



May 3, 2024

Secretary Xavier Becerra U.S. Department of Health and Human Services 200 Independence Avenue, S.W. Washington, DC 20201

Re: Healthy Texas Women Section 1115 Demonstration Extension Application

Dear Secretary Becerra,

The Center on Budget and Policy Priorities and Georgetown University Center for Children and Families appreciate the opportunity to comment on Texas's proposed extension for its Healthy Texas Women demonstration.¹

The Center on Budget and Policy Priorities (CBPP) is a nonpartisan research and policy organization based in Washington, D.C. Founded in 1981, CBPP conducts research and analysis to inform public debates and policymakers about a range of budget, tax and programmatic issues affecting individuals and families with low or moderate incomes. The Georgetown University Center for Children and Families (CCF) is an independent, nonpartisan policy and research center founded in 2005 with a mission to expand and improve high quality, affordable health coverage for America's children and families. As part of the McCourt School of Public Policy, Georgetown CCF conducts research, develops strategies, and offers solutions to improve the health of America's children and families, particularly those with low and moderate incomes.

We support Texas's effort to continue an eligibility expansion covering family planning services and supplies (FPSS) for reproductive age individuals otherwise ineligible for comprehensive Medicaid coverage. We recommend that CMS work with the state to implement that central goal of the proposed demonstration. However, for the reasons set forth below, we urge CMS <u>not to</u> approve the specific Freedom of Choice waiver that would restrict access to providers based on the services they or their affiliates offer.

Continuing a family planning expansion would improve health in Texas.

For over a decade, Texas has refused generous federal funding to implement a Medicaid expansion that would provide coverage to 1.4 million uninsured Texans. As a result, a staggering 22% of Texas women aged 15-49 are uninsured, more than double the national average and by far the worst rate in the country. Texas's refusal to expand Medicaid has been harmful to the health and financial

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¹ Texas Health and Human Services, "Healthy Texas Women Section 1115 Demonstration Extension Application," March 2024, https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/tx-healthy-women-pa-03282024.pdf.

² "Women's Health Insurance Coverage," Kaiser Family Foundation, December 13, 2023, https://www.kff.org/womens-health-policy/fact-sheet/womens-health-insurance-coverage.

security of Texans.³ One of the few steps the state has taken to reduce the harm of not expanding Medicaid is to implement a narrower family planning expansion, known as Healthy Texas Women (HTW).

HTW currently covers family planning and related health services for individuals ages 15-44 who are at or below 200% FPL and would not be eligible for Texas Medicaid or CHIP coverage. While HTW does not offer comprehensive health care coverage, it does provide FPSS and related services to a subset of Texans who would otherwise have no coverage to those services. The HTW demonstration includes cost-free benefits such as contraception, testing, exams, STD screening and services, cancer screenings, and other preventative health services, with aims to improve access and outcomes for eligible Texans.

This coverage has been very beneficial to Texans. The annual average of HTW clients in the years 2020-2021 was 444,931 unique enrollees, with 40.7% receiving services.⁴ As the state notes in its application, it has led to increased use of family planning services, including 7,467 individuals receiving long-acting reversible contraception, which reduces unintended pregnancies and improves birth outcomes.⁵ Additionally, the state reports that the HTW breast and cervical cancer screening rate was actually higher than the equivalent screening rate for full Medicaid enrollees.⁶ The demonstration also likely saves the state significant money, as the state avoids paying for unintended pregnancies and resulting children's health care costs.

This coverage clearly promotes the objectives of Medicaid and we urge CMS to reapprove it, subject to the exceptions noted below.

Waiving Freedom of Choice harms access to health care services.

Texas's HTW extension application includes two distinct Freedom of Choice waiver topics.

