



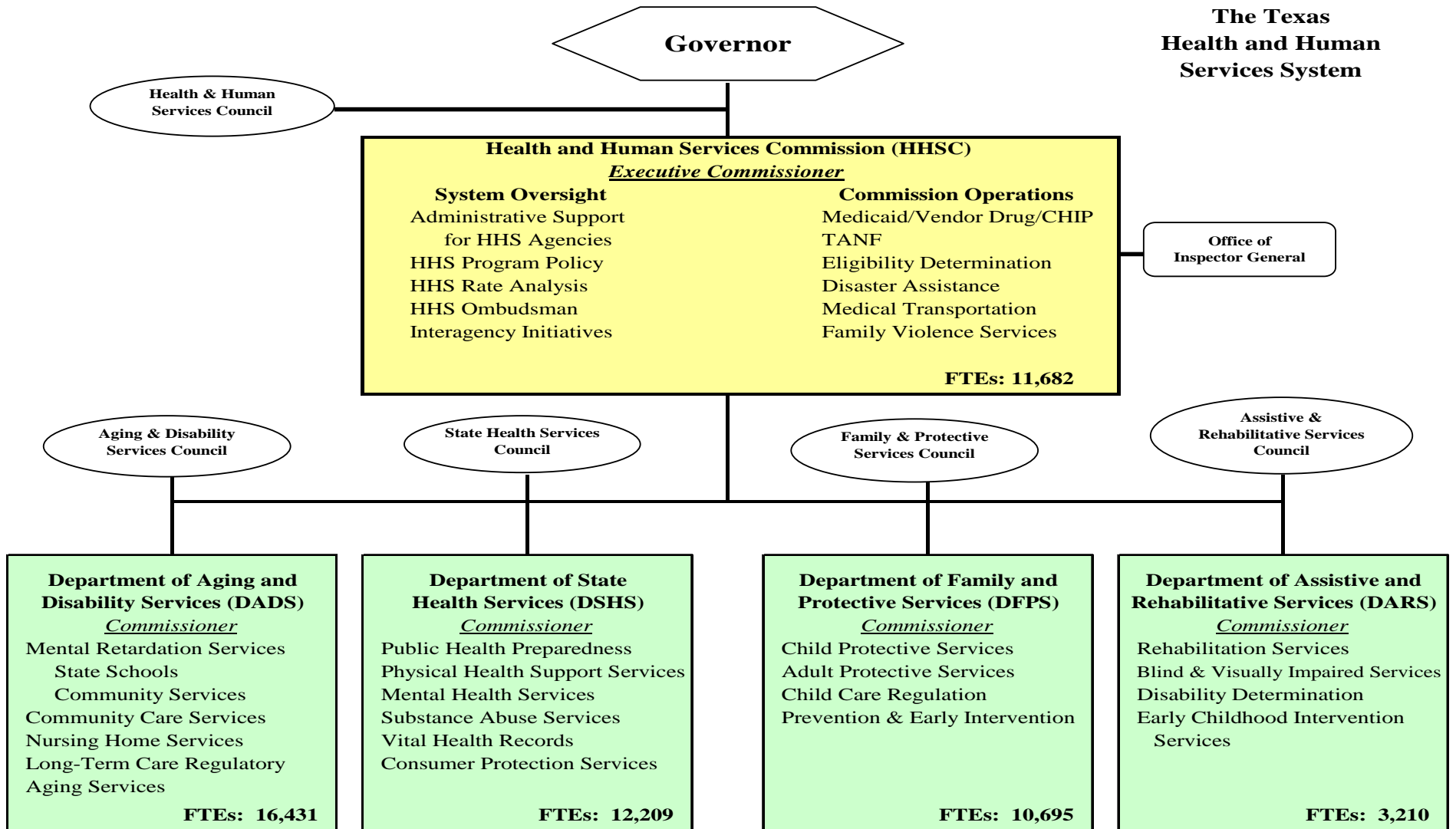
# House Appropriations Committee

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Albert Hawkins, Executive Commissioner

**February 16, 2009**

# HHS Organization



Note: The Full Time Equivalent (FTE's) positions are the budgeted level for FY 2009.

