BILL ANALYSIS

DIGEST AND PURPOSE

The Texas Medicaid Health Insurance Premium Payment Program (HIPP) is a Medicaid program that pays the medical insurance premium, co-payments, and deductibles for Medicaid eligible employees who work for companies that offer private health insurance and meet HIPP requirements. Under this program, employers also pay a share of the employees' coverage. If it is cost effective, HIPP will pay the premium for an entire family even if only one child in the family is Medicaid eligible. Because of the emphasis on cost-effectiveness, expanding HIPP to cover state child health plan (CHIP) recipients and more Medicaid recipients could save the state money while increasing the number of residents with health insurance coverage. However, many families are currently approved for HIPP outside of their employer's open enrollment periods because the eligibility process can be time consuming. H.B. 3038 permits enrollment in HIPP regardless of period restrictions and directs CHIP eligible children and individuals eligible for Medicaid into the HIPP program if it is cost effective.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Health and Human Services Commission or an agency operating part of the medical assistance program in SECTION 2 (Section 32.0422, Human Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 62B, Health and Safety Code, by adding Section 62.059, as follows:

> Sec. 62.059. HEALTH INSURANCE PREMIUM PAYMENT REIMBURSEMENT PROGRAM FOR CHILDREN ELIGIBLE FOR CHILD HEALTH PLAN.

SECTION 2. Amends Chapter 32B, Human Resources Code, by adding Section 32.0422, as follows:

> Sec. 32.0422. HEALTH INSURANCE PREMIUM PAYMENT REIMBURSEMENT PROGRAM FOR MEDICAL ASSISTANCE RECIPIENTS.

SECTION 3. Amends Chapter 21E, Insurance Code, by adding Article 21.52K, as follows:

> Art. 21.52K. ENROLLMENT OF MEDICAL ASSISTANCE RECIPIENTS AND CHILDREN ELIGIBLE FOR STATE CHILD HEALTH PLAN

> Sec. 1. DEFINITION OF GROUP HEALTH BENEFIT PLAN.

> Sec. 2. ENROLLMENT REQUIRED.

SECTION 4. Amends Section 301.104, Labor Code.

SECTION 5. (a) Requires the Texas Department of Health to study:

(1) various options for increasing enrollment in a group health benefit plan under Section 32.0422, Human Resources Code, as added by this Act; and

(2) the feasibility of implementing an income-based sliding scale requiring payment of a portion of the plan premium from a certain person.

(b) Requires that not later than December 1, 2002, the Texas Department of Health report its conclusions and recommendations regarding the study conducted under Subsection (a) of this section to the governor, lieutenant governor, speaker of the house of representatives, and presiding officer of each standing committee of the senate and house of representatives having jurisdiction over health and human services issues.

SECTION 6. Authorizes a person to claim a refund under Section 301.104, Labor Code, as amended by this Act, only for wages paid or incurred on or after the effective date of this Act.

SECTION 7. Requires a state agency affected by a provision of this Act to request a waiver or authorization and authorizes the agency to delay implementing that provision until the waiver or authorization is granted, if the agency determines before implementing any provision of this Act that a waiver or authorization from a federal agency is necessary.

SECTION 8. (a) Requires the Health and Human Services Commission to, not later than September 15, 2001, submit for approval a plan amendment relating to the state child health plan under 42 U.S.C. Section 1397ff, as amended, as necessary to comply with the change in law made by this Act.

(b) Authorizes the Health and Human Services Commission to delay, until approval of the amended state child health plan, implementation of the health insurance premium payment reimbursement program under Section 62.059, Health and Safety Code, as added by this Act.

SECTION 9. (a) Effective date: September 1, 2001, except as provided by Subsection (b) of this section.

(b) Makes application of SECTIONS 1, 2, and 3 of this Act prospective to August 31, 2001.