



# **House Committee on Human Services**

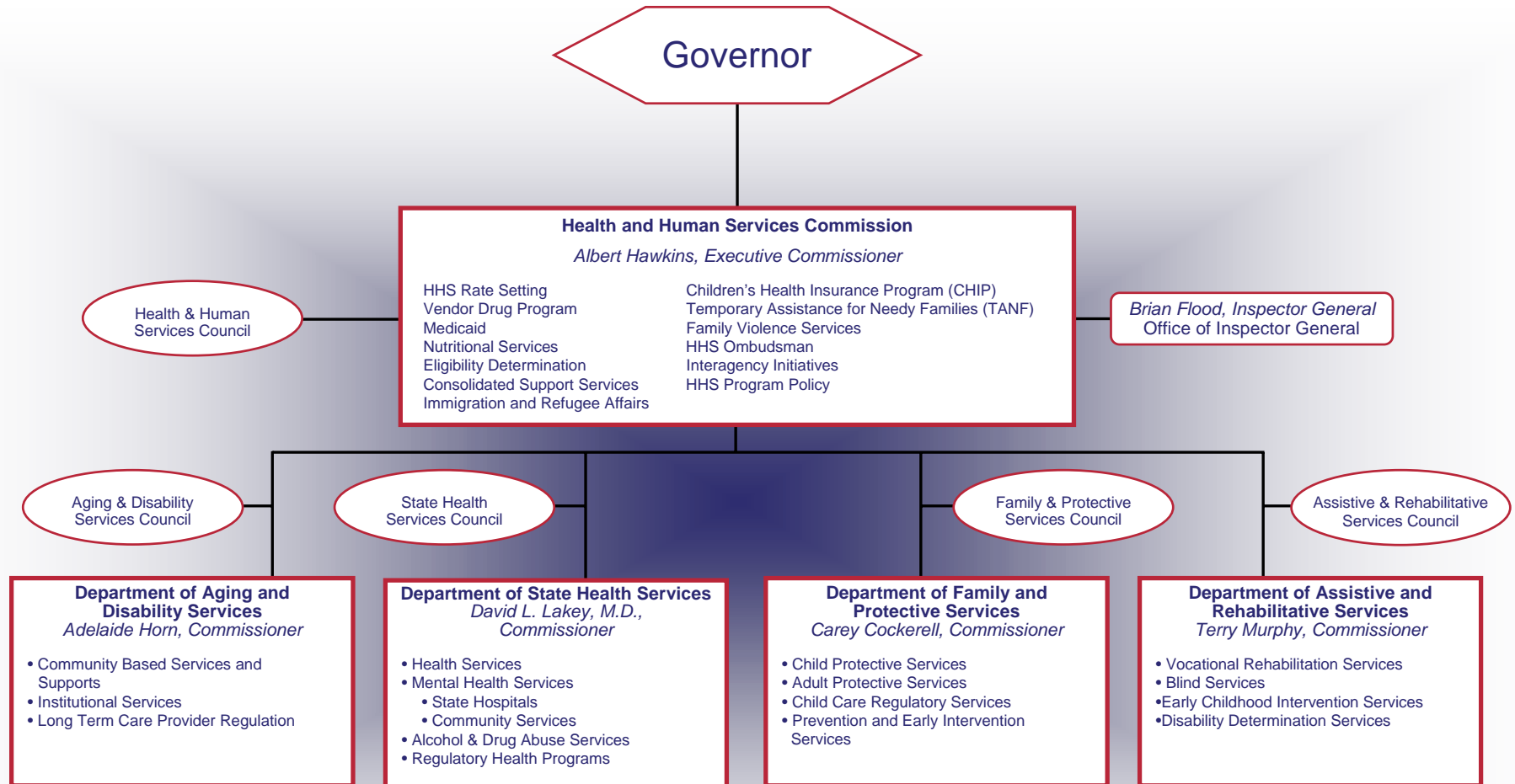
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Albert Hawkins, Executive Commissioner

