



# **Presentation to the House Appropriations Committee – Medicaid Overview**

---

**Cecile Erwin Young,  
Executive Commissioner**

**Emily Zalkovsky,  
Chief Medicaid and CHIP  
Services Officer**

**February 18, 2025**



**TEXAS**  
Health and Human  
Services



**TEXAS**  
Health and Human  
Services

# Mission & Vision

---

## Our Mission

- We serve Texas.

## Our Vision

- Making a positive difference in the lives of the people we serve.



## Key Functions

---

- Administers the state's Medicaid, women's health, behavioral health, and other client services programs.
- Sets policies, defines covered benefits, and determines eligibility for client services programs.
- Provides a comprehensive array of long-term services and supports for people with disabilities and people 60 and older.
- Operates state psychiatric hospitals and state supported living centers (SSLCs).
- Regulates health care providers, professions, and facilities.
- Provides oversight and administrative support for Health and Human Services (HHS) agencies.



TEXAS  
Health and Human  
Services

# Medicaid and CHIP Services

---



# What is Medicaid?

## HHSC

### Medicaid

A jointly funded state-federal health care and long-term care program for certain groups of low-income people.

### Children's Health Insurance Program

Referred to as CHIP, a similar program for children whose families earn too much to qualify for Medicaid but can't afford health insurance.

*Certain clients may get Medicare and Medicaid*

### Medicare

A federal program that provides health coverage for people who are 65 and older or have a severe disability, regardless of income.



**TEXAS**  
Health and Human  
Services

# Impact Perspective



**19%**  
of Texans covered

**53%**  
Texas births  
covered by Medicaid

**51%**  
of Texas children  
on Medicaid or CHIP

**56%**  
of nursing home residents  
covered by Medicaid

**Note:** Medicaid and CHIP caseload data is for June 2024 and is not final. Percentage covered is based on FY24, FY23 (births) statistics.





# Who is Eligible for Medicaid?

## Federal Law:

- Requires coverage of certain populations and services.
- Gives flexibility for states to cover additional populations and services.

### Financial Criteria

How the applicant's income compares to the definition of the federal poverty level (FPL) for annual household incomes

