# UNIFORM MANAGED CARE MANUAL 6.3
# CHIP Cost Sharing

**DOCUMENT HISTORY LOG**

| STATUS[1] | DOCUMENT REVISION[2] | EFFECTIVE DATE | DESCRIPTION[3] |
|---|---|---|---|
| Baseline | 1.0 | November 15, 2005 | Initial version Uniform Managed Care Manual Chapter 6.3, "CHIP Cost Sharing." |
| Revision | 1.1 | September 1, 2007 | Chapter 6.3 is revised to change the enrollment period from 6 months to 12 months and to eliminate enrollment fees for Members at 133% up to and including 150% of FPL. |
| Revision | 1.2 | September 25, 2010 | Chapter 6.3 is updated to reflect the current cost sharing table in the CHIP State Plan. |
| Revision | 1.3 | March 1, 2011 | Chapter 6.3 is updated to reflect the current cost sharing table in the CHIP State Plan. |
| Revision | 1.4 | September 1, 2011 | Chapter 6.3 is updated to reflect the current cost sharing table in the CHIP State Plan. |
| Revision | 1.5 | January 10, 2012 | Revision 1.5 applies to contracts issued as a result of HHSC RFP numbers XXX-08-0001, XXX-12-0002, and XXX-12-0003.<br>"General Information" is added to clarify that co-payments must be capped at the lesser amount if the MCO and provider have negotiated a lesser amount for a benefit than the identified co-payment; that there is no cost-sharing on benefits for preventive services or pregnancy-related assistance; and that the MCO is not responsible for payment of unauthorized non-emergency services provided to a CHIP Member by an out-of-network provider. |
| Revision | 2.0 | July 15, 2015 | "Cost Sharing table effective January 1, 2014" is added to reflect eligibility changes required by the ACA. Beginning January 1, 2014, the ACA required the federal government and states to rely on modified adjusted gross income (MAGI) income counting rules when determining eligibility for CHIP. All children (age 1 through 18) with family incomes under 138 percent of the federal poverty level (FPL) will enroll in Medicaid, and those from 138-201 percent FPL will be eligible for CHIP coverage. |
| Revision | 2.1 | October 25, 2017 | Chapter 6.3 is updated to remove obsolete information. |
| Revision | 2.2 | September 1, 2022 | Chapter 6.3 is updated to update copayment information and prohibition of copays for mental health and substance use |

| | | | |
|---|---|---|---|
| | | | disorder outpatient office visits and residential treatment services. |
| Revision | 2.3 | June 5, 2023 | Chapter 6.3 is being updated to comply with Insurance Code Section 1358.103 as a result of SB 827 of the 87th Legislative Session. The copay charge for brand insulin drugs is reduced from $35 to $25 for CHIP members with incomes above 151% up to and including 201% of the federal poverty level (FPL). |

[1] Status should be represented as "Baseline" for initial issuances, "Revision" for changes to the Baseline version, and "Cancellation" for withdrawn versions

[2] Revisions should be numbered according to the version of the issuance and sequential numbering of the revision—e.g., "1.2" refers to the first version of the document and the second revision.

[3] Brief description of the changes to the document made in the revision.

## General Information

The following table includes maximum CHIP cost sharing amounts. If the MCO and the provider have negotiated a lesser amount for a benefit than the identified co-payment, then the co-payment must be capped at the lesser amount.

The following examples are provided for illustrative purposes only.

Example 1: The MCO and a provider have negotiated a $23.00 rate for an office visit. If the Member's family income is 185% FPL, the co-payment will be capped at $20.00.

Example 2: The MCO and a pharmacy provider have negotiated a $9.30 total reimbursement (dispensing fee + product cost) for a prescription of 800mg of Ibuprofen, 50 tablets. If the Member's family income is 185% FPL, the co-payment will be capped at $9.30.

Cost-sharing does not apply, at any income level, to:

1. well-baby and well-child care services, as defined by 42 C.F.R. §457.520;
2. preventative services, including immunizations;
3. pregnancy-related services;
4. Native Americans or Alaskan Natives;
5. CHIP Perinatal Members (Perinates (unborn children) and Perinate Newborns);
6. Outpatient office visits for mental health (MH) and substance use disorder (SUD) services and MH/SUD residential treatment services, in accordance with 42 CFR §457.496(d)(2).

An MCO is not responsible for payment of unauthorized non-emergency services provided to a CHIP Member by an out-of-network provider. In such circumstances, the CHIP Member will be responsible for all costs.

| CHIP Cost-Sharing | |
|---|---|
| | **Effective July 1, 2022** |
| **Enrollment Fees (for 12-month enrollment period):** | |
| | **Charge** |
| **At or below 151% of FPL*** or otherwise exempt from cost-sharing. | $0 |
| **Above 151% up to and including 186% of FPL** | $35 |
| **Above 186% up to and including 201% of FPL** | $50 |
| | |
| **Co-Pays (per visit):** | |
| **At or below 151% FPL** | **Charge** |
| Office Visit (non-preventative)<br>No Co-Pay is applied for MH/SUD Office Visits. | $5 |
| Non-Emergency ER | $5 |
| Generic Drug | $0 |
| Brand Drug | $5 |
| Facility Co-pay, Inpatient (per admission)<br>No Co-Pay is applied for MH/SUD residential treatment services. | $35 |
| Cost-sharing Cap | 5% (of family's income)** |
| **Above 151% up to and including 186% FPL** | **Charge** |
| Office Visit (non-preventative)<br>No Co-Pay is applied for MH/SUD Office Visits. | $20 |
| Non-Emergency ER | $75 |
| Generic Drug | $10 |
| Brand Drug | $25 for insulin, $35 for all other drugs*** |
| Facility Co-pay, Inpatient (per admission)<br>No Co-Pay is applied for MH/SUD residential treatment services. | $75 |
| Cost-sharing Cap | 5% (of family's income)** |
| **Above 186% up to and including 201% FPL** | **Charge** |
| Office Visit (non-preventative)<br>No Co-Pay is applied for MH/SUD Office Visits. | $25 |

| CHIP Cost-Sharing | |
|---|---|
| | **Effective July 1, 2022** |
| Non-Emergency ER | $75 |
| Generic Drug | $10 |
| Brand Drug | $25 for insulin, $35 for all other drugs*** |
| Facility Co-pay, Inpatient (per admission)<br>No Co-Pay is applied for MH/SUD residential treatment services. | $125 |
| Cost-sharing Cap | 5% (of family's income)** |

*The federal poverty level (FPL) refers to income guidelines established annually by the federal government.
**Per 12-month term of coverage.
***Copays for insulin cannot exceed $25 per prescription for a 30-day supply, in accordance with Section 1358.103 of the Texas Insurance Code.