



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

ALBERT HAWKINS
EXECUTIVE COMMISSIONER

November 17, 2008

El Paso First Health Care
Carol G. Smallwood
CEO
2501 North Mesa
El Paso, Texas 79902

Dear Carol G. Smallwood,

This letter serves as notification of the balance billing policy for the Children's Health Insurance Program (CHIP). Balance billing is the practice of charging CHIP members for covered services, in excess of authorized member cost-sharing and program reimbursement rates.

HHSC rules prohibit providers from balancing billing CHIP members (See 1 TAC §§ 370.451 and 370.453). Specifically, HHSC rules require providers of services to CHIP members to accept payment received for covered services as payment in full, and prohibit providers from billing CHIP members or their guardians for any remaining balances for covered services rendered. HHSC balance billing rules apply to network providers and non-network providers of authorized services.

Providers may only charge CHIP members the co-payment amounts authorized in the Texas State Children's Health Insurance Program (SCHIP) State Plan (see attached). Pursuant to federal SCHIP regulations, the Texas SCHIP State Plan also (See 42 CFR, Part 457):

- Explicitly prohibits balance billing for non-network emergency services;
- Prohibits any cost-sharing for certain services (i.e., well-baby and well-child care services) and for certain populations (i.e., American Indians and Alaska Natives); and
- Limits aggregate cost-sharing per family (see attached cost-sharing caps).

Please notify your CHIP members and their providers that balance billing is not allowed in CHIP and that co-payments for CHIP members are limited to the amounts specified in the Texas SCHIP State Plan. HHSC staff plan to amend HHSC rules on balance billing to reinforce the CHIP balance billing policy, but request your help in the meantime to ensure that CHIP members continue to have access to affordable health care.

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Please let me know if you have any questions or need additional information. Lisa Neal, Health Plan Manager, Medicaid and CHIP Division, serves as the point of contact for El Paso First Health Care and may be reached at (512) 491-1313 or by email at lisa.neal@hhsc.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Traylor". The signature is fluid and cursive, with a large initial "C" and a long, sweeping tail.

Chris Traylor
State Medicaid Director

Attachment

Texas SCHIP State Plan Section 8.2 (Effective September 1, 2007)

CHIP Cost-Sharing	
Enrollment Fees (for 12-month enrollment period):	Charge
At or below 150 % of FPL*	\$0
Above 150% up to and including 185% of FPL	\$35
Above 185% up to and including 200% of FPL	\$50
Co-Pays (per visit):	
At or below 100% of FPL	Charge
Office Visit	\$3
Non-Emergency ER	\$3
Generic Drug	\$0
Brand Drug	\$3
Cost-sharing Cap	1.25% (of family's income)**
Facility Co-pay, Inpatient	\$10
Above 100% up to and including 150% of FPL	Charge
Office Visit	\$5
Non-Emergency ER	\$5
Generic Drug	\$0
Brand Drug	\$5
Cost-sharing Cap	1.25% (of family's income)**
Facility Co-pay, Inpatient (per admission)	\$25
Above 150% up to and including 185% of FPL	Charge
Office Visit	\$7
Non-Emergency ER	\$50
Generic Drug	\$5
Brand Drug	\$20
Cost-sharing Cap	2.5% (of family's income)**
Facility Co-pay, Inpatient (per admission)	\$50
Above 185% up to and including 200% of FPL	Charge
Office Visit	\$10
Non-Emergency ER	\$50
Generic Drug	\$5
Brand Drug	\$20
Cost-sharing Cap	2.5% (of family's income)**
Facility Co-pay, Inpatient (per admission)	\$100

* The federal poverty level (FPL) refers to income guidelines established annually by the federal government.

** Per 12-month term of coverage.