ADRIANA KOHLER
POLICY DIRECTOR
AKOHLER@TXCHILDREN.ORG
MARCH 1, 2021

Recommendations to Promote Child and Maternal Health through the Texas Budget

Testimony to the House Appropriations Subcommittee on Article II

Texans want mothers to have healthy pregnancies and Texas babies to have a healthy start to life. We want our fellow Texans to get the health care they need to address concerns like postpartum depression, a lump that could be cancer, a second grader's ear infection, or a toddler's speech delay. And we want them to get that help early — when care is often cheaper and more effective — instead of waiting until things get worse.

Programs funded through Article II — such as Medicaid, Children's Health Insurance Program (CHIP), Healthy Texas Women, and Family Planning Program — are effective tools to prevent bad outcomes like preterm birth, scary and expensive NICU stays, or a preventable and possibly fatal asthma attack. We respectfully offer the following recommendations related to Article II to ensure Texas children and families are on a path to success:

- Avoid proposed reductions to eligibility and enrollment capacity that will delay sign-ups for Healthy Texas Women, Medicaid, CHIP, and SNAP;
- Account for additional funding needed to implement 12 month continuous Children's Medicaid, which is the most effective step Texas can take to keep eligible yet uninsured kids connected to care;
- Continue strong funding for Texas' women's health programs that is included in the introduced budget, and add riders to track progress on recently-launched Healthy Texas Women Plus and mitigate the impact of the three pending policy changes to HTW; and
- Adopt health coverage options that would cover more uninsured workers and promote health for moms and babies, particularly a Texas plan that leverages a 90% federal match.

Children's Health

Strong investment in Medicaid and CHIP health insurance is vital for Texas' continued efforts to improve maternal and child health

Three out of four enrollees in Texas Medicaid are children. Medicaid and CHIP insurance help children get check-ups, asthma medications, dental care, speech and physical therapies, and other health services to make sure they

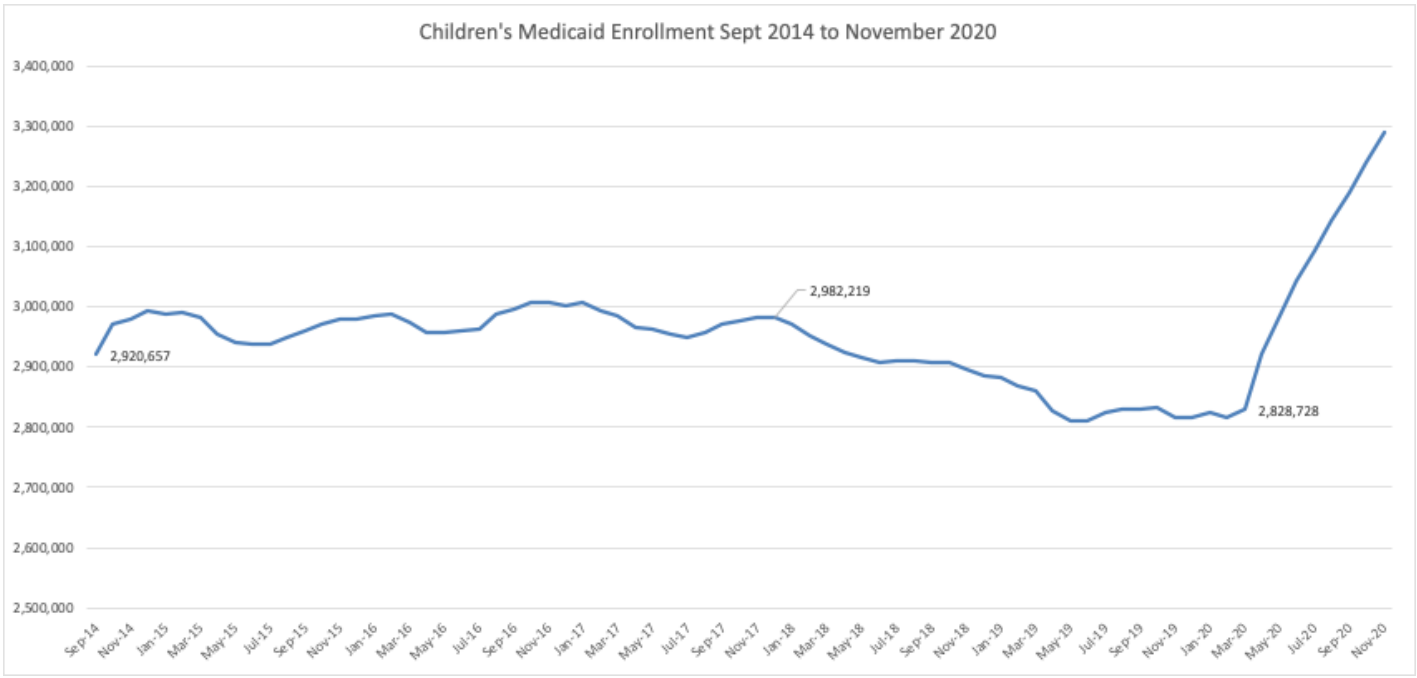
stay healthy and are ready to learn in school. Costs are reduced in the health care system and other programs like special education if children get needed services and interventions early on.[1]