First, the application includes a new request to implement mandatory managed care in the demonstration (including an additional new request to allow the state to authorize automatic reenrollment in MCOs for enrollees who lose coverage for less than six months). The effectiveness of family planning services depends on providers who are accessible and trusted by enrollees; it is critical that each enrollee is able to get care from the provider they choose without impediments. For this reason, Congress built a specific protection into the statute for Freedom of Choice (at section 1902(a)(23)(B)) to exempt family planning services from managed care network restrictions. CMS has consistently deferred to Congress's sensible mandate across numerous managed care demonstrations, including in Texas, and should not change its policy. Texas is seeking a waiver of

³ Benjamin D. Sommers, "Medicaid Expansion in Texas: What's at Stake?," April 16, 2016, https://www.commonwealthfund.org/sites/default/files/documents/ media files publications issue brief 2016 a pr 1870 sommers medicaid expansion texas v2.pdf.

⁴ UTHealth Houston School of Public Health, "Healthy Texas Women Section 1115 Demonstration Waiver Evaluation: Interim Report," December 2023, https://www.hhs.texas.gov/sites/default/files/documents/htw-1115-demonstration-interim-evaluation-report.pdf.

⁵ See supra note 1.

⁶ *Id*.

⁷ Debora Goldberg, et al., "Patient Perspectives on Quality Family Planning Services in Underserved Areas," Patient Experience Journal, 2017, https://pxjournal.org/cgi/viewcontent.cgi?article=1194&context=journal.

this provision and we do not believe that CMS should approve a restrictive managed care network in the context of a family planning expansion alone. Congress has also set the matching rate for family planning services at 90%, which facilitates the establishment of adequate provider payment rates by states. We are concerned that the lack of transparency over managed care capitation and spending may result in fewer dollars reaching family planning providers.

Second, the state requests authority to extend the current waiver allowing the state to limit Freedom of Choice of provider based on the services a provider or their affiliates provides, as per the design of a restrictive state law. The Texas state law prohibits the use of funding to contract with "entities that perform or promote elective abortions or affiliate with entities that perform or promote elective abortions" (Tex. Hum. Res. Code§ 32.024(c-l)). We strongly recommend that CMS not extend the existing Freedom of Choice of provider waiver in the Healthy Texas Women demonstration because this waiver only services to reduce access to care and is not consistent with the objectives of the Medicaid program.

Our concern stems from evidence that such an approach will limit access to the very important (non-abortion) FPSS services that the demonstration exists to promote. Texas's provider restrictions do and are *intended* to directly reduce access to a large number of providers. Only half of Texas Medicaid family planning providers are participating in the HTW program. Furthermore, many participating providers are not actually seeing any patients. When Texas transitioned to provider restrictions in 2012, it saw a dramatic decrease over multiple years in the number of individuals accessing health care and contraceptives more specifically. As access to contraceptives decreased, childbirth rates went up. While the policy purports to target abortions, the state's criteria have no clinical basis, and the policy in fact has sweeping impacts to access for a broad range of health care providers and services, including pregnancy testing, infertility treatment, prenatal care, contraception, and services to treat sexually transmitted diseases. Ultimately, the policy reduces access to care based on factors unrelated to a provider's qualifications and ability to provide covered Medicaid services.

The breadth of the state law, which includes targeting even providers that merely "affiliate" with an entity that "promotes" abortion, means that it can be manipulated to target almost any provider, for example even pharmacy services. This also means the waiver implementing the policy could be used by the state to reward a small set of favored providers, contrary to the fundamental purpose of the Freedom of Choice provision in Medicaid law. The breadth and vagueness of the state law and how the law has been implemented by the state also creates a chilling effect on providers. Providers must submit an attestation of compliance, 12 which may scare them off from participation or service

⁸ UTHealth Houston School of Public Health, "Healthy Texas Women Section 1115 Demonstration Waiver Evaluation: Interim Report," December 2023, https://www.hhs.texas.gov/sites/default/files/documents/htw-1115-demonstration-interim-evaluation-report.pdf.

⁹ *Id.*; Sophie Novack, "Without Planned Parenthood, Almost Half the Providers in Texas' Women's Health Program Saw No Patients," Texas Observer, October 16, 2018, https://www.texasobserver.org/without-planned-parenthood-almost-half-the-providers-in-texas-womens-health-program-saw-no-patients.

¹⁰ Center for Public Policy Priorities, "Excluding Planned Parenthood has been Terrible for Texas Women," August 2017, https://everytexan.org/images/HW 2017 08 PlannedParenthoodExclusion.pdf.

