

**Notes from Texas CHIP Coalition & Finish Line Partners’
2011 Children’s Health Agenda Planning Session
April 22, 2010**

Discussion of top priorities for the 82nd session included these concerns:

Prevent cuts to health care programs

- Potential cuts to adult Medicaid benefits, CHIP benefits (e.g., vision and dental care, hearing aids, and mental health treatments as in 2003). Would harm seniors, disabled adults, kids and yield limited (if any) real “savings”.
- Potential Medicaid reimbursement rate cuts.
 - This is area where federal law allows cuts and state dollar reductions could be large—though federal dollar losses are even larger than state “savings”.
 - Medicaid rates have not been updated since 2007, had gone many years with no updates before that. State Leadership now threatens cuts in current 2010-2011 budget period, could be even deeper cuts proposed in 2012-2013 budget.
 - New TMA survey of doctors (release forthcoming): physicians have said a 1-2% rate cut would cause 23.5% to stop serving Medicaid patients altogether, and another 45% said they would set new or additional limits on the number of Medicaid clients they accept.
 - Reasonable Medicaid payments are part of building and maintaining Texas’ overall provider infrastructure, which affects all Texans. Good quality of care for all depends on real choices among providers. We cannot afford to lose ground in our state health care systems during this recession.
 - Question: Why cut fees to these contractors, and not to all state contractors?

Sustain and Improve/Build on Recent Progress Improving public benefit Eligibility Systems for Medicaid and CHIP

- Commitment and hard work by Commissioner Suehs and staff is a great step forward, and Texas must sustain that momentum and continue to build and improve the system, with adequate staffing to maintain quality and accuracy, continued technological improvements, and streamlined policies to reduce administrative costs and speed processing.
- Physicians have expressed frustration with trying to manage Medicaid patients because even critically ill patients are regularly dropped, very problematic.
- Good eligibility system performance is critical to maintaining continuity of care across programs and private insurance as changes and new programs roll out from health care reform.
- Exempt out-stationed eligibility workers in FQHCs and hospitals (whose state share of salary is funded by the provider, not from the state budget) from “FTE caps” in the budget that limit state-funded eligibility workers.

Rainy Day Funds and Additional Revenues should be Used to Eliminate Health Care Cuts

- Now is the time for Texas to focus on building up our health care infrastructure rather than cutting it. Additional sources of revenue will be needed to accomplish this.
 - The constitutional purpose of the Texas Economic Stabilization Fund (“rainy day fund”) is to provide revenues for times of economic strain, funds need to be directed at maintaining shortfalls in programs rather than imposing cuts
 - Expected rainy day fund balances will not be enough to cover the estimated \$12 to \$17 billion shortfall between state funds available and those needed to maintain state current services in 2012-2013, given continued growth in general population, uninsured, and inflation.
 - Our Coalition supports targeted policy changes that will increase state revenues enough to avoid cuts to our health care infrastructure at this critical time of capacity building.

Other Discussion

- 12 month continuous coverage for (children’s) Medicaid: is it a priority for 2012-2013?
 - May not be as much of an issue in the long term (i.e., after 2014 if Texas’ Exchange is set up so with a ‘no wrong door’ mechanism to direct individuals into Medicaid and income eligibility can be determined based on the previous year’s tax return (since that tax return figure will only change annually, twice-annual renewals make no sense).
 - Given the challenge of preventing cuts in 2012-2013, most meeting participants felt expansions of CHIP or 12-month Medicaid were impractical goals.
- Improving preconception, prenatal care, and other women’s health issues will reduce program costs while improving the futures of Texas children.
 - Streamlining enrollment and eligibility system add an administrative savings component.
- Access to care and healthcare workforce adequacy are issues for all Texans, not just Medicaid and CHIP.
 - Reimbursement rates for Medicaid & CHIP populations must not be cut, and need to be improved.
 - General workforce issues – training of medical professionals
 - Increased Grant/loan forgiveness for medical/health professional training
 - Expand residency placements for new physicians

Disseminating Information

Education on HHSC numbers:

- HHSC’s health reform cost models to date have assumed 95 percent enrollment rates of Medicaid eligible population, never before reached by the most successful states. This inflates cost estimates.

Physician Reimbursement Rates:

- Detailed information on newest TMA physician survey will be provided soon to the rest of the group.
- Multi-session approach – now hold harmless, but last increase was 2007 need to readdress this in the future
- Reimbursement rates are critical to maintaining quality care and choice for everyone

Continuous Coverage in Medicaid:

- MHM has volunteered to provide analysis on the returns on investment and the multiplier effects on health care, business, and education.
- Send out report by United Care on administrative structure and costs savings to Coalition.

Suggestion for discussion:

High-level Coalition agenda and Finish Line Coverage Agenda to include:

- 1) Continue progress rebuilding and expanding capacity of eligibility systems for Medicaid and CHIP**
- 2) No cuts to provider rates in Medicaid or CHIP, or CHIP-Medicaid benefits**
- 3) All available revenues should be used and targeted additional revenues raised as needed to eliminate any rate or benefits cuts, or other health care cuts at this critical capacity-building time.**

CHIP Coalition will also include an array of perinatal/infant, child, and maternal health policy proposals designed to improve child health care and reduce system costs.

Next Steps

Another plenary session will be held in June to discuss issues related to infant, child, and maternal health issues.