

**Texas CHIP Coalition Minutes**  
**Friday, June 19, 2009 - 11:00-1:00 p.m.**  
**May Owen Conference Room, 10<sup>th</sup> Floor**  
**Texas Medical Association**

**Attendees:** Jennifer Allmon, *Texas Catholic Conference*; Anne Dunkelberg, *Center for Public Policy Priorities*; Kevin Denmark, *Maximus*; Kathy Eckstein, *Children's Hospital Association of Texas*; Shannon Foster, *Seton Health Plan*; Shelton Green, *Christian Life Commission*; Laura Guerra-Cardus, *Children's Defense Fund*; Pam Hardin, *Health and Human Services Commission*; Jan Hudson, *Seton Health Plan*; Maria Huemmer, *Texas Catholic Conference*; Sonia Lara, *Texas Association of Community Health Centers*; Alison Little, *Texans Care for Children*; Noelita Lugo, *Texans Care for Children*; James Mason, *Texas Impact*; Scott McAninch, *San Antonio Non-Profit Council*; Erica Ortega, *Seton Health Plan*; Stacey Pogue, *Center for Public Policy Priorities*; Kymberlie Quong Charles, *Center for Public Policy Priorities*; Blanche Rosas, *HHSC*; Denise Rose, *Texas Children's Hospital*; Morgan Sanders, *March of Dimes*; Melissa Shannon, *Center for Public Policy Priorities*; Kit Abney Spelce, *insure-a-kid*.

**Via conference call:** Mary Louise Lopez, *Methodist Healthcare Ministries*; Jane Swanson, *FREW Attorney*; Mary Helen Gonzalez, *Community First Health Plans*; Walter Taylor, *Mental Health Mental Retardation of Tarrant County*; Chris Yanas, *Teaching Hospitals of Texas*.

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Ms. Dunkelberg called the meeting to order of 11:09 am.

## **Session Debrief**

### **Children's Coverage agenda**

Ms Dunkelberg opened up discussion regarding the outcomes of the Children's Coverage Agenda and other bills of interest during the 81<sup>st</sup> legislative session.

The bills filed to provide 12 month continuous coverage on Medicaid and expand CHIP through a buy-in provision for families up to 300% of poverty were both unsuccessful. Ms Dunkelberg explained to the coalition that the CHIP expansion bill passed in both the House and the Senate, it also received funding in the General Appropriations Act. However, the bills ultimately became political casualties.

Dr. Guerra-Cardus added, that while it was disappointing that the bill was unsuccessful, she congratulated the group on its achievements, which include several calls to action that generated thousands of phone calls to legislatures, a series of press conferences, and the assistance of several high profile figures to show Texas lawmakers that children's health is a priority for Texans.

Dr. Guerra-Cardus reminded the coalition of the need to maintain the strong network that was formed during the session. The group was informed that the Texas Finish Line Campaign and the CHIP Coalition will continue to find more effective ways of keeping the network connected and improve its strength. She noted that the governor's special session presented another opportunity to highlight the need to cover more children with well placed actions and encouraged members to stay involved.

Ms Dunkelberg explained that the Legislature did provide funding to allow HHSC to add over 1,800 additional eligibility staff. She noted that this will play a vital role in maintaining and improving the

safety-net services (Medicaid, TANF and Food Stamps). This is particularly important as the demand increases with the deepening recession. Ms Dunkelberg reminded the group of the Outreach and Technical Assistance group that was formed to address the systematic problems with enrollment and case management, and invited members to participate.

### **Obesity Legislation**

Ms Lugo noted that there were number of successful bills related to nutrition, these include:

- SB 282 (Nelson) – Provides two separate grants to fund best practices in nutrition education in schools and another that provides funding for CBOs for nutrition education for children.
- SB 283 (Nelson) – Creates an advisory committee to study the availability for health foods (fresh fruits and vegetables) in underserved areas of Texas.
- SB 1027 (Watson) – Creates a farm-to-school task force to provide locally grown, fresh foods in schools. The bill provides funding for technical training and assistance, a database, and implementing of a grant program to recover costs of purchasing locally grown, fresh foods.
- SB 395 (Lucio) – Establishes the Early Childhood Health Council to improve healthy nutrition and physical activity in childcare programs.

Bills that did not pass include:

- SB 1088 (Shapleigh) & SB 344 (Nelson) – Permit the use of food stamps at farmers' markets.
- HB 1970 (Gutierrez) – Provide nutritional standards and training for child-care facilities.
- SB 204 (Shapleigh) – Ban trans fats in Texas restaurants.

