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# **RIDER 48 REPORT**

## **2011 Annual Savings and Performance Report for the Women's Health Program**

**As Required By the 2012-13 General Appropriations Act  
H.B. 1, 82<sup>nd</sup> Legislature, Regular Session, 2011, (Article II,  
Health and Human Services Commission, Rider 48)**

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## **Executive Summary**

The *Annual Savings and Performance Report for the Women's Health Program* provides an overview of enrollment and service utilization levels, program savings and expenditures, and descriptions of recent outreach activities. This report is required by the 2012-13 General Appropriations Act, H.B. 1, 82<sup>nd</sup> Legislature, Regular Session, 2011, (Article II, Health and Human Services Commission, Rider 48).

The Medicaid Women's Health Program (WHP), established by S.B. 747, 79<sup>th</sup> Legislature, Regular Session, 2005, currently operates under an 1115(a) demonstration waiver that the U. S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) approved on December 21, 2006.

The program began January 1, 2007, and was scheduled to end December 31, 2011. The 82<sup>nd</sup> Legislature directed HHSC in the 2012-2013 General Appropriations Act, H.B. 1, 82<sup>nd</sup> Legislature, Regular Session, 2011, (Article II, Health and Human Services Commission, Rider 62) contingent upon receiving a waiver under Section 1115 of the Social Security Act, to continue to operate WHP. HHSC submitted the waiver renewal to CMS on October 25, 2011. CMS extended the current waiver program, due to expire December 31, 2011, through March 31, 2012, while CMS and HHSC continued to work on the renewal application.

On March 15, 2012, CMS informed HHSC that, because the state was implementing its statutory requirement to exclude affiliates of elective abortion providers from participating in WHP, it would not extend or renew the waiver, except for the purposes of phasing out WHP. On March 16, 2012, CMS extended the waiver until December 31, 2012, for the purpose of implementing an orderly phase-out of the program's Medicaid funding. In accordance with the Governor's direction, WHP is transitioning from a Medicaid waiver program to one that is fully state funded as of November 1, 2012.

Women with WHP can access free family planning services and related health screenings. The federal government's purpose for allowing family planning waivers is to limit federal expenditures for Medicaid-paid births.

- There were 205,354 women enrolled in the WHP in calendar year 2011.<sup>1</sup> An unduplicated total of 106,093 women had a paid Medicaid claim for WHP services in calendar year 2011.<sup>2</sup>
- HHSC reached out to women potentially eligible for the WHP in calendar year 2011 by:
  - Distributing printed materials; and

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<sup>1</sup> Source: Texas Medicaid and Healthcare Partnership (TMHP) Ad Hoc Query Platform Client Universe, retrieved on January 4, 2012.

<sup>2</sup> Source: Texas Medicaid and Healthcare Partnership (TMHP) Ad Hoc Query Platform Claims Universe, retrieved on January 6, 2012. Medicaid claims data for 2011 are incomplete.

- Utilizing other state agencies and contractors in the regions to inform providers and potentially eligible women about the WHP.

In calendar year 2011, the state's expenditures on the WHP totaled approximately \$3.6 million general revenue.<sup>3</sup> This includes expenditures for services, administration, and outreach.

Complete data on the number of births among calendar year 2011 WHP clients are not yet available due to the nine months lag time associated with births. The most recent birth and savings data are available for calendar year 2010. Results indicate a reduction of 8,215 expected births for calendar year 2010, and HHSC estimates the decrease in Medicaid costs to be about \$90.2 million all funds. After paying all costs associated with WHP, the services provided in 2010 saved about \$54.2 million all funds. The state share of the reduction in Medicaid costs totaled approximately \$27.2 million general revenue, and the net state share of savings after paying WHP expenditures totaled approximately \$23.6 million general revenue.

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<sup>3</sup> Medicaid claims data for 2011 are incomplete.

## **Introduction**

### **Background**

S.B. 747, 79<sup>th</sup> Legislature, Regular Session, 2005, directed HHSC to establish a five-year demonstration project through the state's medical assistance program to expand access to family planning services for women. WHP is for women who meet the following qualifications:

- Are ages 18 through 44. (Women can apply the month of their 18<sup>th</sup> birthday through the month of their 45<sup>th</sup> birthday.)
- Are U.S. citizens or qualified immigrants.
- Reside in Texas.
- Are not currently eligible to receive full Medicaid benefits, Children's Health Insurance Program (CHIP), or Medicare Part A or B.
- Are not pregnant.
- Are not sterile, infertile, or unable to get pregnant due to medical reasons.
- Do not have private health insurance that covers family planning services (unless filing a claim on the health insurance would cause physical, emotional, or other harm from a spouse, parent, or other person).
- Have a net family income at or below 185 percent of the federal poverty level (FPL). (For example, the monthly net income for a woman in a family of one cannot exceed \$1,679.<sup>4</sup>)

