



RIDER 48 REPORT

2012 Annual Savings and Performance Report for the Women's Health Program

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



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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 (Article II, Health and Human Services Commission, Rider 48, H.B. 1, 82nd Legislature, Regular Session, 2011).

S.B. 747, 79th Legislature, Regular Session, 2005, directed the Health and Human Services Commission (HHSC) to establish a five-year demonstration program to expand access to family planning services for women through Medicaid. HHSC submitted a Section 1115(a) research and demonstration waiver to the Centers for Medicare and Medicaid Services (CMS), which became effective January 1, 2007 and was due to expire December 31, 2011. Pursuant to the 2012-13 General Appropriations Act, H.B. 1, 82nd Legislature, Regular Session, 2011 (Article II, Health and Human Services Commission, Rider 62), HHSC sought a renewal of the Medicaid Women's Health Program (WHP) demonstration waiver, but because HHSC is subject to Human Resources Code § 32.024(c-1), as added by the 82nd Legislature, First Called Session, 2011, prohibiting affiliates of abortion providers from participating in WHP, CMS indicated to HHSC that the waiver under which the program was authorized would not be renewed.

To ensure the program would continue in compliance with state law, WHP transitioned from a Medicaid waiver program to a state-funded program. WHP was renamed the Texas Women's Health Program (TWHP), and re-established within the Department of State Health Services (DSHS) pursuant to its authority under state law to administer Primary Health Care Program services. New rules (25 Texas Administrative Code §§ 39.31 - 39.45) were adopted to transition the TWHP to DSHS, effective November 1, 2012. DSHS contracted with HHSC through an interagency contract to administer the day-to-day operations of the TWHP, which was fully implemented on January 1, 2013.

Women with WHP could access free family planning services and related health screenings (and may continue to do so with TWHP). The federal government's purpose for allowing family planning waivers, such as the one WHP was authorized under, is to limit federal expenditures for Medicaid-paid births.

- There were 204,996 women enrolled in the WHP in calendar year 2012.¹ An unduplicated total of 100,480 women had a paid Medicaid claim for WHP services in calendar year 2012.²
- HHSC reached out to women potentially eligible for the WHP in calendar year 2012 by:

¹ Source: Texas Medicaid and Healthcare Partnership (TMHP) Ad Hoc Query Platform Client Universe, retrieved on March 4, 2013.

² Source: Texas Medicaid and Healthcare Partnership (TMHP) Ad Hoc Query Platform Claims Universe, retrieved on March 4, 2013. Medicaid claims data for 2012 are incomplete.

- Developing and distributing new client brochures to community based organizations, HHSC regional offices, and other entities across the state.
- Developing a new public client outreach and information website and provider look-up (www.texaswomenshealth.org) that went live on May 2, 2012.

In calendar year 2012, the state's WHP expenditures totaled approximately \$3.6 million in general revenue.³ This includes expenditures for services, administration, and outreach.

Complete data on the number of births among calendar year 2012 WHP clients are not yet available due to the nine month lag time associated with births. The most recent birth and savings data are available for calendar year 2011. Results indicate a reduction of 7,395 expected births for calendar year 2011, and HHSC estimates the decrease in Medicaid costs to be about \$76.7 million all funds. After paying all costs associated with WHP, the services provided in 2011 saved about \$41.6 million all funds. The state share of the reduction in Medicaid costs totaled approximately \$23.1 million in general revenue, and the net state share of savings after paying WHP expenditures totaled approximately \$19.5 million in general revenue.

³ Medicaid claims data for 2012 are incomplete.

Introduction

Background

S.B. 747, 79th 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. The program transitioned to state funding January 1, 2013, and was renamed the Texas Women's Health (TWHP). In calendar year 2012 women eligible for TWHP met the following qualifications (the same criteria applied for WHP):

- Are ages 18 through 44. (Women can apply the month of their 18th birthday through the month of their 45th 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 \$1,723.⁴)

Federal Approval and the Transition to State Funding

The HHSC received approval from the Centers for Medicare and Medicaid Services (CMS) to operate WHP under a Medicaid family planning Section 1115 waiver on December 21, 2006. HHSC began provider services under 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.

WHP was renamed the TWHP, and re-established within the Department of State Health Services (DSHS) pursuant to its authority under state law to administer Primary Health

⁴ This amount reflects the 2012 FPL Guidelines.

