

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Children and Adults Health Programs Group

SEP 25 2015

Ms. Kay Ghahremani
State Medicaid and CHIP Director
Texas Health and Human Services Commission
P.O. Box 13247, Mail Code H100
Austin, TX 78711

RECEIVED

SEP 25 2015

OFFICE OF THE STATE
MEDICAID DIRECTOR

Dear Ms. Ghahremani:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved your Children's Health Insurance Program (CHIP) state plan amendment (SPA) number TX-14-0032, submitted on March 1, 2014, with additional information provided on September 15, 2015. This SPA relates to Modified Adjusted Gross Income (MAGI) Eligibility and has an effective date of January 1, 2014.

In SPA number TX-14-0032, page CS15 provides assurance that the state will apply methodologies based on MAGI for all separate CHIP covered groups, using the approved MAGI conversion plan income thresholds. The state indicates on page CS7 that it will cover targeted low-income children, and indicates on page CS9 that it will cover children from conception to birth when the mother is not eligible for Medicaid. Page CS10 allows the state to cover children who have access to public employee coverage and updates the supporting documentation. These approved pages are attached to this letter and should be incorporated into the current CHIP state plan according to the table below. Where the current CHIP state plan contains relevant information, the new pages should replace and supersede the corresponding information throughout the current state plan.

New State Plan Page	Impact on Current State Plan Section
CS15: MAGI-Based Income Methodologies	Section 4.3: Add new subsection and supersede information on income counting
CS7: Targeted Low-Income Children	Sections 4.1.1, 4.1.2, 4.1.3: Supersede all
CS9: Coverage from Conception to Birth	Sections 4.1.1, 4.1.2.1, 4.1.3: Supersede all information related to unborn children from conception to birth
CS10: Children Who Have Access to Public Employee Coverage	Section 4.4.1: Supersede information on dependents of employees of a public agency
CS10: Hardship Exception	Appendix: Supersede current documentation

Your title XXI project officer is Ms. Kathleen Connors de Laguna. She is available to answer questions concerning this amendment and other CHIP-related issues. Ms. Connors de Laguna's contact information is as follows:

Page 2 – Ms. Kay Ghahremani

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard
Mail Stop S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-2256
Fax: (410) 786-5882
E-mail: Kathleen.Connorsdelaguna@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Connors de Laguna and Mr. Bill Brooks, Associate Regional Administrator (ARA) in our Dallas Regional Office. Mr. Brooks' address is:

Division of Medicaid and Children's Health Operations
Centers for Medicare & Medicaid Services
1301 Young Street, Rm. 714
Dallas, TX 75202

If you have additional questions please contact Mr. Manning Pellanda, Director, Division of State Coverage Programs at (410) 786-5143. We look forward to continuing to work with you and your staff toward the approval of your remaining MAGI Eligibility SPAs.

Sincerely,



Anne Marie Costello
Acting Director

Enclosures

cc:

Mr. Bill Brooks, ARA, CMS Region VI, Dallas

SEP 25 2015



CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

Separate Child Health Insurance Program MAGI-Based Income Methodologies CS15

2102(b)(1)(B)(v) of the SSA and 42 CFR 457.315

The CHIP Agency will apply Modified Adjusted Gross Income methodologies for all separate CHIP covered groups, as described below, and consistent with 42 CFR 457.315 and 435.603(b) through (i).

In the case of determining ongoing eligibility for enrollees determined eligible for CHIP on or before December 31, 2013, MAGI-based income methodologies will not be applied until March 31, 2014 or the next regularly-scheduled renewal of eligibility, whichever is later.

If the state covers pregnant women, in determining family size for the eligibility determination of a pregnant woman, she is counted as herself plus each of the children she is expected to deliver.

In determining family size for the eligibility determination of the other individuals in a household that includes a pregnant woman:

- The pregnant woman is counted just as herself.
- The pregnant woman is counted just as herself, plus one.
- The pregnant woman is counted as herself, plus the number of children she is expected to deliver.

Financial eligibility is determined consistent with the following provisions:

When determining eligibility for new applicants, financial eligibility is based on current monthly income and family size.

When determining eligibility for current beneficiaries, financial eligibility is based on:

- Current monthly household income and family size.
- Projected annual household income for the remaining months of the current calendar year and family size.

