

TEXAS HEALTH AND HUMAN SERVICES COMMISSION

Public Notice – Extension of the Healthy Texas Women (HTW) Section 1115 Medicaid Demonstration

The Texas Health and Human Services Commission (HHSC) announces its intent to submit to the Centers for Medicare & Medicaid Services (CMS) a request to extend the Healthy Texas Women (HTW) demonstration under section 1115 of the Social Security Act.

The current demonstration is approved through December 31, 2024. The proposed effective date for the extension is January 1, 2025. The extension request is for five years, which will allow the demonstration to operate through December 31, 2029. There is a fiscal impact to the extension of the HTW demonstration.

The requested extension will allow Texas continued flexibility to pursue the established goals of the HTW demonstration, which are to:

Increase access to women's health and family planning services to avert unintended pregnancies, positively affect the outcome of future pregnancies, and positively impact the health and well-being of women and their families.

Increase access to preventive health care, including screening and treatment for sexually transmitted infections, hypertension, diabetes and high cholesterol; to positively impact maternal health; and reduce maternal mortality.

Increase access to women's breast and cervical cancer services to promote early cancer detection and referral to treatment in existing state programs.

Implement state policy to favor childbirth and family planning services that do not include elective abortions or the promotion of elective abortions within the continuum of care or services and to avoid the direct or indirect use of state funds to promote or support elective abortions.

Reduce the overall cost of publicly funded health care (including federally funded health care) by providing low-income Texans access to safe, effective care across a woman's lifecycle.

Proposed Changes

House Bill (H.B.) 133, 87th Legislature, Regular Session, 2021, requires HHSC to contract with Medicaid managed care organizations (MCOs) to provide HTW services. To comply with H.B. 133, the extension request proposes to change the delivery of HTW services from the current fee-for-service (FFS) model to a managed care model, except that enrollees who are members of a

federally recognized tribe will be able to voluntarily enroll in managed care or remain in FFS. Under a managed care model, MCOs will contract, credential, and reimburse HTW providers for HTW services. The proposed effective date for the transition to a managed care model is Quarter 1 of State Fiscal Year 2026. This is the only requested programmatic change to the demonstration.

Transitioning the delivery of HTW services to a managed care model will:

Further the goals of the demonstration by reducing the overall cost of publicly funded health care, including federally funded health care, and providing Texas women access to safe, effective services.

Increase access to and utilization of preventive health care, breast and cervical cancer services, and critical health services.

Improve the health of women in the HTW program by incorporating core features of Medicaid managed care programs into HTW, such as the establishment of a primary care provider, person-centered service coordination, and value added services.

Increase access to women's health and family planning services by enhancing continuity of care for women transitioning among Texas' managed care programs - STAR, the Children's Health Insurance Program (CHIP), and HTW throughout a woman's lifecycle. This includes young women transitioning from adolescent to well woman care, pregnant women transitioning from well woman to obstetric care, and postpartum women transitioning back to well woman care.

Additionally, the extension request reflects an increase in the state's comparable income limit to convert existing state income threshold standards from 200% of the Federal Poverty Level (FPL) to 204.2% of the FPL, the equivalent to Modified Adjusted Gross Income (MAGI) standard.

Waiver and Expenditure Authorities

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived in this list, shall apply to the Demonstration project beginning January 1, 2025 through December 31, 2029. In addition, these waivers may only be implemented consistent with the approved Special Terms and Conditions (STCs).

Under the authority of section 1115(a)(1) of the Social Security Act (the Act), the following waivers of State plan requirements contained in section 1902 of the Act are granted in order to enable Texas to carry out the Healthy Texas Women section 1115 Demonstration.

Medicaid Requirements Not Applicable to the Medicaid Expenditure Authorities:

All Medicaid requirements apply, except the following:

1. Methods of Administration: Transportation **Section 1902(a)(4)**

To the extent necessary to enable the state to not assure transportation to and from providers for the demonstration population.

2. Amount, Duration, and Scope of Services (Comparability) **Section 1902(a)(10)(B)**

To the extent necessary to allow the state to offer the demonstration population a benefit package consisting only of family planning services, family planning-related services, and other preconception women's health services.

3. Retroactive Coverage **Section 1902(a)(34)**

To the extent necessary to enable the state to not provide medical assistance to the demonstration population for any time prior to when an application for the demonstration is made.

4. Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) **Section 1902(a)(43)(A)**

To the extent necessary to enable the state to not furnish or arrange for EPSDT services to the demonstration populations.

5. Freedom of Choice **Section 1902(a)(23)(A)**

To the extent necessary to enable the state to limit freedom of choice of provider in accordance with state law as described in the STCs. To the extent necessary, to enable the state to restrict freedom of choice of providers through the use of mandatory enrollment in managed care plans for the receipt of covered services.

The following expenditure authorities may only be implemented consistent with the approved Special Terms and Conditions (STC) and shall enable Texas to operate the above-identified section 1115(a) demonstration.

- 1. Healthy Texas Women.** Effective through December 31, 2029, expenditures for extending Medicaid eligibility for family planning services, family planning-related services and other preconception women's health services to women who are otherwise ineligible for Medicaid or the Children's Health Insurance Program (CHIP), ages 18 through 44 with income at or below 204.2 percent of the Federal Poverty Level (FPL), including women who are losing Medicaid pregnancy coverage at the conclusion of their postpartum coverage period.

