

---

# **RIDER 64 REPORT**

## **2010 Annual Savings and Performance Report for the Women's Health Program**

**As Required By the 2010-11 General Appropriations Act  
(Article II, Health and Human Services Commission, Rider 64,  
S.B. 1, 81<sup>st</sup> Legislature, Regular Session, 2009)**

---

**Health and Human Services Commission  
August 2011**

**Table of Contents**

*Executive Summary* ..... 1

*Introduction*..... 2

    Background..... 2

    Federal Approval ..... 2

    Provider Base ..... 3

*Enrollment and Utilization* ..... 3

    Enrollment Levels of Targeted Low-income Women ..... 3

    Service Utilization by Geographic Region ..... 4

    Service Utilization by Delivery System..... 4

    Service Utilization by Age..... 5

*Savings and Expenditures* ..... 6

    Expenditures Attributable to Enrollment Levels ..... 6

    Savings Attributable to Program Enrollment..... 7

*Outreach* ..... 8

    Targeted Spanish-speaking/Hispanic Outreach ..... 9

*Conclusion*..... 10

*Appendices*..... A-1

    Appendix A: Cost Neutrality Definitions ..... A-1

    Appendix B: Map of Program Clients with a Paid Claim in Calendar Year 2010 ..... B-1

## **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 2010-11 General Appropriations Act (Article II, Health and Human Services Commission, Rider 64, S.B. 1, 81<sup>st</sup> Legislature, Regular Session, 2009).

The Medicaid Women's Health Program (WHP), established by S.B. 747, 79<sup>th</sup> Legislature, Regular Session, 2005, is a five-year Medicaid family planning waiver demonstration that the Health and Human Services Commission (HHSC) implemented on January 1, 2007. Women with WHP coverage can access free family planning services and related health screenings. The federal government's purpose for allowing family planning waivers is to limit expenditures for Medicaid-paid births.

- There were 183,537 women enrolled in WHP in calendar year 2010. A total of 103,281 women had a Medicaid paid claims for WHP services received during calendar year 2010.<sup>1</sup>
- HHSC used several approaches to reach out to women potentially eligible for WHP in calendar year 2010, including:
  - Distributing new printed materials.
  - Advertising through billboards.
  - Printing articles in provider association newsletters.
  - Utilizing other state agencies and contractors to inform providers and potentially eligible women about WHP in the regions.

In calendar year 2010, the state's expenditures on WHP totaled approximately \$3.4 million general revenue. This includes expenditures for services, program administration, and outreach.

Complete data on the number of births to WHP clients for calendar year 2010 are not yet available due to the nine months lag time associated with births. Calendar year 2009 results indicate a reduction of 6,721 expected births and HHSC estimates the decrease in Medicaid costs to be about \$75.2 million all funds. In 2009, WHP services saved about \$46.1 million all funds after paying the costs associated with the Program. The state share of the reduction in Medicaid costs totaled approximately \$22.9 million general revenue, and the net state share of savings after paying WHP expenditures totaled approximately \$19.9 million general revenue.

---

<sup>1</sup> Source: Texas Medicaid and Healthcare Partnership (TMHP) Ad Hoc Query Platform Claims Universe, retrieved on January 3, 2011.

## **Introduction**

### **Background**

S.B. 747, 79<sup>th</sup> Legislature, Regular Session, 2005, directs 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 Medicaid Women's Health Program (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>2</sup>).

### **Federal Approval**

On December 21, 2006, HHSC received approval from the Centers for Medicare & Medicaid Services (CMS) for WHP (a Medicaid family planning Section 1115 waiver); HHSC implemented the five-year demonstration on January 1, 2007. WHP is expected to minimize the overall number of births paid for by Medicaid. For women whose poverty limits their access to health-care services, WHP could reduce the number of infant deaths and premature and low birth weight deliveries caused by closely spaced pregnancies.<sup>3</sup> Improved access may also reduce future disability costs for children arising from premature and low birth weight deliveries.

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).

---

<sup>2</sup> This amount reflects the 2011 FPL Guidelines.

<sup>3</sup> The Johns Hopkins Bloomberg School of Health, "Birth Spacing: Three to Five Saves Lives." Online. Available: <http://www.infoforhealth.org/pr/113/113.pdf>. Retrieved June 7, 2005.

- Counseling on family planning methods (including the health benefits of abstinence).
- Follow-up family planning visits related to the contraception method.

