



Auto-Enrollment in the Healthy Texas Women Program

**As Required by
Senate Bill 1, 85th Legislature,
Regular Session, 2017 (Article II,
Health and Human Services
Commission, Rider 106)**

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Executive Summary

The *Auto-Enrollment in the Healthy Texas Women Program Report* is submitted per the 2018-2019 General Appropriations Act, Senate Bill (S.B.) 1, 85th Legislature, Regular Session, 2017 (Article II, Health and Human Services Commission [HHSC], Rider 106). The report provides an analysis of the cost-effectiveness and projected savings of automatically enrolling women into the Healthy Texas Women (HTW) program when their coverage through the Children's Health Insurance Program (CHIP) or the Children's Medicaid program ends due to their age. The report is required to be submitted to the Legislative Budget Board no later than July 1, 2018.

HTW offers women's health and family planning services at no cost to eligible, uninsured women in Texas. HTW seeks 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.

With the launch of HTW in July 2016, HHSC began automatically enrolling eligible Medicaid for Pregnant Women clients into HTW upon conclusion of Medicaid coverage, if they were determined ineligible under another Medicaid category. Increased coordination among women's health services has promoted a continuity of care and enabled some women to stay with their same doctor as they transition from Medicaid for Pregnant Women to HTW, resulting in positive health outcomes for Texas women.

Should HTW implement a similar auto-enrollment process for women aging out of CHIP and the Children's Medicaid program, the projected general revenue savings due to an estimated 11,275 births averted is approximately \$58.7 million (\$102.6 million all funds) from fiscal years 2020-2025. These savings assume an implementation date of September 1, 2020, which would allow the necessary time needed to update the HTW eligibility policy within the Texas Integrated Eligibility Redesign System (TIERS), the state's system of record for eligibility determinations, and the Texas Administrative Code.

1. Introduction

The 2018-2019 General Appropriations Act, Senate Bill (S.B.) 1, 85th Legislature, Regular Session, 2017 (Article II, Health and Human Services Commission (HHSC), Rider 106), requires HHSC to submit a report on the cost-effectiveness and projected savings of automatically enrolling into the Healthy Texas Women (HTW) program women who become ineligible for the Children's Health Insurance Program (CHIP) or the Children's Medicaid program due to their age. The report must be submitted to the Legislative Budget Board (LBB) no later than July 1, 2018.

2. Background

During the Texas Sunset Advisory Commission (Sunset) review of the state's health agencies in 2014, Sunset recommended consolidating the state's women's health programs to improve efficiency and effectiveness for clients and providers. In response, the new HTW program launched on July 1, 2016. HTW seeks 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.

HTW provides a wide variety of women's health and core family planning services that contribute to preconception care and better birth outcomes. Women are eligible for HTW services if they:

- Are age 15 through 44 (women age 15 through 17 must have parental or legal guardian consent to apply and renew services);
- Are U.S. citizens or non-citizens with a qualifying immigration status;
- Have an income at or below 200 percent of the federal poverty level (FPL);
- Reside in Texas;
- Do not have health insurance, Medicaid, or CHIP; and
- Are not pregnant.

With the launch of HTW in July 2016, HHSC implemented a policy to automatically enroll women, ages 18 through 44, in HTW upon termination of Medicaid for Pregnant Women coverage to provide continuity of care. A month prior to a woman's Medicaid for Pregnant Women benefits ending, HHSC staff determine eligibility for any other Medicaid program or CHIP. If the woman is determined ineligible for Medicaid or CHIP, and does not have other creditable health coverage, she will be certified for HTW.

HTW coverage begins the first day following the termination of a woman's Medicaid for Pregnant Women coverage. HHSC sends a woman who is auto-enrolled into the HTW program a letter in the mail notifying her of her HTW coverage, and gives her the option to not participate in the program.

In fiscal year 2017, 38,959 women were auto-enrolled from Medicaid for Pregnant Women into HTW. Increased coordination among women's health services, including Medicaid, has promoted a continuity of care and enabled some women to stay with their same doctor as they transition from Medicaid for Pregnant Women to HTW. This automatic enrollment reduces the burden of re-enrollment for women

and increases access to postpartum care, with the goal of better health outcomes for both the mother and her child.

