



Texas CHIP Coalition Meeting Minutes

June 21, 2013

Present:

Megan Randall, CPPP
Alexis Votteler, Texas Impact
Joshua Houston, Texas Impact
Sr. JT Dwyer, Seton
Kathy Eckstein, CHAT
Becky Huerta, Central Health
Lauren Dimitry, Texans Care for Children
Clayton Travis, Texans Care for Children
Kit Abney Spelce, insure-a-kid
Beth Peck, Central Health
Betsy Coats, Maximus/THSteps/STAR
Miryam Bujanda, Methodist Healthcare Ministries
Laura Brubaker, ET/TWAH
Laura Guerra-Cardus, CDF-TX
Hannah Guernsey, CDF-TX
Kathleen Davis, Network of Texas IAF Orgs
Janice Fagen, BCBSTX
Sonia Saenz, BCBSTX
Anne Dunkelberg, CPPP
Tracy Henderson, HHSC
Stephanie Stephens, HHSC

Conference Line:

Shannon Lucas, March of Dimes
Sharon, March of Dimes
Texas Council on Family Violence
Lee Johnson, Texas Council of Community Centers
Sonia Lara, TACHC
Elizabeth Endres, TACHC
John Berta, THA
Raquel, Central Texas ADRC

Chair:

Anne Dunkelberg, CPPP

Minutes Scribe:

Megan Randall, CPPP

Next meeting:

July 19, 2013

I. Tracy Henderson, HHSC, Budget Update

Please see attached presentation slides for more detailed information.

- Discussion of SB1 and increases in general revenue and all funds from 2012/13 – 2014/15
- Discussion of goals and funding differences from 2012/13 – 2014/15
 - o Goal A – Good budget session for HHSC; a lot for IT; balancing incentive program; have to comply with emerging federal regulations

- Goal B – Not a big GR increase
- Goal C – Less of an increase because of CHIP kids moving to Medicaid
 - Budget funds Legislative Budget Board's projected caseload growth for CHIP (which was lower than the caseload growth projected by HHSC's forecasting staff; although the forecasting staff had a lower projected caseload growth for Medicaid than the LBB)
- The LBB's Medicaid projections take into account three ACA-related policy changes that will happen regardless of whether TX expands Medicaid to adults: 1) expanding Medicaid for former foster children up to age 26; 2) change in 2014 to a 12-month renewal period ; 3) influx of more children eligible but not currently enrolled.
- Come January, CHIP kids aged 6-18 between 100-138% FPL will go to Medicaid (funded by CHIP, keeping enhanced match)
- ADunkelberg: Medicaid has never been appropriated as asked for. This is not a huge difference compared to historically. Typically have to do supplemental, and the LBB numbers are often too optimistic
- Discussion of leftover Medicaid funds carrying into 14/15, assumption by LBB/in budget of approximately \$200 million GR carrying over.
- Discussion of cost containment efficacy, experience rebates (HHS shares in surplus profit with HMOs), and higher education patient revenue
- Discussion of Exceptional Items
 - LBB caseload numbers for Medicaid in 2014 in the final budget documents are higher than what was shared with the conference committee
 - Also, numbers in budget always reflect a higher caseload than the point-in-time enrollment (because they include folks who got retroactive coverage)
- Discussion of FMAP for FY 2015
 - **Page 4 correction: Should read "a decrease from **58.16%** assumed in January 2013"
- Discussion of Rider 51
- TIERS Capital Project
 - Most TIERS-related ongoing operations items are in Goal A. Goal F is IT capital part in TIERS.

II. Stephanie Stephens, HHSC, ACA Update

Please see attached presentation slides for more detailed information.

- Working on business practice
- KAbney Spelce: How to deal with split families?
 - SStephens: Working on these more difficult types of cases later, right now working at high level getting larger system in place
- Received technical documents on transfers from the federally facilitated marketplace (FFM: exchange) to Texas Medicaid this week
- If a family wants to get a Medicaid/CHIP determination for their child TODAY, then Texas HHSC is the "best door," particularly between October 2013 and January 2014.
- There might be different "best doors" for different groups
- Medicaid will be based on today's income, whereas Exchange benefits will be based on last year's income. And there will be no more asset-testing starting in January for poverty-related Medicaid groups (still apply for disability and aged-related Medicaid)