Likewise, Medicaid for Pregnant Women and CHIP Perinatal is a cost effective tool that helps avoid bad outcomes, such as premature birth and maternal death, by identifying and managing potential pregnancy complications early. Medicaid covers more than half the births in Texas, providing prenatal and postpartum care to ensure healthy pregnancies and births. Texas has learned from experience that cutting women's health actually increases costs to the state in the short term and beyond. Texas lawmakers cut eligibility for Pregnant Women's Medicaid in 2003 only to reverse course the next biennium because the cut harmed women's health and resulted in higher Medicaid maternal and neonatal costs.[2]

Medicaid coverage for children and pregnant women improves children's health well into adulthood and has a strong return on investment.[3]

- Medicaid for children and pregnant women is associated with healthier birthweight for babies and fewer chronic conditions such as high blood pressure, heart disease, obesity, and diabetes;
- Medicaid for children and pregnant women is associated with higher educational achievement, including greater likelihood of high school graduation, decreased high school dropout rate, and higher rates of college attendance and graduation;
- Medicaid coverage is shown to increase children's income earnings in adulthood and lead to higher total tax payments across the lifespan;
- Medicaid coverage during pregnancy and in the first year of life was linked to increased economic mobility and financial security.[4]

Unfortunately, prior to the COVID-19 pandemic, the children's uninsured rate in Texas was steadily getting worse while the number of eligible children enrolled in Medicaid declined.[5] Texas had more children in need of health coverage, but fewer children enrolled in Medicaid. From 2016 to 2019, Texas experienced by far the greatest coverage loss in the nation, with an estimated 243,000 children losing health coverage.[6] During that same time, as shown in the chart below, enrollment of children in Medicaid began declining in December 2017 and continued to decline until the Public Health Emergency in March 2020 — at which time federal law required states to suspend Medicaid disenrollment during the Public Health Emergency as a condition for additional federal Medicaid funds.



Source: Analysis by Every Texan based on publicly-available HHSC Medicaid enrollment data.

Many Texas children are eligible for Medicaid but not enrolled. In 2019, more than 660,000 uninsured Texans were eligible for Medicaid but uninsured. **Of that, nearly 560,000 — or 85% of those eligible but uninsured Texans — were children.**[7] The most effective step the legislature could take to ensure eligible yet uninsured Texans get connected to health care is to provide continuous eligibility in Children's Medicaid in order to *get and keep* kids covered.

Recommendations

- **Account for additional funding needed to implement 12 month continuous Medicaid coverage for children (HB 290/SB 39), which is the single most effective step Texas can take to keep eligible yet uninsured kids connected to health coverage.** As noted above, the vast majority of eligible but uninsured Texans are children who are eligible for Medicaid. Texas mistakenly removes eligible children from health coverage because the system's mid-year Medicaid eligibility reviews are inaccurate. In contrast, annual reviews accurately determine the right program for kids. Children who go without coverage, even for a brief period, may miss medications or end up at the emergency room or urgent care for preventable issues. The majority of the children who lose coverage mid-year are later re-enrolled, and thus Medicaid retroactively pays for this more expensive avoidable care anyway. Last session this legislation had a small fiscal note of $5-7 million for the biennium. The legislature should set aside these funds contingent on the passage of SB 39/HB 290.

