



Contraceptive Coverage in the Texas Children's Health Insurance Program (CHIP)

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EXECUTIVE SUMMARY

The Children's Health Insurance Program (CHIP) provides health care coverage for the children of low-income working families who earn too much to qualify for Medicaid.

Texas is one of just two states in the nation that does not cover contraception in CHIP for purposes of pregnancy prevention. Teens on CHIP who need to access birth control must navigate a confusing maze of other safety net programs.

By restricting access to birth control within CHIP, this policy:

- leaves thousands of CHIP enrollees at risk of unintended pregnancy;
- increases state costs associated with Medicaid coverage of unintended teen births;
- incentivizes CHIP enrollees to seek contraception through programs that are more expensive to the state; and
- creates confusion among providers, resulting in denial of services to teens who are eligible for birth control for medical reasons other than pregnancy prevention.

Among teens aged 13-19 who were enrolled in CHIP in Fiscal Year 2018, over 1,500 experienced a documented pregnancy within the next year, and as a result, were enrolled in Pregnant Women's Medicaid. While pregnancy rates are low among younger teens, 6% of 18-year-old females enrolled in CHIP in FY 18 had a documented pregnancy funded by CHIP or Medicaid by the following year.

To reduce rates of unintended teen pregnancy in this population and help young women achieve their goals, it is critical that we add contraception as a covered benefit in the Texas CHIP program.

This policy change would result in cost savings to the state. Based on analysis by the Legislative Budget Board, any costs associated with covering contraception in CHIP would be more than offset by Medicaid and CHIP savings associated with averted births; these cost savings could become significant over time.¹

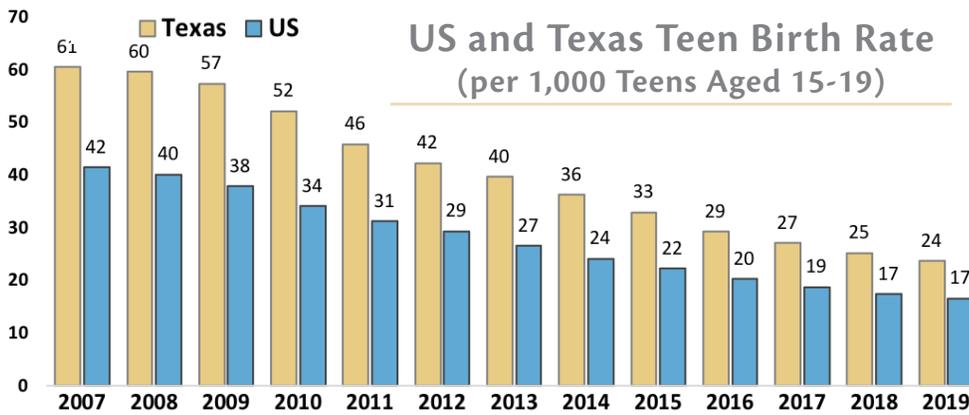
TEEN BIRTH IN TEXAS

The teen birth rate has declined dramatically in recent years, both in the state of Texas and nationwide. In Texas, the teen birth rate has decreased by half in the last decade alone. **Access to effective contraception is a key factor associated with the decline in teen pregnancy and teen birth rates.**ⁱⁱ While rates of sexual activity have declined, 50% of Texas youth still report having been sexually active by their junior year of high school.ⁱⁱⁱ Research shows that providing contraceptive access does not increase sexual risk-taking behavior, but is effective at reducing rates of unintended pregnancy and abortion.^{iv}

Despite this decline, Texas consistently maintains one of the highest rates of teen pregnancy, teen birth, and repeat teen birth in the nation. In 2019, the most recent year for which data are available, Texas had the 9th highest rate of teen birth, with 2.4 percent of teens aged 15-19 having a baby that year.^v There were 24,382 births to teen parents in 2019. This equates to a baby born to a teen mother in Texas once every 22 minutes. Nearly one out of five teen births in Texas are a repeat birth.^{vi}

Teen birth rates of many regions and populations within Texas show significant disparities. Youth of color, youth living in poverty, youth in rural areas, and youth with a history of trauma disproportionately experience early childbearing. Additionally, some counties in Texas have rates of teen birth more than twice as high as the overall state rate. Rates are highest among counties in west Texas and the Rio Grande Valley.

Among teens aged 13-19 who were enrolled in CHIP in FY 2018, more than 1,500 experienced a documented pregnancy within the next year.



Source: Texas Campaign Analysis of CDC Natality data

DATA NOTE

The teen birth rate is commonly expressed as rate per 1,000 females aged 15-19. The teen birth rate can also be shown as a percentage. For example, a teen birth rate of 50 per 1,000 is the equivalent of 5% of teens giving birth in that year.

