

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 109
By: Turner et al. (Averitt)
Finance
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Children's Health Insurance Program (CHIP) was created in 1999 by S.B. 445 with bipartisan support in the Texas Legislature to provide primary and preventative care such as immunizations, wellness exams, eye exams, and dental check-ups to the millions of children who do not have private health insurance or who do not qualify for Medicaid. At its peak, in 2002, CHIP served more than 525,000 children (529,211 in May 2002) and Texas was lauded nationally for the success of the program. As of January 2007, CHIP is serving only 321,815 children when there are 1.4 million children in the state of Texas lacking health care coverage. Out of those children, there are over 700,000 children that are currently eligible but not currently enrolled in CHIP.

Currently, Texas is 18,000 children below CHIP budgeted caseloads for 2006. The statewide disenrollment rate for CHIP has climbed from 3.4 percent in September 2003 to 12.2 percent in April 2006, indicating enrollment trends that will continue to drop unless action is taken now to allow families eligible for CHIP greater access and coverage of this vital program. It has been reported that children without health insurance are 25 percent more likely to miss school because of illnesses, and school districts in Texas lost \$4 million per day in funding because of absenteeism.

C.S.H.B. 109 reinstates 12 months of continuous coverage instead of six months, and reinstates "income disregards" expenses that drop a family's income to the eligibility level, such as child care expenses or work related expenses. This bill will also eliminate the assets test, and will reinstate a community outreach and education campaign to utilize school-based health clinics, community based organizations and coalitions to provide information and educate the community on CHIP, and eliminate the 90-day waiting period during all stages of the application process, unless the child was previously covered under another health benefits plan.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 62.002(4), Health and Safety Code, by defining "net family income" rather than "gross family income."

SECTION 2. Amends Subchapter B, Chapter 62, Health and Safety Code, by adding Section 62.056, as follows:

Sec. 62.056. COMMUNITY OUTREACH CAMPAIGN; TOLL-FREE HOTLINE. (a) Requires the Health and Human Services Commission (HHSC) to conduct a community outreach and education campaign (campaign) to provide information regarding the availability of health benefits for children. Requires HHSC to conduct the campaign so that enrollment is promoted and duplication of effort among state-administered child health programs is minimized.

(b) Requires the campaign to include outreach efforts that involve school-based health clinics, a toll-free telephone number to provide information about health benefits coverage for children to families, and information regarding the

importance of each conservator of a child promptly informing the other conservator of the child about the child's health benefits coverage.

(c) Requires HHSC to contract with community-based organizations or coalitions of community-based organizations to implement the campaign. Requires HHSC to promote and encourage voluntary efforts to implement the campaign. Requires HHSC to procure the contracts through a process designed by HHSC to encourage the broad participation of organizations, including those that target populations with high levels of uninsured children.

(d) Authorizes HHSC to direct the Department of State Health Services to perform all or part of the campaign.

(e) Requires HHSC to ensure that the information provided under this section is available in both English and Spanish.

SECTION 3. Amends Section 62.101, Health and Safety Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Makes conforming changes.

(b-1) Requires the eligibility standards adopted under Subsection (b) related to allowable assets to allow a family to own at least \$10,000 in allowable assets and prohibits the eligibility standards from considering the value of certain vehicles.

SECTION 4. Amends Subchapter C, Chapter 62, Health and Safety Code, by adding Section 62.1011, as follows:

Sec. 62.1011. VERIFICATION OF INCOME. Requires HHSC to continue employing methods of verifying the net income of the individuals considered in the calculation of an applicant's net family income. Requires HHSC to verify income under this section unless the applicant reports a net family income that exceeds the income eligibility level established under Section 62.101(b).

SECTION 5. Amends Section 62.102, Health and Safety Code, as follows:

Sec. 62.102. CONTINUOUS COVERAGE. (a) Increases the period of time an individual is eligible to receive benefits under the child health plan from six months to a period not to exceed 12 months, beginning on the first day of the month, subject to a review under Subsection (b).

(b) Requires HHSC, during the sixth month following the date of initial enrollment or reenrollment of an individual whose family income exceeds 150 percent of the federal poverty level, to review the individual's family income, authorizing HHSC to use electronic technology if available and appropriate, and to continue to provide coverage if the individual's family income remains within the income eligibility limits prescribed by this chapter (eligibility limits).

(c) Prohibits the commission from disenrolling the individual if HHSC determines during the review required under Subsection (b) that the individual's family income exceeds eligibility limits until HHSC has provided the family an opportunity to demonstrate that the family's family income is within the eligibility limits and the family fails to demonstrate such eligibility.

(d) Requires HHSC to provide written notice of termination of eligibility to the individual not later than the 30th day before the date the individual's eligibility terminates.

SECTION 6. Amends Sections 62.154(a) and (d), Health and Safety Code, by redesignating existing text as part of Subdivision (1). Requires the waiting period for coverage under the child health plan to extend for a period of 90 days after the last day the applicant was covered under a

health benefits plan and only apply to a child who was covered by a health benefits plan during the 90 days before the date of the application for the child health plan. Deletes existing text specifying when coverage under the child health begins for applicants after the waiting period. Makes nonsubstantive changes.

SECTION 7. Effective date: upon passage or September 1, 2007.