



# **Medicaid and CHIP Services**

---

***Stephanie Stephens, State Medicaid Director***



TEXAS  
Health and Human  
Services

# Impact Perspective

**5.8 million**  
Texans receiving services



**19.5%** of Texans covered

**51%** of Texas births covered by Medicaid

**50%** of Texas children on Medicaid or CHIP

**57%** of nursing home residents covered by Medicaid

## Medicaid is an entitlement program

Federal funding is open ended to provide eligible services to eligible persons

## CHIP is not an entitlement program

Federal funds are capped -when a state's CHIP funds are spent, no more are available

*Note: Medicaid and CHIP caseload data is for November 2022 as of December 2022 and is not final.  
The Families First Coronavirus Response Act requirement to maintain eligibility for enhanced federal match has increased caseload.*



# 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



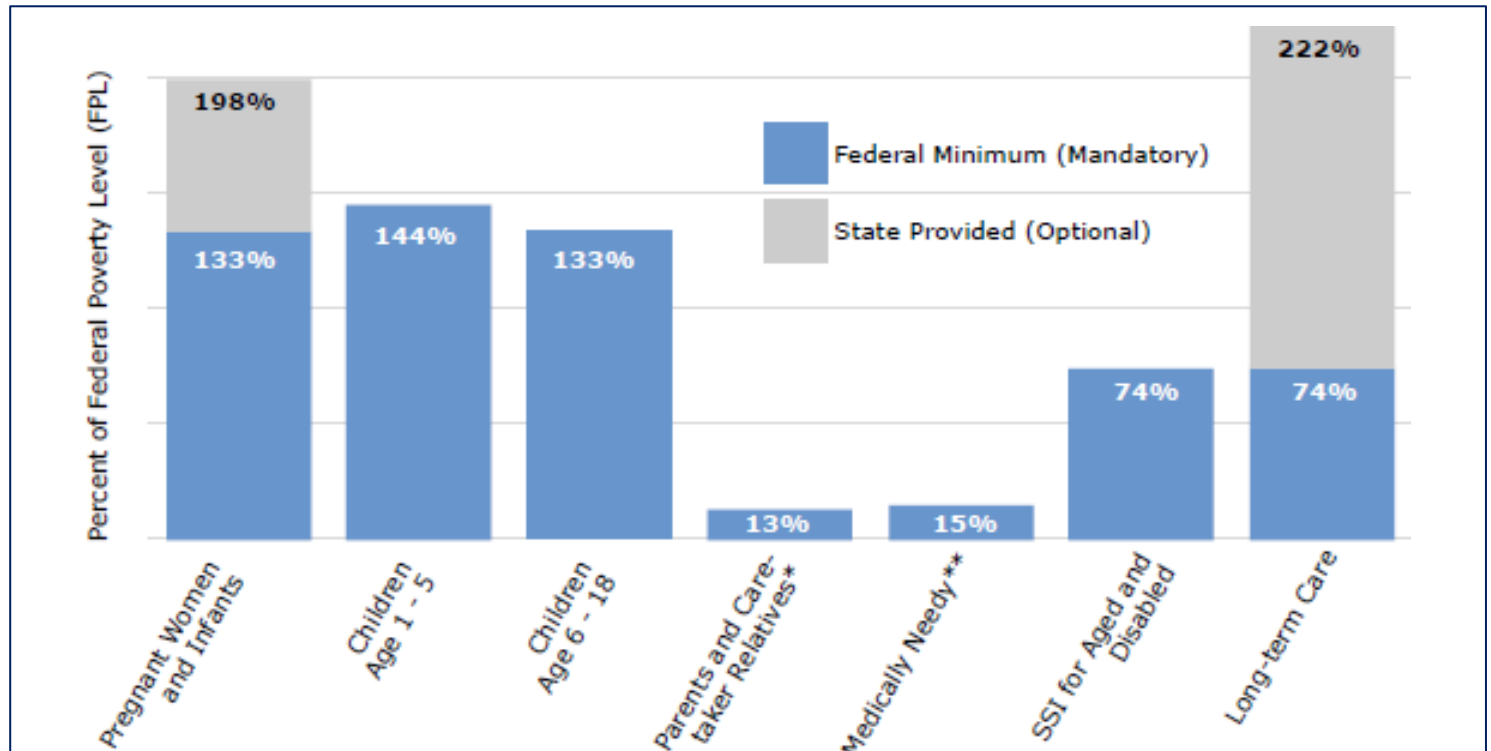
People Age 65 and Older



Children and Adults with Disabilities



# Texas Medicaid Income Eligibility Levels



This figure reflects eligibility levels as of March 2022.