As of: 09-01-2008

## Key Programs Overview

- **Medicaid**
- **Children's Health Insurance Program (CHIP)**
- **Supplemental Nutrition Assistance Program (Food Stamp Program)**
- **Temporary Assistance for Needy Families (TANF)**

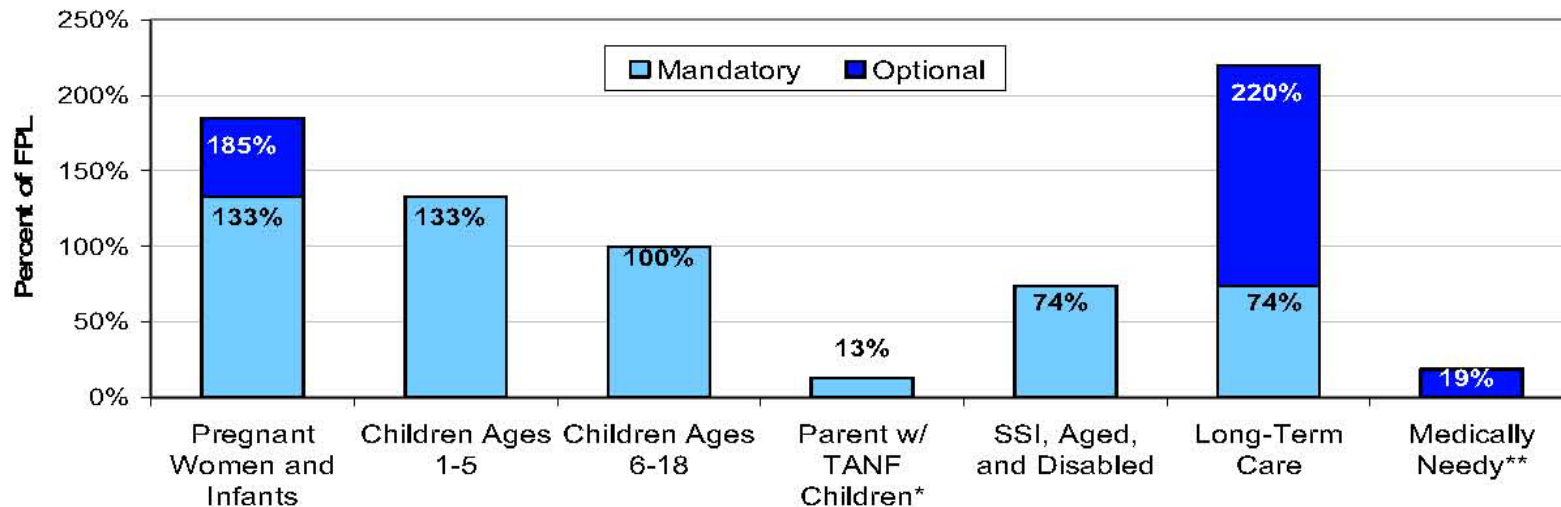
## **Medicaid is a jointly funded state-federal program that provides medical coverage to eligible needy persons.**

- The federal government pays 59.44% of Medicaid service expenditures (federal fiscal year 2009)
- Federal laws and regulations
  - Require coverage of certain populations and services
  - 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
- Eligibility criteria includes:
  - Residency in Texas
  - U.S. citizenship or qualified aliens who are legally admitted for permanent residency
  - Applicants must meet applicable income and resource limits
  - Applicants for long-term services and supports may be required to meet certain functional or medical criteria
  - Most child applicants must be under age 19

# Medicaid Eligible Populations in Texas

- 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.