BACKGROUND

The Children’s Health Insurance Program (CHIP) originally was authorized in 1997 to provide health insurance coverage for the children of working families whose income disqualifies them for the Medicaid program.^{vii} The program was most recently extended by the 2018 Healthy Kids Act.^{viii} Along with Medicaid, the CHIP program has increased health coverage among low-income children, resulting in improved access to care, utilization, and financial protection; the programs also have improved equity in coverage for children of color.^{ix}

While Medicaid funds care for Texas children whose families earn up to 144% of the Federal Poverty Level (FPL) (for children aged 1 – 5) or 133% of the FPL (for children aged 5 – 18), CHIP funds health coverage for children with families who earn between the Medicaid income limit and 201% FPL. For example, a family of four with an annual income under \$52,668 would qualify for CHIP.^x Enrollees must be citizens or legal permanent residents.

Children in Texas are eligible for CHIP coverage through the end of the month of their 19th birthday.^{xi} In FY 2018, 410,000 children were enrolled on average each month in Texas’s CHIP program. Of these, 82,935 were between the ages of 15-19. This average monthly enrollment is lower than the total number of individual children who were enrolled at any point throughout the year.

The federal government pays a percentage of services provided in both Medicaid and CHIP. However, CHIP services draw a much higher federal match than Medicaid. In FY 2021, the federal government will pay for more than three-fourths of the cost of CHIP claims in Texas, with the state paying just one-fourth. This high

FMAP and EFMAP

Medicaid services are funded at the federal medical assistance percentage (FMAP), while CHIP services are funded at the enhanced federal medical assistance percentage (EFMAP).^{xiv} Additionally, the Affordable Care Act provided a temporary 23 point increase to the EFMAP in federal fiscal years 2016-2019. In 2019, the federal government funded 93.71% of services in CHIP in Texas, dropping to 88.46% in FY 20 and 73.27% in FY 21, plus a 4.34 point increase for the duration of the public health emergency (PHE) related to the COVID-19 pandemic.^{xv} The FY 21 Texas FMAP rate is 61.81%, plus a 6.2 point increase for the duration of the PHE. Family planning services draw a 90% federal match.

federal match makes services provided through CHIP an excellent value to Texas. By comparison, the federal match for Medicaid services in FY 2021 is approximately 62%, plus a 6.2% increase for the duration of the public health emergency related to COVID-19, with the state paying the remaining 32%. Additionally, in Medicaid, the federal government pays a 90% match for claims related to family planning, with the state paying just 10% of those costs.^{xii}

Texas operates its CHIP program separately from Medicaid. States may choose to operate CHIP as a Medicaid expansion, in which case benefits are identical to the Medicaid benefit package; or, like Texas, states may opt to provide CHIP as a separate program, in which case the benefits package may vary.

Another Texas program, CHIP Perinatal, provides limited coverage to pregnant women, primarily non-citizens. To distinguish it from CHIP Perinatal, the children’s CHIP program is commonly referred to as “traditional CHIP” or “regular CHIP.” The CHIP Perinatal program would not be impacted by the policy changes referenced in this brief.

CONTRACEPTIVE COVERAGE IN CHIP

Texas is one of just two states, along with North Dakota, that does not provide contraceptive coverage in CHIP for purposes of pregnancy prevention. (See Appendix A for list of contraceptive coverage in CHIP state plans).

Under the Texas Health and Safety Code, any reproductive health care offered in the CHIP plan must be “related to diseases, illnesses, or abnormalities related to the reproductive system.”^{xvi} In Texas, clinicians prescribing contraception that will be billed through CHIP must document medical need other than pregnancy prevention, such as endometriosis or Polycystic Ovary Syndrome.^{xviiixviii} In North Dakota, medical authorization related to a reason other than pregnancy prevention also is required for provision of contraception.^{1 xix}

Since the implementation of the CHIP program, the few states that did not initially cover contraception have steadily added birth control as a benefit. For example, the Montana CHIP program, Healthy Montana Kids (HMK), previously did not cover birth control, but was obligated to extend coverage following a lawsuit in 2012. In the ruling, a Montana District Court Judge found the exclusion unconstitutional, noting, “It is impermissible the HMK pays for the full panoply of prenatal, delivery, and post-partum medical services for minors who choose to carry a pregnancy to term, while denying payment for the associate medical services for minors who choose to avoid pregnancy.”^{xxi}

1 The North Dakota CHIP state plan filed with CMS notes, “There is no coverage for any medication or device designed to prevent pregnancy including any oral or other forms of contraceptive drugs, contraceptive devices or appliances or delivery.” In FY 2018, there were 7,417 children between the ages of 0 – 18 enrolled in the North Dakota CHIP program.