Care Program services. New rules (25 Texas Administrative Code §§ 39.31 - 39.45) were adopted to transition the TWHP to DSHS, effective November 1, 2012. The program's eligibility and benefits remained the same except for the addition of treatment for certain sexually transmitted diseases (STDs). DSHS contracted with HHSC through an interagency contract to administer the day-to-day operations of the TWHP, which was fully implemented on January 1, 2013.

Program Benefits

TWHP provides an identical set of benefits as WHP except for the addition of treatment for the following STDs (effective November 1, 2012): gardnerella, trichomoniasis, candida, chlamydia, gonorrhea and herpes. WHP benefits were:

- One family planning exam each year, which might include:
 - Pap smear
 - Screening for breast and cervical cancers, diabetes, sexually transmitted diseases, and high blood pressure
- Family planning counseling and education, which can include natural family planning and abstinence.
- Birth control (does not include emergency birth control):
 - Birth control pill
 - Vaginal ring
 - Hormone patch
 - Diaphragm
 - Male and female condoms
 - Spermicide
 - Intrauterine device (IUD)
 - Cervical cap
 - Depo-Provera
 - Devices placed under the skin, such as Implanon
 - Methods to permanently prevent pregnancy (tubal ligations or Essure)

- Follow-up family planning visits related to the method of birth control.

WHP did not cover the costs of treatment for any medical conditions. If a WHP provider identified a health problem such as diabetes the provider was required to refer the client to another physician or clinic that could treat her. As described above, TWHP offers coverage for certain STDs.

If a WHP client was diagnosed with breast or cervical cancer she could qualify to receive treatment under the Medicaid Breast and Cervical Cancer (MBCC) program. While a woman is enrolled in MBCC, she receives full Medicaid benefits in addition to cancer treatment services. A TWHP client is also eligible for MBCC.

Provider Base

Eligible WHP providers were those who delivered family planning services, completed the Medicaid enrollment process through the state's Medicaid claims administrator and certified they do not perform elective abortions or affiliate with providers of elective abortions. The same requirements apply for TWHP.

Enrollment and Utilization

Enrollment Levels of Targeted Low-income Women

There were 204,996 women enrolled in WHP in calendar year 2012.⁵ The number of clients enrolled in WHP in calendar year 2012 is incomplete due to the lag in the Medicaid eligibility data and HHSC anticipates that the number enrolled will increase as eligibility data becomes available.

Service Utilization by Geographic Region

An unduplicated total of 100,480 women had a paid Medicaid claim for WHP services received in calendar year 2012.⁶ The HHSC Region of residence for WHP clients with a paid claim in calendar year 2012 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.

⁵ Source: TMHP Ad Hoc Query Platform Client Universe, retrieved on March 4, 2013.

⁶ Medicaid claims data for 2012 are incomplete.

**Table 1 - WHP Clients with a Paid Claim by Region
Calendar Year 2012**

Health and Human Services Commission Region	Number	Percent
Region 1 High Plains	4,067	4.0%
Region 2 Northwest Texas	2,465	2.5%
Region 3 Metroplex	15,552	15.5%
Region 4 Upper East Texas	4,682	4.7%
Region 5 Southeast Texas	3,456	3.4%
Region 6 Gulf Coast	25,619	25.5%
Region 7 Central Texas	9,810	9.8%
Region 8 Upper South Texas	11,247	11.2%
Region 9 West Texas	2,296	2.3%
Region 10 Upper Rio Grande	4,783	4.8%
Region 11 Lower South Texas	16,487	16.4%
Missing Regional information	16	0.0%
Total	100,480	100.0%

Source: TMHP Ad Hoc Query Platform Claims Universe retrieved on March 4, 2013.

Service Utilization by Delivery System

There were 655,417 WHP services provided in calendar year 2012.⁷ All services were provided and reimbursed on a fee-for-service basis, except for services provided by Federally Qualified Health Centers (FQHCs). Per the 2012-13 General Appropriations Act (Article II, HHSC, Rider 39, H.B. 1, 82nd Legislature, Regular Session, 2011), HHSC uses a prospective payment system to reimburse FQHCs for Medicaid family planning services, including services provided under 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 2012 by provider type.

⁷ Medicaid claims data for 2012 are incomplete.