**Figure 3.2: Texas Medicaid Income Eligibility Levels for Selected Programs, June 2008**



\* In SFY 2008, for a parent with TANF children, the maximum monthly income eligibility limit is \$188, which is the equivalent of 13% of FPL for a family of three.

\*\* For medically needy pregnant women and children, the maximum monthly income limit in SFY 2008 is \$275, which is the equivalent of 19% of FPL for a family of three.

## Acute Care

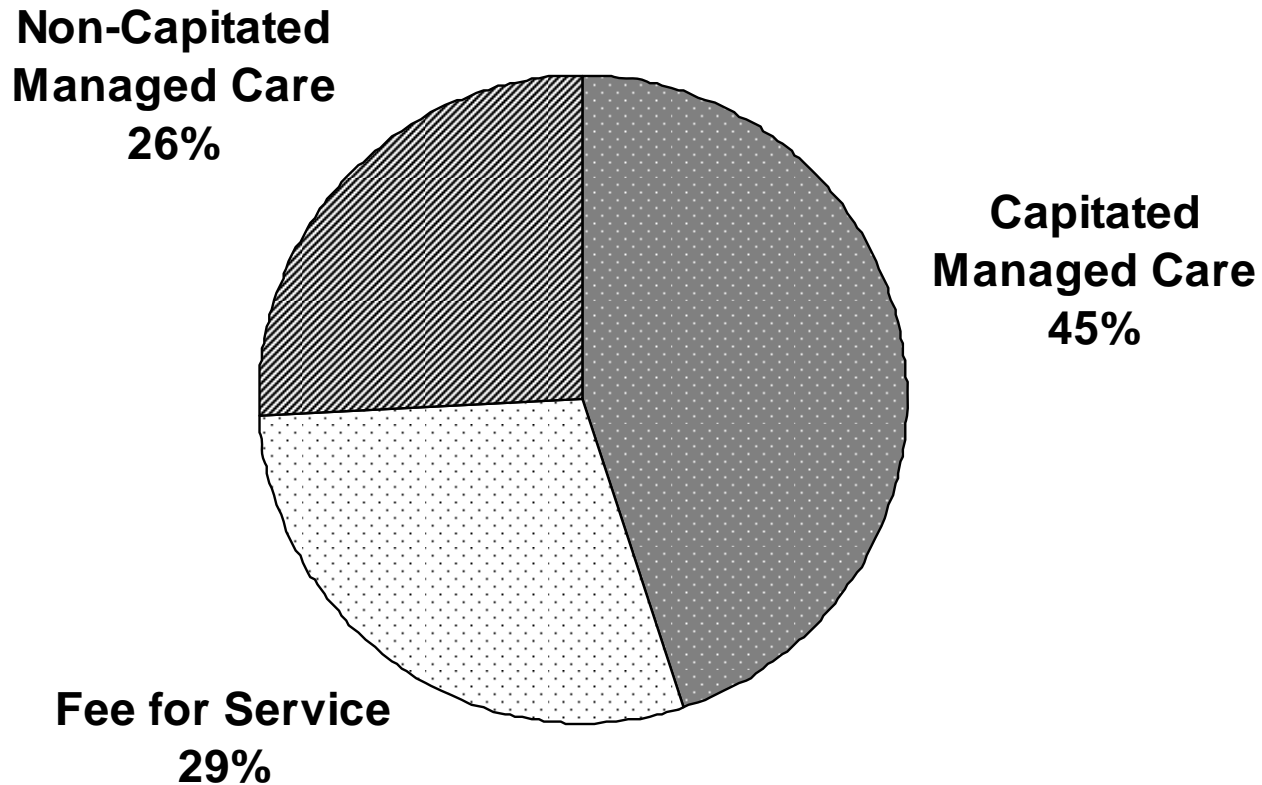
- Refers to the provision of health care to eligible recipients for episodic health care needs, including: physician, hospital, pharmacy, laboratory, and x-ray services