¹¹ Amanda J. Stevenson, et al., "Effect of Removal of Planned Parenthood from the Texas Women's Health Program," New England Journal of Medicine, March 3, 2016, https://www.nejm.org/doi/full/10.1056/nejmsa1511902.

¹² Texas Medicaid & Healthcare Partnership, "Instructions for HTW Certification and Attestation: Provider Enrollment and Management System (PEMS)," 2023, available at https://www.tmhp.com/sites/default/files/file-library/topics/provider-enrollment/PEMS-instructions-for-htw-certification.pdf.

provision, for fear of being targeted under the malleable policy, especially given concerns about miscarriage treatment getting swept into the prohibition on abortion. This is an inherent consequence of the state law itself and how it has been implemented by the state. While CMS cannot influence state law, CMS can refuse to allow Medicaid funding to be spent on a family planning demonstration that is inconsistent with longstanding Medicaid standards; CMS is especially justified in denying Texas the authority it seeks given that Medicaid pays for 90% of the cost of family planning services. The requested Freedom of Choice waiver does not promote the objectives of Medicaid, both because it reduces access to care and because it allows the state to play favorites among Medicaid providers, and CMS should deny this specific waiver request.

We also urge CMS to reject Texas's added and misaligned demonstration objective "[t]o implement the state policy to favor childbirth and family planning services that do not include" certain services disfavored by the state. Similar language was proposed in Texas's 2017 application but was excluded by CMS in its eventual approval. We recommend that CMS, again, exclude this objective which is not consistent with any of the objectives of Medicaid, as described in the law or by courts, and which in fact leads to reduced access, contrary to the objectives of the program.

CMS should also decline to extend the restrictive Freedom of Choice waiver because it serves no experimental purpose. Under the section 1115 statute, waivers must have an experimental purpose, and even then, only "to the extent and for the period [the Secretary] finds *necessary* to enable such State or States to carry out such project" (emphasis added). However, abortion has been entirely banned in Texas since 2022 pursuant to state law after the Dobbs decision, meaning there are no providers in the state even providing the abortions that the waiver would target. Thus, Texas's restrictive Freedom of Choice waiver has no experimental value whatsoever and is clearly not *necessary* to carry out the project. The extension or non-extension of this particular Freedom of Choice waiver will have no impact on the family planning expansion, and consequently cannot possibly be construed as experimental.

We acknowledge that if this restrictive Freedom of Choice waiver is not approved the state may (again) transition its family planning program to a state funded program without Medicaid. Congress funded Medicaid family planning benefits at a 90% matching rate with the express intent of encouraging states to provide family planning services and supplies consistent with federal standards. Furthermore, Congress included additional Freedom of Choice protections in the Medicaid statute to specifically protect access to family planning services and supplies. CMS has consistently protected access to providers in family planning expansions and access to family planning in managed care. The Texas demonstration would thus be an outlier among family planning waivers and Freedom of Choice waivers (see Attachment A). CMS should not use its demonstration authority in a way that undermines access to care. The state can receive 90% federal match to provide the services without extraordinary Freedom of Choice restrictions, or it can implement a restrictive program using state dollars.

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¹³ Charlotte Huff, "In Texas, abortion laws inhibit care for miscarriages," National Public Radio, May 10, 2022, available at https://www.npr.org/sections/health-shots/2022/05/10/1097734167/in-texas-abortion-laws-inhibit-care-for-miscarriages; María Méndez, "Texas laws say treatments for miscarriages, ectopic pregnancies remain legal but leave lots of space for confusion," The Texas Tribute, July 20, 2022, available at https://www.texastribune.org/2022/07/20/texas-abortion-law-miscarriages-ectopic-pregnancies/.

Finally, if CMS extends the demonstration allowing managed care but without the restrictive Freedom of Choice waiver, CMS should carefully scrutinize the state's managed care contracts to ensure the state does not contractually implement restrictions equivalent to the ones that it could not get through the waiver process.