Per S.B. 747 and the waiver agreement with CMS, WHP does not cover treatment costs for any medical conditions. If a WHP provider identifies a health problem, such as a sexually transmitted disease or diabetes, the provider must refer the WHP client to another physician or clinic for treatment. If a WHP client is diagnosed with breast or cervical cancer, she can qualify to receive treatment under the Medicaid Breast and Cervical Cancer (MBCC) program. While a woman is enrolled in the MBCC program, she receives full Medicaid benefits in addition to cancer treatment services.

### **Provider Base**

Eligible WHP providers deliver family planning services. These providers have completed the Medicaid-enrollment process through the state's Medicaid claims administrator, and have certified that they do not perform elective abortions. 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**

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

There were 183,537 women enrolled in WHP during calendar year 2010.<sup>4</sup> The number of clients enrolled in WHP in calendar year 2010 is incomplete due to the lag in the Medicaid eligibility data. HHSC anticipates the number enrolled will increase as eligibility data becomes available.

---

<sup>4</sup> Source: TMHP Ad Hoc Query Platform Client Universe, retrieved on January 3, 2011.

## Service Utilization by Geographic Region

A total of 103,281 women received WHP services for which Medicaid paid claims in calendar year 2010. Table 1 shows the HHSC region of residence for WHP clients with a paid claim in calendar year 2010. The Gulf Coast Region had the largest number of WHP clients with a paid claim, followed by the Lower South Texas Region.

**Table 1 - Women's Health Program Clients with a Paid Claim by Region  
Calendar Year 2010**

<b>Health and Human Services Commission Region</b>	<b>Number</b>	<b>Percent</b>
Region 1 High Plains	6,740	6.5%
Region 2 Northwest Texas	2,587	2.5%
Region 3 Metroplex	14,489	14.0%
Region 4 Upper East Texas	5,159	5.0%
Region 5 Southeast Texas	3,572	3.5%
Region 6 Gulf Coast	22,819	22.1%
Region 7 Central Texas	11,351	11.0%
Region 8 Upper South Texas	12,457	12.1%
Region 9 West Texas	4,030	3.9%
Region 10 Upper Rio Grande	2,765	2.7%
Region 11 Lower South Texas	17,305	16.8%
Missing Regional information	7	0.0%
<b>Totals</b>	<b>103,281</b>	<b>100.0%</b>

Source: TMHP Ad Hoc Query Platform Claims Universe retrieved on January 3, 2011.

## Service Utilization by Delivery System

There were 692,565 WHP services provided in calendar year 2010. All services are provided and reimbursed on a fee-for-service basis, except for services provided by Federally Qualified Health Centers (FQHCs). Per the 2010-11 General Appropriations Act (Article II, Health and Human Services Commission, Rider 42, S.B. 1, 81<sup>st</sup> Legislature, Regular Session, 2009), HHSC uses a prospective payment system to reimburse FQHCs for Medicaid family planning services 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 2010 by provider type.

**Table 2 - Women’s Health Program Clients with a Paid Claim by Provider Type  
Calendar Year 2010**

<b>Provider Type</b>	<b>CY 2010</b>
Family Planning Clinic	80,430
Maternity Service Clinic	0
Independent Lab/Privately Owned Lab (No Physician Involvement)	9,014
Independent Lab/Privately Owned Lab (Physician Involvement)	33,667
Physician (DO)	167
Physician (MD)	3,449
Physician Group (DOs Only)	69
Physician Group (MDs Only and Multispec.)	10,461
Federally Qualified Health Centers (FQHCs)	9,176
Ambulatory Surgical Center - Freestanding/Independent	51
Ambulatory Surgical Center - Hospital Based	332
Rural Health Clinic - Freestanding/Independent	15
Rural Health Clinic - Hospital Based	39
Advanced Practice Nurse	555
Registered Nurse/Nurse Midwife	74
<b>Total Other Provider Types</b>	<b>677</b>
<b>Total Unduplicated Clients with a Paid Claim</b>	<b>103,281<sup>5</sup></b>

Source: Texas Medicaid and Healthcare Partnership (TMHP) Ad Hoc Query Platform Claims Universe data retrieved on January 3, 2011. The number of claims received in 2010 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 2010 are shown in Table 3. Seventy-six percent of WHP clients were 29 years of age or younger.

<sup>5</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 - Women's Health Program Clients with a Paid Claim by Age  
Calendar Year 2010**

<b>Age of Client as of her First Claim in the Year*</b>	<b>Number</b>	<b>Percent</b>
18-19 years	13,510	13.1%
20-24 years	40,466	39.2%
25-29 years	24,993	24.2%
30-34 years	12,776	12.4%
35-39 years	7,319	7.1%
40-44 years	4,216	4.1%
<b>Totals</b>	<b>103,280**</b>	<b>100.0%</b>

\*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 18<sup>th</sup> 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.