- ADunkelberg: Neither current nor future system set up for easy income verification by marginal wage earners with fluctuating incomes
- Two periods
 - o October – January
 - MAGI won't be in TIERS until January
 - If want kids on Medicaid/CHIP NOW, to go HHSC. Don't go to FFM because:
 - FFM coverage doesn't start until January, and
 - FFM only does Medicaid assessments for coverage JANUARY 2014 and later (not for October thru December 2013)
 - o January forward
 - FFM will be open.
- Operational challenges with transfers
- Eventually, all communication between FFM and HHSC will be coordinated, but this is not what is happening today
- Right now, HHSC can receive communication from the Marketplace, but communication from HHSC to the Exchange is still in the works; in the long-term, bi-directional transfers are expected
- TX will be transitioning currently enrolled kids (ages 6-18, 100-138% FPL) from CHIP to Medicaid at renewal. Newly applying kids starting 1/2014 will sort into Medicaid or CHIP according to the new income guidelines
- Question from CHIP Coalition member: What about pregnant women? Do they get a choice between Medicaid and the Exchange, if they are Medicaid-eligible?

****ADunkelberg (post-meeting clarification):** Good question. The general rule in ACA is you cannot get help in the FFM if you qualify for Medicaid. Apparently the policy is that IF a state Medicaid maternity category provides full Medicaid benefits (i.e., as opposed to only covering maternity-related health care), then the woman must enroll in Medicaid maternity coverage, and switch over to FFM coverage when her Medicaid ends 2 months postpartum. In those states that DO NOT provide full Medicaid benefits, the pregnant women CAN choose FFM coverage.

III. Upcoming Meetings and Reminders

- CHIP Coalition leadership meeting – Monday July 8th @ THA. E-mail Megan (Randall@cphp.org) or Anne (Dunkelberg@cphp.org) if you want info
- Discussion around campaigning for Medicaid expansion is happening within a Cover Texas Now (CTN) workgroup. Can add to listserv, e-mail Megan (Randall@cphp.org) or Stacey Pogue (Pogue@cphp.org) if want to be added. Full CTN group will review workgroup discussion at an upcoming full CTN meeting. Will be some messaging around Medicaid expansion.
- LGuerra-Cardus: Healthcare Mini-conference planning for August. HOLD August 13/14th for a 4-hour meeting. First two hours we will talk policy, then break, then remaining 2 hours will lay out advocacy plan. Can include MedEx, enrollment, outreach, etc. Interim session advocacy plan will be developed in CTN workgroup.
- Get Covered America/Texas – Enroll America campaign, focusing on enrollment.
 - o Discussion of outreach strategies for Enroll America
 - o Special moment in history to help with enrollment, which is linked to so many other issues.

- Interim charges. LBB deadline is nearing. If have ideas, e-mail Miryam Bujanda (mbujanda@mhmm.org).
- Combined CHIP/OTA meeting next month, Anne will be on vacation. Laura Guerra Cardus will chair July19 meeting.

**** Denotes Action Item**



FY 2014-15 Budget Update

June 21, 2013

**Tracy Henderson
Chief Financial Officer**

FY 2014-15 Budget

- The FY 2014-15 appropriations in S.B. 1 for HHSC total \$19.1 billion General Revenue (GR) and \$48.5 billion All Funds (AF).
- Compared to the 2012-13 biennium, S.B. 1 provides an increase of \$1.2 billion GR and \$3.2 billion AF, or a 6.4 percent and 7.1 percent increase respectively.
- From S.B. 1 as introduced, legislative decisions added a net biennial increase of \$616.1 million GR and \$2.1 billion AF to HHSC
- A biennial increase of \$1.0 billion GR and \$2.8 billion AF were offset by reductions for savings

Biennial Funding Summary

HHSC Article II	FY 2012-13		SB 1 Introduced FY 2014-15		Conference SB 1 FY 2014-15		FY 2014-15 Biennial Difference	
	GR	AF	GR	AF	GR	AF	GR	AF
Goal A Oversight & Consolidated	\$ 752.1	\$ 1,896.9	\$ 759.5	\$ 1,871.2	\$ 816.1	\$ 1,999.6	\$ 56.6	\$ 128.5
Goal B Medicaid	16,232.8	40,144.1	16,847.4	\$ 41,829.8	17,347.1	43,597.6	499.7	1,767.8
Goal C CHIP	685.1	2,351.3	539.9	1,833.7	587.2	1,994.7	47.3	161.0
Goal D Self Sufficiency	156.3	358.5	227.6	394.9	228.9	393.9	1.4	(1.0)
Goal E Program Administration	39.5	319.0	34.9	309.1	34.9	309.1	-	-
Goal F TIERS	66.1	183.1	62.6	127.7	62.6	127.7	-	-
Goal G Office of Inspector General	29.4	93.2	30.9	96.6	39.3	120.9	8.5	24.3
HHSC Total	\$ 17,961.3	\$ 45,346.2	\$ 18,502.7	\$ 46,462.9	\$ 19,116.2	\$ 48,543.5	\$ 613.5	\$ 2,080.6
Article IX Total	\$ -	\$ -	\$ -	\$ -	\$ 2.6	\$ 6.3	\$ 2.6	\$ 6.3
HHSC Total	\$ 17,961.3	\$ 45,346.2	\$ 18,502.7	\$ 46,462.9	\$ 19,118.8	\$ 48,549.8	\$ 616.1	\$ 2,086.9

