

## Public notice

Virginia's Title XXI Child Health Insurance Plan (CHIP) covers children with family income from 143% to 200% federal poverty level (FPL) under a separate child health plan known as the Family Access to Medical Insurance Security Plan (FAMIS). Virginia's Title XXI Health Insurance Flexibility and Accountability (HIFA) Demonstration has two objectives. First, it expands Title XXI coverage to uninsured pregnant women with family income up to 200% FPL (with a 5% income disregard) who are not eligible for Medicaid, through a program known as FAMIS MOMS. Second, it uses Title XXI funds to support a health insurance premium assistance program known as FAMIS *Select*. Children must first be found eligible and enroll in FAMIS before electing coverage through FAMIS *Select*.

Targeting these two populations -- uninsured pregnant women with family income up to 200% FPL (with a 5% income disregard) who are not eligible for Medicaid, and FAMIS-eligible children with access to employer-sponsored or private health insurance – is expected to yield the following outcomes:

- A decrease in the rates of uninsurance among pregnant women,
- An increase in participation in premium assistance in CHIP,
- An increase in access to appropriate medical services, and
- An improvement in certain health outcomes of children.

Virginia's current HIFA Demonstration is approved through June 30, 2016. The Department of Medical Assistance Services (DMAS) proposes to make the following changes to the Demonstration:

- Expand eligibility to include pregnant women who have access to the state employee health plan and who are otherwise eligible for the FAMIS MOMS program; and,
- Add dental services to the benefits available to FAMIS MOMS program enrollees.

No changes are proposed for the FAMIS *Select* program.

### **Background -- FAMIS MOMS**

The purpose of the FAMIS MOMS program is to provide prenatal care to uninsured women living within the Title XXI income range and likely to give birth to a FAMIS-eligible child. The FAMIS MOMS program provides eligible pregnant women the same comprehensive coverage that pregnant women receive from the Virginia Medicaid program. There is no difference in covered services, service limitations, or pre-authorization requirements. The cost sharing requirements for FAMIS MOMS are consistent with those described in the Medicaid State Plan for pregnant women. There are no premiums, enrollment fees, or co-payments for pregnancy-related services. However, consistent with Title XXI requirements, to be eligible for FAMIS MOMS a pregnant woman must be uninsured, not an inpatient in an institution for mental diseases, and – under current policy – not a member of a family eligible for coverage under the state employee health insurance plan. Under the Demonstration infants born to FAMIS children and FAMIS MOMS are deemed eligible for Medicaid or CHIP coverage, as appropriate, on the date of birth and remain eligible until age 1, unless, after a reasonable

opportunity period, DMAS fails to obtain satisfactory documentation of citizenship and identity.

In 2012 health care coverage for pregnant women under FAMIS MOMS was extended to otherwise eligible lawfully residing immigrants, including those in their first five years of lawful residency in the United States, pursuant to § 214 of the Children's Health Insurance Program Reauthorization Act of 2009.

FAMIS MOMS uses the same health care service delivery systems (fee-for-service and managed care organizations) as FAMIS. All pregnant women are initially enrolled under fee-for-service. Approximately 90% of new enrollees are transferred to a managed care organization (MCO) within two months.

## **Proposal**

In September 2014, Governor McAuliffe announced *A Healthy Virginia* – his ten-point plan to improve access to health care services for residents of the Commonwealth. This plan includes initiatives to enhance access to health care coverage under FAMIS and FAMIS MOMS.

### *Access to coverage for dependents of state employees*

The Patient Protection and Affordable Care Act (2010) permits states to extend eligibility in the state's CHIP program (FAMIS) to children of state employees who are otherwise eligible under the state child health plan. At the Governor's direction, DMAS has taken necessary steps to implement this option. DMAS now proposes to extend this opportunity to pregnant women who may access coverage under the state employee health plan and are otherwise eligible for FAMIS MOMS, by amending the Demonstration project.

The FAMIS MOMS upper income limit is set at 200% FPL. For a parent with one child, an income of 200% FPL is \$2,622 a month or \$31,460 annually (gross income). The median state salary is \$38,957 a year while the lowest state salary is \$15,371. There are approximately 33,000 state employees with salaries between the lowest and median amounts. The average household size is two. Last year, more than 9,600 full-time state employees qualified for the Earned Income Tax Credit, a federal tax subsidy for lower-income working families.

State employees may cover their dependents through their employee health insurance, but for many families this is not an affordable option. Employees who choose this option face an increase in their insurance premium contributions of approximately \$100 to \$200 per month. Even with the most comprehensive coverage, employees must also pay co-pays of up to \$40 for doctor visits. These out-of-pocket expenses represent a significant reduction in take home pay for many state workers. Some may be forced to opt for employee-only coverage, thereby leaving their dependent family members, including a wife who is or may become pregnant, with no health insurance; others may struggle to pay for rent or other necessities because of the additional cost for their health insurance. Low-income state workers who are pregnant face these same financial struggles and difficult choices about insurance coverage. Reduced access to covered medical services creates increased health risks for pregnant women and their unborn babies. Providing the option to enroll in FAMIS MOMS alleviates a potential barrier to accessing prenatal care and improves the likelihood of a positive birth outcome.