Anne Heiligenstein, Deputy Executive  
Commissioner of Social Services

**February 15, 2007**

# HHS Organization



## Health and Human Services Commission (HHSC)

### Program Areas:

- Texas Medicaid Program
- Children's Health Insurance Program (CHIP)
- Temporary Assistance for Needy Families (TANF)
- Food Stamps and Nutritional Programs
- Family Violence Program
- Immigration and Refugee Affairs

### Support functions consolidated at HHSC:

- Human Resources
- Procurement/Contracting for Administrative Services
- Planning and Evaluation
- HHS Rate Setting
- Office of Inspector General
- Strategic Planning
- Civil Rights
- Leasing and Facilities Management

### Partially consolidated functions:

- Financial Services
- Legal Services
- Information Technology
- Ombudsman

## Key Programs Overview

- **Temporary Assistance for Needy Families (TANF)** - Provides time-limited cash assistance to needy dependent children and the parents or relatives with whom they are living.
- **Food Stamps** - An entitlement program that provides a monthly benefit to qualified applicants.
- **Medicaid** - Provides guaranteed medical coverage to eligible needy persons.
- **Children's Health Insurance Program (CHIP)** - Provides medical coverage to eligible children up to age 19, who are not already insured.

## **Both the Federal and State governments have a role in the design and funding of the TANF program:**

- At the federal level, the U.S. Department of Health and Human Services, Administration for Children and Families (ACF) regulates the program.
- In Texas, administration of the program is shared between the Texas Health and Human Services Commission (HHSC) and the Texas Workforce Commission (TWC).
  - HHSC is responsible for TANF eligibility determination, eligibility-related policies, and making cash assistance payments.
  - TWC is responsible for work-related policies and for delivering employment services through Local Workforce Development Boards.

## **TANF is funded by both state and federal funds:**

- Federal funds are given to the State in the form of a TANF block grant.
- The TANF block grant has an annual cost-sharing requirement for States, referred to as maintenance of effort or MOE.
- The Texas Legislature determines the amount of state and federal TANF block grant funds appropriated to the TANF cash assistance program and how much is allocated to other TANF funded programs.

**TANF cash assistance program assists needy dependent children and the parents or relatives with whom they are living.**

- The most common form of TANF assistance is a monthly grant. The amount of the grant is based on family size and income.
- The TANF-State Program (TANF-SP) helps children living in two-parent households whose parents meet the income and resource guidelines for TANF.
- TANF households are also eligible to receive Medicaid benefits and food stamp benefits.
- TANF benefits are time limited.

***In Texas, the most common TANF caretaker is an approximately 30-year old female with 1 or 2 children under age 11. She is unemployed and has no other income, and receives a monthly TANF grant of \$208 or less, for less than 12 consecutive months.***

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## **TANF Eligibility:**

- Family resources cannot exceed \$1,000
- Net income cannot exceed specified levels (currently \$188 a month for a family of three)
- Children must meet age, citizenship, relationship, and residence requirements
- In order to receive benefits, adult TANF applicants must sign a Personal Responsibility Agreement (PRA)

## **The PRA requires recipients to agree to:**

- Participate in the Choices work program, unless exempt
- Cooperate with the child support program requirements
- Not voluntarily quit a job
- Not abuse drugs or alcohol
- Attend parenting skills classes, if referred
- Obtain medical screenings for their children
- Ensure that their children are immunized and attending school

# TANF Eligibility (cont.)

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- Households that do not comply with the PRA are sanctioned:
  - They lose cash assistance for one month or until cooperation (whichever is longer)
  - Non-cooperation for two consecutive months results in denial of TANF eligibility and the family must demonstrate 30 days of compliance before receiving cash assistance
  - Adult household members lose Medicaid coverage\* for one month or until cooperation, whichever is longer, for non-compliance with Employment Services (Choices) or child support requirements
    - \* Federal requirements prohibit the state from denying Medicaid to adult household members who are pregnant or under age 19



## TANF Maximum Grant Amounts\*

| Family Size | Child-Only Cases | Single Parent Caretaker Household | Two Parent Caretaker Household |
|-------------|------------------|-----------------------------------|--------------------------------|
| <b>1</b>    | <b>\$81</b>      | <b>99</b>                         | <b>---</b>                     |
| <b>2</b>    | <b>116</b>       | <b>205</b>                        | <b>157</b>                     |
| <b>3</b>    | <b>163</b>       | <b>236</b>                        | <b>259</b>                     |
| <b>4</b>    | <b>194</b>       | <b>284</b>                        | <b>291</b>                     |
| <b>5</b>    | <b>250</b>       | <b>316</b>                        | <b>338</b>                     |
| <b>6</b>    | <b>270</b>       | <b>363</b>                        | <b>370</b>                     |

\* The Appropriations Act instructs the agency to adjust the TANF grant amount each year to ensure that the maximum monthly grant for a family of three is at least 17 percent of the federal poverty level. Grant amounts were effective October 2006.

