

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street, Room 833
Dallas, Texas 75202



Division of Medicaid & Children's Health, Region VI

May 27, 2010

Our Reference: SPA TX 10-002

Mr. Billy Millwee
Associate Commissioner for Medicaid & CHIP
Health and Human Services Commission
Post Office Box 13247
Mail Code: H100
Austin, Texas 78711

Dear Mr. Millwee:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 10-002, dated February 26, 2010. This amendment adds a new optional Medicaid coverage group for children with disabilities who are under age 19, under the Family Opportunity Act. The newly adopted group is based on a family income standard that is less than 300 percent of the Federal Poverty Level. Families will have the option to buy in to Medicaid coverage for eligible children by paying monthly premiums.

Additionally, please note that when the State submits a State Plan Amendment (SPA) that may impact Indians or Indian health providers, CMS will look for evidence of the State's Tribal consultation process for that SPA. Pursuant to the new section 1902(a) (73) of the Act added by section 5006(e) of the American Recovery and Reinvestment Act (ARRA) of 2009, the State must submit evidence to CMS regarding the solicitation of advice prior to submission of the State Plan Amendment. Such consultation must include all federally-recognized tribes, Indian Health Service and Urban Indian Organizations within the State.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of January 1, 2011. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.



If you have any questions, please contact Ford J. Blunt at (214) 767-6381.

Sincerely,

Bill Brooks
Associate Regional Administrator

Enclosures

Cc: Emily Zalkovsky, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 10-002	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: January 1, 2011	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Sections 1902(a)(10)(A)(ii)(XIX), 1902(cc), and 1916(i) of the Act		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2011 \$19,680,108 b. FFY 2012 \$57,184,943	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT	
10. SUBJECT OF AMENDMENT: The proposed amendment would add a new optional Medicaid coverage group for children with disabilities who are under age 19. The newly adopted group is based on a family income standard that is less than 300 percent of the Federal Poverty Level. Families will have the option to buy in to Medicaid coverage for eligible children by paying monthly premiums.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Billy Millwee State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711-5200	
13. TYPED NAME: Billy Millwee			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: February 26, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 26 February, 2010		18. DATE APPROVED: 27 May, 2010	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1, January, 2011		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Div of Medicaid & Children's Health	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State: TEXAS

Citation	Groups Covered
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B. Optional Groups Other Than the Medically Needy (Continued)

1902(a)(10)(A)
(ii)(XIX) of the Act

26. Family Opportunity Act –
Children who have not attained 19 years of age,
who would be considered disabled under Section
1614(a)(3)(C) of the Act, and whose family income
meets the standard described on Page 12d of
Attachment 2.6-A.

Beginning with the effective date of its plan
amendment, the State covers all children
eligible under this group, as described below.

In the case of the second, third, and fourth
quarters of fiscal year 2007, the State covers
children who were born on or after January 1,
2001, or who were born on or after the
following earlier date: NA.

In the case of each quarter of fiscal year 2008,
the State covers children who were born on or
after October 1, 1995, or who were born on or
after the following earlier date: NA.

In the case of each quarter of fiscal year 2009
and each quarter of any fiscal year thereafter,
the State covers children who were born after
October 1, 1989. NA

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DATE EFF <u>1-1-11</u>	
HCFA 179 <u>10-02</u>	

TN No. 10-02 Approval Date 5-27-10 Effective Date 1-1-11

Supersedes TN No. SUPERSEDES: NONE - NEW PAGE

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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B. Optional Groups Other Than the Medically Needy (Continued)

1902(a)(10)(A)
(ii)(XIX) of the Act

Income Standards

- The agency uses the family income standard of 300% of federal poverty level;
- The agency uses the family income standard of less than 300% of the federal poverty level.

Specify the income standard: 150%

- The agency uses a family income standard higher than 300% of the federal poverty level, (no federal financial participation is provided for benefits to families above 300% FPL).

Specify the income standard: _____

Resource Standards

Under this provision agencies may not impose resource standards or asset tests in determining eligibility.

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B. Optional Groups Other Than the Medically Needy (Continued)

Income Methodologies

1902(a)(10)(A)
(ii)(XIX) of the Act

In determining whether a family meets the income standard described above, the agency uses the following methodologies.

- The income methodologies of the SSI program.
- The agency uses methodologies for treatment of income that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 to Attachment 2.6-A.
- The agency uses more liberal income methodologies than the SSI program. More liberal income methodologies are described in Supplement 8a to Attachment 2.6-A.

The agency defines family unit as the following members living in the household:

- applicant child with a disability,
- natural, adoptive, or step parent (step parent must be the current spouse of the natural or adoptive parent), and
- natural, adoptive, or step siblings (under age 18 or under age 22 regularly attending school, college or training in preparation for a paying job).

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1902(cc) and
1903(a) of the Act

Interaction with Employer Sponsored Family Coverage

For individuals eligible under the FOA eligibility group described in No. 26 on page 23f of Attachment 2.2-A:

The agency requires parents to enroll in available group health plans through their employers if the plan qualifies under Section 2791(a) of the Public Health Service Act and the employer contributes at least 50 percent of the total cost of annual premiums for such coverage.