In determining current monthly or projected annual household income, the state will use reasonable methods to:

- Include a prorated portion of the reasonably predictable increase in future income and/or family size.
- Account for a reasonably predictable decrease in future income and/or family size.

Except as provided at 42 CFR 457.315 and 435.603(d)(2) through (d)(4), household income is the sum of the MAGI-based income of every individual included in the individual's household.

Household income includes actually available cash support, exceeding nominal amounts, provided by the person claiming an individual described at §435.603(f)(2)(i) as a tax dependent. Yes

The CHIP Agency certifies that it has submitted and received approval for the conversion for all separate CHIP covered group income standards to MAGI-equivalent standards.

An attachment is submitted.

PRA Disclosure Statement



CHIP Eligibility

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.



CHIP Eligibility

State Name:

OMB Control Number: 0938-1148

Transmittal Number: TX - 14 - 0032

Expiration date: 10/31/2014

Separate Child Health Insurance Program Eligibility - Targeted Low-Income Children

CS7

2102(b)(1)(B)(v) of the SSA and 42 CFR 457.310, 315 and 320

Targeted Low-Income Children - Uninsured children under age 19 whose household income is within standards established by the state.

The CHIP Agency operates this covered group in accordance with the following provisions:

Age

Must be under age 19.

Income Standards

Income standards are applied statewide.

Are there any exceptions, e.g. populations in a county which may qualify under either a statewide income standard or a county income standard?

Statewide Income Standards

Begin with lowest age range first.

Please note that the lower bound for CHIP eligibility should be the highest standard used for Medicaid poverty-level children for the same age group or groups entered here.

	From Age	To Age	Above (% FPL)	Up to & including (% FPL)	
+	<input type="text" value="0"/>	<input type="text" value="1"/>	198	201	X
+	<input type="text" value="1"/>	<input type="text" value="6"/>	144	201	X
+	<input type="text" value="6"/>	<input type="text" value="19"/>	133	201	X

Age ranges may overlap. If there is an overlap, provide an explanation. Include the age ranges for each income standard that has overlapping ages and the reason for having different income standards.

Special Program for Children with Disabilities

Does the state have a special program for children with disabilities?



CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

Separate Child Health Insurance Program Eligibility - Coverage From Conception to Birth **CS9**

42 CFR 457.10

Coverage From Conception to Birth - Coverage from conception to birth when the mother is not eligible for Medicaid.

The CHIP Agency operates this covered group in accordance with the following provisions:

Age Standard

From conception through birth.

Does the state have an additional age definition or other age-related conditions? No

Income Standards

Income standards are applied statewide. Yes

Are there any exceptions, e.g. populations in a county which may qualify under either a statewide income standard or a county income standard? No

Statewide Income Standard

The statewide income standard is: From zero up to 202 % FPL

Exempted from requirement of providing or applying for a Social Security Number.

Exempted from requirement of verifying citizenship status.

PRA Disclosure Statement

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CHIP Eligibility

State Name:

OMB Control Number: 0938-1148

Transmittal Number: TX - 14 - 0032

Expiration date: 10/31/2014

Separate Child Health Insurance Program **CS10**
Eligibility - Children Who Have Access to Public Employee Coverage

Sec. 2110(b)(2)(B) and (b)(6) of the SSA

Children Who Have Access to Public Employee Coverage - Otherwise eligible targeted low-income children who have access to public employee coverage on the basis of a family member's employment.

The CHIP Agency operates this covered group in accordance with the following provisions:

Select one of the following conditions as described in Section 2110(b)(6) of the Social Security Act:

- Maintenance of agency contribution as provided in 2110(b)(6)(B) of the SSA.
- Hardship criteria as provided in section 2110(b)(6)(C) of the Social Security Act.

Coverage under this option is extended to children whose household income is:

Select one of the options for the income standard when compared to Targeted Low Income Children

- The same as the standards for Targeted Low-Income Children
- Lower than the income standards for Targeted Low-Income Children

Indicate whether coverage under this option is extended to all children who have access to public employee coverage, or only certain children:

- All children who have access to public employee coverage
- Certain children who have access to public employee coverage:
 - Employees of certain public agencies.
 - Certain types of public employees.