## **TANF-eligible families who meet certain criteria can opt to receive a \$1,000 one-time payment**

- A grandparent caring for one or more grandchildren who receives TANF is eligible for a one-time supplemental payment of \$1,000, if they meet certain criteria:
  - 45 years of age or older;
  - Family gross income of less than or equal to 200% FPL; and
  - Resources less than \$1,000.
- One-Time TANF (OT-TANF) payment instead of a monthly grant.
  - A household can receive OT-TANF once in a 12-month period.
  - Examples of qualifying criteria include:
    - Loss of employment within the last 60 days; and
    - Loss of financial support from a spouse within the last 12 months through death, divorce, separation or abandonment.

## **Other TANF Assistance (cont.)**

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**When TANF recipients obtain employment, they may be eligible for the Earned Income Disregard (EID).**

- Allows most TANF recipients to retain their TANF benefits during the first four months of employment
- Designed to help stabilize the transition from welfare to work

**Back-to-School Supplemental Payment:**

- Each child on TANF is eligible for a one-time per year grant of up to \$30 to assist with back-to-school expenses.
- Distribution of the grant is timed to coincide with the tax-free holiday.

**The Food Stamp Program is an entitlement program that provides a monthly benefit to qualified applicants.**

- Food Stamps can only be used to purchase food items from retailers

## **Food Stamp Administration**

- The United States Department of Agriculture (USDA) Food and Nutrition Services (FNS) oversees the Food Stamp program
- The Food Stamp program in Texas is administered by the Health and Human Services Commission

## **Food Stamp benefits are:**

- **100 percent federally funded**
  - The estimated value of benefits in FY 2006 is \$2.932 billion
  - The estimated value of benefits in FY 2007 is \$2.884 billion

## **The administrative costs are:**

- 50 percent federally funded
- 50 percent state funded

## **Additional federal funding is provided to:**

- Provide outreach
- Nutrition education

## Eligibility for the Food Stamp Program

- Households must meet gross and net monthly income eligibility requirements.
  - As an example, for a family of 3, the maximum gross monthly income is \$1,799.
- Most households may have up to \$5,000 in countable resources (e.g., checking/savings account, cash).
- Legal immigrants who have been legal residents of the U.S. for more than five years, and legal immigrants who are children, elderly, or disabled can receive food stamps if eligible. All undocumented immigrants are ineligible for food stamp benefits.
- Many able-bodied, childless, unemployed adults have time limits on their receipt of food stamp benefits.

**Medicaid is a jointly funded state-federal program that provides medical coverage to eligible needy persons.**

- The federal government pays 60.78% of Medicaid service expenditures
- Federal laws and regulations:
  - Require coverage of certain populations and services; and
  - Provide flexibility for states to cover additional populations and services.
- Medicaid is an entitlement program, meaning:
  - Guaranteed coverage for eligible services to eligible persons.
  - Open-ended funding based on the actual costs to provide eligible services to eligible persons.

## Medicaid serves:

- Low-income families
- Children
- Pregnant women
- Elderly
- People with disabilities