### **Federal Approval**

The HHSC received approval from CMS to operate WHP under a Medicaid family planning Section 1115 waiver on December 21, 2006. HHSC implemented the five-year demonstration on January 1, 2007. HHSC submitted the waiver renewal to CMS on October 25, 2011. CMS extended the current waiver program, due to expire December 31, 2011, through March 31, 2012, while CMS and HHSC continued to work on the renewal application.

On March 15, 2012, CMS informed HHSC that, because the state was implementing its statutory requirement to exclude affiliates of elective abortion providers from participating in WHP, it would not extend or renew the waiver, except for the purposes of phasing out WHP. On March 16, 2012, CMS extended the waiver until December 31, 2012, for the purpose of implementing an orderly phase-out of the program's Medicaid funding. In accordance with the Governor's direction WHP is transitioning from a Medicaid waiver program to one that is fully state funded as of November 1, 2012.

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<sup>4</sup> This amount reflects the 2011 FPL Guidelines..

## **Program Benefits**

WHP benefits are limited to:

- One family planning exam each year, which may include screening for breast and cervical cancers, diabetes, sexually transmitted diseases, high blood pressure, and other health issues related to the method of contraception.
- Birth control, except emergency contraception.
- Counseling on family planning methods, including the health benefits of abstinence.
- Follow-up family planning visits related to the method of contraception.

WHP does not currently cover the costs of treatment for any medical conditions. If a WHP provider identifies a health problem such as a sexually transmitted disease (STD) or diabetes, the provider must refer the client to another physician or clinic that can treat her. As of November 1, 2012, WHP will cover treatments for certain STDs.

If a WHP client is diagnosed with breast or cervical cancer, she can qualify to receive treatment under the Medicaid Breast and Cervical Cancer program. While a woman is enrolled in the Medicaid Breast and Cervical Cancer program, she receives full Medicaid benefits in addition to cancer treatment services.

## **Provider Base**

Eligible WHP providers are those who deliver family planning services, have completed the Medicaid-enrollment process through the state's Medicaid claims administrator, have certified that they do not perform elective abortions and, as of May 1, 2012, do not affiliate with elective abortion providers.

Texas Human Resources Code Section 32.0248(h) stipulated that HHSC may not contract with entities that perform or promote elective abortions or are affiliates of entities that perform or promote elective abortions. This section expired September 1, 2011. The 82<sup>nd</sup> Legislature renewed the prohibition by adding Section 32.024(c-1) to the Human Resources Code. Section 32.024(c-1) extends the prohibition further to apply to any "successor program" of the WHP. In accordance with the Attorney General's guidance, HHSC has adopted rules (Texas Administrative Code §§354.1361 - 354.1364) to define the term "affiliate" and prohibit HHSC from contracting with a Medicaid provider that affiliates with an entity that performs or promotes elective abortions. Effective May 1, 2012, only providers who have certified that they do not perform elective abortions or affiliate with entities that do, can bill for WHP services.

The following provider types may bill family planning services under WHP:

- Physician
- Physician Assistant
- Advanced Nurse Practitioner
- Clinical Nurse Specialist

- Certified Nurse Midwife
- Federally Qualified Health Center (FQHC)
- Family Planning Agency
- Freestanding Ambulatory Surgical Centers
- Hospital-based Ambulatory Surgical Centers
- Laboratory

## **Enrollment and Utilization**

### **Enrollment Levels of Targeted Low-income Women**

There were 205,354 women enrolled in WHP in CY 2011.<sup>5</sup> The number of clients enrolled in WHP in calendar year 2011 is incomplete due to the lag in the Medicaid eligibility data and HHSC anticipates that the number enrolled will increase as eligibility data become available.

### **Service Utilization by Geographic Region**

An unduplicated total of 106,093 women had a paid Medicaid claim for WHP services received in calendar year 2011.<sup>6</sup> The HHSC Region of residence for WHP clients with a paid claim in calendar year 2011 is shown in Table 1. The Gulf Coast Region had the largest number of WHP clients with a paid claim, followed by the Lower South Texas Region.

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<sup>5</sup> Source: TMHP Ad Hoc Query Platform Client Universe, retrieved on January 4, 2012.

<sup>6</sup> Medicaid claims data for 2011 are incomplete.

