

Texas CHIP Coalition Minutes, October 20, 2006

(HHSC Budget presentation minutes from Anne Dunkelberg, remainder of meeting thanks to Anne Wingler, CDF Austin)

Meeting was called to order at 11:10 by Anne Dunkelberg.

First order of business was an update on the HHSC budget request (emphasis on Medicaid and CHIP) for 2008-2008 by Tracy Henderson of HHSC.

Ms. Henderson shared a short PowerPoint handout.

Key information from her presentation and the group's discussion included:

- the budget instructions required agencies to ask for 90% of their 06-07 budgets as their "baseline" budget request for 08-09
- HHSC allowed to ask for growth in Medicaid caseloads (but not cost growth) & to include "clawback" payments to federal government for the Medicare Drug benefit; these are also not subject to the 10% cut.
- CHIP NOT exempt from 10% cut, and the actual cost of new CHIP perinatal program was not allowed by LBB to be included in HHSC base budget. The latter makes the caseload requests very confusing, because implementing perinate coverage results in loser Medicaid newborn caseloads, and higher CHIP caseloads. Perinatal funding requested in EI #6.
- About \$120 million in unspent appropriated state dollars (GR) for CHIP are being used to fund Medicaid needs in 2007. These CHIP funds are unspent because caseloads have continued to drop despite funds being appropriated to allow them to grow to 351,000 in 2007. The bill of the Medic ad shortfall for 2007 is due to the Governor's veto of the Medicare Part D "clawback" payment, which HHSC has nevertheless had to continue to pay every month to the federal government. Medicaid caseloads are also below projected levels.
- Because CHIP caseloads are so low, the agency projects low growth in 2008-2009 and the "base" amount from the 2006-07 budget is almost enough to pay for the 2008-2009 needs. BUT, this baseline for CHIP assumes flat cost per child in 2008 and 2009. Inflation for 2009 is requested in EI #4.
- No changes in federal CHIP funding reassumed in HHSC budget request (outcome of CHIP reauthorization in Congress in 2007 unknown).
- Integrated Enrollment and Eligibility budget request assumes no change from operations in July 2006, including to increase or decrease in authorized FTEs. ACTUAL eligibility staff levels are currently below those authorized for 2006-07, because of unplanned attrition from 10-02-7/06 (retention incentives have stopped the free fall). The 06-07 budget assumed 800 workers would be cut by the end of 2007, but 2006 attrition achieved all that and more (about 1,000 workers lost).
- Restoring 10% cut to HHSC critical to adequate staff, CHIP perinatal, family Violence, TANF (HHSC EIs in 1,2 &7)
- Other exceptional items needed to allow for growth in Medicaid, CHIP. HHSC needs \$1.9 billion GR in EIs just for current services.
- Rate restoration (from 2003 cuts) is in HHSC EI list; rate INCREASES are found in the article 2 consolidated budget.

Coalition members decided to ask HHSC for a weighted average cost per Medicaid child for 2008-2009, for use in analysis and advocacy.

Texas Medicaid and CHIP Update (Anne Dunkelberg):

Children's Medicaid declines:

(Please excuse-missing slides 5-8, 13-16, and 21-24. You can download the completed slide presentation on CPPP website).

- September enrollment dropped 35,657 below August (see slide 12)
- If due to Economic improvement, we would see a slow decline, not rapid disenrollment.

CPPP Concerns:

- Texas will be in trouble if we don't get staffing for eligibility system.
- There are no national benchmarks for eligibility staffing ratios.
- The state of Colorado has a problematic new eligibility computer system / are in law suits.
- HHSC Employees are very mission driven; state office problem is Staffing levels low (not incompetent).

Washington DC roundtable meeting on federal CHIP block grant reauthorization (BEFORE November elections):

- National Governors Association staff indicate no consensus in NGA around pushing for increased federal funding for CHIP.
- Texas has lost \$832 million in CHIP federal funds to other state already.
- Child Health Advocates' Goals for federal CHIP Block Grant Reauthorization:
 - Funding to Sustain current enrollment. : over 5 years, this will require \$12-14 billion new CHIP funds.
 - Enough growth to cover all eligible/not enrolled @ current eligibility thresholds
 - Room to cover more uninsured kids
 - NO cuts to Medicaid to offset SCHIP
 - Other issues:
 - Fair treatment of states that did more prior to CHIP
- Pressure is on Texas because NO OTHER STATE has had such a large drop (over 40% as of 10/2006 since 9/2003).
- Other states want Texas' lapsed funds.
- Texas' CHIP allocation will be targeted to be reduced based on our lower enrollment. This will reduce our allocation. Texas' allocation --if lowered-- will free up funds for other states, so they will like this kind of formula change.

Texas is not in a good position!

- Other issues: how will CHIP "extras be treated? Will states still be allowed to do:
 - Perinatal Programs
 - Premium assistance coverage of adults (like Galveston's "3-share" program?)
 - Will existing programs like the above be grandfathered?

GOOD NEWS!

A lot of activity going on at federal level and in other states regarding moving toward covering all children.:

- Children's Defense Fund (national) is championing filing of 2007 Legislation in CONGRESS to cover all kids. Components likely to include subsidy for families up to 300% of the poverty level; This program would be built on CHIP but not replace all programs.

CHIP plan "Default" process to be implemented:

- Historically, CHIP kids would not get coverage until their parents selected a health plan (unlike Medicaid Managed Care, where kids and adults are auto-assigned to a plan if they don't choose quickly enough).
- TAA has also had problems with plan selections not being processed correctly, leaving kids ion limbo.
 - HHSC will begin assigning kids to a health plan to speed up enrollment, this will be reflected in November enrollment.
 - Parents can move to another plan later if they don't like the random assignment.

Next Meeting – November 10th, 2006 11:00 am – 1:00 pm