Conclusion

Our comments include numerous citations to supporting research, including direct links to the research, for HHS's benefit in reviewing our comments. We direct HHS to each of the studies cited and made available to the agency through active hyperlinks, and we request that the full text of each of the studies cited, along with the full text of our comments, be considered part of the administrative record in this matter for purposes of the Administrative Procedure Act.

Thank you for the consideration of our comments. If you would like any additional information, please contact Joan Alker (jca25@georgetown.edu) or Allison Orris (aorris@cbpp.org).

Attachment A - Section 1115 Demonstration Freedom of Choice Waivers

State – 1115 Demonstration	Waiver/Expenditure Authority	Freedom of Choice Language
Alabama – Community Waiver Program	Waiver	 To the extent necessary, to enable Alabama to limit the freedom of choice providers for Support Coordination services to staff employed by the Alabama Department of Mental Health (ADMH), Division of Developmental Disabilities (DDD), for counties where the Community Waiver Program will operate in Regions 1, 3, 4, and 5 and to limit Support Coordination services to willing and qualified public corporations (that do not have a conflict of interest) outlined in STC 28, that contract with ADMH, known as 310 Boards, for counties where the Community Waiver Program will operate in Region 2 (or ADMH/DDD if no willing and qualified 310 Boards are available). To the extent necessary, to enable Alabama to limit the number of preferred providers for services authorized in the 1915(c) waiver to maintain sufficient provider capacity as described in the STCs.
Arizona – Health Care Cost Containment System	Waiver	 To the extent necessary to enable the State to restrict freedom of choice of providers through mandatory enrollment of eligible individuals in managed care organizations that do not meet the requirements of section 1932 of the Act. No waiver of freedom of choice is authorized for family planning providers. To the extent necessary to enable the State to impose a limitation on providers on charges associated with non-covered activities.
Arkansas – Health and Opportunities for Me (ARHOME)	Waiver	 To the extent necessary to enable Arkansas to limit beneficiaries' freedom of choice with respect to Life360 HOME Services to providers participating in a Life360 HOME. (Requirements not applicable to Expenditure Authorities) To the extent necessary to enable Arkansas to limit beneficiaries' freedom of choice among providers to the providers participating in the network of the beneficiary's Qualified Health Plan. No waiver of freedom of choice is authorized for family planning providers.

California - Advancing and Innovating Medi-Cal (CalAIM)	Waiver and Expenditure	 To enable the state to require qualifying beneficiaries to receive pre-release services, as authorized under this demonstration, through only certain providers. To enable the State to require participants to receive benefits through certain providers and to permit the State to require that individuals receive benefits through managed care providers who could not otherwise be required to enroll in managed care. These authorities sunset on December 31, 2021. To enable the State to require that individuals who elect to receive Health Home Program (HHP) services (under the state plan) are restricted to the Medi-Cal Managed Care Plan offered by the HHP provider to receive covered services other than family planning services. These authorities sunset on December 31, 2021. No waiver of freedom of choice is authorized for family planning providers.
Delaware - Diamond State Health Plan	Waiver	 To the extent necessary to enable Delaware to restrict freedom-of-choice of provider through the use of mandatory enrollment into managed care plans for DSHP and DSHP- Plus participants. To the extent necessary to enable the state to use selective contracted fee-for-service (FFS) providers, including for Home and Community Based Services (HCBS) and a transportation broker for non- medical transportation. No waiver of freedom of choice is authorized for family planning providers. The MCO case managers must be required to inform each applicant or member of any alternatives available, including the choice of institutional care versus HCBS, during the assessment process. Documentation of choice must be incorporated into the Service Plan.
Florida - Managed Medical Assistance (MMA)	Waiver	To enable Florida to require mandatory enrollment into managed care plans with restricted networks of providers. This does not authorize restricting freedom of choice of family planning providers.
Georgia - Planning for Healthy Babies	Waiver	To the extent necessary to enable the State to limit freedom of choice of provider for Demonstration Populations 1 and 2. If a beneficiary qualifies for IPC services and was covered by Georgia Medicaid at the time of a VLBW birth, the beneficiary will be assigned to the care management organization