**Table 1 - WHP Clients with a Paid Claim by Region  
Calendar Year 2011**

<b>Health and Human Services</b>		
<b>Commission Region</b>	<b>Number</b>	<b>Percent</b>
Region 1 High Plains	6,231	5.9%
Region 2 Northwest Texas	2,606	2.5%
Region 3 Metroplex	15,430	14.5%
Region 4 Upper East Texas	4,849	4.6%
Region 5 Southeast Texas	3,534	3.3%
Region 6 Gulf Coast	24,202	22.8%
Region 7 Central Texas	11,699	11.0%
Region 8 Upper South Texas	13,198	12.4%
Region 9 West Texas	3,556	3.4%
Region 10 Upper Rio Grande	3,817	3.6%
Region 11 Lower South Texas	16,957	16.0%
Missing Regional information	14	0.0%
<b>Total</b>	<b>106,093</b>	<b>100.0%</b>

Source: TMHP Ad Hoc Query Platform Claims Universe retrieved on January 6, 2012.

### **Service Utilization by Delivery System**

There were 697,620 WHP services provided in calendar year 2011.<sup>7</sup> All services are provided and reimbursed on a fee-for-service basis, except for services provided by FQHCs. Per the 2012-13 General Appropriations Act, H.B. 1, 82<sup>nd</sup> Legislature, Regular Session, 2011, (Article II, Health and Human Services Commission, Rider 39), HHSC uses a prospective payment system to reimburse FQHCs for Medicaid family planning services, including WHP, at a per-visit encounter rate, for up to three encounter rate reimbursements per client per calendar year.

Various types of providers perform WHP services. Table 2 shows the number of WHP clients with a paid claim in 2011 by provider type.

<sup>7</sup> Medicaid claims data for 2011 are incomplete.

**Table 2 - WHP Clients with a Paid Claim by Provider Type  
Calendar Year 2011**

<b>Provider Type</b>	<b>CY 2011 Clients</b>
Family Planning Clinic	78,898
Maternity Service Clinic	0
Independent Lab/Privatey Owned Lab (No Physician Involvement)	13,122
Independent Lab/Privatey Owned Lab (Physician Involvement)	35,301
Physician (DO)	100
Physician (MD)	3,647
Physician Group (DOs Only)	108
Physician Group (MDs Only and Multispec.)	11,663
Federally Qualified Health Centers (FQHCs)	10,733
Ambulatory Surgical Center - Freestanding/Independent	33
Ambulatory Surgical Center - Hospital Based	308
Rural Health Clinic - Freestanding/Independent	25
Rural Health Clinic - Hospital Based	42
Advanced Practice Nurse	554
Registered Nurse/Nurse Midwife	80
Total Other Provider Types	864
<b>Total Unduplicated Clients with a Paid Claim</b>	<b>106,093<sup>8</sup></b>

Source: Texas Medicaid and Healthcare Partnership (TMHP) Ad Hoc Query Platform Claims Universe data retrieved on January 6, 2012. The number of claims received in 2011 is approximate due to a lag in Medicaid claims data.

### **Service Utilization by Age**

The ages of WHP clients with a paid claim in calendar year 2011 are shown in Table 3. Seventy-five percent of WHP clients were 29 years of age or younger.

<sup>8</sup> Each participant may be seen by more than one provider type, thus the total clients in each provider type do not add to the "Total Unduplicated Clients with a Paid Claim."

**Table 3 - WHP Clients with a Paid Claim by Age  
Calendar Year 2011**

<b>Age of client as of her first claim in the year*</b>	<b>Number</b>	<b>Percent</b>
18-19 years	12,540	11.8%
20-24 years	40,796	38.5%
25-29 years	26,401	24.9%
30-34 years	14,139	13.3%
35-39 years	7,614	7.2%
40-44 years	4,602	4.3%
<b>Total</b>	<b>106,092**</b>	<b>100.0%</b>

\*Women can apply the month of their 18<sup>th</sup> birthday through the month of their 45<sup>th</sup> birthday. Women with a claim in the month of their 18<sup>th</sup> birthday are included in the 18-19 year-olds. Those with a claim in the month of their 45<sup>th</sup> birthday are included in the 40-44 year-olds.

\*\* One participant was outside of the WHP age range at the time of her first claim of the year. The total number of WHP participants in 2011 was 106,093.

Source: TMHP Ad Hoc Query Platform Claims Universe retrieved on January 6, 2012.