## Long-Term Services and Supports

- Refers to care for people with long term care needs, chronic health conditions that need ongoing medical care, and often social support. Many of the services provided assist persons with activities of daily living, such as eating, dressing and mobility. This includes care in nursing homes, assisted living facilities, and a person's own home

# Medicaid Service Delivery Models

## Medicaid Clients – Fiscal Year 2008



# Number of Children Eligible for Medicaid or CHIP

## Children's Medicaid

|      | Potential Eligibles | Avg Monthly Enrollment* | Estimated # of Children Eligible But Uncovered |
|------|---------------------|-------------------------|--|
| 2009 | 2,742,000           | 2,040,538               | 701,462  |
| 2010 | 2,771,000           | 2,090,260               | 680,740  |
| 2011 | 2,801,000           | 2,143,850               | 657,150  |

## CHIP

|      | Potential Eligibles | Avg Monthly Enrollment* | Estimated # of Children Eligible But Uncovered |
|------|---------------------|-------------------------|--|
| 2009 | 654,000             | 480,085                 | 173,915  |
| 2010 | 660,000             | 483,358                 | 176,642  |
| 2011 | 668,000             | 485,706                 | 182,294  |

## Children's Medicaid + CHIP

|      | Potential Eligibles | Avg Monthly Enrollment* | Estimated # of Children Eligible But Uncovered |
|------|---------------------|-------------------------|--|
| 2009 | 3,396,000           | 2,520,623               | 875,377  |
| 2010 | 3,431,000           | 2,573,618               | 857,382  |
| 2011 | 3,469,000           | 2,629,556               | 839,444  |

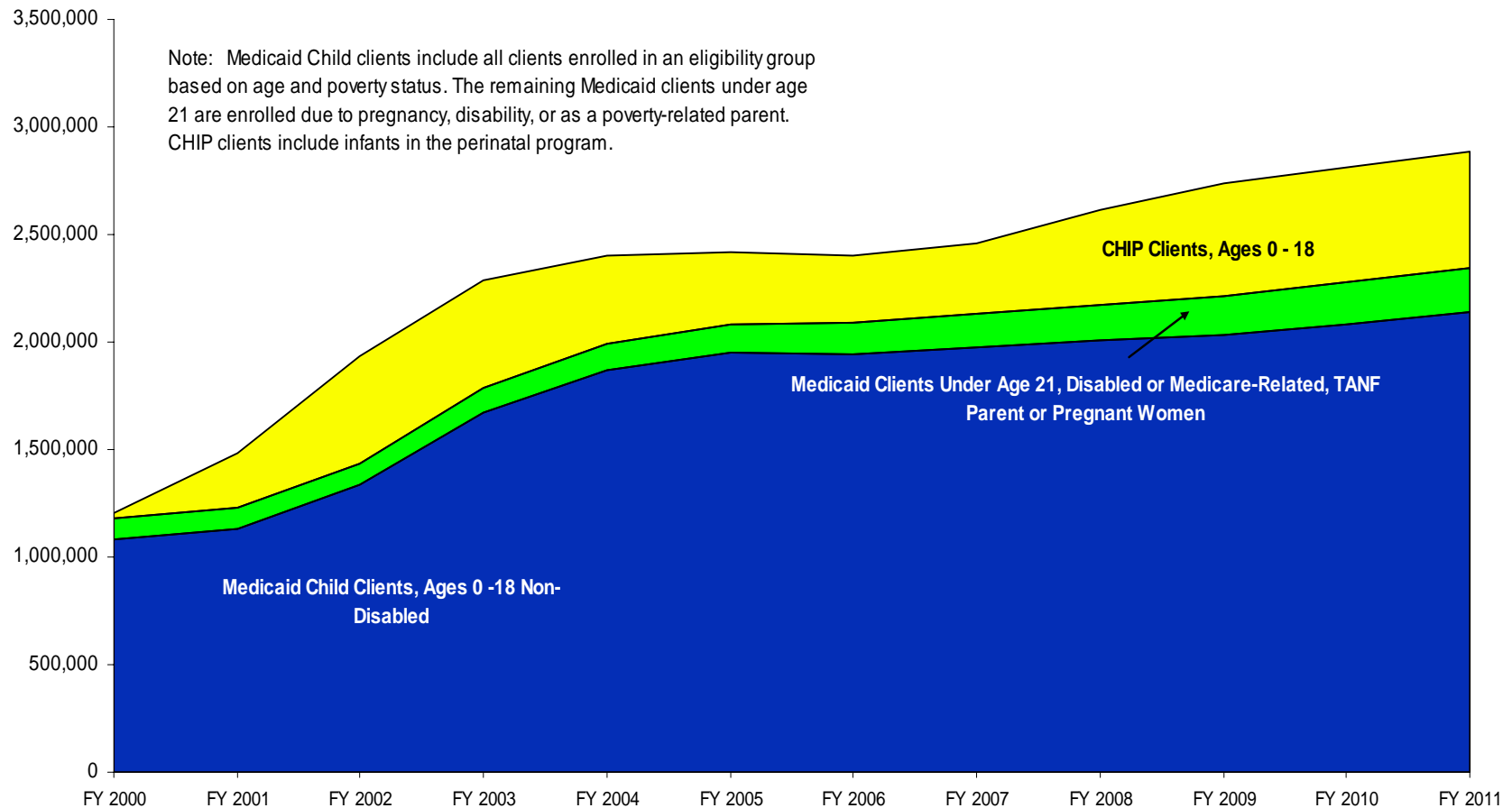
Estimates account for citizenship and income status of population (insurance status is also considered for CHIP). However, these estimates do not account for other factors considered during eligibility determination, such as resources.