Exceptional Item Funding

- HHSC presented 21 updated exceptional items which included some funding for other HHS agencies and totaled \$2.7 billion GR and \$6.2 billion AF
- HHS agencies received funding for 17 of the 21 exceptional items.

➤ Medicaid and CHIP

- Medicaid and CHIP caseloads, costs and revenues were updated based upon Legislative Budget Board forecasts
- The FY 2015 FMAP was updated to 58.0% for the latest projection, a decrease from 50.16% assumed in January 2013. The FY 2015 FMAP will be finalized in October 2013
- The caseload projections are provided below

Program	FY 2013	FY 2014	FY 2015
Medicaid	3,666,216	3,860,020	4,193,348
CHIP	627,373	573,798	373,594

Exceptional Item Funding

➤ Information Technology (Includes all HHS agencies)

- Completion of the Enterprise Data Warehouse was fully funded
- Projects that were funded include IT Security, Winters Data Center Upgrade, ICD-10 Coding Implementation, Financials System Upgrade, Mobile Infrastructure and retirement of CARE system

➤ Funding for more than one HHS Agency

- Cognitive Therapies in Medicaid Waivers at DADS and HHSC for brain injuries
- Improved Building Security in HHS Client Delivery Facilities
- Salary Increases for Direct Care Workers at DADS and DSHS
- Increased support for vehicles, food, and systems used in DADS and DSHS facilities
- Community Attendant Hourly Wage Increases in programs at DADS and HHSC

Exceptional Item Funding

➤ Other HHSC Requests

- Fraud Integrity and Office of Inspector General
- Maintain the Office of Acquired Brain Injury
- Expand Family Violence Program
- Community Resource Grants and Coordination

Other Funding Initiatives

Additional legislative initiatives include:

➤ Medicaid

- Projects supporting implementation of the Balancing Incentive Program (BIP) at HHSC, DADS, and DSHS
- Expand Community Waiver Services at DADS, resulting in STAR+Plus increases at HHSC

➤ Other Programs and Agencies

- Additional Funding for Home Visiting/Visiting Nurse Program
- Expand Alternatives to Abortion
- Improve Mental Health Coordination
- Funding to Transfer to DARS for comprehensive rehabilitation, autism, and deaf and hard of hearing services

➤ Across the Board Increases

- Most state employees will receive a 1% salary increase (or minimum \$50 per month) in FY 2014 and an additional 2% in FY 2015 (or minimum \$100 per month)

Other Funding Initiatives

➤ Reductions for Savings and Cost Containment

- S.B 1 as introduced assumed reductions of \$250 million GR and \$602.0 million AF for Medicaid cost containment
- An additional \$424.0 million GR and \$863.3 million AF was reduced for more cost containment, generating Medicaid savings from funding and expanding certain health initiatives at DSHS, maximizing federal match for BIP and Community First Choice, and increasing revenues from fraud recoveries.

➤ Other Reductions

- Updates to TANF Cash Assistance forecasts
- Reduced MOF Swap for increased federal match for Attendant and Habilitation Services (Community First Choice)

➤ Across the Board Reductions

- All state agencies will be assessed an additional 0.5% surcharge on payroll to maintain retirement requirements for current employees.