		(CMO) they were enrolled in at the time of the delivery of their VLBW baby.
Hawaii - QUEST Integration	Waiver	To the extent necessary to enable the state to restrict freedom of choice of provider through the use of mandatory enrollment in managed care plans for the receipt of covered services.
		To enable Hawaii to restrict the freedom of choice of providers to populations that could not otherwise be mandated into managed care under section 1932. No waiver of freedom of choice is authorized for family planning providers.
Iowa - Wellness Plan	Waiver	To the extent necessary to permit the state to require enrollees to receive dental services through a carved-out contracted dental benefit with no access to other providers.
Maine - Substance Use Disorder Care Initiative	Expenditure	• To the extent necessary to limit certain benefits as set forth in the demonstration for Pilot 2 and Pilot 3.
Maryland - Health Choice	Waiver	 To enable the state to restrict freedom of choice of provider, other than for family planning services, for children with special needs, as identified in section 1932(a)(2)(A)(i-v) of the Act, who are participants in the demonstration. To enable the state to require that all populations participating in the demonstration receive outpatient behavioral health services from providers within the public mental health system.
Massachusetts - MassHealth		 To enable Massachusetts to restrict freedom of choice of provider for individuals in the demonstration, including to require managed care enrollment for certain populations exempt from mandatory managed care under section 1932(a)(2). Freedom of choice of family planning provider will not be restricted. To limit primary care clinician plan (PCC) plan and Primary Care ACO enrollees to a single Prepaid Insurance Health Plan (PIHP) for behavioral health services, to limit enrollees who are clients of the Departments of Children and Families or Youth Services and who do not choose a managed care option to the single PIHP for behavioral health services, requiring children with third party insurance to enroll into a single PIHP for behavioral health services; in addition to limiting the number of providers within any provider type as needed to support improved care integration for MassHealth

		 enrollees, and to permit the state to limit the number of providers who provide Anti-Hemophilia Factor drugs. To permit the state to mandate that Medicaid eligibles with access to student health plans enroll into the plan, to the extent that it is determined to be cost effective, as a condition of eligibility as outlined in section 4 and Table 9. No waiver of freedom of choice is authorized for family planning providers.
Michigan - Flint Michigan	Waiver	• To the extent necessary to enable the state to restrict freedom of choice of provider for children and pregnant women with respect to targeted case management (TCM) services. Also, to the extent necessary to enable the state to limit beneficiary choice of providers for beneficiaries enrolled in a Managed Care Entity (MCE) and a Prepaid Inpatient Health Plan (PIHP) under the demonstration to those providers that are within the MCE and PIHP networks. No waiver of freedom of choice is authorized for family planning providers.
Montana – Healing and Ending Addiction through Recovery and Treatment (HEART)	Expenditure	To the extent necessary to enable the state to restrict freedom of choice of provider for beneficiaries who receive contingency management services.
New Hampshire - SUD SMI and SED Treatment Recovery and Access	Expenditure	To enable New Hampshire to contract with a single managed care dental organization that will provide all Medicaid adult dental services in the state including but not limited to dentures.
New Jersey - FamilyCare Comprehensive Demonstration	Waiver	 To enable the state to restrict freedom of choice of provider through the use of mandatory enrollment in managed care plans for the receipt of covered services. No waiver of freedom of choice is authorized for family planning providers. To permit the state to restrict providers from whom Medicaid eligible beneficiaries may obtain supportive visitation services. This waiver authority starts from the effective date of New Jersey's Supportive Visitation Services SPA. To permit the state to restrict providers from whom Medicaid eligible beneficiaries may obtain universal home visitation services. This waiver authority starts from the effective date of New Jersey's Universal Home Visitation Services SPA.
New Mexico - Centennial Care 2.0	Waiver	To the extent necessary to enable the state to restrict freedom of choice of provider through the use of