\*For Parents and Caretaker Relatives, the monthly income limit in SFY 2022 was \$230 for a family of three or about 13 percent of the FPL.

\*\*For Medically Needy children and pregnant women, the monthly income limit in SFY 2022 is \$275 for a family of three or about 15 percent of the FPL. Healthy Texas Women (HTW) is a demonstration waiver program with an income limit of 204.2% FPL.



# Primary Medicaid and CHIP Services

	Acute Care Services	Preventative care, diagnostics and medical treatments <i>Examples: Physician, inpatient and outpatient hospital services, laboratory, x-ray services</i>
	Long-term Services and Supports	Support with ongoing, daily activities for individuals with disabilities and older adults <i>Examples: Community-based care, personal assistance with activities of daily living (cleaning, cooking), nursing facility services</i>
	Behavioral Health Services	Screening and treatment for mental health conditions and substance use disorders (SUD) <i>Examples: Inpatient psychiatric services, outpatient services such as counseling and psychotherapy, and crisis intervention services</i>
	Medical Transportation Services	Non-emergency medical transportation (NEMT)
	Pharmacy Services	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

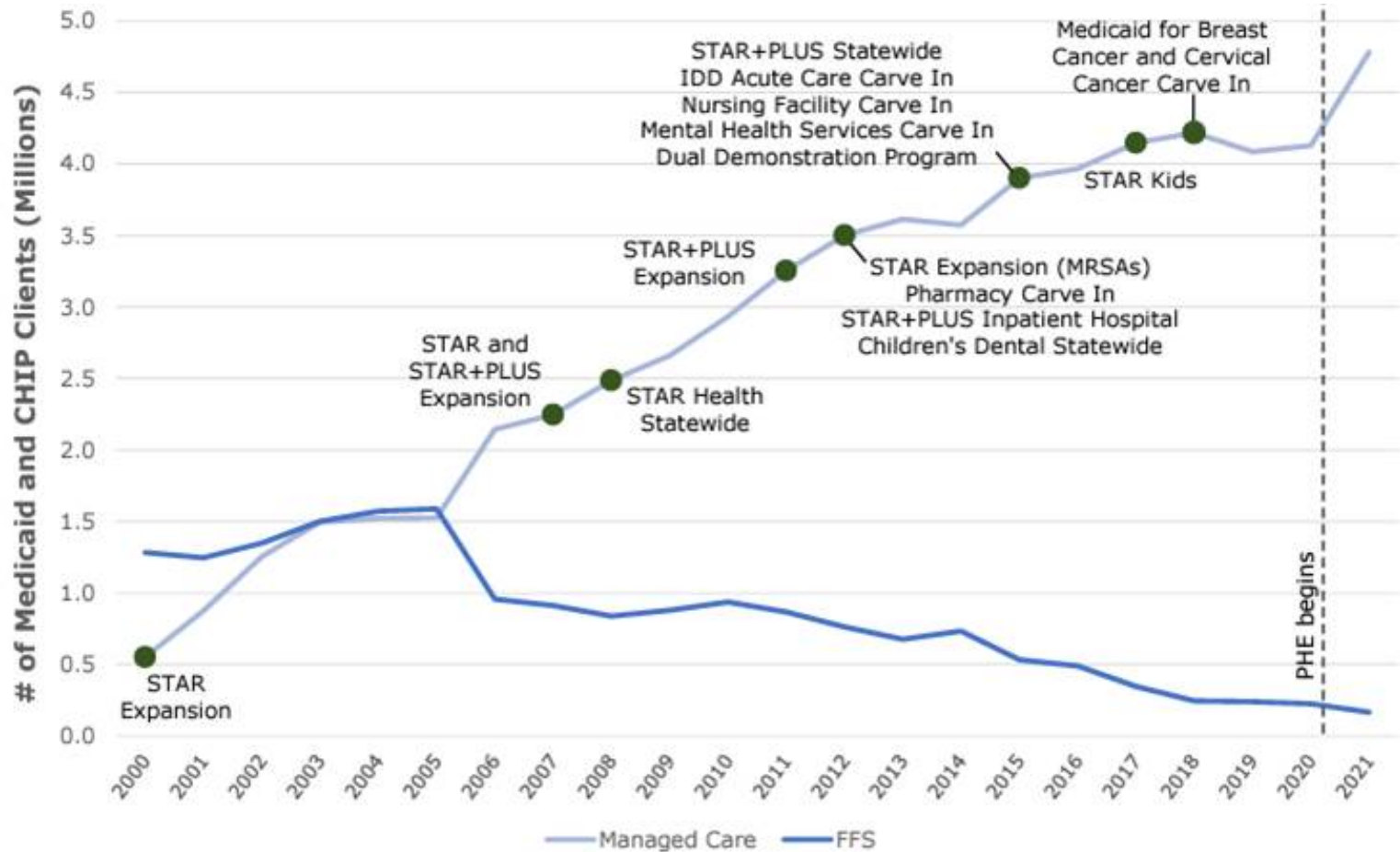
## 2 Fee-for-Service (FFS)