\*\* 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 2010 was 103,281.

Source: TMHP Ad Hoc Query Platform Claims Universe retrieved on January 3, 2011.

**Savings and Expenditures**

**Expenditures Attributable to Enrollment Levels**

Expenditures for calendar year 2010 are reported in Table 4. Total WHP expenditures were about \$33 million all funds in calendar year 2010. The state's share of those costs was about \$3.4 million general revenue.

**Table 4 - Women's Health Program Expenditures  
Calendar Year 2010**

<b>Program Expenditures (Defined by CMS)</b>	<b>Total</b>	<b>State Share of Costs*</b>
Waiver Expenditures	\$33,363,424	\$3,337,284
Evaluation Expenditures**	\$50,000	\$25,000
Outreach Expenditures**	\$50,000	\$25,000
<b>Total Program Expenditures</b>	<b>\$33,463,424</b>	<b>\$3,387,284</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 3, 2011.

**Savings Attributable to WHP Enrollment**

HHSC uses a methodology prescribed by CMS to estimate the savings associated with WHP. According to CMS, 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 Medicaid savings due to the reduction in expected births. Complete data on the number of births among calendar year 2010 WHP clients are not yet available because of the nine months lag time associated with births. The savings for calendar year 2009 are shown in Table 5.

Calendar year 2009 results indicate a reduction of 6,721 expected births and HHSC estimates the decrease in Medicaid costs to be about \$75.2 million all funds. The state’s share of the estimated reduction in Medicaid costs is about \$22.9 million general revenue. In 2009, program services saved about \$46.1 million all funds after paying the costs associated with the program. The cost neutrality analysis shows WHP was cost neutral in calendar year 2009, according to federal definitions of cost neutrality, and that the savings were greater than the costs. Based on CMS’ estimated cost savings, calendar year 2009 WHP expenditures (approximately \$29.1 million all funds) equaled approximately 38.7 percent of the program’s total estimated savings due to the reduction in expected births. The state’s expenditures for calendar year 2009 (approximately \$2.9 million general revenue) equaled approximately 12.9 percent of the state share of the estimated savings due to the reduction in expected births.

**Table 5 - Calculation of Women’s Health Program Cost Neutrality  
 Calendar Year 2009\***

<b>Program Savings Due to Births Averted (Reduction in Expected Births)</b>	<b>Total</b>	<b>State Share of Costs</b>
Projected Births to Calendar Year (CY) 2009 Program Participants If No Program	10,706	N/A
Actual births to CY 2009 Program Participants	3,985	N/A
Births Averted (Reduction in Expected Births)	6,721	N/A
Average Cost of Medicaid Birth in CY 2009	\$11,192	\$3,405

Target Expenditure = Savings Due to Births Averted (Reduction in Expected Births)	\$75,220,164	\$22,883,855
---	--------------	--------------

<b>Program Expenditures (Defined by CMS)</b>	<b>Total</b>	<b>State Share of Costs</b>
Waiver Expenditures	\$29,017,802	\$2,902,258
Evaluation Expenditures	\$50,000	\$25,000
Outreach Expenditures	\$50,000	\$25,000
Total Program Expenditures	\$29,117,802	\$2,952,258

<b>Program Savings Due to Births Averted (Reduction in Expected Births After Expenditures)</b>	<b>Total</b>	<b>State Share of Costs</b>
Net Program Savings	\$46,102,362	\$19,931,597

**Cost Neutrality**

<b>Total Program Expenditures as a Percent of Target Expenditure</b>	<b>38.71%</b>	<b>12.90%</b>
--	---------------	---------------

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

**Outreach**

In 2010, HHSC used several approaches to reach out to women potentially eligible for WHP in the fourth year of the demonstration.

- In March 2010, HHSC initiated a tracking system for outreach materials ordered by providers and community based organizations to manage materials inventory and monitor usage trends for outreach planning and budgeting. The tracking system maintains the contact information of stakeholders who have direct contact with the target population. This information is useful for identifying local partners to assist with targeted outreach in different parts of the state.
- The total number of materials distributed from March 1, 2010 through December 31, 2010 is as follows:
  - 136,500 brochures.
  - 1,014 large posters.
  - 15,775 English and 12,200 Spanish wallet-sized cards.
  - 35,420 letter-size flyers

- In June 2010, HHSC created a one-sheet color flyer depicting and describing all free outreach materials available to family planning providers and other stakeholders who serve or have contact with the target population. The flyer was transmitted by e-mail to a broad distribution list of state agencies, provider groups, and community-based organizations—many of which represent other large networks of stakeholders. The effort resulted in an increase in the number of requests for materials. Orders and reorders maintained a steady pace throughout the year.
- In July 2010, HHSC sent approximately 1.3 million notices about WHP to women whose children were enrolled in Medicaid. These notices were included with the children's Medicaid Identification form. The bilingual notices, printed with English on one side, and Spanish on the other side, included basic program information and directed potential clients to the WHP call center for more detailed information about the program and how to apply.

