

## CHIP Meeting 2/25/11

- In attendance: Aerin Toussaint-Texas Impact, Emily Shelton- Texas Impact, Bee Patty Quinzi- AFT, Barbara Wilson-Clay-Texas Breastfeeding Coalition and Healthy Mothers Healthy Babies Central Texas, Miryam Bujanda- MHM, Betsy Coats-Maximus, Jeff Miller- Advocacy Inc., Jose Gonzales Driscoll Children's Health Plan, Kevin, Jennifer Banda- THA, Allison Scott-Amerigroup, Ann-Marie Price- Amerigroup, Katie Parker Coburn- TACHC, Sonia Lara-TACHC, Kevin Denmark-Maximus, Jennifer Banda-THA, Kathy Eckstein- CHAT, Sister JT Dwyer- Seton FOH, Morgan Sanders-MOD, Kendra Williams- MOD, Helen Davis-TMA.
- March 30<sup>th</sup> Lobby Day- CHIP Coalition, CTN, Health Care Lobby Day. Most of them are coalitions.
- One logistical issue- Cover Texas Now is getting ready to put their flier together. CHIP Coalition logo will go on it.
- CTN is focusing on what Texas needs to do to prepare for implementing the ACA. We need an exchange, eligibility systems functioning and TDI to have appropriate authority.
- We have everything we need for a large-scale lobby day, so we are hoping to bring everyone together.
- Given our budget situation, the protection issues loom larger than the legislative issues.
- Media Coverage- Texas Impact is working on it and Jose will help in Corpus Christi with his radio show.
- Next Tuesday HB 636 will be up in House Insurance. There will be a committee substitute but it will not be available until Monday.
- Not clear at this point how some of the more far right members will see this as something they have to oppose.
- CTN is concerned about making sure the exchange isn't run by the insurance industry and does a good job for consumers.
- We will need to focus on eligibility systems because there will be so much movement back and forth between Medicaid and CHIP.
- Anne will send to the CHIP list the talking points CTN will be working from on Tuesday.
- TMA, THA, Restaurant Association Conservative Coalition, etc. will probably testify for, tea party might be there against and we will testify on with our concerns.
- From MOD perspective they are unable to comment pro/con b/c it mentions abortion. MOD has 3 things they want to see in an exchange bill 1) coordination with Medicaid and CHIP 2) having a maternal child health representative on the exchange board and 3) include quality improvement strategies that address maternal child health.
- Nothing in the bill to prevent coordination, but not sure it is strong enough.
- Asking Zerwas' office to hold a stakeholder meeting so we have the chance to speak with him in more detail.
- The bill also sunsets the exchange in 2019 which is the last year the exchanges are funded by the ACA. Is subject to the sunset process the same way all agencies are.

- General Legislative Check-In
- HB 474- Lewis- Requires I-9 to be completed along with all the application processes for Medicaid and CHIP. MOD concern was what this did for presumptive eligibility for pregnant women. Helped answer questions about what agency has oversight of Medicaid and CHIP. Legal concern was that it added additional requirements for eligibility, jeopardizing all federal funding for CHIP and Medicaid. Asked if there are other groups that would be opposed to the bill and MOD informed about the CHIP coalition. Said he would suggest to his boss that HHSC come in and brief about the verification procedures already in place. MOD will check in next week. (Update: Lewis does not plan to move this bill)
- Rep Schwertner has a bill that would require the mother to provide citizenship proof for CHIP Perinate. Educated him about federal MOE and how that would be a violation. The enrollee is the perinate, not the mother.
- Most fraud takes place at the provider level.
- Governing magazine study does an efficiency study and Texas ranks very well. Miryam will send around.
- Concern about enrollee fraud. TMA has recent factsheet.
- HB 1257- Kolkhorst- Applies to all public benefits. Wants to have a prohibition of the language saying undocumented immigrants can enroll their U.S. citizen children. Emailed immigration law experts on both coasts- there is stuff in there that would likely violate federal law. Commission may have given similar feedback. Federal law won't let you add eligibility requirements to a federal program. She will also file a bill that will incorporate TPPF interstate compact and block grant language as HB 13 and 14.
- TPPF Report- Assertion that Medicaid will consumer 46% of the budget may not be plausible. Has gotten some information back from national partners on the weaknesses in their research.
- Block grant is currently not possible due to federal law. Inter-state compact-is seen as a vehicle for opting out of federal law by bill authors, but this would be a new way for compacts to be used. .
- Goal is to test these assumptions in court. Part of a national conservative agenda. Part of the theme of not holding states accountable to minimum standards when they receive federal money.
- There is interest in having a side meeting to talk about 1257 and any other bills we may have soon? TACHC is interested and so is TMA. May send out doodle calendar.
- There is a TDI stakeholder meeting for Senate Bill 8 right now. This bill creates ACOs.
- HB 21 and 22- proposing teachers identify undocumented/migrant children. Supreme Court has already said these kids need to be educated.
- TMA mentions Arizona bill and wanting doctors and hospitals to identify undocumented immigrants. Docs are not agents of the police and are not happy, but there is a push for them to do it. Alvarado and Berman had a debate, it was her understanding that Berman was going to file the bill here. TMA- example of a pandemic. You don't want to discourage people from seeking treatment. Depending on the payer source there might be federal implications.