3% of clients

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



# Managed Care Growth





# Managed Care Programs

## STAR



Children, pregnant 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

CHIP includes CHIP-Perinatal. Remaining percentage is FFS.

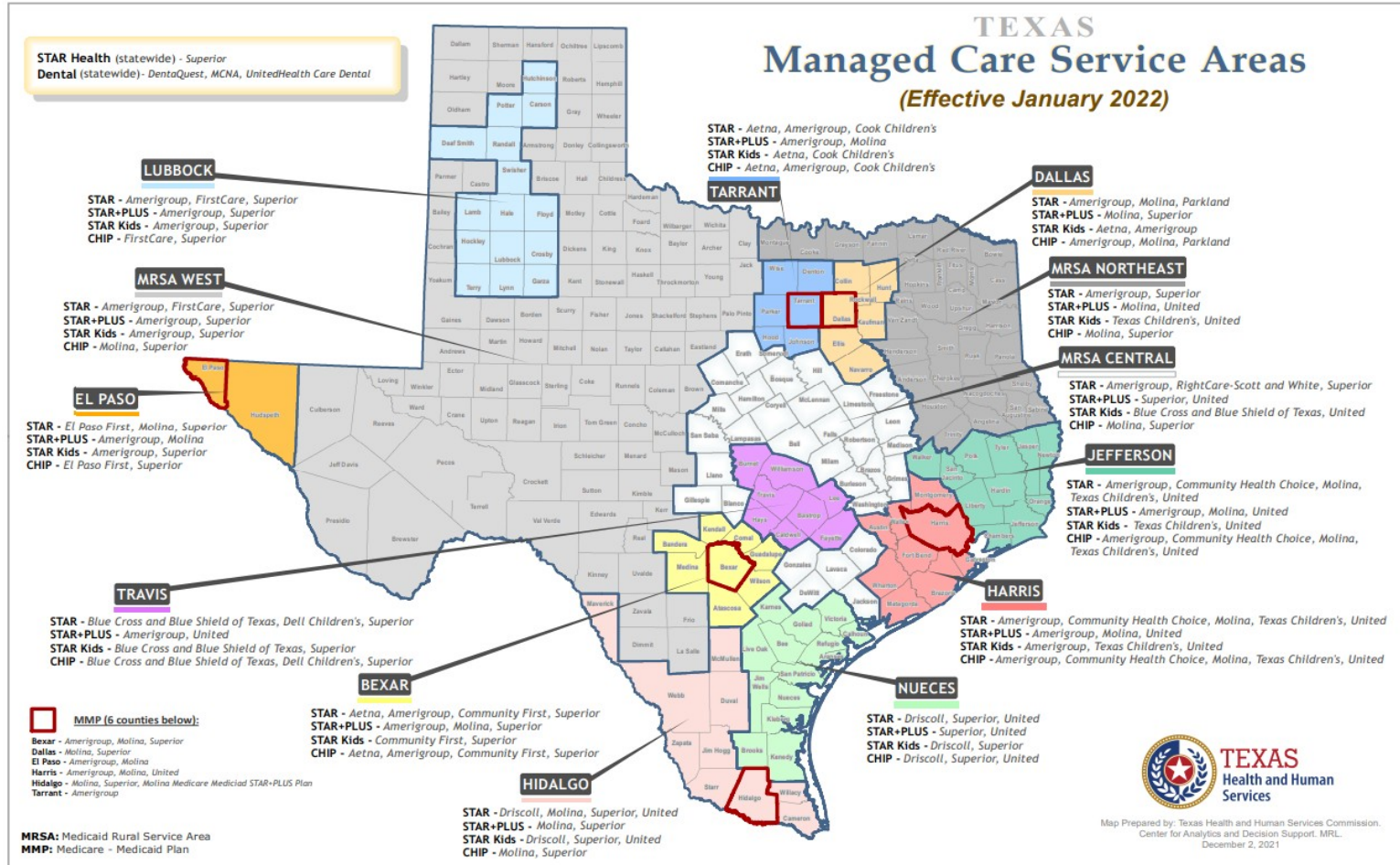
**+** *Dental for most children and young adults enrolled in Medicaid*