In addition to loss of coverage for teens who wish to prevent pregnancy, this requirement creates an administrative burden for providers. Youth-serving professionals report that some providers erroneously believe that CHIP categorically does not cover contraception, even in the case of medical need.^{xx}

If a teen on CHIP needs to access contraception and does not have a documented medical need, she must navigate program eligibility and seek care through another funding stream – potentially at higher cost to the state. For example, a teen on CHIP would meet eligibility criteria for the state’s Family Planning Program. However, this program is persistently underfunded and many Texas counties do not have a clinic location.

Additionally, this alternative comes at a significant cost to the state. **The state of Texas pays 100% of the costs of providing contraception to teens though the Family Planning Program but would pay only about 25% of the cost of providing contraception through CHIP.** This is because the Family Planning program is funded 100% with state General Revenue, while 90% of family planning related costs in CHIP would be covered by federal funds.

Because they have creditable health insurance, teens on CHIP are not permitted to enroll in the Healthy Texas Women Program, which is now federally funded as a Medicaid 1115 Waiver program.



PREGNANCIES AMONG YOUTH IN CHIP

When a youth on CHIP becomes pregnant, agency policy is to transfer the teen to the Pregnant Women's Medicaid Program upon verification of pregnancy.^{xxii}

In FY18, there were almost 90,000 female teens (aged 13 – 18) who were enrolled in the Texas CHIP program for at least three months. Among this cohort, 1,530 teens experienced a documented pregnancy in FY18 or FY 19 and were transferred to Pregnant Women's Medicaid. Additionally, 62 pregnant teens were not transferred to Medicaid and their delivery was covered by CHIP. (This does not include teens who delivered on the separate CHIP Perinatal program).

While pregnancy rates are low among younger teens, they are much higher among older teens. Among the cohort of teens enrolled in CHIP in FY18, 365 17-year-old girls (3% of total enrollees) and 608 18-year-old girls (6% of total enrollees) experienced a documented pregnancy within the next year.

Not including prenatal care, the average delivery cost for an adolescent on Medicaid was \$3,188 in FY 17, the most recent year of data available.^{xxiii} Additionally, the infants would be eligible for Medicaid coverage.

COUNT OF PREGNANCIES IN CHIP

Age	FY18 Traditional CHIP Female Enrollment Count ("Cohort Members")	Cohort Members Transferred to Medicaid for Pregnant Women in FY18-19
13	16,977	3
14	16,267	21
15	15,580	76
16	15,140	165
17	14,427	365
18	11,281	608
19	*	292
Total	89,671	1,530

*This figure includes teens who had been enrolled in CHIP in the last three months.

Age	Cohort Members with a Delivery Covered by Traditional CHIP in FY18-19
13	1
14	2
15	6
16	9
17	21
18	19
19	4
Total	62

Source: TX CHIP Female Cohort Outcomes FY18-19 final.xlsx. CHIP_HX database HHSC; 8-Month Eligibility Database, HHSC; DSP database, HHSC; AHQP Claims Universe, TMHP; Enc_Best Picture Universe, TMHP. Produced by HHSC Data Quality and Dissemination, Center for Analytics and Decision Support. August 2020.

DATA NOTE

The pregnancy rate in this group of CHIP enrollees is not directly comparable to overall state teen birth rates. This "cohort analysis" follows teens who were enrolled in CHIP for at least three months in FY2018, and assesses the number of documented pregnancies by the end of FY 2019. In contrast, the teen birth rate counts all live births to teens in a calendar year, divided by a population estimate for that year. In 2019, approximately 3% of 18 year old females and 6% of 19 year old females in Texas gave birth.



POLICY RECOMMENDATION

The Texas Legislature should amend Chapter 62 of the Health and Safety Code to permit coverage of FDA-approved contraceptive methods in CHIP. This would align with CHIP policy nationwide and would ensure that low-income young women have opportunities to achieve their goals and provide a strong start for their families.

In the 86th Legislative Session, a bill that would have accomplished this policy change, House Bill 800, received bipartisan support and House engrossment but was not taken up by the Senate. HB 800 would have required the CHIP state plan to cover reversible (non-permanent) contraceptive methods. Consent would be required from the parent or legal guardian, unless the child was authorized to consent to their own medical care under Chapter 32 of the Texas Family Code. The bill would have not permitted the coverage of abortifacients in CHIP. The fiscal note for HB 800 projected cost savings associated with averted pregnancies.²

We recommend that the Texas Legislature approve similar legislation in the 87th Legislative Session, such as HB 835, filed by Rep. Donna Howard (D – Austin). This policy change could reduce unintended teen pregnancies and create financial savings for the state.

HB 800 FISCAL NOTE

"It is assumed any costs associated with providing the additional CHIP benefit would be more than offset by Medicaid and CHIP savings associated with averted births. Savings would not be expected to be significant in the 2020-21 biennium but could become significant in fiscal year 2022 and beyond."

HB 800. 86th Regular Legislative Session (2019).