If such coverage is obtained, the agency (subject to the payment of premiums described in Attachment 2.6-A, pages 12e and 12f) reduces any premium imposed by the State by an amount that reasonably reflects the premium contribution made by the parent for private coverage on behalf of a child with a disability; and treats such coverage as a third party liability.

The agency provides for payment of all or some portion of the annual premium for the employer-provided private family coverage that the parent is required to pay. Any payments made by the State are considered, for purposes of section 1903(a), to be payments for medical assistance.

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The agency pays 100 percent of the premiums for employer-sponsored family coverage for families enrolled in the state's Medicaid premium assistance program under Section 1906 of the Act.

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1902(a)(10)(A)
(ii)(XIX), 1916(i) and
1902(cc)(2)(A)(ii)(I)
of the Act

Payment of Premiums MCD

For individuals eligible under the FOA eligibility group described in No. 26 on page 23f of Attachment 2.2-A:

- The agency does not require the payment of premiums for Medicaid coverage.
- The agency requires payment of premiums on a sliding scale based on income. The premiums and how they are applied are described below:

The state requires monthly premiums for the FOA program, which increase based on family income. The state reduces the monthly premium amounts for certain families enrolled in employer-sponsored family coverage and waives monthly premiums for undue hardship as described below.

Full Monthly Premiums

The state charges full monthly premiums for families who are not enrolled in employer-sponsored family coverage. The full monthly premium amounts follow:

Family Income	Persons in Family	
	2	3 and above
At or below 150% FPL	None	None
151-200% FPL	\$90	\$115
201-300% FPL	\$180	\$230

Note: Monthly premium amounts are per family.

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State of Texas

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Citation	Groups Covered
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Reduced Monthly Premiums

1902(a)(10)(A)
(ii)(XIX), 1916(i) and
1902(cc)(2)(A)(ii)(I)
of the Act

The state charges reduced monthly premiums for families enrolled in employer-sponsored family coverage who receive premium assistance from the state under Section 1906 of the Act. The reduced monthly premium amounts follow:

Family Income	Persons in Family	
	2	3 and above
At or below 150% FPL	None	None
151-200% FPL	\$25	\$35
201-300% FPL	\$50	\$70

Note: Monthly premium amounts are per family.

NOTE: Amounts paid for premiums for Medicaid, required family coverage, and other cost-sharing may not exceed 5% of a family's income for families with income up to and including 200% FPL and 7.5% of a family's income for families above 200% and up to 300% FPL.

The annual aggregate cost-sharing limits per family follow:

Family Income	Annual Cost-Sharing Limits
At or below 200% FPL	5% of gross annual income
201-300% FPL	7.5% of gross annual income

The annual aggregate cost-sharing limits described above apply to monthly premiums for the FOA program and cost sharing for employer-sponsored family coverage. For families without employer-sponsored family coverage, the state determines when FOA premium payments reach the cost-sharing limits. Families with employer-sponsored family coverage must track their cost-sharing expenditures and report to the state when they reach their annual cost-sharing limits. Families are not required to pay monthly premiums for the FOA program once they reach their annual cost-sharing limits.

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1902(a)(10)(A)
(ii)(XIX), 1916(i) and
1902(cc)(2)(A)(ii)(I)
of the Act

Payment of Premiums (Continued)

NOTE: A State may not require prepayment of premiums and may not terminate eligibility of a child for medical assistance on the basis of failure to pay a premium until the failure to pay continues for at least 60 days from the date on which the premium was past due.

The state does not require prepayment of premiums to establish initial eligibility for the FOA program. However, families must pay monthly premiums to remain eligible for the FOA program. The state terminates FOA eligibility for failure to pay premiums the first month beginning after 60 days from the date on which premiums are past due.

NOTE: The State may waive payment of any such premium in any case where the State determines that requiring payment would create an undue hardship.

Waivers for Undue Hardship

The state waives monthly premiums for the FOA program for:

- Native Americans and Alaskan Natives.
- Families enrolled in employer-sponsored family coverage who are not receiving premium assistance from the state under Section 1906 of the Act.

The state also waives premiums for 3 months for:

- Families residing in a federally-declared disaster area. A family can only receive one waiver per disaster.
- Loss of income due to layoff or business closing, involuntary reduction in work hours, or change in marital status. A family can only receive one waiver for loss of income per 12 months.

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**LESS RESTRICTIVE METHODS OF TREATING INCOME UNDER SECTION
1902(r)(2) OF THE ACT**

For Family Opportunity Act [1902(a)(10)(A)(ii)(XIX)] –

If applicable, all SSI income exclusions and disregards will be applied to the family income.

In kind support and maintenance income will be disregarded.

An income disregard of \$85 will be applied to total gross (earned and unearned) family income and then half of the remaining income will be disregarded.

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*Less restrictive methods may not result in exceeding gross income limitations under section 1903(f)

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