## *Dental care for pregnant women*

At the Governor's direction, Virginia's nationally recognized *Smiles For Children* program is expanding to provide dental benefits to pregnant women in Medicaid. DMAS now proposes to extend these benefits to pregnant women who are otherwise eligible for FAMIS MOMS by amending the Demonstration project.

Dental coverage for pregnant women enrolled in Medicaid or FAMIS MOMS will assist in improving the dental health of the mother, decrease dental emergencies, help deliver a healthy baby and prevent the transmission of cavity-causing bacteria from mother to baby. DMAS is working with the dental benefits administrator, DentaQuest, to implement an oral health program for pregnant women enrolled in Medicaid and FAMIS MOMS. The services are inclusive of those provided in Virginia's *Smiles For Children* program, and similar in scope to dental services available through the Department of Human Resource Management dental benefits for state employees. Services for pregnant women will include the following:

- Diagnostic (x-rays, exams);
- Preventive (cleanings);
- Restorative (fillings);
- Endodontics (root canals);
- Periodontics (gum related treatment);
- Prosthodontics- both removable and fixed (crowns, bridges, partials and dentures);
- Oral surgery (extractions and other oral surgeries), and;
- Adjunctive general services (all covered services that do not fall into specific dental categories).

Pregnant women enrolled in Medicaid and FAMIS MOMS who are 21 years of age and older will be eligible to receive comprehensive benefits, excluding orthodontics, covered by the *Smiles For Children* program. These benefits will be discontinued at the end of the month following the 60<sup>th</sup> day postpartum.

## **Estimated Enrollment and Expenditures**

Actions of the General Assembly in 2013 ended enrollment of new participants in FAMIS MOMS effective January 1, 2014. As a result, enrollment declined steadily over 2014 as women gave birth and their benefits ended. Overall in FFY 2014, enrollment in FAMIS MOMS averaged 884 pregnant women monthly. The cost of health care benefits during this time period totaled \$12,593,890. Administrative costs for both components of the Demonstration (FAMIS MOMS and FAMIS *Select*) totaled \$294,705. The total cost of the Demonstration was \$13,155,698 of which \$8,551,204 was paid by the federal Title XXI fund and \$4,604,494 paid by the state general fund.

Enrollment in FAMIS MOMS was reinstated on December 1, 2014. In the first two months, 247 women enrolled; fiscal forecasts are based on a monthly average of 776 during FFY 2015. Eligibility for FAMIS MOMS is highly dependent on family income. While data on the range and averages of state employee income are available, information on the total family income is not known. Therefore, DMAS does not have a reliable estimate of the

number of pregnant women with options for coverage under the state health plan who may be eligible to enroll in FAMIS MOMS.

The projected expense for adding dental coverage for pregnant women in Medicaid and FAMIS MOMS to the DentaQuest contract has been calculated at \$0.13 per member per month. Based on the average monthly enrollment of 776 pregnant women in FAMIS MOMS, this equates to a cost of \$807 for the remainder of FFY 2015.

### **Hypothesis and Evaluation**

DMAS expects that FAMIS MOMS will continue to be a viable option to obtain quality health care coverage for uninsured pregnant women with family income up to 200% of the federal poverty level who are not eligible for Medicaid. DMAS further expects that pregnant women participating in FAMIS MOMS will receive preventive and treatment dental services. DMAS will evaluate these hypotheses through analyses of enrollment and dental services utilization data.

### **Waiver and Expenditure Authority**

Under the authority of section 1115(a)(2) of the Social Security Act, DMAS may extend health insurance coverage through the CHIP program for those uninsured pregnant women with incomes up to and including 200% of the federal poverty level, including lawfully residing pregnant women.

Under Section 1115 (a) of the Social Security Act, infants born to FAMIS children or FAMIS MOMS are deemed eligible for Medicaid or CHIP coverage, as appropriate, on the date of birth, and remain eligible until attaining the age of 1, unless, after a reasonable opportunity period, DMAS fails to obtain satisfactory documentation of citizenship and identity.

The following title XXI requirements are not applicable for the Virginia FAMIS MOMS and FAMIS *Select* section 1115 Demonstration:

#### 1. General Requirements, Eligibility and Outreach Section 2102

The Commonwealth's Child Health Insurance Plan (CHIP) does not have to reflect the demonstration populations, and eligibility standards do not have to be limited by the general principles in section 3202(b) of the Act. To the extent other requirements in section 2102 of the Act duplicate Medicaid or other CHIP requirements for these or other populations, they do not apply, except that the State must perform eligibility screening to ensure that the demonstration populations do not include individuals otherwise eligible for Medicaid.

#### 2. Cost Sharing Section 2103(e)

Rules governing cost sharing under section 2103(e) of the Act shall not apply to the FAMIS *Select* population to the extent necessary to enable the State to impose cost

