

SUBJECT: Verifying insurance status before receiving DSHS services

COMMITTEE: Insurance — favorable, without amendment

VOTE: 9 ayes — Smithee, Eiland, G. Bonnen, Creighton, Morrison, Muñoz, Sheets, Taylor, C. Turner

0 nays

SENATE VOTE: On final passage, April 11 — 31-0, on Local and Uncontested Calendar

WITNESSES: *(On House companion bill, HB 2129:)*
For — *(Registered, but did not testify: Susan Milam, National Association of Social Workers/Texas Chapter)*

Against — None

On — Rachel Samsel, Department of State Health Services; *(Registered, but did not testify: Ayanna Clark, Legislative Budget Board)*

BACKGROUND: In general, the Department of State Health Services (DSHS) seeks to provide health services to those ineligible for another benefit that would pay for part or all of the department's services.

As part of the federal Patient Protection and Affordable Care Act (ACA), beginning January 1, 2014, individuals will be able to receive insurance coverage through a health benefit exchange, an online marketplace of government-regulated health insurance plans. Those with incomes between 100 percent and 400 percent of the federal poverty level will be eligible for sliding scale premium subsidies and reductions in cost sharing.

The Legislative Budget Board's 2013 *Government Effectiveness and Efficiency Report* notes that the health benefit exchange is projected to impact 18 DSHS programs affecting close to 44,000 clients, and recommends DSHS maximize the use of private health insurance for clients receiving care provided by the agency.

DIGEST: SB 1057 would prohibit DSHS from providing health services to an

individual unless the applicant for services, or the applicant's legally authorized representative, either confirmed they did not have access to private health insurance coverage for the services or they provided their insurance information and authorized DSHS to submit to their insurer a claim for reimbursement.

The bill would apply to DSHS health services that the department anticipated would be impacted by a health benefit exchange, including:

- community primary health care;
- women and children's services;
- children with special health care needs;
- epilepsy, hemophilia, kidney health, and HIV and sexually transmitted disease programs;
- immunization programs;
- Rio Grande State Center mental health services;
- community mental health services;
- NorthSTAR Behavioral Health Program;
- community and state mental hospitals; and
- any other health program or service designated by DSHS.

The bill would require that as soon as practicable after the bill's effective date, DSHS develop a form for an applicant to verify their lack of private insurance or provide their insurance information. DSHS would be allowed to waive this requirement and provide services during a crisis or emergency.

SB 1057 would require DSHS provide informational materials regarding health insurance coverage and subsidies available in the health benefit exchange to an individual or the individual's legally authorized representative who applied to receive the above DSHS health services and had an income above 100 percent of the federal poverty level. DSHS could develop these informational materials.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013. As soon as possible after the bill's effective date, the Health and Human Services Commission would apply for any necessary waiver to implement the bill, and, if needed, could delay implementation until it was granted.