Biennial Funding Detail by Goal

Comparison of HHSC Funding in FY 2012-13 and S.B.1 FY 2014-2015
(\$ in millions)

Article II HHSC	Legislative Budget Estimates FY 2012-13		SB 1 Introduced FY 2014-15		Conference SB 1 FY 2014-15		Funding Decisions and Description
	GR	All Funds	GR	All Funds	GR	All Funds	
Goal A Oversight & Consolidated	\$ 752.1	\$ 1,896.9	\$ 759.5	\$ 1,871.2	\$ 816.1	\$ 1,999.6	<ul style="list-style-type: none"> ◆ Adds \$0.7 million GR and AF for Office of Acquired Brain Injury and 3.0 FTEs each year (EI # 5) ◆ Adds \$3.3 of \$15.4 million GR and \$17.5 million AF for five Capital IT funded projects at HHSC and \$11.9 million GR funded at the other HHS agencies (EI # 6, 12, 14, 16, and 18) Some projects partially funded and rider allows transfer if additional funding is needed. ◆ Adds \$0.3 of \$1.2 million GR and \$1.7 million AF for increasing security in regional facilities at HHSC and \$0.9 million GR funded at the other 4 HHS agencies (EI #7) ◆ Adds \$2.2 million GR and \$3.0 million AF for consolidated support of SSLCs and SHs and 1 FTE and \$2.1 million GR funded at other HHS agencies (EI #13) ◆ Adds \$6.6 million GR and \$35.6 million AF and 13 FTEs for completion of the Enterprise Data Warehouse (EI #17) ◆ Adds \$0.1 million GR and \$0.3 million AF and 1 FTE for CRCG ◆ Adds \$0.2 million GR and \$0.4 million AF for Eligibility staff associated with DADS community expansion with 2.6 and 4.8 FTEs ◆ Adds \$7.9 million GR & AF for the Visiting Nurse Program ◆ Adds \$25.9 million GR and \$51.8 million AF for implementing projects supporting the Balancing Incentive Program ◆ Adds \$0.3 million GR & \$0.4 million AF and 2 FTEs for statewide mental health coordination. ◆ Adds \$9.1 million GR and AF for funding to be transferred to DARS

Biennial Funding Detail by Goal

Comparison of HHSC Funding in FY 2012-13 and S.B.1 FY 2014-2015
(\$ in millions)

Article II HHSC	Legislative Budget Estimates FY 2012-13		SB 1 Introduced FY 2014-15		Conference SB 1 FY 2014-15		Funding Decisions and Description
	GR	All Funds	GR	All Funds	GR	All Funds	
Goal B Medicaid	16,232.8	40,144.1	16,847.4	\$41,829.8	17,347.4	43,597.6	<ul style="list-style-type: none"> ◆ Adds \$850.7 million GR and \$2,433.9 million AF for LBB updates on Medicaid caseloads, costs, revenue, clawback, FY 2015 FMAP and unexpended balance from FY 2013 (EI #1). ◆ Adds \$9.4 million GR and \$37.8 million AF for Fraud Initiatives at TMHP (EI #4) ◆ Adds \$1.5 million GR and \$3.6 million AF for STAR+Plus services to individuals with acquired brain injuries at HHSC and \$0.4 million GR at DADS (EI #5). ◆ Adds \$47.9 million of \$89.4 million GR and \$120.8 million AF at HHSC for community attendant wage increases at HHSC (\$7.50 wage floor in FY 2014 and \$7.86 floor in FY 2015 + enhancement funding. Additional \$41.5 million GR is funded at DADS (EI #9). ◆ Adds \$0.2 of the \$15.4 million GR and \$0.4 million AF for Capital IT project at HHSC and \$0.6 million GR and \$1.9 million AF funded at other HHS agencies (EI #15 - ICD-10) ◆ Adds \$0.3 million GR and \$1.3 million AF for implementing projects supporting the Balancing Incentive Program ◆ Adds \$13.7 million GR and \$33.3 million AF at HHSC related to DADS community expansion impacts to STAR+PLUS.

Biennial Funding Detail by Goal

Comparison of HHSC Funding in FY 2012-13 and S.B.1 FY 2014-2015
(\$ in millions)

Article II HHSC	Legislative Budget Estimates FY 2012-13		SB 1 Introduced FY 2014-15		Conference SB 1 FY 2014-15		Funding Decisions and Description
Goal	GR	All Funds	GR	All Funds	GR	All Funds	
Goal B Cont.							<ul style="list-style-type: none"> Reduces \$424.0 million GR & \$863.3 million AF 1. \$150.0 million GR & \$361.2 million related to cost containment reductions in Rider 51 (total cost containment reduction is \$400 million GR and \$ million AF) 2. \$144.1 million & \$347.0 million AF for increases at DSHS for primary health, hospital infection control and YES waiver and a contingency reduction for family planning federal funds loss at DSHS 3. \$64.6 GR million MOF swap for federal for a net AF increase of \$0.8 million due to FMAP contingent on enactment of S.B. 7 4. \$50.0 million GR & \$120.4 million AF for increased OAG recoveries 5. \$15 million GR and \$36.1 million AF for OIG recoveries
Goal C CHIP	685.1	2,351.3	539.9	1,833.7	587.2	1,994.7	<ul style="list-style-type: none"> Adds \$47.3 million GR and \$161.0 million AF for LBB updates on CHIP caseload, costs and FY 2015 EFMAP (EI #2).
Goal D Self Sufficiency	156.3	358.5	227.6	394.9	228.9	393.9	<ul style="list-style-type: none"> Reduces \$0.6 million GR and \$5.5 million AF for updated TANF Cash Assistance forecasts Adds \$2.5 million federal SSBG funds for Family Violence services (EI #11) Adds \$2.0 million GR and AF for Alternatives to Abortions
Goal E Program Administration	39.5	319.0	34.9	309.1	34.9	309.1	