Additionally, HHSC is proposing to add the following expenditure authority with this extension request:

**2. Expenditures Related to Managed Care Organization (MCO)
Enrollment and Disenrollment**

Expenditures made under contracts that do not meet the requirements in section 1903(m) of the Act specified below. Managed care organizations (MCOs) delivering HTW services will be required to meet all requirements of section 1903(m) of the Act except the following:

Section 1903(m)(2)(H) of the Act and Federal regulations at 42 CFR Part 438, to the extent that the regulations implementing section 1932(a)(4) of the Act are inconsistent with the enrollment and disenrollment provisions contained in STC 18(c) of the HTW demonstration's STCs, which permit the State to authorize automatic re-enrollment in the same MCO if the beneficiary loses eligibility for less than six (6) months.

Financial Analysis

The extension of the HTW demonstration (effective date January 1, 2025) will result in a revised budget neutrality model that will be negotiated with CMS and will include transitioning the HTW demonstration to a managed care delivery model. The change to a managed care delivery model may impact budget neutrality due to the addition of capitation related expenses for MCO administrative costs, risk margin and premium tax. It is estimated that the All Funds (AF) costs of capitation for Calendar Year 25 - which includes seven months of impact -is approximately \$17.5M with a General Revenue (GR) cost of approximately \$4.8M (27.6 percent of AF). The first full year impact in Calendar Year 26 is estimated to cost approximately \$31.9M AF and \$8.8M GR (27.6 percent of AF). The impact to budget neutrality will ultimately depend on the revised budget neutrality model as the change in delivery model occurs after the current demonstration ends and will be part of extension negotiations with CMS.

Evaluation Design

HHSC will continue to comply with federal evaluation monitoring and reporting requirements during the HTW demonstration extension. Evaluation monitoring and reporting will remain critical as the HTW demonstration will undergo a change during the extension period when the delivery of services transition from FFS to managed care during Quarter 1 of State Fiscal Year 2026 (approximately nine to twelve months after the extension period begins). This transition may influence measures related to access, quality, and cost. As a result, the evaluation for the HTW demonstration extension will focus on the impacts of this service delivery change. HHSC will also add new evaluation components, where necessary, to ensure the evaluation provides a comprehensive assessment of HTW services delivered under managed care.

Enrollment, Cost Sharing and Service Delivery

There are no proposed changes to eligibility requirements and no expected impact to total enrollment in the HTW demonstration. Transitioning the delivery of HTW services to a managed care model will require HTW clients to select and enroll with an MCO. Default enrollment and eligibility processes will apply. Under the extension, there will continue to be no beneficiary cost sharing.

Full Public Notice

This is the full public notice set forth in 42 CFR § 431.408(a)(1)(i). The full public notice regarding this extension request will be available at:

<https://www.hhs.texas.gov/regulations/policies-rules/waivers/healthy-texas-women-1115-demonstration>.

Location and times of Public Hearings

HHSC will host two meetings to provide information about the demonstration extension as well as an opportunity for the public to provide comments. Locations, dates and times are as follows:

On February 22, 2024 at 1:00 p.m., HHSC will hold a hybrid public hearing with both virtual and in-person options. The public hearing will be held in conjunction with the quarterly State Medicaid Managed Care Advisory Committee (SMMCAC) meeting and will be located at the Texas Department of State Health Services, Moreton Building, Room M100, First Floor, 1100 West 49th Street, Austin, Texas 78756. Members of the public must pre-register to provide oral comments virtually during the meeting and written comments by completing a Public Comment Registration form at https://texashhsm meetings.org/SMMCAC_PCReg_Feb2024 no later than 5pm on Tuesday, February 20, 2024.

On March 5, 2024 at 10:30 a.m., HHSC will hold a public hearing at 801 S. State Highway 161, 2nd Floor, Lone Star Conference Room #200, Grand Prairie, TX 75051. This is an in-person hearing. Public comments will be accepted at this meeting. Members of the public may provide oral comments during the hearing at the hearing location either by pre-registering using the Public Comment Registration form at https://texashhsm meetings.org/HTW_PCReg_Mar2024 or without pre-registering by completing a form at the entrance to the hearing room. The Public Comment Registration form must be completed no later than 5pm on March 1, 2024.

A link to the webcast and virtual registration for commenters wishing to provide testimony during the hybrid public hearing on February 22, 2024, will be included in the agenda posted in the Texas Register and on the HHSC's website.

Copies of Demonstration Extension Application

The complete extension application is available online at:

<https://www.hhs.texas.gov/regulations/policies-rules/waivers/healthy-texas-women-1115-demonstration>.

Public Comments

The public is invited to submit comments on the Healthy Texas Women Section 1115 Medicaid Demonstration for a period of 30 days, beginning Friday, February 9, 2024. The public comment period will end on Monday, March 11, 2024.

An individual may obtain a free copy of the proposed demonstration extension, ask questions, obtain additional information, or submit comments regarding this extension by March 11, 2024, by contacting Jayasree Sankaran by U.S. mail, telephone, or email. The addresses are as follows:

U.S. Mail

Texas Health and Human Services Commission

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