

**Corrections to:**  
**Health and Human Services Commission**  
**BUDGET Building Blocks for the 2004-05 Fiscal Biennium**  
**Presented to the Senate Finance Committee**  
**on February 27, 2003**

- Page 12 Delete SKIP families under CHIP Caseload totals. HHSC pays the Uniform Group Insurance Program (UGIP) premiums, but these families are not part of the CHIP caseload.
- Page 13 Under Summary of Clients Served, Total CHIP changed from 282,135 to 296,857 for FY 2004 and from 251,202 to 264,176 for FY 2005.
- Page 15 Under Building Blocks, amount for CHIP rate increases changed from \$26.6 million state share to \$6.9 million state share. Amount for Medicaid rate increases changed from \$6.9 million state share to \$26.6 million state share.
- Page 16 Under Client Populations, numbers for children at or below 150 percent of FPL who are eligible for CHIP general revenue-funded programs changed from 19,015 to 15,125 for FY 2004 and from 17,746 to 13,467 for FY 2005. Numbers for children above 150 percent through 200 percent of FPL who are eligible for CHIP or CHIP general revenue-funded programs changed from 110,523 to 91,911 for FY 2004 and from 98,766 to 81,513 for FY 2005.
- Under Summary of Clients Served, numbers for CHIP Tier 1 changed from 282,135 to 296,857 for FY 2004 and from 231,202 to 264,176 for FY 2005. Numbers for CHIP Tier 2 Addition changed from 106,633 to 91,911 for FY 2004 and from 94,487 to 81,513 for FY 2005. FY 2005 number for Total CHIP changed from 345,684 to 345,689.
- Page 25 Under Savings Due to Cost Containment Initiatives, cost containment initiatives from Tier 1 were not carried forward properly.
- Page 32 Under Summary of Clients Served, numbers for Adults Tier 3 changed from 679,472 to 679,866 for FY 2004 and from 701,288 to 701,682 for FY 2005. The Tier 4 totals for Adults changed from 713,132 to 713,526 for FY 2004 and from 737,158 to 737,552 for FY 2005. The Tier 4 totals for Total Clients changed from 2,428,337 to 2,428,731 for FY 2004 and from 2,526,941 to 2,527,335 for FY 2005.
- Page 36 Under Summary of Clients Served, numbers for Adults for Tier 5 changed from 713,132 to 713,526 for FY 2004, and from 737,158 to 737,552 for FY 2005. The Tier 5 totals for Total Clients changed from 2,428,337 to 2,428,731 for FY 2004 and from 2,526,941 to 2,527,335 for FY 2005.

# Tier 1

CHIP clients up to 150 percent of FPL, maintenance of effort Medicaid clients, and services that can be financed with this funding level are included in this tier.

## \$396.0 Million State Share

### Building Blocks

- CHIP at or below 150 percent of FPL \$229.8 million state share
- CHIP general revenue-funded programs at or below 150 percent of FPL \$ 50.2 million state share
- Medicaid Maintenance of Effort \$116.0 million state share

### Includes

### Client Populations

CHIP	<u>Caseload</u>	
	<u>FY 2004</u>	<u>FY 2005</u>
• CHIP children at or below 150 percent of FPL	281,732	250,709
• Children at or below 150 percent of FPL who are eligible for CHIP general revenue-funded programs including:		
- Legal Immigrants	9,326	8,584
- Children of School Employees	5,799	4,883
- State Kids' Insurance Program (SKIP)		

Note: Funds transferred to Employees Retirement System to pay premium costs for CHIP-eligible children of state employees.

<b>Medicaid Maintenance of Effort</b>	<b><u>Caseload</u></b>	
	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>
- Pregnant Women under age 19 above 133 percent through 185 percent of FPL	2,056	2,138
- Infants above 133 percent through 185 percent of FPL	34,465	35,762
- Medically Needy children at or below 24 percent of FPL	1,921	2,269

### **Summary of Clients Served**

Total Medicaid	38,442	40,169
Total CHIP	296,857	264,176

### **Services**

- Inpatient and outpatient hospital and physician services for Medicaid and CHIP
- Drugs for Medicaid and CHIP

### **Provider Reimbursement**

- CHIP provider rates at 100 percent of the FY 2003 reimbursement level
- Medicaid provider rates at 67 percent of the FY 2003 provider reimbursement level

## Tier 2

This tier would continue to fund services for all populations covered under amended policies.