### **Savings and Expenditures**

#### **Expenditures Attributable to Enrollment Levels**

Expenditures for calendar year 2011 are reported in Table 4. Total WHP expenditures were about \$35.6 million all funds in calendar year 2011. The state's share of those costs was about \$3.6 million general revenue.<sup>9</sup>

<sup>9</sup> Medicaid claims data for 2011 are incomplete.

**Table 4 - WHP Expenditures  
Calendar Year 2011**

<b>Program Expenditures (defined by CMS)</b>	<b>Total</b>	<b>State Share of Costs*</b>
Waiver Expenditures	\$35,528,397	\$3,553,677
Evaluation Expenditures**	\$50,000	\$25,000
Outreach Expenditures**	\$50,000	\$25,000
<b>Total Program Expenditures</b>	<b>\$35,628,397</b>	<b>\$3,603,677</b>

\* Data in the table include error due to rounding. The state share of the waiver expenditures is approximately 10 percent of the total costs.

\*\*Evaluation and outreach expenditures comprise the total administrative expenditures for the waiver. The state share of the administrative expenditures is 50 percent of the total costs.

Source: TMHP Ad Hoc Query Platform Claims Universe retrieved on January 6, 2012.

### **Savings Attributable to Program Enrollment**

HHSC uses a methodology prescribed by the CMS to estimate the savings associated with WHP. According to this methodology, the decrease in Medicaid costs due to the use of family planning services is estimated by the reduction in the expected number of births for WHP participants had there been no program. The estimated Medicaid cost of these births (including the costs of prenatal care, delivery, postpartum care, and the first year of infant care) is considered a Medicaid savings due to the reduction in expected births.

Complete data on the number of births among calendar year 2011 WHP clients are not yet available because of the nine months lag time associated with births. The most recent birth and savings data are available for calendar year 2010. The savings for calendar year 2010 are shown in Table 5.

Results indicate a reduction of 8,215 expected births for calendar year 2010, and the HHSC estimates the decrease in Medicaid costs to be about \$90.2 million all funds. The state's share of the estimated reduction in Medicaid costs is about \$27.2 million general revenue. After paying the costs associated with the program, WHP services provided in 2010 saved about \$54.2 million all funds. The cost neutrality analysis shows that the WHP was cost neutral in calendar year 2010, according to federal definitions of cost neutrality, and that the savings were greater than the costs. Based on the methodology prescribed by the CMS to estimate savings, calendar year 2010 WHP expenditures (approximately \$36.0 million all funds) equaled approximately 39.9 percent of the total estimated savings due to the reduction in expected births. The state's WHP expenditures for calendar year 2010 (approximately \$3.6 million general revenue) equaled approximately 13.4 percent of the state share of the estimated savings due to the reduction in expected births.

**Table 5 - Calculation of WHP Cost Neutrality  
Calendar Year 2010\***

	<b>Total</b>	<b>State Share of Costs</b>
<b>Program Savings Due to Births Averted (Reduction in Expected Births)</b>		
Projected Births to CY 2010 Program Participants If No Program	12,926	N/A
Actual births to CY 2010 Program Participants	4,711	N/A
Births Averted (Reduction in Expected Births)	8,215	N/A
Average Cost of Medicaid Birth in CY 2010	\$10,980	\$3,314
Target Expenditure = Savings Due to Births Averted (Reduction in Expected Births)	\$90,202,323	\$27,223,061
<b>Program Expenditures (defined by CMS)</b>		
Waiver Expenditures	\$35,882,346	\$3,588,776
Evaluation Expenditures	\$50,000	\$25,000
Outreach Expenditures	\$50,000	\$25,000
Total Program Expenditures	\$35,982,346	\$3,638,776
<b>Program Savings Due to Births Averted (Reduction in Expected Births After Expenditures)</b>		
Net Program Savings	\$54,219,977	\$23,584,285
<b>Cost Neutrality</b>		
<b>Total Program Expenditures as a Percentage of Target Expenditure</b>	<b>39.9%</b>	<b>13.4%</b>

\* Terms are defined in Appendix A. Data in the table include error due to rounding.

## **Outreach**

### *Provider Participation and Training*

Only Medicaid providers that perform family planning services within their scope of practice and that do not perform elective abortions or, effective March 14, 2012, affiliate with providers of elective abortions are eligible to provide services under WHP.

TMHP staff trains eligible providers throughout the state on location at provider conferences and through teleconference, webcast, website, and e-mail updates, as well as articles in the Texas Medicaid Bulletin.

- In March 2011, HHSC worked with the Texas Association of Community Health Centers, Inc., to present information to providers about how FQHCs and rural health centers (RHCs) can utilize and receive reimbursement for services provided through WHP and the Department of State Health Services family planning programs.