### **Physical Education Bills**

Successful bills focusing on physical education include:

- HB 130 (Diane Patrick) – Allows for pre-kindergarten programs to voluntarily increase to a full day structure and increase the requirement for pre-k students to exercise for 30 minutes a day.
- SB 891 (Nelson) – Require that at least half of the content of P.E. courses be comprised of physical activity.
- SB 161 (Ellis) – Funds side-walks and crosswalks in areas near schools to ensure that children are able to walk and bike to school.
- SB 283 (Nelson) – Establishes a School Health Advisory Council of parents (but not district employees) to meet 4 times a year, and provide an annual written report on the district's board of trustees.
- SB 892 (Nelson) – Requires public school campuses to evaluate their health program at the campus level.

There was a successful bill that may negatively impact the health of children and young people. HB 3 (Eissler) would make health class for high school students optional, and also reduces the PE requirement from 1 ½ semesters to just one.

### **Insurance Bills**

Ms Pogue provided an update on successful bills related to private insurance.

- HB 2064 (Smithee) – Creates a sliding scale premium subsidies of up to 50% for people in the high risk pool under 300% of FPL. The risk pool provides essential access to coverage for people with preexisting conditions, and reduces the cost from average monthly premiums of \$600. The bill is funded through penalties issued to insurance companies to pay for untimely payment. The subsidy will be available from 2011.
- SB 1771 (Duncan) – Increases access to state continuation coverage from 6 months to 9 months. The bill also allows unemployed workers to take advantage of the full 9 month subsidies (previously capped at 6 months) of 65% for COBRA coverage under ARRA, and gives small business employees laid-off before ARRA passed a second chance to elect state continuation with no new pre-existing condition exclusions that mirrors the second-chance COBRA election in ARRA.
- SB 78 (formerly SB 6 – Duncan & Nelson) – Establishes the Healthy Texas Program which will make private insurance more affordable for small businesses that currently do not offer health coverage. The program is based on the Healthy New York model. The program is funded by \$35 million allocated from General Revenue and should lower premiums for small businesses with at least 30% of workers \$33,000 or less.
- SB 865 (Harris) – Establishes a new health insurance program for children in the child support program who are not already enrolled in CHIP or Medicaid.

Additional private health insurance bills include: Mandated benefits for people enrolled in clinical trials (SB 39), amino acid-based elemental formulas (HB 2000), and autism spectrum disorder (HB 451).

Ms Pogue drew the Coalition's attention to some private health insurance bills that did not pass.

- SB 1007 (Hegar) – Would have reauthorized TDI through Sunset. The bill is expected to be addressed in the special session.
- Medical loss ratio disclosure. The Senate tacked SB 485 and SB 1257 onto HB 2752 in the final days of session, but the bill died in conference.

### **Other Bills of Interest & the Budget**

Ms Eckstein provided the group with additional information regarding other health related bills of interest to the CHIP Coalition and its members.

- HB 1510 (Bonnen) – Requires health professionals providing pregnancy-related care to provide a resource manual to parents that includes information on SIDS, including recommendations on infant sleeping conditions.
- SB 1646 (Van de Putte) – Addresses the lack of coordination for state services to families. The bill also creates a council of 11 different state agencies to removing some barriers to access and increase efficiency in the system.
- HB 3859 (Herrero) – Requires HHSC to conduct a thorough analysis of the staff necessary to perform eligibility determinations for health and human services, with attention to seamless transfers between Medicaid and CHIP and benchmarks for timeliness and accuracy.

- SB 2080 (Uresti) - Creates a grant program at DSHS to improve the assessment, diagnosis and treatment of child abuse and neglect. Ms Dunkelberg noted that SB 2080 was the last vehicle for the CHIP bill. She wanted to thank Brian Sperry and CHAT because provided so much support and accepting the amendment which could have threatened the success of CHAT's legislative agenda. The bill was nearly killed because of the CHIP debate, but was re-amended and passed.
- SB 476 (Nelson) - Establishes requirements on nurse staffing plans, limits use of mandatory overtime, allows waiver of sovereign immunity for retaliatory actions against a nurse. Additionally, the bill authorizes the Higher Education Coordinating Board to provide grants to nursing schools based on performance related to graduation rates. The repayment program will receive \$22 million.

## **Appropriations**

Ms Eckstein led the group discussion on developments in the budget. She began by drawing the group's attention to the 2009 Supplemental Appropriations Bill, which provides additional funds to finish out the current biennium. The total net amount appropriated is \$2.3 billion, which is a \$2.4 billion increase in Federal Funds, but an actual decrease in General Revenue of \$113 million. The break down of GR funds for HHSC is listed below:

### **2009 Supplemental Appropriations**

#### GR Funding for Health & Human Services Commission - \$1.3 billion

- \$759 million for Medicaid caseload and cost increases;
- \$324 million for Medicare Part D claw-back payments (vetoed by Governor);
- \$74 million for nursing facility payments;
- \$64 million to improve state schools;
- \$34 million for child and adult protective services costs;
- \$12 million for swine flu costs; and
- \$7 million for autism services.