CHIP and the Children's Medicaid program cover comprehensive health care services in children from birth through age 18.¹ Currently, once a woman loses her CHIP or Children's Medicaid coverage, she must apply for the HTW program by submitting a program application. HHSC processes all HTW applications within 45 days of receipt, and program coverage begins on the first day of the month in which HHSC receives a valid application. Similar to the current HTW auto-enrollment policy, if HHSC were to automatically enroll women aging out of CHIP and Children's Medicaid into HTW, these women would be immediately able to access the full range of HTW benefits. HTW eligibility policy is similar to the eligibility policy for CHIP and Children's Medicaid. For a full comparison of the three programs, see Appendix B.

HTW is currently funded exclusively through state general revenue dollars. However, on June 30, 2017, HHSC applied to the Centers for Medicare & Medicaid Services (CMS) for a new waiver under Section 1115 of the Social Security Act for a program to be called the Healthy Texas Women Section 1115 Demonstration Waiver. The proposed effective date is September 1, 2018, for a five-year period ending August 31, 2023. HHSC did not propose any changes to the current HTW program in its waiver application and is requesting federal match for the full range of current HTW services. If the waiver is approved, HTW family planning services would receive 90 percent federal match, and other HTW services would be matched at the regular federal medical assistance percentage (hypertension, diabetes, postpartum depression, etc.). The cost analysis included in this report assumes CMS approval of the HTW waiver and a 90 percent federal matching rate for HTW family planning services beginning September 1, 2018.

¹ CHIP does not cover contraceptive services.

3. Cost Effectiveness of Auto-Enrollment

To evaluate the cost-effectiveness of automatically enrolling eligible CHIP and Children's Medicaid clients into HTW, HHSC analyzed costs associated with enrollment increases and necessary technology changes, while accounting for potential savings resulting from fewer Medicaid-covered pregnancies, deliveries, and newborn health care. Cost offsets include potential and realized savings to the state. Averted births contribute to savings through decreased caseloads in Medicaid for Pregnant Women and Medicaid for Newborns and decreased labor and delivery costs.

This report assumes a September 1, 2020, implementation date for the auto-enrollment of women aging out of Children's Medicaid and CHIP into HTW.²

Estimated Cost Savings

The analysis examined expected savings attributed to HTW auto-enrollment of women aging out of Children's Medicaid and CHIP throughout fiscal years 2020-2025. The decrease in Medicaid costs due to the use of family planning services is due to the reduction in the expected number of births for HTW clients. The projected general revenue savings due to the estimated 11,275 births averted is \$58.7 million (\$102.6 million all funds).

Savings included in the model are based on the elimination of potential costs associated with:

- Prenatal and acute care provided by Medicaid for Pregnant Women
- Labor and delivery
- One year of infant health care

Auto-Enrollment Caseload and Costs

As shown in Table 1, HHSC projects an average of 3,427 women would be auto-enrolled from CHIP and Children's Medicaid into HTW per month in fiscal year 2021, with a projected 41,130 auto-enrolling that year. This number grows to 3,827 per month by fiscal year 2025, with a projected 45,923 auto-enrolling that year.

² At least a full year is required to update the HTW eligibility policy within TIERS and in the Texas Administrative Code once HHSC receives legislative direction. The timeline is ultimately dependent upon the prioritization and scheduling of other TIERS modifications. This analysis assumes auto-enrollment of this population into HTW would begin September 1, 2020.

Due to the assumed beginning of auto-enrollment on September 1, 2020, the additional average monthly HTW caseload in fiscal year 2021 is lower than subsequent years due to the ramp up of the auto-enrolled caseloads. Including rates of manual re-enrollment, the additional average monthly caseload of 22,665 in fiscal year 2021 grows to 54,183 in fiscal year 2025.

To update the HTW auto-enrollment policy, updates must be made to the Texas Integrated Eligibility Redesign System (TIERS), the state's system of record for eligibility determinations. The estimated general revenue cost to make the change to TIERS is approximately \$100,000 (\$400,000 all funds).