- **Avoid proposed reductions to strategy I.1.1 Integrated Eligibility and Enrollment** that will delay sign-ups for Medicaid for Pregnant Women, Children's Medicaid, CHIP, Healthy Texas Women, and SNAP, making it harder for the state to reach federal standards for promptly enrolling families all while families struggle to recover from the pandemic. The LBB summary of recommendations shows the proposed funding levels for I.1.1. are a decrease of $35.2 million in General Revenue ($48.7 million in All Funds) from the 2020-21 biennium (see table below).[8] The current suspension of Medicaid disenrollment during the Public Health Emergency only applies to Medicaid. There continues to be a greater demand for other services such as SNAP, given the increase in unemployment. Texas should prioritize and fully fund HHSC's eligibility and enrollment services to ensure that the most vulnerable Texans have access to all of these critical programs as our state recovers.

Strategy I.1.1, IEE (millions)	Agency's LAR for Fiscal Year 2020[1,2]	Agency's LAR for Fiscal Year 2021	LBB Recommendations for Fiscal Year 2022	LBB Recommendations for Fiscal Year 2023	Recommended Over/(Under) 2020-21
General Revenue	$215.4	$215.4	$197.8	$197.8	($35.2)
Federal Funds	$370.2	$381.5	$367.1	$367.1	($17.6)
Other Funds	$1.7	$7.0	$6.4	$6.4	$4.0
All Funds	**$587.3**	**$603.9**	**$571.3**	**$571.3**	**($48.7)**

Source: Legislative Budget Board
Notes:
1) Recommendations assume $16.0 million in General Revenue in fiscal year 2020 will lapse, resulting in an All Funds amount of $571.3 million.
2) HHSC's LAR does not reflect the collection of $4.7 million in Other Funds in fiscal year 2020.

- **Account for cost trends in Medicaid, CHIP, and CHIP Perinatal** (**HHSC Exceptional Item #1**), which is not included in the introduced budget. Additional funding is needed for projected cost trends to ensure a sufficient number of health providers continue participating in Medicaid and CHIP.

- **We appreciate the inclusion of Rider 23 in the House's HHSC budget,** which specifies a seven percent Medicaid payment rate increase that is cost neutral and targeted to improve access to pediatric primary and specialty services for children age 3 and younger.

Maternal and Infant Health

Maintain strong funding for Texas' women's health programs and mitigate policy changes that would impact cost savings and harm women's health

Continued investment in Texas' women's health programs is critical for rebuilding our state's family planning network and providing vital services such as health screenings, contraception, and well-woman exams to Texas women. A women's ability to plan and space her pregnancies leads to an array of benefits, including lower abortion rates, improved infant and maternal health, better educational and economic opportunities for families, and cost savings for the state.[9] In tough financial times, funding for women's preventive care is a smart investment for families and for the state. Overall, every dollar spent on contraceptive care leads to savings of $6.[10] HHSC recently estimated that services provided by Healthy Texas Women (HTW) and the Family Planning

Program (FPP) in 2019 save the state a combined $140 million in General Revenue.[11] After accounting for the annual cost of administering HTW and FPP, these programs generate a net savings of $20 million in General Revenue and $236 million in state and federal savings in 2019 alone.[12]

In September 2021, HHSC launched the Healthy Texas Women Plus (HTW Plus) program with a limited, enhanced postpartum care package for women in the 12 months after pregnancy. With the goal to reduce maternal mortality and pregnancy complications in the postpartum year, covered services include cardiac medications, diabetes management supplies and medications, mental health therapies, asthma medication, among others. To ensure successful roll-out of HTW Plus, Texas needs a strong provider recruitment strategy so that specialty providers (e.g., cardiologists) and behavioral health professionals (including psychiatrists, licensed counselors, substance use disorder providers, etc.) participate in the HTW Plus network to deliver postpartum health services. At this time, HTW Plus has virtually no network of specialty or mental health providers to deliver covered services. But, during the public health emergency, women who gave birth enrolled in Medicaid have been able to keep their Medicaid insurance during the public health emergency, so HTW Plus has few clients right now.