Biennial Funding Detail by Goal

Comparison of HHSC Funding in FY 2012-13 and S.B.1 FY 2014-2015 (\$ in millions)

Article II HHSC	Legislative Budget Estimates FY 2012-13		SB 1 Introduced FY 2014-15		Conference SB 1 FY 2014-15		Funding Decisions and Description
	GR	All Funds	GR	All Funds	GR	All Funds	
Goal F TIERS	66.1	183.1	62.6	127.7	62.6	127.7	
Goal G Office of Inspector General	29.4	93.2	30.9	96.6	39.4	120.1	◆ Adds \$8.5 of \$9.3 million GR and \$24.3 million AF for 105 FTEs to address fraud and \$0.8 million GR funded at other HHS agencies (EI #4)
HHSC Total	\$17,961.3	\$45,346.2	\$18,502.7	\$46,462.9	\$19,116.2	\$48,453.5	The biennial difference is an increase of \$1,154.9 million GR and \$3,197.3 million AF.
Article IX General Provisions							
Section 17.08 – DIR Data Center					0.6	1.5	◆ Adds \$0.6 million GR and \$1.5 million for cost increases for data center services provided by DIR
Section 18.32 – Contingency for SB 8					1.3	3.2	◆ This adds \$1.3 million GR and \$3.2 million AF for fraud investigations and hearings on overpayments with 21 FTEs in FY 14 and 34 FTEs in FY 15 for Medicaid and OIG
Section 18.58 – Contingency for SB 1803					0.8	1.6	◆ Adds \$0.8 million GR and \$1.6 million AF for fraud investigations and hearings on overpayments also adds 10 FTEs in FY 14 and 17 FTEs in FY 15 for OIG.
Article IX Total	\$ -	\$ -	\$ -	\$ -	\$ 2.6	\$ 6.3	
HHSC Total	\$17,961.3	\$45,346.2	\$18,502.7	\$46,462.9	\$19,118.8	\$48,549.8	The biennial difference is an increase of \$1,157.6 million GR and \$3,203.6 million AF



Affordable Care Act (ACA)

Presentation to CHIP Coalition
June 21, 2013

October 1, 2013 (Day 1) Planning

- Effective January 1, 2014:
 - Modified Adjusted Gross Income (MAG) rules will be implemented in the Texas Integrated Eligibility Redesign System (TIERS).
 - Streamlined MAGI application will be implemented on YourTexasBenefits.com.
- Effective October 1, 2013, the Centers for Medicare & Medicaid Services (CMS) requires:
 - Accepting the streamlined MAGI application.
 - Determining MAGI eligibility with a January 1, 2014 effective date.
- HHSC is working with CMS to finalize the business process for October 1, 2013.
- HHSC seeks to ensure that individuals are helped through the "best door" and receive an eligibility determination for immediate coverage.

MAGI Income Conversion

- HHSC submitted the MAGI income conversion plan on May 28.
- The purpose of MAGI income conversion is to:
 - Convert current Medicaid and CHIP income limits to MAGI-equivalent income limits.
 - Account for the elimination of income disregards.
- The HHSC MAGI income conversion plan uses the federal methodology with federal data.

- CMS indicates that the final eligibility rules are imminent.
- CMS provided the following new guidance on June 19:
 - Technical specifications for account transfers from the Health Insurance Marketplace (Marketplace), which HHSC is reviewing.
 - State alternative applications for coverage.
 - States with the federal Marketplace must accept federal single, streamlined application.
 - States may develop alternative applications consistent with general principles.
 - Alternative applications require CMS approval. Guidance allows for conditional approval process.
 - Some customizations do not require CMS approval.
 - States may continue to use multi-benefit applications and non-MAGI based Medicaid applications.