## Texas Medicaid does not serve:

- Non-disabled, childless adults



## Medicaid eligibility is financial and categorical:

- Low income alone does not constitute eligibility for Medicaid

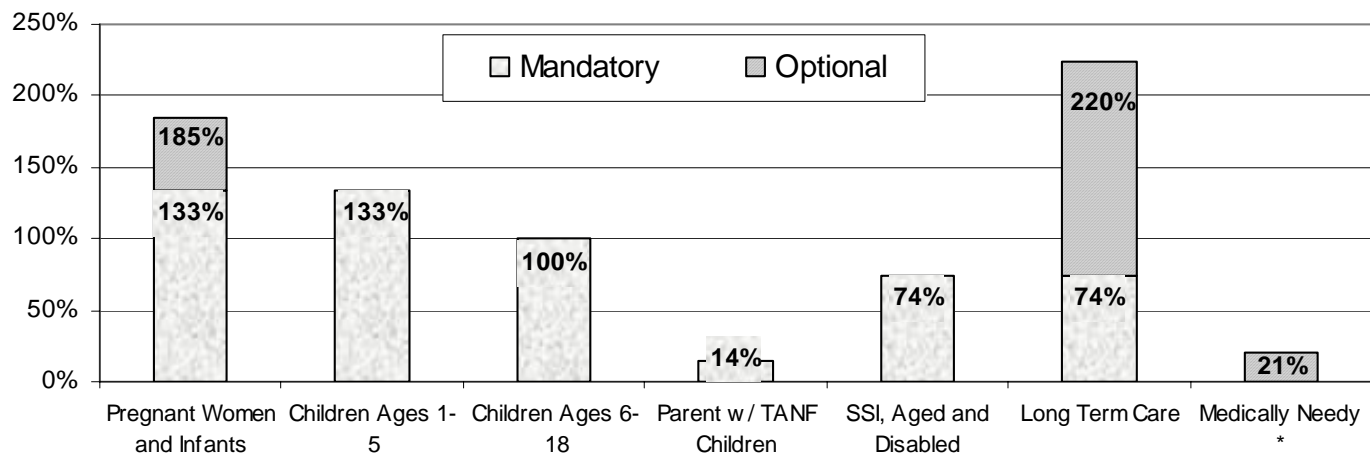
## Eligibility factors include:

- Family income;
- Age; and
- Other factors such as being pregnant or disabled or receiving TANF.

# Texas Medicaid Percent of Poverty Income Levels

- The federal government requires that people who meet certain criteria be eligible for Medicaid. These are “mandatory” Medicaid eligibles and all state Medicaid programs must include these mandatory populations.
- The federal government also allows states to provide services to additional individuals and still receive the federal share of funding for services provided to them. These are “optional” Medicaid eligibles.

Texas Medicaid Income Eligibility Levels  
for Selected Categories, November 2004



In SFY 2005, for TANF parents with children, eligibility is determined based on an adjusted gross income no higher than \$188 a month for a family of 3, which translates into 14% of poverty. For medically needy pregnant women and children, the maximum monthly adjusted gross income limit is \$275.  
\*\*Medically Needy is defined as a pregnant woman, or child whose family income exceeds the program income limits. The family must deplete their excess income with unpaid medical bills.

**CHIP is a joint state-federal program that provides medical coverage to eligible children up to age 19, who are not already insured.**

- The federal government pays 72.55% of CHIP medical care expenditures.

## **Federal law and regulations:**

- Requires each state to set eligibility guidelines, service levels, and delivery systems; and
- Requires each state to operate a state plan listing these elements.

**CHIP is not an entitlement program.**

## **CHIP serves:**

- Uninsured children under age 19
  - CHIP Perinatal serves unborn children meeting eligibility requirements
- Gross income up to 200% FPL
- U.S. citizens or legal permanent residents
- Not eligible for Medicaid

