

TCC Principles for 76th Texas Legislature (1999):

Principles for Texas' Children's Health Insurance Program

Background

Many working Texas families cannot afford health insurance for their children. Without health insurance, many parents delay preventive health care for their kids, often paying more later when their child becomes ill or needs hospitalization. Last year, Congress created a new block grant, known as the Children's Health Insurance Program, or CHIP, to help states offer low-income parents an affordable children's health insurance option. The bill, passed with overwhelming bipartisan support, gives states monies to fund programs as well as a lot of leeway in designing them.

Broad Access to Coverage

- **Texas should act promptly to cover as many children as possible.**

The CHIP program gives our state nearly \$2.5 billion federal dollars in the next five years to fund a Texas-designed CHIP program. Some matching funds must be provided by the state, but the federal government will pay the vast majority of the program costs. Texas will lose money if the state decides not to fully implement a CHIP program. The 1999 Texas legislature should make passage of a CHIP program its first task of the session. The program should cover as many children as possible and should not leave federal dollars on the table for redistribution to other states.

Family-Friendly Enrollment

- **Parents should be able to take all of their children to the same place for health care.**

Families should not have to seek health care in multiple locations because their children of different ages are eligible for different coverage.

- **Parents should be able to enroll all their children in health coverage without unreasonable hassles.**

Enrolling children in health coverage should be as simple as possible. Families should be able to mail one simple application to find out whether their kids are eligible for Medicaid, CHIP, or Healthy Kids coverage. Child care centers, Head Start programs, WIC centers, places where families get health care, and other community resources (e.g., stores, churches) should be able to help parents apply for children's health coverage.

- **Information about CHIP should be easy for parents to get.**

Among CHIP, Medicaid, and the new Texas Healthy Kids insurance program, families of all incomes should be able to access health insurance for their children. Ongoing public information and outreach should let Texas parents know about the new options available, and parents should be able to go to a single source to learn more about all three programs. Outreach should be tailored to meet the special needs of different communities and populations.

The Coverage That Children Really Need

- **CHIP benefits should meet the needs of all children.**

A comprehensive child-oriented package would cover checkups and other preventive health services, prescription medications, basic vision and dental care, mental health services and other medically necessary care including coverage for kids' special health care needs. It should recognize that any child, at any time, could develop a disability or chronic health care condition and

should not include waiting periods for pre-existing conditions, or discriminate on the basis of diagnosis.

- **CHIP should be designed to reduce the possibility of children losing insurance.**

CHIP should ensure that kids do not lose access to health care due to a short-term problem like a late premium payment. If parents' income increases significantly, children should be enrolled in private insurance through a parent's job or Healthy Kids. If a long-term drop in a family's income to below CHIP levels means the family can no longer afford CHIP premiums, the children should be enrolled in Medicaid without a lapse in coverage. Mechanisms already available in Healthy Kids and Medicaid to ensure uninterrupted coverage should be used. CHIP should ensure that children have uninterrupted access to health care when their families move to a new location.

- **Parents should have choices among insurers, doctors and other health care providers.**

Parents should be able to purchase qualified CHIP coverage that meets the federal standards from multiple insurers. This could be achieved in a number of ways, including a purchasing credit or voucher approach. Where economical, CHIP funds could be used to help families buy qualified coverage through their employers.

Coverage That Supports Working Parents

- **Low-income working parents should be rewarded for insuring their kids.**

The federally required measures intended to prevent employers from dropping dependent health benefits for their employees should be balanced with provisions designed to avoid "punishing" responsible low-income parents who are already struggling to pay high children's health insurance premiums.

- **Parents should be responsible for paying a fair share for CHIP coverage.**

CHIP's goal is to allow low-income working parents to insure their kids at rates that will also allow them to pay for food, shelter, utilities, and child care. Federal CHIP rules ensure that the parents' costs will not be excessive; Texas should ensure that premiums and co-pays are simple enough to minimize hassle for parents, health care providers and insurers.

Prepared by the Texas CHIP Coalition