Moreover, HHSC has indicated plans to make significant policy changes to HTW as part of the HTW 1115 demonstration waiver — changes that may have detrimental effects on women's access to care and ability for Texas to achieve critical cost savings in the program. HHSC plans to remove three critical HTW components:

1. **Auto-enrollment of new mothers** from Pregnant Women's Medicaid into HTW;
2. **Adjunctive eligibility** for women applying for HTW that are already enrolled in WIC, have a child in Medicaid, or in a household that receives SNAP or TANF; and
3. **The Simplified HTW Application Form** (Form H1867).[13]

Together, the above policies promote continuity of care for new mothers, improve access to women's health and family planning services, and positively impact the wellbeing of families. Eliminating these components not only will erode Texas' progress to improve postpartum care and women's health, but also reduce enrollment in HTW and decrease future cost savings of HTW — a result that presents a serious risk to Texas's ability to achieve the budget neutrality targets under the state's 1115 HTW waiver. Constructing barriers to enrollment and disrupting the efficiency of the current women's health programs will result in fewer women served, increasing unintended pregnancies and Medicaid births — thereby increasing Medicaid costs to the state.[14] We believe HHSC should reconsider implementation of these changes so that more, not fewer, eligible women have access to services provided by HTW and HTW Plus. However, at the very least, it is critical that the legislature monitor these pending changes and work with HHSC to identify solutions that would mitigate the detrimental impact of these changes.

Recommendations

- **We appreciate the House and Senate commitment to continued funding levels for Healthy Texas Women and Family Planning Program** as they save the state money and help Texas women get preventive care for healthy, planned pregnancies.

- **Add a rider for HHSC to both monitor and mitigate the impact of the three policy changes to HTW that HHSC intends to implement in 2021** (outlined above), including identifying and implementing solutions that would promote HTW enrollment, increase clients served, and generate cost savings.

- **Amend Rider 37 to add HTW Plus to the existing Women's Health Savings and Performance Report in order to track progress, service utilization, the need or demand for postpartum care services, and provider network capabilities in this new program.** For FY 2021, the legislature appropriated $14.6 million All Funds for HTW Plus initial implementation in FY 2021. The House and Senate budgets doubled the prior funding level and proposed $29 million All Funds for HTW Plus for the 2022-23 biennium (See Rider 41 in House budget, Rider 38 in SB 1). We are concerned that HTW Plus program operations, provider recruitment efforts, and technical assistance needed to effectively implement and oversee a new program — while implementing changes to the existing HTW program — could exceed the proposed amount allotted to HTW Plus. If cost and utilization of postpartum services in HTW Plus take away from or jeopardize funding for women's preventive and family planning care in HTW, that is not in the best interest of Texas women or the state. As such, it is critical to continually track progress, utilization, cost savings, and demand as HTW Plus is implemented.

Adopt health coverage options that would cover more uninsured workers and promote health for moms and babies

Texans want moms to have healthy pregnancies and Texas babies to have a healthy start to life. We want our fellow Texans to get the health care they need to address concerns like postpartum depression, a lump that could be cancer, a medical issue that needs physical therapy, or a pregnancy complication that needs immediate attention. And we want them to get that help early — when care is often cheaper and more effective — instead of waiting until things get worse.

Unfortunately, one in four Texas women of reproductive age is uninsured, the worst rate in the nation — and we know the COVID-19 pandemic has only exacerbated these rates. Texas is one of the only states where Medicaid is typically not available to women with jobs below the poverty line, except during their pregnancy and 60 days after pregnancy. When Texas women become uninsured 60 days after pregnancy, they may only have access to the state's new HTW Plus program (See graph below). HTW Plus is an important advancement; but, as opposed to 12-month postpartum Medicaid coverage, HTW Plus does not cover many important services, including a broad prescription drug benefit, surgical care, hospital inpatient or outpatient care, and physical therapies, and has virtually no network of specialty or mental health providers to deliver covered services right now.

When medical complications crop up in the year after pregnancy, it can lead to tragedy for moms, expensive hospital stays, costs to the state and health system, and harmful health effects on mom and baby during the critical early years of a child's brain development. For example, untreated postpartum depression can harm a mom's health and her child's brain development, language skills, and school readiness.