## **Families with income above 150% FPL must meet assets criteria:**

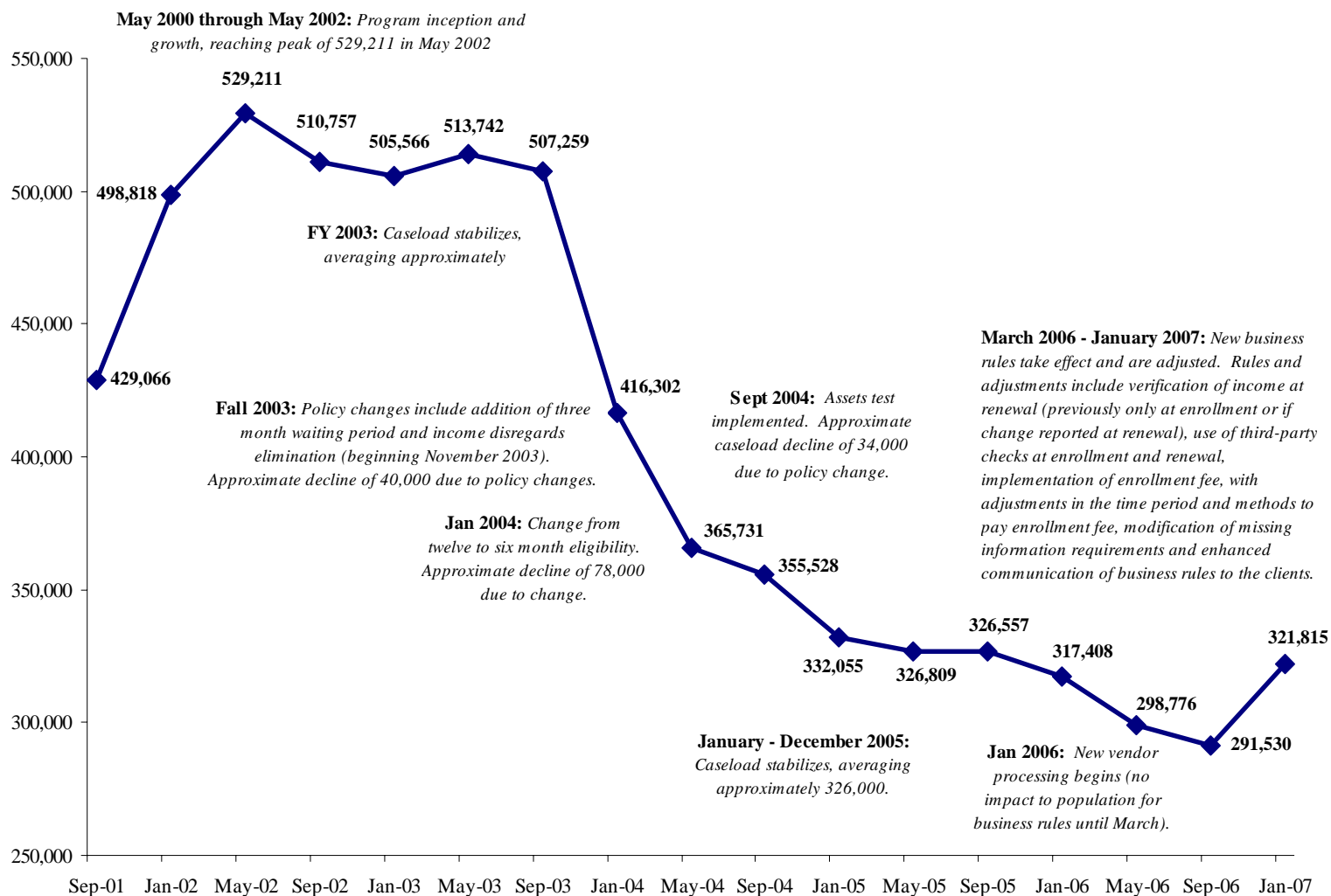
- Assets below \$5,000
- One vehicle is exempt up to \$15,000; additional vehicles are exempt up to \$4,650

## **Eligibility is determined for a 6-month period**

- CHIP Perinatal eligibility is determined for a 12-month period

# Policy Impact on CHIP Enrollment Levels

CHIP Enrollment and Policy Changes, September 2001 - January 2007



**In 2006, CHIP enrollment increased by 8,913 children**

- **January caseload was 317,408**
- **December caseload was 326,321**

**During 2006:**

- **287,145 children enrolled in CHIP**
- **286,117 completed renewals and deemed eligible for CHIP**
- **77,186 completed renewal but were not eligible for CHIP**
  - **Of these, more than 33,000 children were found to be eligible for Medicaid**

## The most common reasons for disenrollment in 2006:

- 98,845, or 34%, did not return the renewal packet
- 45,233, or 16%, did not return missing information when requested (most common is proof of income, such as a recent paycheck stub)
- 41,489, or 14%, exceeded CHIP income limits
- 33,179, or 12%, were eligible for Medicaid