### Non-Financial Criteria

- Age
- Residency
- Citizenship or alien status

*Varies by program*

## Eligible Population Categories



Children and Youth



Parents and Caretaker Relatives



Women



People Age 65 and Older

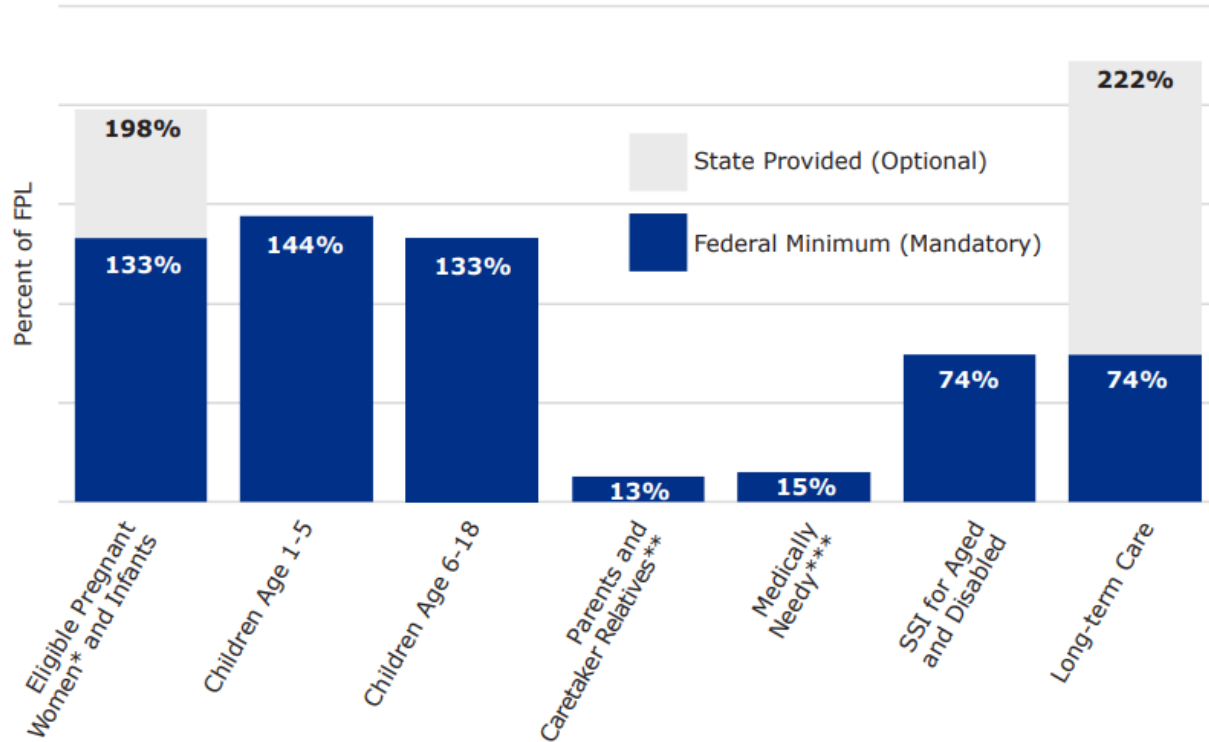


Children and Adults with Disabilities



TEXAS  
Health and Human  
Services

# Texas Medicaid Income Eligibility Levels



\*Through 12 months postpartum.

\*\*For Parents and Caretaker Relatives, maximum monthly income limit in SFY24 was \$230 for a family of three, or about 13 percent of the FPL.

\*\*\*For Medically Needy pregnant and postpartum women and children, the maximum monthly income limit in SFY24 was \$275 for a family of three, or about 15 percent of the FPL.





## House Bill 12 (88R) Summary

- ✓ Requires HHSC to provide Medicaid to a woman who was eligible for Medicaid for Pregnant Women for 12 months following the last month of her pregnancy.
- ✓ Required federal approval.
- ✓ Implemented March 1, 2024.

### Impacts

Previously, pregnant women had Medicaid coverage until two months postpartum.

HB 12 provides 10 months of additional Medicaid coverage.





Benefits remain the same in the extended coverage period.

Federal law requires states that implement in Medicaid to provide 12 months of postpartum coverage in CHIP.\*

\*Does not impact CHIP Perinatal



# Types of Medicaid Services

 <b>Acute Care Services</b>	Preventative care, diagnostics and medical treatments <i>Examples: Physician, inpatient and outpatient hospital services, laboratory, and X-ray services.</i>
 <b>Long-term Services and Supports</b>	Support with ongoing, daily activities for individuals with disabilities and older adults <i>Examples: Community-based care, personal assistance with activities of daily living (e.g., cleaning and cooking), and nursing facility services.</i>
 <b>Behavioral Health Services</b>	Screening and treatment for mental health conditions and substance use disorders (SUD) <i>Examples: Mental health rehabilitation, medication assisted therapy for SUD, and psychological and neuropsychological testing.</i>
 <b>Medical Transportation Services</b>	Non-emergency medical transportation (NEMT)
 <b>Pharmacy Services</b>	Coverage for prescription drugs



# Two Models for Service Delivery

## 1 Managed Care

97% of clients

- A managed care organization (MCO) is paid a capitated rate for each member enrolled.
- MCOs provide a medical home through a primary care physician (PCP) and referrals for specialty providers, when needed.
- MCOs negotiate rates with providers.
- MCOs may offer value-added services.

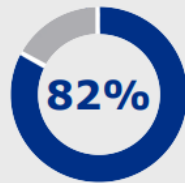
## 2 Fee-for-Service (FFS)

3% of clients

- Clients go to any Medicaid provider.
- Providers submit claims directly to an HHSC administrative services contractor for payment.
- Providers are paid per unit of service.
- Most FFS clients don't have access to service coordination.



# Texas Managed Care Programs



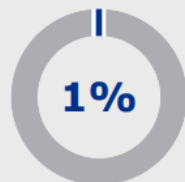
## STAR

Children, pregnant and postpartum women, and some families



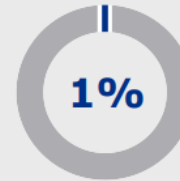
## STAR Kids

Children and youth with disabilities



## CHIP

Children and youth who don't qualify for Medicaid due to family income



## STAR Health

Children who get Medicaid through the Department of Family and Protective Services and young adults previously in foster care



## STAR+PLUS

Adults with a disability, people age 65 and older (including those dually eligible for Medicare and Medicaid), and women with breast or cervical cancer