Table 1. HTW Auto-Enrollment Caseload and Costs

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
Average Monthly Auto-Enrollment	-	3,427	3,523	3,621	3,722	3,827
Average Monthly HTW Caseload Increase	-	22,665	46,293	51,274	52,706	54,183
Average Monthly HTW PMPM	-	\$27.62	\$29.00	\$30.45	\$31.97	\$33.57
Technology Changes	\$400,000	\$0	\$0	\$0	\$0	\$0
Costs, All Funds	\$400,000	\$7,387,600	\$16,078,422	\$18,728,800	\$20,214,441	\$21,820,015
Costs, General Revenue	\$100,000	\$1,464,981	\$3,189,891	\$3,717,453	\$4,014,207	\$4,335,056

The nine month lag between conception and birth causes cost savings from averted pregnancies, deliveries, and newborn Medicaid coverage to be delayed. As shown in Table 2, in fiscal year 2021, the average monthly Medicaid for Pregnant Women caseload is expected to be reduced by 392 clients, and this increases to an average caseload reduction of 1,818 per month in fiscal year 2025. Additionally, in fiscal year 2021, the average monthly reduction in the Medicaid Newborn caseload is 28 cases, and this increases to an average caseload reduction of 3,070 per month in 2025.

Table 2. Average Monthly Caseload Reduction

	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
Births Averted	14	170	224	231	237
Medicaid NB Caseload Reduction	28	1,224	2,545	2,987	3,070
Medicaid Pregnant Women Caseload Reduction	392	1,221	1,705	1,768	1,818

Cost Savings by Program

Table 3 shows the cost savings by program and fiscal year. The estimated general revenue savings from Medicaid for Pregnant Women is \$.6 million (\$1.4 million all funds) in fiscal year 2021 and increases to a savings of \$5.4 million (\$13.0 million all funds) by fiscal year 2025.

Savings from averted deliveries, which offset \$.2 million (\$.5 million all funds) in fiscal year 2021, increases to \$4.0 million (\$9.6 million all funds) in fiscal year 2025.

Finally, while annual savings from Medicaid for Newborns in fiscal year 2021 is \$0.1 million (\$0.3 million all funds), in fiscal year 2025 it increases to \$13.7 million (\$32.8 million all funds).

Table 3. HTW Auto-Enrollment Cost Savings by Source

	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
Medicaid Pregnant Women, AF	\$(1,416,373)	\$(7,843,197)	\$(11,359,663)	\$(12,215,166)	\$(13,016,107)
Medicaid Pregnant Women, GR	\$(592,186)	\$(3,279,241)	\$(4,749,475)	\$(5,107,161)	\$(5,442,034)
Deliveries, AF	\$(514,149)	\$(6,305,831)	\$(9,120,554)	\$(9,374,749)	\$(9,636,942)

	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
Deliveries, GR	\$(214,966)	\$(2,636,468)	\$(3,813,304)	\$(3,919,582)	\$(4,029,205)
Medicaid Newborns, AF	\$(262,115)	\$(11,859,373)	\$(25,472,593)	\$(30,876,964)	\$(32,789,978)
Medicaid Newborns, GR	\$(109,590)	\$(4,958,404)	\$(10,650,091)	\$(12,909,659)	\$(13,709,490)
Total Client Services, AF	\$(2,192,637)	\$(26,008,402)	\$(45,952,810)	\$(52,466,879)	\$(55,443,027)
Total Client Services, GR	\$(916,741)	\$(10,874,113)	\$(19,212,870)	\$(21,936,402)	\$(23,180,729)

HTW Auto-Enrollment Net Costs and Savings

As shown in Table 4, after an initial implementation expenditure of \$0.1 million (\$0.4 million all funds) in fiscal year 2020, there is a delay in cost savings from averted births relative to additional HTW enrollment costs, which results in a general revenue expenditure in fiscal year 2021 of \$0.5 million, with an all funds expenditure of \$4.9 million.

Annual general revenue then experiences savings during fiscal years 2022-2025, with an increase from \$7.8 to \$18.5 million per year, and an annual all funds savings of \$10.9 to \$34.6 million per year during the same time period.