APPENDIX: CHIP Contraceptive Coverage in the United States

As of 2020, 48 states and the District of Columbia cover contraception in the CHIP program for purposes of pregnancy prevention. Texas and North Dakota cover contraception in CHIP only in cases in which it is needed for purposes other than pregnancy prevention.

States may offer CHIP coverage as a Medicaid expansion, in which case benefits are identical.

They may also offer CHIP as a standalone or combination program, in which case states have more latitude to set program benefits.

To confirm coverage of contraception, we reviewed documents including CHIP state plans filed with the Department of Health and Human Services Centers for Medicare & Medicaid Services (CMS); health plan benefit guides for providers or members; and court filings or news coverage related to changes in family planning benefits in CHIP programs.

The table below outlines coverage for contraception in CHIP programs in 50 US states and the District of Columbia.

STATE	CHIP PROGRAM	TYPE OF CHIP PROGRAM	CONTRACEPTIVE COVERAGE?
Alabama	ALL Kids	Separate CHIP	Yes
Alaska	Denali Kidcare	Medicaid Expansion	Yes
Arizona	KidsCare	Separate CHIP	Yes
Arkansas	ARKids First	Combination	Yes
California	Healthy Families (SCHIP)	Combination	Yes
Colorado	Child Health Plan Plus (CHP+)	Combination	Yes
Connecticut	HUSKY (Part B)	Separate CHIP	Yes
Delaware	Healthy Children (DHCP)	Combination	Yes
District of Columbia	DC Healthy Families	Medicaid Expansion	Yes
Florida	Florida KidCare, Florida Health Kids	Combination	Yes
Georgia	PeachCare for Kids	Separate CHIP	Yes
Hawaii	QUEST	Medicaid Expansion	Yes
Idaho	Idaho Health Plan for Children, SCHIP	Combination	Yes
Illinois	ALL Kids	Combination	Yes
Indiana	Hoosier Healthwise	Combination	Yes
Iowa	Healthy and Well Kids in Iowa (Hawk-I)	Combination	Yes
Kansas	Healthwave	Separate CHIP	Yes
Kentucky	KCHIP	Combination	Yes
Louisiana	LaCHIP	Combination	Yes
Maine	MaineCare	Combination	Yes
Maryland	Maryland Children's Health Program (MCHP)	Medicaid Expansion	Yes

STATE	CHIP PROGRAM	TYPE OF CHIP PROGRAM	CONTRACEPTIVE COVERAGE?
Massachusetts	MassHealth	Combination	Yes
Michigan	MiChild	Combination	Yes
Minnesota	MinnesotaCare	Combination	Yes
Mississippi	CHIP	Separate CHIP	Yes
Missouri	MO HealthNet for Kids	Combination	Yes
Montana	Healthy Montana Kids (HMK)	Combination	Yes
Nebraska	Kids Connection	Combination	Yes
Nevada	Nevada Check Up	Combination	Yes
New Hampshire	Healthy Kids	Medicaid Expansion	Yes
New Jersey	NJ Family Care	Combination	Yes
New Mexico	New Mexikids/MexiTeens	Medicaid Expansion	Yes
New York	Child Health Plus (CHPlus, CDPHP)	Combination	Yes
North Carolina	NC Health Choice for Children (NCHC)	Combination	Yes
North Dakota	Healthy Steps	Combination	No
Ohio	Healthy Start	Medicaid Expansion	Yes
Oklahoma	SoonerCare	Combination	Yes
Oregon	Healthy Kids	Separate CHIP	Yes
Pennsylvania	CHIP	Separate CHIP	Yes
Rhode Island	Rite Care	Combination	Yes
South Carolina	Healthy Connections Kids	Medicaid Expansion	Yes
South Dakota	CHIP	Combination	Yes
Tennessee	CoverKids	Combination	Yes
Texas	Texas CHIP	Separate CHIP	No
Utah	CHIP	Separate CHIP	Yes
Vermont	Dr. Dynasaur	Medicaid Expansion	Yes
Virginia	Family Access to Medical Insurance Security (FAMIS)	Combination	Yes
Washington	Apple Health for Kids	Separate CHIP	Yes
West Virginia	CHIP	Separate CHIP	Yes
Wisconsin	BadgerCare Plus	Combination	Yes
Wyoming	KidCare CHIP	Separate CHIP	Yes

Sources: Kaiser Family Foundation State Health Facts (Medicaid and CHIP); Texas Campaign Analysis of CHIP state plans

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THE TEXAS CAMPAIGN TO PREVENT TEEN PREGNANCY is a statewide, nonpartisan 501(c)3 nonprofit organization which aims to reduce teen pregnancy through research, advocacy, collaboration, and training. Our vision is that every Texas teen has access to the information and resources needed to prevent unintended pregnancy.

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