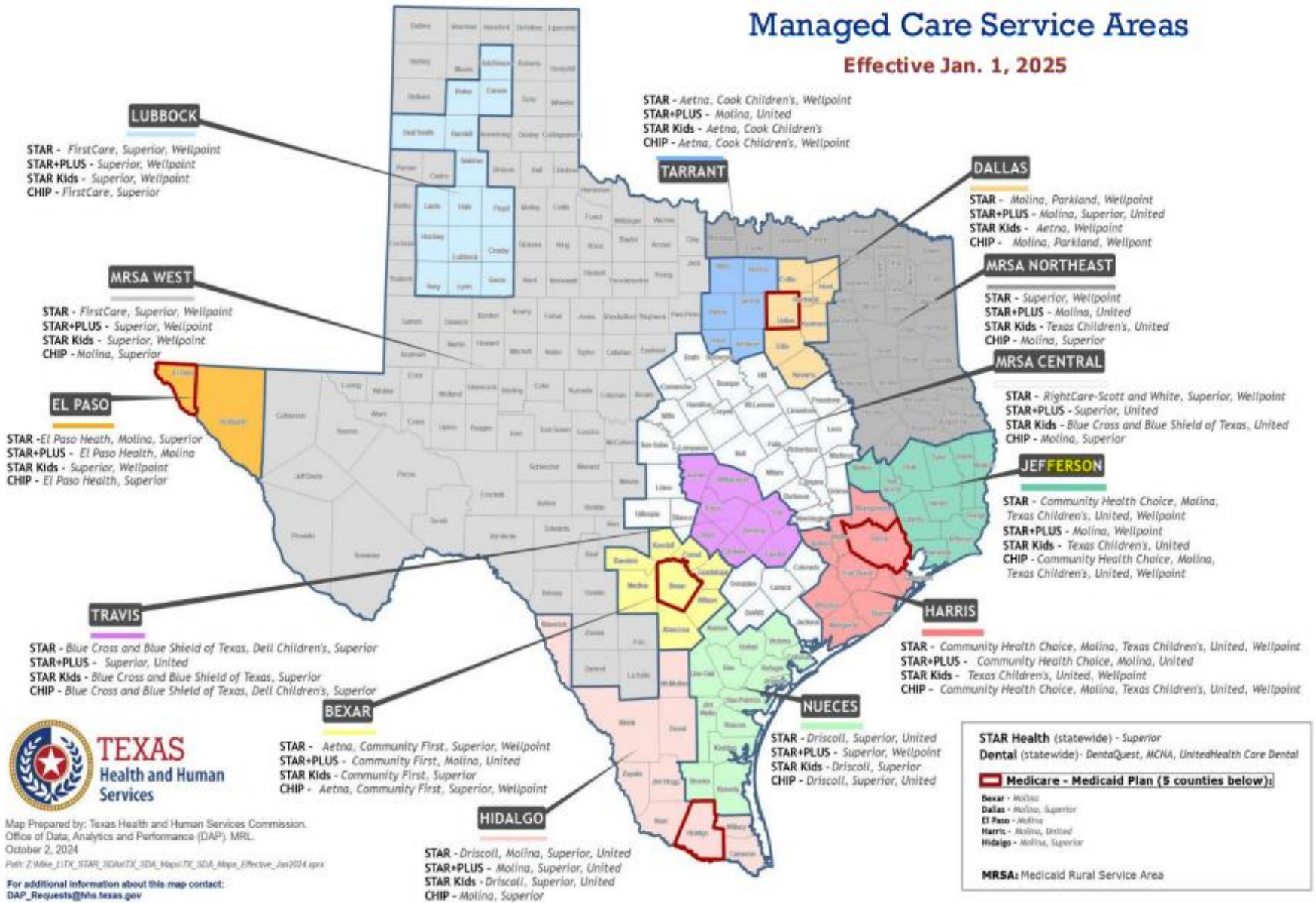
← Dental: Children and adults 20 or younger enrolled in Medicaid or CHIP →

CHIP includes CHIP Perinatal. The remaining percentage is FFS.



# Managed Care Service Areas

Effective Jan. 1, 2025



Map Prepared by: Texas Health and Human Services Commission, Office of Data, Analytics and Performance (DAP) MRL, October 2, 2024

Path: Z:\Mile\_L1TX\_STAR\_IDG\TX\_SDA\_Maps\TX\_SDA\_Maps\_Effective\_Jan2024.aprx

For additional information about this map contact: DAP\_Requests@hhs.texas.gov



**TEXAS**  
Health and Human  
Services



TEXAS  
Health and Human  
Services

---

**Thank You**  
**[hhsc\\_gr@hhs.texas.gov](mailto:hhsc_gr@hhs.texas.gov)**