### **\$611.4 Million State Share**

#### **Building Blocks**

- CHIP children above 150 percent through 185 percent of FPL \$ 96.2 million state share
- CHIP children above 185 percent through 200 percent of FPL \$ 25.9 million state share
- CHIP state share programs above 150 percent through 185 percent of FPL \$ 33.2 million state share
- CHIP state share programs above 185 percent through 200 percent of FPL \$26.6 million state share
- CHIP rate increases \$ 6.9 million state share
- Medicaid rate increases \$26.6 million state share

**Includes**

		<u>Caseload</u>		
<b>Client Populations</b>		<u>FY 2004</u>	<u>FY 2005</u>	
<b>CHIP</b>				
-	CHIP children at or below 150 percent of FPL	281,732	250,709	
-	Children at or below 150 percent of FPL who are eligible for CHIP general revenue-funded programs	15,125	13,467	
-	<b><i>Children above 150 percent through 200 percent of FPL who are eligible for CHIP or CHIP general revenue-funded programs</i></b>	<b><i>91,911</i></b>	<b><i>81,513</i></b>	
 <b>Medicaid Maintenance of Effort</b>				
-	Pregnant Women under age 19 above 133 percent through 185 percent of FPL	2,056	2,138	
-	Infants above 133 percent through 185 percent of FPL	34,465	35,762	
-	Medically Needy children at or below 24 percent of FPL	1,921	2,269	
 <b>Summary of Clients Served</b>				
	Total Medicaid	No Change from Tier 1	38,442	40,169
	CHIP	Tier 1	296,857	264,176
		<b><u>Tier 2 Addition</u></b>	<b><u>91,911</u></b>	<b><u>81,513</u></b>
	Total CHIP		<b><u>388,768</u></b>	<b><u>345,689</u></b>

## Other

- HIPAA compliance

## Provider Reimbursement

- Provider rates at **100 percent** of FY 2003 reimbursement level

## Savings Due to Cost Containment Initiatives

- |  |                            |
|--|----------------------------|
| • PDL with prior authorization             | \$64.7 million GR biennial |
| • Vision care                              | \$ .08 million GR biennial |
| • Competitive pricing for medical supplies | \$ .64 million GR biennial |
| • Hospital cost savings                    | \$45.0 million GR biennial |
| • Vendor Drug                              | \$53.5 million GR biennial |

## Summary of Clients Served

		<u>Caseload</u>	
		<u>FY 2004</u>	<u>FY 2005</u>
Adults	Tier 3	679,866	701,682
	Tier 4 addition	<b><u>33,660</u></b>	<b><u>35,870</u></b>
Total Adults	Tier 4 total	713,526	737,552
Children	<u>No change from Tier 3</u>	<u>1,715,205</u>	<u>1,789,783</u>
Total Clients	Tier 4 Total	2,428,731	2,527,335

## Services

### Medicaid

- Inpatient and outpatient hospital and physician services for eligible clients to extent required by federal law, or provide lower cost alternative to required minimum (e.g., ambulatory surgery centers)
- Drugs for pregnant women
- Drugs for children
- Drugs for Aged, Blind and Disabled clients at or below 200 percent of SSI
- Services provided by FQHCs
- Part A/B Medicare payments
- Medicare co-insurance and deductibles for clients above SSI through 100 percent of FPL
- Emergency services per federal mandates
- Breast and cervical cancer services
- Drugs for adults with children at or below TANF income limit (three prescription limit for those not in managed care waivers)

	<u>FY 2004</u>	<u>FY 2005</u>
• Aged, Blind and Disabled clients at or below 200 percent of SSI (SSI is about 73 percent of FPL.)	500,310	509,638
• Clients eligible for Breast and Cervical Cancer Program (BCCP) services	366	366
• Medically needy adults above 17 percent through 24 percent of FPL	8,472	9,959
• Pregnant Women 19-years and older above 133 percent through 185 percent of FPL	16,547	17,209
• Aged, Blind and Disabled clients above 200 percent through 300 percent of SSI	8,641	8,702

### Summary of Clients Served

Adults	Tier 5 (no change from Tier 4)	713,526	737,552
Children	<u>Tier 5 (no change from Tier 4)</u>	<u>1,715,205</u>	<u>1,789,783</u>
Total Clients	Tier 5 (no change from Tier 4)	2,428,731	2,527,335

### Services

#### Medicaid

- Inpatient and outpatient hospital and physician services for eligible clients to extent required by federal law, or provide lower cost alternative to required minimum (e.g., ambulatory surgery centers)
- Drugs for pregnant women
- Drugs for children
- Drugs for Aged, Blind and Disabled clients at or below 300 percent of SSI