	Describe type of public employees	
+	Active school district employees	X
+	State employees	X

Attach methodology the state has used to calculate financial hardship.

An attachment is submitted.

The state provides assurance that the state will, on an annual basis, recalculate the financial status to determine if the hardship condition continues to be met.

Children who are eligible for public employee health benefits coverage who are not described above are excluded from eligibility under the plan.



CHIP Eligibility

- Children considered to have access to public employee coverage, and therefore not excluded from CHIP through this option, otherwise meet the definition of targeted low-income child provided at 42 CFR 457.310.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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**Attachment 1 - 2015
Hardship Exception for Children of Texas Public Employees and Public Education Employees**

Hardship Exception Threshold for Families at 200% FPL

	200% FPL	5% Limit
Family of 3	\$40,180	\$2,009
Family of 4	\$48,500	\$2,425
Family of 5	\$56,820	\$2,841
Family of 6	\$65,140	\$3,257

TEACHERS RETIREMENT SYSTEM OF TEXAS

2014-2015 Plan Year - Teachers Retirement System of Texas (TRS) PPO Premiums

	Plan 1		Plan 2		Plan 3	
	Children	Family	Children	Family	Children	Family
Monthly Premium	\$572	\$1,145	\$709	\$1,238	\$875	\$1,323
Minimum State Payment	\$75	\$75	\$75	\$75	\$75	\$75
Minimum School Payment	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
Monthly Premium Per Employee	\$347	\$920	\$484	\$1,013	\$650	\$1,098
Annual Premium Per Employee	\$4,164	\$11,040	\$5,808	\$12,156	\$7,800	\$13,176
Deductible	\$5,000	\$5,000	\$3,600	\$3,600	\$0	\$0
Total (Premium + Deductible)	\$9,164	\$16,040	\$9,408	\$15,756	\$7,800	\$13,176

2014-2015 Plan Year - TRS HMO Premiums

	HMO 1		HMO 2		HMO 3	
	Children	Family	Children	Family	Children	Family
Monthly Premium	\$717	\$1,132	\$627	\$989	\$619	\$987
Minimum State Payment	\$75	\$75	\$75	\$75	\$75	\$75
Minimum School Payment	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
Monthly Premium Per Employee	\$492	\$907	\$402	\$764	\$394	\$762
Annual Premium Per Employee	\$5,908	\$10,878	\$4,826	\$9,171	\$4,727	\$9,149

EMPLOYEES RETIREMENT SYSTEM OF TEXAS

FY2015 Annual Premium for Employees Retirement System (ERS) HealthSelect Participants with Children - \$2,473.68

**Additional Annual Cost Sharing Amount per Client under
ERS HealthSelect Cost Sharing Requirements**

Cost Sharing Type	Amount
Additional Co-pay – Office Visits	\$69.26
Additional Cost Sharing – Prescription Drugs	\$180.41
Additional Cost Sharing – Inpatient Hospital	\$26.45
Additional Cost Sharing – Outpatient Hospital	\$30.74
Additional Cost Sharing – Emergency Visit	\$71.03
Total additional annual cost sharing per client	\$377.89

Note: Additional cost sharing amounts calculated based on determining Texas CHIP costs for each service category and adjusting these costs to reflect the difference in payment rates between CHIP and ERS HealthSelect. ERS HealthSelect co-insurance and co-payment requirements were then applied to this adjusted cost data and annual, per-client utilization data for the Texas CHIP population.

**Annual ERS HealthSelect Premiums and Cost Sharing Compared to the
Hardship Exception Threshold**

	Annual Income – 200% FPL¹	5% Limit	Annual HealthSelect Premiums + Additional Cost Sharing²
Family of 3	\$40,180	\$2,009	\$2,852
Family of 4	\$48,500	\$2,425	\$3,229
Family of 5	\$56,820	\$2,841	\$3,607
Family of 6	\$65,140	\$3,257	\$3,985

Notes:

¹Annual income amounts are based on 2015 federal poverty guidelines.

²Additional cost-sharing calculated assuming a two-parent household.