Ms Eckstein noted that the 2010-11 General Appropriations Act provides \$182.3 billion, a 7.4% increase over the previous session, with 44% of funding coming from GR. She added that the estimated that the \$9.1 billion in the Rainy Day Fund remains in tact. Texas will receive \$16 billion in federal funds through the ARRA over three years, with \$14.4 billion flowing through the state budget in the next biennium. Ms Eckstein explained that \$6.4 billion of ARRA funding will replace GR and \$5.7 billion represents funding increases. This is an increase of 26% of federal funds, with a decrease in GR by 2%.

Ms Eckstein provided further budgetary analysis on the allocation to HHSC for the 2010-11 biennium. HHSC received a budgetary increase of 9.3%, with Medicaid making up about 25% of the state budget. She addressed some concerns regarding a substantial dip in GR funds allocated to Medicaid, and noted that the AARA funds will make up the shortfall. Members discussed the difficulties the state will have in making up the difference in Medicaid funding in the future as caseloads are projected to increase by 7% in the next two years. Some areas of particular importance are outlined below:

- Staffing levels – The budget increases funding by \$50 million GR to maintain 2009 end-of-year staffing levels for eligibility determinations.

- Medicaid Reimbursement Rates – Funding levels are maintained at 2009 levels, but provide increases for certain exceptions, primarily for attendant care.
- Medicaid Buy-in – There is an additional \$21 million GR available to implement a Medicaid Buy-in option for disabled children.
- Coverage for legal immigrant children – There is a reduction of \$42.2 million GR in CHIP, which is offset by a \$45 million GR increase for legal immigrant children in the Texas Medicaid program (this is due to changes in the federal CHIP reauthorization bill).
- Community Mental Health Programs – The budget provides significant increases to community mental health services, including \$83.6 million GR for crisis services and \$5.4 million for mental health services to children.
- Children with Special Health Care Needs - To address waiting lists, an additional \$4.8 million GR is appropriated.

### **Appropriations Riders**

Ms Eckstein concluded her presentation with an update on appropriations riders, the following issues were addressed below.

- Frew Strategic Initiatives – The appropriations for Frew Strategic Initiatives are limited to unexpended balances from 2008-09, estimated to be \$113 million GR. The rider states that the \$150 million provided in 2008-09 was a one-time appropriation (HHSC #53).
- Staffing Levels - HHSC is directed to maintain eligibility staffing at the 2009 level at a minimum. The agency may request additional staff and may transfer GR from Medicaid strategies to accommodate workload and caseload growth (HHSC #61).
- Medicaid cost savings – HHSC is directed to achieve Medicaid cost savings of \$107 million in GR, considering initiatives such as increasing provider participation in managed care networks, using experience rebates within managed care, improving coordination of care for disabled children through managed care, market rating of managed care plans (phased in and considering the acuity of clients and whether the hospital is TEFRA reimbursed), expanding use of a medical transportation broker; limiting use of ultrasound, and increasing third-party payment sources (HHSC #59).

### **National Health Reform**

Ms Dunkelberg introduced Kymberlie Quong Charles, the Coordinator for the newly-established resource Texas Voice for Health Reform. Ms Quong Charles opened up discussion by inviting coalition members to participate in the project, noting that a series of face-to-face meetings and teleconferences will be held throughout the summer. She explained that the project started in January by the Robert Wood Johnson Foundation to get state level activists involved in the national health reform debate.

Ms Quong Charles explained that the focus of this network is to focus on the bigger picture issues related to health reform, namely that a bill should include provisions to make coverage affordable and accessible to all Americans. Ms Quong Charles and Ms Dunkelberg had recently returned from Congressional visits

in Washington DC. She relayed that Congressional staffers said they need to hear from as many state level constituents and groups as possible. The timeline is going to be pushed in the next 6 weeks the bills are going to be written and voted on by august recess.

Ms Dunkelberg added that staffers had expressed concerns that they had received phone calls from elderly constituents who had heard a lot of misconceptions about the implications of national health reform. The feedback was that these callers think that health reform would be connected to abortion, or euthanasia. Additionally the single-payer advocates have also been quite vocal on health reform. Ms Dunkelberg stressed the importance of Texas organizations to emphasize the bigger picture agenda that affordable coverage is necessary for all Americans, and that this demonstrates a real need for the Texas Voice for Health Reform network.

Ms Dunkelberg also highlighted some policy solutions being crafted in national bills that would address expansion for Medicaid and SCHIP. She noted that this included some of the concerns addressed through the CHIP Coalition's Coverage agenda (i.e. 12-month continuous coverage through Medicaid and CHIP expansion to higher income thresholds). Ms Dunkelberg encouraged the group to get involved because these components will be less likely to survive as they increase the fiscal note for both states and at federal levels.

Ms Dunkelberg encouraged other members to add items of interest for future meetings.

With no other items on the agenda the meeting ended at 12:45.