**Table 2 - WHP Clients with a Paid Claim by Provider Type
Calendar Year 2012**

	CY 2012 Clients
Family Planning Clinic	64,700
Maternity Service Clinic	0
Independent Lab/Privately Owned Lab (No Physician Involvement)	18,555
Independent Lab/Privately Owned Lab (Physician Involvement)	34,648
Physician (DO)	166
Physician (MD)	4,852
Physician Group (DOs Only)	167
Physician Group (MDs Only and Multispec.)	19,956
Federally Qualified Health Centers (FQHCs)	11,565
Ambulatory Surgical Center - Freestanding/Independent	31
Ambulatory Surgical Center - Hospital Based	333
Rural Health Clinic - Freestanding/Independent	15
Rural Health Clinic - Hospital Based	68
Advanced Practice Nurse	749
Registered Nurse/Nurse Midwife	71
Total Other Provider Types	1,330
Total Unduplicated Clients with a Paid Claim	100,480

Source: Texas Medicaid and Healthcare Partnership (TMHP) Ad Hoc Query Platform Claims Universe data retrieved on March 4, 2013. The number of claims received in 2012 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 2012 are shown in Table 3. Seventy-three percent of WHP clients were 29 years of age or younger.

**Table 3 - WHP Clients with a Paid Claim by Age
Calendar Year 2012**

Age of client as of her first claim in the year*	Number	Percent
18-19 years	10,090	10.0 %
20-24 years	37,679	37.5%
25-29 years	25,844	25.7%
30-34 years	14,541	14.5%
35-39 years	7,676	7.6%
40-44 years	4,650	4.6%
Total	100,480 *	100.0%

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

Source: TMHP Ad Hoc Query Platform Claims Universe retrieved on March 4, 2013.

Savings and Expenditures

Expenditures Attributable to Enrollment Levels

Expenditures for calendar year 2012 are reported in Table 4. Total WHP expenditures were about \$35.09 million all funds in calendar year 2012. The state's share of those costs was about \$3.6 million in general revenue.⁸

⁸ Medicaid claims data for 2012 are incomplete.

**Table 4 - WHP Expenditures
Calendar Year 2012**

Program Expenditures (defined by CMS)	Total	State Share of Costs*
Waiver Expenditures	\$34,993,431	\$3,499,343
Evaluation Expenditures**	\$50,000	\$25,000
Outreach Expenditures**	\$50,000	\$25,000
Total Program Expenditures	\$35,093,431	\$3,599,343

* Data in the table includes errors due to rounding. The state share of the waiver expenditures is approximately ten 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 March 4, 2013.

Savings Attributable to Program Enrollment

HHSC uses a methodology prescribed by 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 2012 WHP clients is not yet available because of the nine months lag time associated with births. The most recent birth and savings data is available for calendar year 2011. The savings for calendar year 2011 are shown in Table 5.

Results indicate a reduction of 7,395 expected births for calendar year 2011, and HHSC estimates the decrease in Medicaid costs to be about \$76.7 million in all funds. The state's share of the estimated reduction in Medicaid costs is about \$23.1 million in general revenue. After paying the costs associated with the program, WHP services provided in 2011 saved about \$41.6 million all funds. The cost neutrality analysis shows the WHP was cost neutral in calendar year 2011 according to federal definitions of cost neutrality, and the savings were greater than the costs. Based on the methodology prescribed by CMS to estimate savings, calendar year 2011 WHP expenditures (approximately \$35.1 million in all funds) equaled approximately 45.8 percent of the total estimated savings due to the reduction in expected births. The state's WHP expenditures for calendar year 2011 (approximately \$3.6 million general revenue) equaled approximately 15.6 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 2011***

	Total	State Share of Costs
Program Savings Due to Births Averted (Reduction in Expected Births)		
Projected Births to CY 2010 Program Participants If No Program	12,481	N/A
Actual births to CY 2011 Program Participants	5,086	N/A
Births Averted (Reduction in Expected Births)	7,395	N/A
Average Cost of Medicaid Birth in CY 2011	\$10,367	\$3,129
Target Expenditure = Savings Due to Births Averted (Reduction in Expected Births)	\$76,663,965	\$23,137,185
Program Expenditures (defined by CMS)		
Waiver Expenditures	\$34,993,431	\$3,499,343
Evaluation Expenditures	\$50,000	\$25,000
Outreach Expenditures	\$50,000	\$25,000
Total Program Expenditures	\$35,093,431	\$3,599,343
Program Savings Due to Births Averted (Reduction in Expected Births After Expenditures)		
Net Program Savings	\$41,570,534	\$19,537,842
Cost Neutrality		
Total Program Expenditures as a Percentage of Target Expenditure	45.8%	15.6%

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

Outreach

During calendar year 2012, which included the transition from WHP to TWHP, HHSC employed a two-pronged outreach strategy targeting both providers and clients.