EMPLOYEES RETIREMENT SYSTEM OF TEXAS

FY2014 Annual Premium for Employees Retirement System (ERS) HealthSelect Participants with Children - \$2,314.32

Additional Annual Cost Sharing Amount per Client under ERS HealthSelect Cost Sharing Requirements

Cost Sharing Type	Amount
Additional Co-pay – Office Visits	\$69.26
Additional Cost Sharing – Prescription Drugs	\$180.41
Additional Cost Sharing – Inpatient Hospital	\$26.45
Additional Cost Sharing – Outpatient Hospital	\$30.74
Additional Cost Sharing – Emergency Visit	\$71.03
Total additional annual cost sharing per client	\$377.89

Note: Additional cost sharing amounts calculated based on determining Texas CHIP costs for each service category and adjusting these costs to reflect the difference in payment rates between CHIP and ERS HealthSelect. ERS HealthSelect co-insurance and co-payment requirements were then applied to this adjusted cost data and annual, per-client utilization data for the Texas CHIP population.

Annual ERS HealthSelect Premiums and Cost Sharing Compared to the Hardship Exception Threshold

	Annual Income – 200% FPL¹	5% Limit	Annual HealthSelect Premiums + Additional Cost Sharing²
Family of 3	\$39,580	\$1,979	\$2,692
Family of 4	\$47,700	\$2,385	\$3,070
Family of 5	\$55,820	\$2,791	\$3,448
Family of 6	\$63,940	\$3,197	\$3,826

Notes:

¹Annual income amounts are based on 2014 federal poverty guidelines.

²Additional cost-sharing calculated assuming a two-parent household.

**Attachment 2 - 2014
Hardship Exception for Children of Texas Public Employees and Public Education Employees**

Hardship Exception Threshold for Families at 200% FPL

	200% FPL	5% Limit
Family of 3	\$39,580	\$1,979
Family of 4	\$47,700	\$2,385
Family of 5	\$55,820	\$2,791
Family of 6	\$63,940	\$3,197

TEACHERS RETIREMENT SYSTEM OF TEXAS

2013-2014 Plan Year - Teachers Retirement System of Texas (TRS) PPO Premiums

	Plan 1		Plan 2		Plan 3	
	Children	Family	Children	Family	Children	Family
Monthly Premium	\$572	\$1,060	\$841	\$1,323	\$1,269	\$1,990
Minimum State Payment	\$75	\$75	\$75	\$75	\$75	\$75
Minimum School Payment	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
Monthly Premium Per Employee	\$347	\$835	\$616	\$1,098	\$1,044	\$1,765
Annual Premium Per Employee	\$4,164	\$10,020	\$7,392	\$13,176	\$12,528	\$21,180
Deductible	\$4,800	\$4,800	\$3,000	\$3,000	\$0	\$0
Total (Premium + Deductible)	\$8,964	\$14,820	\$10,392	\$16,176	\$12,528	\$21,180

2013-2014 Plan Year - TRS HMO Premiums

	HMO 1		HMO 2		HMO 3	
	Children	Family	Children	Family	Children	Family
Monthly Premium	\$664	\$1,049	\$608	\$960	\$623	\$995
Minimum State Payment	\$75	\$75	\$75	\$75	\$75	\$75
Minimum School Payment	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
Monthly Premium Per Employee	\$439	\$824	\$383	\$735	\$398	\$770
Annual Premium Per Employee	\$5,268	\$9,882	\$4,594	\$8,822	\$4,771	\$9,238

**Attachment 3 - 2013
Hardship Exception for Children of Texas Public Employees and Public Education Employees**

Hardship Exception Threshold for Families at 200% FPL

	200% FPL	5% Limit
Family of 3	\$39,060	\$1,953
Family of 4	\$47,100	\$2,355
Family of 5	\$55,140	\$2,757
Family of 6	\$63,180	\$3,159

TEACHERS RETIREMENT SYSTEM OF TEXAS

2012-2013 Plan Year - Teachers Retirement System of Texas (TRS) PPO Premiums

	Plan 1		Plan 2		Plan 3	
	Children	Family	Children	Family	Children	Family
Monthly Premium	\$466	\$957	\$731	\$1,150	\$1,015	\$1,592
Minimum State Payment	\$75	\$75	\$75	\$75	\$75	\$75
Minimum School Payment	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
Monthly Premium Per Employee	\$241	\$732	\$506	\$925	\$790	\$1,367
Annual Premium Per Employee	\$2,892	\$8,784	\$6,072	\$11,100	\$9,480	\$16,404
Deductible	\$2,400	\$2,400	\$2,250	\$2,250	\$0	\$0
Total (Premium + Deductible)	\$5,292	\$11,184	\$8,322	\$13,350	\$9,480	\$16,404