**TEXAS**  
Health and Human  
Services

# Managed Care Service Areas





# Delivering Quality, Cost-Effective Services



## Access to services

Network adequacy, appointment availability, member satisfaction



## Service delivery

Acute care utilization reviews (UR), long-term services and supports  
URs, drug UR, electronic visit verification



## Quality of care

Performance dashboard, value-based enrollment, improvement projects,  
pay-for-quality, alternative payment models, MCO report cards



## Financial

Financial statistical reports (FSRs) validation, administrative expense  
and profit limits, independent auditing



## Operations

Readiness reviews, biennial operational reviews, targeted reviews



# Key Focus Areas

## Texas Medicaid

*Improvements focus on four major areas*

1

Ensure members have timely access to the services they need

2

Encourage providers to participate in the Medicaid program

3

Incentivize value using innovation in the service delivery model

4

Strengthen partnerships through transparency and accountability



**TEXAS**  
Health and Human  
Services

# **Ending Continuous Medicaid Coverage**

---

**Molly Lester**

**Deputy Chief Policy and Services Officer**

# Background

---



TEXAS  
Health and Human  
Services

- **March 2020:** Congress passed the Families First Coronavirus Response Act, allowing states to receive enhanced federal match provided they maintained continuous coverage for most people enrolled in Medicaid until the end of the federal public health emergency
- **December 2022:** Congress passed the 2023 Consolidated Appropriations Act, which separated the continuous Medicaid coverage requirement from the federal public health emergency
  - **March 31, 2023:** Continuous coverage requirement ends
  - **April 1, 2023:** States may begin disenrolling members who are no longer eligible
  - **April 1 – December 31, 2023:** Enhanced FMAP will be phased out

# Federal Guidance

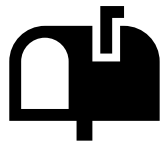
---



TEXAS  
Health and Human  
Services



**States have 12 months** to initiate redeterminations for everyone enrolled in Medicaid and CHIP



**States must conduct a full redetermination** following all federal regulations and allow members **a minimum of 30 days to respond** to renewal packets or requests for information



States must attempt to get updated contact information and may not disenroll members based on returned mail unless the **state attempts to contact the member through multiple modalities** (e.g., phone, text)

# Plan to Unwind Continuous Medicaid Coverage

---



TEXAS  
Health and Human  
Services

## Unwinding continuous Medicaid coverage will be an immense undertaking for states.

- As of September 2022, **2.7 million members have extended Medicaid coverage** due to the continuous Medicaid coverage requirement
- States must renew everyone on Medicaid and CHIP within the 12-month unwinding period
- HHSC must complete the redetermination process for **more than 5.9 million members** by May 2024

# Plan to Unwind Continuous Medicaid Coverage

---



TEXAS  
Health and Human  
Services

## Guiding principles for unwinding continuous Medicaid coverage include:



Maintaining coverage for people who remain eligible



Prioritizing redeterminations for those most likely to no longer qualify for Medicaid



Ensuring a sustainable workload for our eligibility system and future renewal schedule