Recommendations

- **Extend Medicaid coverage for new mothers from 60 days to one year postpartum, as recommended by Texas' Maternal Mortality & Morbidity Review Committee.** Improving access to Medicaid insurance has been associated with increased use of postpartum outpatient care, particularly for women who have had pregnancy complications.[15] Maternal deaths are only the tip of the iceberg in Texas, with many more Texas mothers facing severe pregnancy complications that can lead to expensive hospital stays and have harmful health effects on mom and baby during the critical early years of a child's brain development. Access to health insurance is key for addressing these challenges. HTW Plus is an important advancement and could be the backbone for a comprehensive benefit program through postpartum Medicaid. Over 60 national organizations support extending Medicaid postpartum coverage to 12 months, including American Medical Association, the American College of Obstetricians and Gynecologists (ACOG), the American Academy of Family Physicians, March of Dimes, and the Society for Maternal-Fetal Medicine.

- **Create a Texas plan to cover more uninsured workers with a 90% federal match.** Texas is one of the only remaining states where uninsured workers with jobs below the poverty line — like child care educators, grocery store cashiers, and aides to seniors and people with disabilities — typically can't get Medicaid. Texas Medicaid is currently limited to mostly children, pregnant women, people with disabilities and low-income seniors. A Texas plan to take federal dollars at 90% federal match would help fill in the gap between the budget and the revenue estimate.
    - New analysis commissioned by Episcopal Health Foundation found that the non-federal costs would be $1.3 billion over a biennium and state savings would total $1.4 billion over a biennium, for a net state budget savings of about $100 million over a biennium.[16]
    - Texas 2036's Health Coverage Policy Explorer provides a tool to find a Texas solution that qualifies for a 90% federal match and shows that Texas can make dramatic increases to coverage at virtually no cost to the state.[17]
    - Affordable health insurance options for more Texans will increase families' ability to get health care when they need it, reduce skipped medical care, and lower the threat of medical debt and bankruptcy. A Texas plan that leverages the 90% federal funds and provides health coverage makes sense for our state budget.

Texas Has Important Health Programs for Women, But There Are Big Gaps That Significantly Limit Women's Access to Health Care.

Each Program Has Either Very Limited Eligibility or Very Limited Services

	Medicaid for Parents	Medicaid for Pregnant Women	Healthy TX Women & Family Planning Program
Serves Women in Low Wage Jobs*	✗	✓	✓
Comprehensive Health Services	✓	✓	✗
Available Before Pregnancy or 60 Days After *	✓	✗	✓

* Under state policy, a parent with dependent children must have an annual household income of less than about $3,000 per year for a family of three to qualify for Texas Medicaid, meaning Medicaid is unavailable to almost all low-income adults in Texas unless they are seniors, have a disability, or are pregnant.