Client Outreach Activities

HHSC developed a client outreach plan that employed a variety of methods to target clients, including mailings and distribution of outreach materials through community-based organizations. Client outreach efforts in calendar year 2012 included:

- Mass-mailing outreach letters to existing clients.
- Launching a new client website and online provider look-up that allows clients to identify certified providers in their area by specialty-type.
- Mailing brochures to existing clients to provide information about the program and finding a provider.
- The development of new client brochures that were distributed to community-based organizations, HHSC regional offices, and other entities across the state.

To ensure that clients could access a qualified provider, HHSC also developed an active client referral process during the transition process. HHSC expanded the scope of the client and provider call centers to assist current WHP clients and future TWHP clients in locating a provider. Clients were directed to the call center if they needed assistance finding a provider.

Provider Outreach

HHSC also conducted provider outreach efforts focused on

- Increasing the number of providers accepting and actively serving TWHP clients and retaining current providers.
- Identifying areas where more provider capacity was needed and employing targeted outreach in these areas.

HHSC conducted a capacity survey for providers participating in the program. Survey results identified areas of the state to target outreach strategies. Provider outreach strategies varied according to the target audience and included both community-based and person-to-person outreach. A key strategy included working with community partners and professional organizations. Other strategies included outreach through direct mail, email, phone calls, professional newsletter notifications, website updates, printed materials, and recruitment at provider conventions.

Conclusion

In the fifth year of the WHP's operation, there were 204,996 women enrolled in WHP (calendar year 2012). An unduplicated total of 100,048 women had a paid Medicaid

claim for WHP services received in calendar year 2012. A total of 655,417 WHP services were provided in calendar year 2012. The state expended approximately \$3.6 million in general revenue in calendar year 2012.⁹ While complete data on the number of births among calendar year 2011 WHP clients is not yet available, HHSC estimates a reduction of \$23.1 million general revenue was achieved in calendar year 2011. Overall, the state share of the reduction in Medicaid costs in 2011 after paying WHP expenditures totaled approximately \$19.5 million in general revenue.

⁹ Medicaid claims data for 2012 are incomplete.

Appendices

Appendix A: Cost Neutrality Definitions

Program Participants in Calendar Year 2011 = WHP enrollees with at least one paid WHP claim for a service delivered in calendar year 2011.

Program Participants with Medicaid Births for Calendar Year 2011 = calendar year 2011 WHP participants with a Medicaid-paid birth where the pregnancy occurred in calendar year 2011 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 2011. Some of these births occurred in calendar year 2012, but births after September 2012, were excluded because the pregnancy likely occurred in calendar year 2012.

Program Birth Rate for Calendar Year 2011 = calendar year 2011 WHP participants with Medicaid births / calendar year 2011 WHP participants.

Program Participant Proportions by Ethnicity and Age for Calendar Year 2011 = Number in ethnicity and age group in calendar year 2011 / total number of calendar year 2011 WHP participants.

Base Year Population is the estimated number of low-income (family income at or below 185% of the Federal Poverty Level) 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 2011 = Base Year Birth Rate * CY calendar year 2011 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 2011 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 2011 WHP participants.

Projected Births to CY 2011 Program Participants If No Program = Number of calendar year 2011 WHP Participants * Base Year Birth Rate (Adjusted for calendar year 2011 participant proportions)

Births Averted (Reduction in Expected Births) = Projected births to calendar year 2011 WHP participants - actual births to calendar year 2011 WHP participants.

Average Cost of Medicaid Birth in Calendar Year 2011 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 2011 (*Target expenditure is the "break-even" point for cost neutrality*).

Waiver Expenditures = calendar year 2011 WHP Medicaid claims

Administrative Expenditures = calendar year 2011 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 2012