In August 2010, HHSC launched a one-month billboard outreach campaign in select San Antonio neighborhoods and the immediate surrounding area. Previously, the billboard campaign had targeted three counties in South and Central Texas. The campaign was an attempt to determine if a more concentrated outreach effort would result in increased enrollment. HHSC demographers WHP selected neighborhoods with a high incidence of potential program participants. HHSC leased 20 billboards in high-traffic areas in these neighborhoods. Additionally, the billboard vendor donated bus placards that matched the billboards to increase public awareness. HHSC also developed a letter-size, full-color, bilingual flyer for mass distribution in the neighborhoods where the billboards appeared. Family planning agencies and other community-based organizations located in those neighborhoods helped distribute the flyers to local businesses frequented by women in the target population (nail salons, lunch counters, drug stores, clothing stores, etc.). The organizations also distributed flyers for public health events and other community gatherings during the campaign period. HHSC continues to monitor enrollment in the billboard target areas to determine if increased enrollment can be attributed to the billboard campaign.

In September 2010, HHSC staff conducted interviews with the select San Antonio family planning providers to collect feedback on the billboard campaign and explore prospects for future outreach collaboration.

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

People who speak Spanish as a primary language comprise the state's largest hard-to-reach group for health services. Hispanic women are one of the largest growing populations in the state of Texas, have high fertility rates, and may prefer to speak in Spanish. These variables make it essential but challenging to bring these women into the

demonstration project. All outreach materials (including billboards and bus placards) are produced in English and Spanish. HHSC also collaborates with various stakeholders who have direct contact with the Hispanic population in their respective communities.

### **Conclusion**

In the fourth year of WHP's operation, there were 183,537 women enrolled in WHP in calendar year 2010. A total of 103,281 women had a Medicaid paid claim for WHP services received during calendar year 2010. A total of 692,565 WHP claims were provided in calendar year 2010. The state expended approximately \$3.4 million in general revenue in calendar year 2010. For calendar year 2010, complete data on the number of births among WHP clients is not yet available. However, HHSC estimates a reduction of \$22.9 million general revenue was achieved in calendar year 2009. Overall, the state share of the reduction in Medicaid costs in 2009 totaled approximately \$19.9 million general revenue after paying WHP expenditures.

## Appendices

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

**Program Participants in Calendar Year 2009** are WHP enrollees with at least one paid WHP claim for a service delivered in Calendar Year 2009.

**Program Participants with Medicaid Births for Calendar Year 2009** are Calendar Year 2009 WHP participants with a Medicaid-paid birth where the pregnancy occurred in Calendar Year 2009 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 2009. Some of these births occurred in Calendar Year 2010, but births after September 2010, were excluded because the pregnancy probably occurred in Calendar Year 2010.

**Program Birth Rate for Calendar Year 2009** = Calendar Year 2009 Program Participants with Medicaid Births / Calendar Year 2009 Program Participants.

**Program Participant Proportions by Ethnicity and Age for Calendar Year 2009** = Number in Ethnicity and Age Group in Calendar Year 2009 / Total Number of Calendar Year 2009 Program 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 Rates** = Base Year Women with Medicaid Births / Base Year Population.

**Base Year Birth Rates Adjusted for Participant Proportions Calendar Year 2009** = Base Year Birth Rate \* Calendar Year 2009 Program 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 2009 Program 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 2009 Program participants.

**Projected Births to Calendar Year 2009 Program Participants If No Program** = Number of Calendar Year 2009 Program Participants \* Base Year Birth Rate (Adjusted for Calendar Year 2009 Participant Proportions).

**Births Averted (Reduction in Expected Births)** = Projected Births to Calendar Year 2009 Program Participants - Actual Births to Calendar Year 2009 Program Participants.

**Average Cost of Medicaid Birth in Calendar Year 2009** 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 2009 (*Target expenditure is the "break-even" point for cost neutrality*)

**Waiver Expenditures** = Calendar Year 2009 Program Medicaid claims

**Administrative Expenditures** = Calendar Year 2009 Evaluation Expenditures + Calendar Year 2009 Outreach Expenditures

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

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

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

## Appendix B: Map of Program Clients with a Paid Claim in Calendar Year 2010