# Plan to Unwind Continuous Medicaid Coverage

---

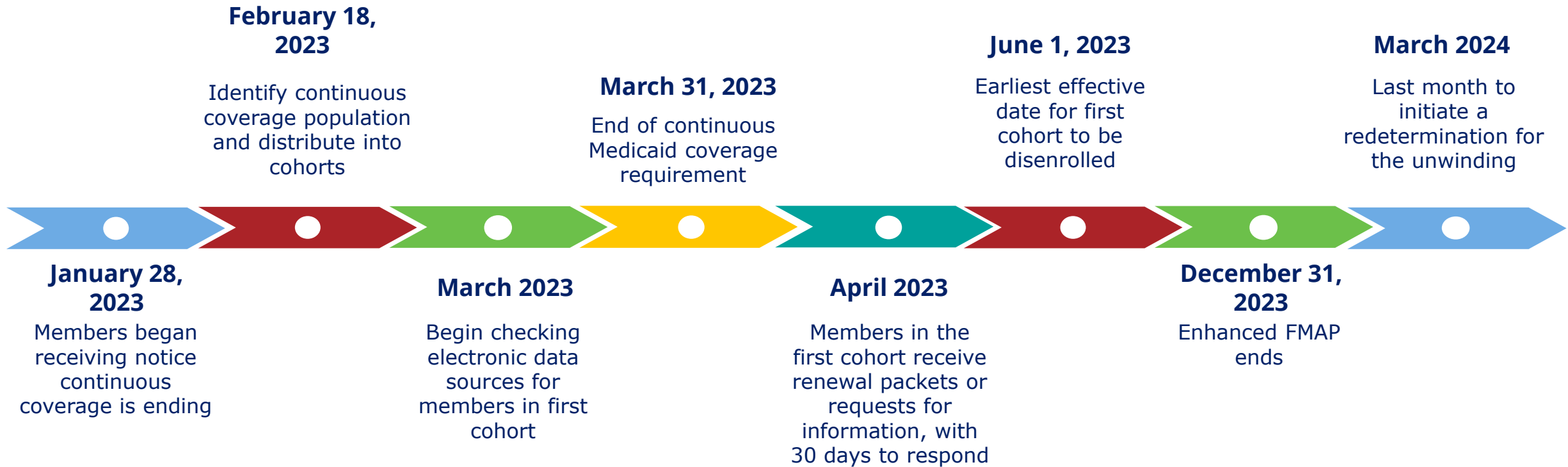


TEXAS  
Health and Human  
Services

## HHSC will stagger Medicaid redeterminations over multiple months.

- Continuous coverage population will be distributed into **three cohorts**
- Redeterminations will be initiated for each cohort in consecutive months at the start of the unwinding period
- People enrolled in Medicaid and CHIP not included in the continuous coverage cohorts will have their eligibility redetermined based on their normal renewal dates

# Timeline for Ending Continuous Medicaid Coverage



# Addressing Workload/Workforce Issues

---



TEXAS  
Health and Human  
Services

- Net increase of **1000 additional eligibility workers** since April 2022
- **Increased base salaries** for eligibility workers effective August 2022
- **Added more than 400 2-1-1 call center staff** since July 2022
- Gained access to additional data sources to update contact information and streamline eligibility processing
- Simplified onboarding and basic training processes to expedite new eligibility workers into production
- Implemented Case Assistance Affiliate program to allow Medicaid health plans to assist members with applications and renewals
- Implemented online password reset capability for [YourTexasBenefits.com](https://www.yourtexasbenefits.com)
- Engaged the Eligibility Support Services contractor to assist with processing applications and fair hearing packets

# Communications Plan

---



TEXAS  
Health and Human  
Services

We developed a **proactive multi-pronged communications campaign** to help members, providers, health plans, and advocates prepare for the end of continuous coverage.

Second phase includes **texts, notices, social media, earned media and paid outreach** from HHSC to Medicaid members.



# Current Priorities

---



TEXAS  
Health and Human  
Services

- Continue working with CMS to keep aligned with the latest federal guidance and requirements
- Complete final checks to ensure systems and workforce are prepared
- Established a cross-functional agency command center to oversee implementation of the unwinding
- Develop monthly reports to monitor and track progress on unwinding efforts
- Continue engaging with contract partners and external stakeholders to build awareness for the unwinding plan and actions members will need to take