- Don't expect major revenue proposals to start rolling in for awhile. Senator Eltife said we need to spend the RD fund and raise new revenue, Zerwas said we needed to spend most of the RD fund too. Dr. Zerwas has been criticized for this by conservative groups.
- Rumor that HB 1 will be voted out of appropriations as filed. They have the votes on the floor too b/c of the block of freshmen. (Update: some changes WERE made to HB 1 before cmte vote).
- Will possibly load up supplemental bill?
- House members want to give people time to hear from their constituents before a vote.
- CPPP put out a 4 pager on the Rainy Day Fund, will be handing it out on Monday.
- Tracy Henderson- HHSC Budget. Presentation Available here: [Presentation to the House Appropriations Committee Article II Subcommittee - February 2011](#)
- This presentation is available and was sent to the CHIP list on 2-24.
- HB 1 and Senate Bill 1 for the first time in many biennia we are close on caseload assumptions to what LBB has laid out. Some difference on case mix. Nonetheless, the budget did not fund their caseload assumptions. They also did not replace the ARRA money we received this biennium. Embraced (built in) exceptional items w HHSC had in its LAR on managed care expansion.
- Savings and reductions at DADS, bringing in staff at HHSC.
- Premium tax revenues make up a part of managed care "savings"
- Taking into account premium tax revenue and net savings for exceptional items, \$600.6 million in net savings.
- Also included 10% provider rate reduction. When you take into account the lack of ARRA funding, it equates to a bigger reduction. Nursing home industry estimates more than 30%.
- LBB did reduce funding to reflect cuts to Medicaid provider rates, on drugs they only reduced dispensing fee. Did not take cut most cost-based rates on TEFRA, rural hospitals, etc. TACHC says those cuts don't impact directly because their rates are federally set. Did maintain staffing, but not enough funding for professional services costs, for example, additional enrollment broker costs, etc. related to caseload expansion. . IT staff are very concerned about their ability to support regional staff. Going through an internal process now re: what to do if the bill were to pass as is.
- Medicaid/CHIP took admin reductions as well. Staff cuts/vacant positions were used in LAR proposal. Have had a hiring freeze for a year though some exceptions have been made.
- Questions- Sen. Nelson says \$9.9 short on Medicaid which is bigger than LBBs number. Is there any place where her numbers are written by HHSC? Yes, \$9.9 is in one of the presentations on cost-containment that highlights the exceptional items. Wants to make sure for purposes of advocacy that the LBB numbers are the conservative estimate. \$9.9 is commissioner adding exceptional items 1-5 and FREW as well as DADS exceptional items. \$9.9 does not include savings assumed
- Commissioner does not want to target this from an across the board reductions perspective. Wants to target. Letting waivers expire is really the only thing you can do to change eligibility.
- Flexibility" sought- block granting, using IGTs, would like to see CMS count managed care days in UPL.

- Commission has been using the selective contracting approach as opposed to eliminating benefits altogether.
- Is there an expectation of a supplemental? Are you all getting any direction of deferrals? What is in the equation for August 2013?
- Ground rule assumption that you were not to have a supplemental requirement for the current biennium, is that written somewhere? No HHS agency wants to need additional funding in the supplemental.
- Dunkelberg pointed out that we've never passed appropriations bill this short before.
- Exceptional items- for physicians and specialists who treat children, they would not get the rate cut in 2011.
- Overall, unclear so far what the exact rate cuts will be, what will carry over, etc.
- For example, if cost containment list saves \$700 mill GR and the rider only requires \$450, you could have \$200+ million not cutting rates as much.
- Largely because of CHIPRA changes that are giving us big federal money we're not seeing CHIP shortfalls.
- In Closing:
- May send around a doodle to discuss TPPF proposals, some of the anti-immigrant eligibility stuff, etc.
- Did not discuss lobby day in March, but we have some grants out that will hopefully allow people to bring buses, etc.
- Mention re: rate reductions. Doctors who treat dually eligibles will have their repayment rate reduced from Medicare to Medicaid. That will be much more than a 10% rate cut. Balanced Budget Act of 1997 allows for that. Could create a mass exodus of providers treating dually eligible. It's in the 200 item list and has come up before.
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