In total, the estimated general revenue savings due to auto-enrollment is \$58.7 million (\$102.6 million all funds) from fiscal years 2020-2025.

Table 4. HTW Auto-Enrollment Net Costs and Savings

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
Net Costs (Savings), AF	\$400,000	\$4,920,538	\$(10,876,971)	\$(28,644,671)	\$(33,835,265)	\$(34,597,838)
Net Costs (Savings), GR	\$100,000	\$459,457	\$(7,777,966)	\$(15,283,975)	\$(17,707,634)	\$(18,452,079)

4. Conclusion

Were HHSC to receive legislative direction, updating HTW policy to auto-enroll eligible women who are aging out of Children's Medicaid and CHIP would require approximately a year to implement all associated technology and policy changes at a general revenue cost of \$0.1 million (\$0.4 million all funds). If HHSC were able to launch the new HTW auto-enrollment policy on September 1, 2020, the state would experience an initial cost of approximately \$0.5 million of general revenue funds (\$4.9 million all funds) in fiscal year 2021. However, HHSC projects the state will then experience significant savings between fiscal years 2022-2025. Over fiscal years 2020-2025, the auto-enrollment of women aging out of CHIP and Children's Medicaid would save approximately \$58.7 million in state general revenue (\$102.6 million all funds).

HHSC is committed to providing women's health and family planning services to low-income women in Texas that contribute to preconception health and better birth outcomes. In the future, HHSC will continue working to provide Texas women with quality women's health services through the HTW and other state women's health programs.

List of Acronyms

Acronym	Full Name
AF	All Funds
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare & Medicaid Services
FPL	Federal Poverty Level
GAA	General Appropriations Act
GR	General Revenue
HHSC	Health and Human Services Commission
HTW	Healthy Texas Women
LBB	Legislative Budget Board
PMPM	Per Member Per Month

Appendix A. Data Analytic Methodologies

Potential Costs

CHIP and Children's Medicaid Program Enrollments

To estimate the cost of additional HTW clients due to the proposed new auto-enrollment policy, historical data on the number of female clients aging out of Children's Medicaid and CHIP was used to estimate the increase in caseload and multiplied by projected HTW Per Member Per Month (PMPM) expenditures. Attrition estimates have been included in the caseload impact to HTW for the number of clients that manually enroll after losing Medicaid or CHIP benefits, potential ineligibility due to client changes (i.e., income change), and limited renewal rates for the ongoing caseload impact. The HTW cost impact aligns with the GAA and includes federal match funds based on the assumption of CMS approval of the 1115 HTW Demonstration Waiver. The GR impact assumes 90 percent matching federal funds for auto-enrollees' HTW family planning services and a standard match rate for non-family planning services.

Potential and Realized Savings and Cost Offsets

Births Averted

To determine cost offsets, HHSC estimated the number of averted pregnancies by assuming a 60 percent HTW utilization rate by those automatically enrolled. Based on Texas Medicaid and birth spacing data, a cumulative 18-month fertility rate of 8 percent per individual has been used in the analysis.

Projections of births averted were then mapped to service utilization between fiscal years 2021-2025. Matching current usage, HHSC assumed an average length of stay of seven months for Medicaid for Pregnant Women coverage per averted pregnancy (five months pre-delivery and two months post-delivery), which were multiplied by the respective Medicaid for Pregnant Women cost PMPM (\$515-\$597). Each associated averted birth includes the cost of a Delivery Supplemental Payment and the cost for 12 months of Medicaid Newborn coverage based on the respective Medicaid Newborn cost PMPM (\$781-\$890).

Appendix B. Comparison Chart for HTW, CHIP and Children's Medicaid

	Healthy Texas Women	CHIP	Children's Medicaid
Services	Women's health and family planning services	Comprehensive health care services (excluding contraceptive services)	Comprehensive health care services
Gender	Female	Male or female	Male or female
Age	15-44	0-18	0-18
U.S. Citizenship	Must be U.S. citizen or non-citizen with a qualifying immigration status	Must be U.S. citizen or non-citizen with qualifying immigration status	Must be U.S. citizen or non-citizen with qualifying immigration status
Income	200% of FPL	201% of FPL	133% of FPL (children 6-18)