2012-2013 Plan Year - TRS HMO Premiums

	HMO 1		HMO 2		HMO 3	
	Children	Family	Children	Family	Children	Family
Monthly Premium	\$608	\$971	\$641	\$997	\$608	\$960
Minimum State Payment	\$75	\$75	\$75	\$75	\$75	\$75
Minimum School Payment	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
Monthly Premium Per Employee	\$383	\$746	\$416	\$772	\$383	\$735
Annual Premium Per Employee	\$4,591	\$8,948	\$4,992	\$9,264	\$4,594	\$8,822

EMPLOYEES RETIREMENT SYSTEM OF TEXAS

FY2013 Annual Premium for Employees Retirement System (ERS) HealthSelect Participants with Children - \$2,162.88

Additional Annual Cost Sharing Amount per Client under ERS HealthSelect Cost Sharing Requirements

Cost Sharing Type	Amount
Additional Co-pay – Office Visits	\$69.26
Additional Cost Sharing – Prescription Drugs	\$180.41
Additional Cost Sharing – Inpatient Hospital	\$26.45
Additional Cost Sharing – Outpatient Hospital	\$30.74
Additional Cost Sharing – Emergency Visit	\$71.03
Total additional annual cost sharing per client	\$377.89

Note: Additional cost sharing amounts calculated based on determining Texas CHIP costs for each service category and adjusting these costs to reflect the difference in payment rates between CHIP and ERS HealthSelect. ERS HealthSelect co-insurance and co-payment requirements were then applied to this adjusted cost data and annual, per-client utilization data for the Texas CHIP population.

Annual ERS HealthSelect Premiums and Cost Sharing Compared to the Hardship Exception Threshold

	Annual Income – 200% FPL¹	5% Limit	Annual HealthSelect Premiums + Additional Cost Sharing²
Family of 3	\$39,060	\$1,953	\$2,541
Family of 4	\$47,100	\$2,355	\$2,919
Family of 5	\$55,140	\$2,757	\$3,297
Family of 6	\$63,180	\$3,159	\$3,674

Notes:

¹Annual income amounts are based on 2013 federal poverty guidelines.

²Additional cost-sharing calculated assuming a two-parent household.

**Attachment 4 - 2012
Hardship Exception for Children of Texas Public Employees and Public Education Employees**

Hardship Exception Threshold for Families at 200% FPL

	200% FPL	5% Limit
Family of 3	\$38,180	\$1,909
Family of 4	\$46,100	\$2,305
Family of 5	\$54,020	\$2,701
Family of 6	\$61,940	\$3,097

TEACHERS RETIREMENT SYSTEM OF TEXAS

2011-2012 Plan Year - Teachers Retirement System of Texas (TRS) PPO Premiums

	Plan 1		Plan 2		Plan 3	
	Children	Family	Children	Family	Children	Family
Monthly Premium	\$519	\$817	\$690	\$1,085	\$931	\$1,461
Minimum State Payment	\$75	\$75	\$75	\$75	\$75	\$75
Minimum School Payment	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
Monthly Premium Per Employee	\$294	\$592	\$465	\$860	\$706	\$1,236
Annual Premium Per Employee	\$3,528	\$7,104	\$5,580	\$10,320	\$8,472	\$14,832
Deductible	\$3,000	\$3,000	\$2,250	\$2,250	\$900	\$900
Total (Premium + Deductible)	\$6,528	\$10,104	\$7,830	\$12,570	\$9,372	\$15,732

2011-2012 Plan Year - TRS HMO Premiums

	HMO 1		HMO 2		HMO 3	
	Children	Family	Children	Family	Children	Family
Monthly Premium	\$586	\$937	\$624	\$969	\$590	\$932
Minimum State Payment	\$75	\$75	\$75	\$75	\$75	\$75
Minimum School Payment	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
Monthly Premium Per Employee	\$361	\$712	\$399	\$744	\$365	\$707
Annual Premium Per Employee	\$4,336	\$8,540	\$4,787	\$8,927	\$4,384	\$8,489