TEXANS CARE for CHILDREN

[1] Center for Children and Families & Commonwealth Fund. "Jeopardizing a Sound Investment: Why short term cuts to Medicaid Coverage During Pregnancy and Childhood Could Result in Long Term Harm." (Dec 2020).
[2] See Texas Medical Association. Maintain Medicaid Eligibility for Pregnant Women. Testimony to House Appropriations Subcommittee Article II. (Feb 2017). Available at: https://www.texmed.org/Template.aspx?id=44303#:~:text=In%202003%2C%20Texas%20reluctantly%20reduced,costs%20in%20the%20next%20biennium.&text=As%20a%20result%2C%20Medicaid%20costs,reversed%20the%20cut%20in%202013.
[3] Center for Children and Families & Commonwealth Fund. "Jeopardizing a Sound Investment: Why short term cuts to Medicaid Coverage During Pregnancy and Childhood Could result in Long Term Harm." (Dec 2020).
[4] Ibid.
[5] Center for Children and Families. "Children's Uninsured Rate Rises by Largest Annual Jump in More Than a Decade." (Oct. 2020). Available at: https://ccf.georgetown.edu/wp-content/uploads/2020/10/ACS-Uninsured-Kids-2020_10-06-edit-3.pdf
[6] Ibid.
[7] Analysis by Every Texan based on Kaiser Family Foundation and American Community Survey data. Kaiser Family Foundation, "Distribution of Eligibility for ACA Health Coverage Among those Remaining Uninsured as of 2019." Available at: https://www.kff.org/health-reform/state-indicator/distribution-of-eligibility-for-aca-coverage-among-the-remaining-uninsured/?dataView=1&currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22texas%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D.
[8] Legislative Budget Board. Summary of Recommendations - Senate, Health and Human Services Commission. (Feb. 2021). Available at https://www.lbb.state.tx.us/Documents/SFC_Summary_Recs/87R/Agency_529.pdf
[9] See Kaye, K., Gootman, J.A., Ng, A. S., & Finley, C. The Benefits of Birth Control in America: Getting the Facts Straight. The National Campaign to Prevent Teen and Unplanned Pregnancy. (2014). Available at https://powertodecide.org/sites/default/files/resources/primary-download/benefits-of-birth-control-in-america.pdf. See Thomas, A. Three strategies to prevent unintended pregnancy. Journal of Policy Analysis and Management, 31(2), 280–311 (2012) (finding a return of $5.62 for every dollar spent on Medicaid-financed family planning services). Orr, S.T., et. al. Unintended pregnancy and preterm birth. Pediatric and Perinatal Epidemiology. 14, 309-313 (2000)(finding that unintended pregnancies were twice as likely to result in a preterm birth as planned pregnancies). Peipert, J.F., et. al. Preventing unintended pregnancies by providing no-cost contraception. Obstetrics and Gynecology, 120(6), 1291–1297 (2012)(finding that offering contraception counseling and contraceptive method of choice reduced abortion rates by 25 percent between 2008 and 2012). Miller, A. (2011). The effects of motherhood timing on career path. Journal of Population Economics, 24(3), 1071–1100; Buckles, K. (2008). Miller, A. The effects of motherhood timing on career path. Journal of Population Economics, 24(3), 1071–1100 (2011)(finding that find that women do significantly better in the labor market when they can better time their entry into parenthood, including a 3% increase in weekly wages and a 9% increase in career earnings for each year of delayed childbearing, even after accounting for differences in other background characteristics).
[10] Frost J, et al. Return on Investment: A Fuller Assessment of the Benefits and Cost Savings of the US Publicly Funded Family Planning Program. Guttmacher Institute. The Milbank Quarterly. 92(4), 667-720 (2014) (finding a savings of $5.68 for every $1 spent on publicly-funded family planning services). Thomas, A. Three strategies to prevent unintended pregnancy. Journal of Policy Analysis and Management, 31(2), 280–311 (2012) (finding a

return of $5.62 for every dollar spent on Medicaid-financed family planning services). See Kaye, K., Gootman, J.A., Ng, A. S., & Finley, C. The Benefits of Birth Control in America: Getting the Facts Straight. The National Campaign to Prevent Teen and Unplanned Pregnancy. (2014).
[11] Texas Health and Human Services. Women's Health Programs Report Fiscal Year 2019. (May 2020). Available at https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2020/tx-womens-health-programs-report-fy-2019.pdf.
[12] Texas Health and Human Services. Women's Health Programs Report Fiscal Year 2019. (May 2020).
[13] Removal of the simplified form will disincentivize providers from engaging in application assistance due to the administrative burden that limits their capacity to provide direct services to women.
[14] Texas must maintain budget neutrality as part of this 1115 waiver, meaning that the demonstration project does not result in Medicaid costs to the federal government that are greater than what the federal government's Medicaid costs would likely have been absent the demonstration. HTW is expected to achieve this goal by increasing access to women's health and family planning services, which in turn will reduce the number of unintended pregnancies, improve birth spacing, and reduce the number of premature deliveries and low-birth weight infants funded through Medicaid. Eliminating the above three policies could drastically decrease enrollment in HTW and access to women's preventive care — which presents a serious risk to Texas's ability to achieve the budget neutrality expenditure targets included in the Standard Terms and Conditions of the approved waiver and ensure continued federal funding.
[15] Gordon SH, Sommers BD, Wilson IB, Trivedi AN. Effects of Medicaid expansion on postpartum coverage and outpatient utilization. Health Aff (Millwood). 39(1):77-84 (2020).
[16] https://www.episcopalhealth.org/research-report/impact-of-medicaid-expansion-on-the-state-budget-in-texas/
[17] https://texas2036.org/health-coverage-explorer/