### *Client-Directed Outreach Activities*

Total materials distributed January 1–December 31, 2011:

- 67,000 brochures
- 80 large posters
- 2,300 English/1,450 Spanish wallet cards
- 22 letter-size fliers

### *Targeted Spanish-speaking /Hispanic Outreach*

Hispanic women are one of the fastest growing populations in Texas and are a major target population for this program. The unit makes a sustained effort to communicate with this population. All outreach materials are produced in English and Spanish. WHP staff has collaborated with a number of internal and external stakeholders who have direct contact with the Hispanic population in their respective communities.

## **Conclusion**

In the fifth year of the WHP's operation, there were 205,354 women enrolled in WHP (calendar year 2011). An unduplicated total of 106,093 women had a paid Medicaid claim for WHP services received in calendar year 2011. A total of 697,620 WHP services were provided in calendar year 2011. The state expended approximately \$3.6 million in general revenue in calendar year 2011.<sup>10</sup> While complete data on the number of births among calendar year 2011 WHP clients is not yet available, the HHSC

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<sup>10</sup> Medicaid claims data for 2011 are incomplete.

estimates that a reduction of \$27.2 million general revenue was achieved in calendar year 2010. Overall, the state share of the reduction in Medicaid costs in 2010 after paying WHP expenditures totaled approximately \$23.6 million general revenue.

## Appendices

### **Appendix A: Cost Neutrality Definitions**

**Program Participants in Calendar Year 2010** are WHP enrollees with at least one paid WHP claim for a service delivered in calendar year 2010.

**Program Participants with Medicaid Births for calendar year 2010** are calendar year 2010 WHP participants with a Medicaid-paid birth where the pregnancy occurred in calendar year 2010 and the birth occurred at least nine months after the participant's first paid WHP claim and no more than nine months after the participant's last day of enrollment in calendar year 2010. Some of these births occurred in calendar year 2011, but births after September 2011, were excluded because the pregnancy probably occurred in calendar year 2011.

**Program Birth Rate for calendar year 2010** = calendar year 2010 WHP participants with Medicaid births / calendar year 2010 WHP participants.

**Program Participant Proportions by Ethnicity and Age for calendar year 2010** = Number in ethnicity and age group in calendar year 2010 / total number of calendar year 2010 WHP participants.

**Base Year Population** is the estimated number of low-income (family income at or below 185% FPL) Texas women in 2003 ineligible for Medicaid except for pregnancy. Base Year Population excludes non-citizens and lower-income women who would be eligible for Temporary Assistance for Needy Families (TANF). Data are from the 2003 American Community Survey.

**Base Year Women with Medicaid Births** is the number of women with a Medicaid-paid birth in 2003. Base Year Women with Medicaid Births excludes Medicaid births to non-citizens and to women on TANF.

**Base Year Birth Rate** = Base Year Women with Medicaid births / Base Year Population.

**Base Year Birth Rates Adjusted for Participant Proportions calendar year 2010** = Base Year Birth Rate \* calendar year 2010 WHP Participant Proportion. This adjustment weights the base year birth rate for each ethnicity and age group by the prevalence of that group among calendar year 2010 WHP participants so the total across all ethnicity and age groups equals a base year birth rate that reflects the ethnicity and age of calendar year 2010 WHP participants.

**Projected Births to calendar year 2010 Program Participants If No Program** = Number of calendar year 2010 WHP Participants \* Base Year Birth Rate (Adjusted for calendar year 2010 Participant proportions)

**Births Averted (Reduction in Expected Births)** = Projected births to calendar year 2010 WHP participants - actual births to calendar year 2010 WHP participants.

**Average Cost of Medicaid Birth in calendar year 2010** includes prenatal care, delivery, postpartum care, and first year of life costs for infant.

**Target Expenditure** = Savings due to births averted = Births Averted \* average cost of Medicaid birth in calendar year 2010 (*Target expenditure is the "break-even" point for cost neutrality*)

**Waiver Expenditures** = calendar year 2010 WHP Medicaid claims

**Administrative Expenditures** = calendar year 2010 evaluation expenditures + calendar year 2010 outreach expenditures

**Total Program Expenditures** = Waiver Expenditures + Administrative Expenditures

**Net Program Savings** = Target Expenditure – Total WHP Expenditures

**Total Program Expenditures as a Percentage of Target Expenditure** = Total Expenditures / Target Expenditure

## Appendix B: Map of Program Clients with a Paid Claim in Calendar Year 2011

