

**Children's Health Insurance Program Perinate Policy**  
**(As directed by the 79<sup>th</sup> Legislature, Regular Session)**

**Summary**

In August 2005, Texas will submit a Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) to CMS to cover unborn children of non-Medicaid eligible women. Unborn children will be eligible from conception and, once enrolled, they will receive 12 months of continuous eligibility.

**Background**

On October 2, 2002, the federal Centers for Medicare and Medicaid Services (CMS) adopted a final rule relating to an unborn child's eligibility for benefits under the Separate Children's Health Insurance Program (SCHIP). The federal rule changed the definition of a "Child" (meaning a child potentially eligible for SCHIP federal funding) to read as follows-

***"Child means an individual under the age of 19 including the period from conception to birth."***

**Brief Summary of Rule**

**Eligibility**

- The rule created a new SCHIP-eligible population: unborn children whose pregnant mother is not otherwise eligible for Medicaid and/or the family income is above Medicaid eligibility levels (including Medicaid eligibility levels for pregnant women) and, in Texas, at or below 200 percent of the federal poverty level (currently \$38,700 annually, for a family of four).

**Services and Benefits**

- The rule does not provide a specified set of services for the unborn child. The rule preamble indicates that a state exercising this option has flexibility under SCHIP to define these services, but that there must be a connection between the benefits provided and the health of the unborn child. However, the rule preamble does state that post-partum care is not an allowable service for federal matching funds under a SCHIP Unborn Child State Plan Amendment.

**Texas' State Plan Amendment (SPA)**

Submit SPA to CMS in August 2005

**Eligibility**

- Unborn children whose pregnant mother is not otherwise eligible for Medicaid and/or family income is above Medicaid eligibility levels for pregnant women.
- 12-month continuous eligibility period for unborn children; CHIP remains at 6-month eligibility period.
- Unborn children exempt from 90-day waiting period and CHIP asset test (above 150% FPL)
- Goal is to enroll the unborn child in SCHIP as soon as possible
- Parent or guardian would have the right to file a Medicaid application at any time after the child is born and the state would be required to determine Medicaid eligibility at that time.
- At the end of the SCHIP 12-month eligibility period, the child would be enrolled in Medicaid if the parent applied and the child was eligible.

### Benefits

- ❑ Limited benefit package with certain restrictions for inpatient hospital services associated with labor and delivery.

### Rationale for Unborn Child Benefit Package

- ❑ Rule preamble indicates that a state exercising this option has flexibility under SCHIP to define these services, but there must be a connection between the benefits provided and the health of the unborn child.
- ❑ Federal statute does not provide a specified set of services for the unborn child.
- ❑ Texas believes their proposed benefit package meets the federal statutes.
- ❑ Good Public Policy
  - SCHIP funding gives Texas the opportunity to provide prenatal coverage during a critical time.
  - Improves the health outcomes of newborns born to non-Medicaid eligible women.
  - Increases prenatal care utilization, which increases the chances of every child being born healthy.

### Funding for Labor and Delivery

- ❑ Continue to use Title XIX (Medicaid) to pay for labor and delivery costs for the women and the newborn.
- ❑ State would draw down Title XIX (Medicaid) FMAP funds for labor and delivery and associated newborn costs.
- ❑ State would draw down Title XXI (SCHIP) FMAP for the unborn child benefit package (prenatal care and possibly other benefits related to pregnancy or to conditions that could complicate the pregnancy).