\* Average Monthly Enrollment from Summer 2008 (LAR) forecast



# Key Budget Driver: Children Served

**Medicaid and CHIP Clients Under Age 21: Fiscal Years 2000 - 2011 (projected)**



**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 71.61% of CHIP medical care expenditures (in federal fiscal year 2009)

**CHIP serves:**

- Net income up to 200% FPL
  - Eligibility allows for a child care deduction of \$200 or \$175 per child per month from gross income
  - The current net income limit for a family of three is \$2,934 monthly or \$35,200 annually
- Uninsured children under age 19
- U.S. citizens or legal permanent residents
- Children not eligible for Medicaid

**Families with net incomes above 150% FPL must meet assets criteria:**

- Assets below \$10,000
- One vehicle is exempt up to \$18,000; additional vehicles are exempt up to \$7,500

**Eligibility is determined for a 12-month period**

- Income is verified at 6th month for families at 185% FPL and above

# Supplemental Nutrition Assistance Program Overview

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**The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, provides a monthly benefit to qualified applicants.**

- SNAP is an entitlement program
- Benefits can only be used to purchase food items from retailers
- Benefits are 100 percent federally funded
- Administrative costs are 50 percent state funded and 50 percent federally funded

## **Eligibility**

- Eligibility criteria is federally defined
- Households must meet asset and income eligibility requirements
  - Most households may have up to \$5,000 in countable resources (e.g., checking/savings account, cash)
  - For a family of 3, the maximum gross monthly income is \$2,420
- 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

## **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 Supplemental Nutrition Assistance Program benefits
- TANF benefits are time limited
- Adult recipients must sign a Personal Responsibility Agreement (PRA) to receive benefits

## **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

## **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
    - Loss of financial support from a spouse within the last 12 months through death, divorce, separation or abandonment

# Issues Facing Health and Human Services Agencies

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## Fiscal Years 2009

- Caseloads and Costs
- Disaster Expenses

## Fiscal Years 2010 and 2011

- Caseloads
- Costs
- Retention and Recruitment – Professional Staffing
- Increase in Costs for Lease Space, General Business Goods and Services
- Provider Rates