Tennessee - TennCare III	Waiver	To enable the state to restrict freedom of choice of provider, through the use of mandatory enrollment in managed care plans or TennCare Select for the receipt of TennCare III, TennCare CHOICES and
Rhode Island - Comprehensive Demonstration	Waiver	To enable the state to restrict freedom of choice of provider for individuals in the demonstration. No waiver of freedom of choice is authorized for family planning providers.
Oregon - Health Plan	Waiver	To enable the state to restrict freedom-of-choice of provider by offering benefits only through managed care plans (and other insurers) in a manner not authorized by section 1932 of the Act because beneficiaries may not have a choice of managed care plans. This does not authorize restricting freedom of choice of family planning providers. (Applies to all Medicaid state plan and CHIP populations listed in Attachment C.)
Oklahoma - SoonerCare	Waiver	To enable the state to restrict beneficiaries' freedom of choice of care management providers, and to use selective contracting that limits freedom of choice of certain provider groups to the extent that the selective contracting is consistent with beneficiary access to quality services. No waiver of freedom of choice is authorized for family planning providers.
North Carolina - Medicaid Reform Demonstration	Waiver	To the extent necessary to enable the state to restrict freedom of choice of provider through the use of mandatory enrollment in managed care plans for the receipt of covered services including individuals in the Innovations and TBI 1915(c) waivers NC 0423.RO2.00, NC1326.R00.00, respectfully. No waiver of freedom of choice is authorized for family planning providers.
New York - Medicaid Redesign Team	Waiver	freedom of choice is authorized for family planning providers. • To the extent necessary to enable New York to require beneficiaries to enroll in managed care plans, including the MMMC, and MLTC (excluding individuals designated as "Long-Term Nursing Home Stays") and HARPs programs in order to obtain benefits offered by those plans. Beneficiaries shall retain freedom of choice of family planning providers.
		mandatory enrollment in managed care plans for the receipt of covered services. Mandatory enrollment of American Indians/Alaskan Natives (AI/ANs) is only permitted as specified in STC 26. No waiver of

Texas - Healthcare Transformation and Quality Improvement Program	Waiver	 ECF CHOICES covered services, including for individuals specified at Section 1932(a)(2) of the Social Security Act (the Act). No waiver of freedom of choice is authorized for family planning providers. To the extent necessary, to enable the State to restrict freedom of choice of provider through the use of mandatory enrollment in managed care plans for the receipt of covered services. No waiver of freedom of choice is authorized for family planning providers.
Utah - Medicaid Reform Demonstration	Waiver	To enable the state to restrict freedom of choice of providers for Title XIX populations affected by this demonstration
Vermont - Global Commitment to Health	Waiver	 To enable the state to restrict freedom of choice of provider for the demonstration participants to the extent that beneficiaries will be restricted to providers enrolled in a provider network through the Department of Vermont Health Access (DVHA) for the type of service at issue and in the appropriate geographic area, but may change providers among those enrolled providers. Freedom of choice of provider may not be restricted for family planning providers. To enable Vermont to restrict choice of provider for individuals enrolled in the Community Intervention and Treatment (CIT) program. The individual may receive services from any willing provider within that designated provider network.
Virginia - Building and Transforming Coverage, Services, and Supports for a Healthier Virginia	Waiver	To the extent necessary to enable the state to restrict freedom of choice of provider for beneficiaries who receive High Needs Supports under the demonstration and to restrict High Needs Supports to the beneficiaries enrolled in the Medicaid managed care delivery system.
Washington - Medicaid Transformation Project	Waiver	 To the extent necessary to enable the state to restrict freedom of choice of provider for individuals receiving benefits through the Medicaid Alternative Care (MAC) or Tailored Support for Older Adults (TSOA) program. To the extent necessary to enable the state to restrict freedom of choice of provider for individuals receiving foundational community supports benefits under the demonstration.

Wisconsin - BadgerCare	Waiver	To the extent necessary to enable the state to require
Reform		enrollment of eligible individuals in managed care
		organizations

Source: Georgetown CCF analysis of approved state section 1115 demonstration waiver and expenditure authority lists found on Medicaid.gov, available at: https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-

list/index.html?f%5B0%5D=state_waiver_status_facet%3A1561&f%5B1%5D=state_waiver_status_facet%3A1591&f%5B2%5D=waiver_authority_facet%3A1566#content