves out of Texas during her pregnancy or postpartum period, CHIP coverage terminates. If the child later reapplies while she is still pregnant or reapplies and is no longer pregnant, process the application according to current policy and processes and certify the child for the appropriate coverage. She is not eligible to receive the remainder of her initial 12-month postpartum coverage.

Note: Based on the new application, the child may be eligible for a new CHIP certification period on a basis other than pregnancy.

Exceptions During the Pregnancy or Postpartum Period

If a child receiving CHIP becomes eligible for one of the following types of assistance during her pregnancy or postpartum period, transition the child to the appropriate type of assistance and terminate CHIP coverage.

- Supplemental Security Income (SSI);
- Medicaid for the Elderly and People with Disabilities (MEPD);
- Department of Family and Protective Services (DFPS); or

- A higher Medicaid benefit including Children's Medicaid and Medicaid for Breast and Cervical Cancer (MBCC)

Automation

Changes to TIERS are currently scheduled to be implemented with TIERS Release 118.0 on Aug. 24, 2024.

Correspondence

Pregnant children certified on CHIP receive a TF0001, Notice of Case Action, informing them they will receive the 12-month postpartum coverage.

If the child is terminated from CHIP and transitioned to a new type of assistance, the child is notified through the TF0001, Notice of Case Action, that she is no longer eligible to receive the 12-month postpartum coverage.

Handbook

The MEPDH is currently scheduled to be updated in the December 2024 revision.

The TWH is currently scheduled to be updated in the January 2025 revision.

Training

Training will be made available in the Program Area Learning Management System (PALMS) titled R118 General Information on Aug. 15, 2024. A training broadcast will be sent with further details.

Effective Date

This policy is effective with the implementation of TIERS Release 118.0 currently scheduled for Aug. 24, 2024.