

Texas CHIP Coalition Minutes
Friday, February 18, 2005, 12:00 p.m. - 2:00 p.m.
May Owen Conference Room, 10th Floor
Texas Medical Association

Anne Dunkelberg called the meeting to order at 12:10 p.m.

Coalition guests included Dave Balland, Olga Garcia and Ann Marie Price from HHSC, and Dianne Longley from the Texas Department of Insurance.

HHSC Updates

Asset Test

Olga Garcia provided copies of a report on the impact of the CHIP asset test for September 2004 thru January 2005. HB 1 from the 77th legislative session assumed a monthly cost savings from 2,317 children being denied due to the asset test. The monthly projection of 2,317 children being denied did not consider the number of families failing to complete the application, and consequently being denied. Currently, new enrollment for CHIP is approximately 18-20,000 children per month. See attached updated asset report with January 05 numbers added.

Pending Application due to Asset Test

The coalition requested a report on the pended applications due to the asset test. Ms. Garcia reported that they are currently evaluating those numbers because they appear to be too high. They will release their finding to the coalition when that analysis is done.

In mid-March, HHSC will edit the online TexCare application to include an example of the vehicle information needed to determine eligibility for CHIP. The application will advise families that incomplete information may result in their application being delayed. This clarification will be given to call centers to assist families who apply via telephone, and it will also be mailed out with the families' renewal forms.

HHSC research staff is currently working on the coalition's data request for a report on actual amounts that families are over on vehicle value.

Premium Payment Policy

HHSC is considering the recommendation of annual CHIP premiums instead of monthly premiums. The preliminary policy will require families starting at 133% FPL to pay \$50 annually; families starting at 150% FPL to pay \$70 annually; and families starting at 185% FPL up to 200% FPL to pay \$100 annually. Families below 133% FPL would pay no premiums. Families would be allowed to pay twice a year, with the first half being paid before enrollment and the remaining half being paid by the 6th month. THIS POLICY ASSUMES a 12-MONTH

CONTINUOUS ELIGIBILITY. In the event that the legislature retains the 6-month eligibility period, the policy will be revised and the amounts would likely be halved. Ms. Garcia also reminded coalition members that the final premium policy would solely be a recommendation to the legislature. HHSC is also interested in recognizing families who paid their premiums consistently in a timely manner (before the discontinuation of premium payments) by offering an enhanced dental benefit packet via a 2-tier dental plan for preventive and therapeutic care. The coalition expressed concern about a 2-tier system, which may be too complex for clients and an administrative challenge for HHSC. HHSC indicated that no final decision has been made and when more is known, they will share that information. HHSC is also in discussion on the type of model to offer for the dental plan and is leaning towards the Administrative Service Only (ASO) model. HHSC would like to have one ASO provide dental benefits for both CHIP and Medicaid children. HHSC is moving forward with the RFP for CHIP dental benefits, which may include an option for Medicaid.

Crowd Out

HHSC is working on getting a report to the coalition listing the top employers with families on the CHIP program.

CHIP Premium Assistance Waiver

Ms. Garcia reported that HHSC has heard back from CMS regarding this waiver and it appears that there are no problems with the Commission's request. HHSC is still answering some questions for CMS, but it appears approval of the waiver is likely.

Texas Department of Insurance

Dianne Longley gave a presentation on the uninsured and the findings on employer-based coverage. Ms. Longley's presentation was taken from *Working Together for a Healthy Texas* report and is available at www.tdi.state.tx.us. Ms. Longley also brought limited copies of the *Texas Mandated Benefit Cost and Utilization Summary for Calendar Year 2003*. This report is also available on the TDI website.

Ms. Longley's presentation highlighted some interesting statistics:

- Native U.S. Citizens represent the highest percentage (68.1%) of uninsured by citizenship, followed by 4.5% Naturalized U.S. Citizens and 27.4% non U.S. Citizens
- Average private insurance costs for 2004 are \$4,138 for single coverage and \$11,196 for family coverage, up from \$2,193 and \$5,693 in 1997 respectively.

- Small employer premiums for average single in 2004 were \$4,533 and for family coverage were \$11,145
- Employment-based coverage has decreased to 52.4% in 2003 from 57.1% in 1999.
- Only 1.3% of small employers can afford monthly premium costs of \$300 or more for their employees.

See attachment for presentation.

Legislative Developments/Updates

The base budget only has funds for the restoration of CHIP dental and vision benefits. The budget does not include money to support CHIP cost per client above the 2005 level, nor does it factor in the projected caseload growth at the current policy of 6-month continuous eligibility. Anne suggested that everyone read the policy page No. 228, "What's NOT in the Budget for Medicaid, CHIP, Health" and that the key message to legislators should be to request more money in the budget for CHIP.

Update on CHIP Advocacy

Patti Everitt distributed copies of the legislative overview on the *Campaign to Restore CHIP*. Patti also shared a *draft* Urgent Action Alert page informing folks that the budget recommendations do not fully restore CHIP and urge folks to contact state legislators NOW to support full restoration of CHIP.

CHIP Advocacy Day will be on Wednesday, April 6 at TMA in the Thompson Auditorium beginning at 9:30 a.m. Any questions concerning CHIP Advocacy Day, please contact Patti Everitt @ PEveritt@childrensdefense.org

The next CHIP coalition meeting will be held on Friday, March 18th, 2005 from **11:00 a.m. – 1:00 p.m.** at TMA in the Thompson Auditorium, 1st floor.

With no other agenda items, the CHIP Coalition meeting adjourned at 2:00 p.m.