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**Sign-On Form for Support of Texas CHIP Coalition Position  
for the 80<sup>th</sup> (2007) Texas Legislative Session**

# **TEXAS CHIP COALITION**

<http://www.texaschip.org>

**RETURN THIS FORM:**

**BY EMAIL:** [dunkelberg@cphp.org](mailto:dunkelberg@cphp.org)

*If you reply by email, please ALSO fax or mail the signed original to:*

**BY FAX:** (512) 320-0227

**BY MAIL:** c/o CPHP

900 Lydia Street

Austin, TX 78702

**QUESTIONS:** Phone (512) 320-0222 X102, Anne Dunkelberg

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**Our organization wishes to be listed as a member of the Texas CHIP Coalition and in support of the Coalition's position for the upcoming 80<sup>th</sup> legislative session.**

Name of Organization: \_\_\_\_\_

Is your organization (check one):      Statewide \_\_\_\_\_      Local \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Authorizing Signature: \_\_\_\_\_

***Please complete all items above!***

**Even if your group has signed on with the CHIP Coalition in previous legislative sessions, we must receive this new form in order to list your organization for the upcoming session.**

# Children's Health Care Principles for 80<sup>th</sup> Texas Legislature

## Background

According to the U.S. Census Bureau, Texas has the fastest growing child population in the country.<sup>i</sup> **In 2004, there were 6.6 million children under age 19 living in Texas.**<sup>ii</sup>

**About 1 in 3 Texas children—almost 2.1 million—are covered by Medicaid or the Child Health Insurance Program (CHIP)**, including half of Texas pre-schoolers (children ages 2-4), and one third of Texas elementary school students (children ages 5-11).

Employer-sponsored insurance (ESI) is unavailable or unaffordable for many working families. According to recent TDI studies, to purchase private **health insurance coverage for a family now averages over \$11,000 per year.**<sup>iii</sup>

Health insurance coverage is important to not only to the health of children but also to the economic health of Texas. Yet, **1 in 5 Texas children lack health insurance**<sup>iv</sup>. According to the Institute of Medicine, uninsured children are less likely to receive preventive health services and more likely to go without needed care and rely upon the emergency room for even routine care. Uninsured children are more likely to miss school—and their parents to miss work—resulting in lost revenue to schools and lower productivity for employers.

Texas' economy is thriving. To continue that growth, the state must have a stable base of educated and healthy employees. While Texas has taken steps to address its educational system in recent months, it leads the nation in the uninsured. High rates of uninsured contribute to higher health insurance premiums. Other states, such as Arkansas, California, Illinois, Pennsylvania, and Massachusetts, are undertaking initiatives to reduce their rates of uninsured children and parents. Texas may become a less attractive place for new employers to locate if we too do not address the problem.

To have the opportunity to succeed, children need access to comprehensive health care and families need the economic security that children's health care provides. Yet, Texas has much work to do to achieve a level playing field for our kids. Texas children are far more likely to be poor than adults, with **over 23% of Texas children living below the poverty line compared to 16% of the general population.** Children in low-income Texas families are far less likely to have health care coverage than children whose parents are better off, even when their parents are full-time workers. And, there are major differences in health care coverage of Texas children by race and ethnicity: **32% of Hispanic children were uninsured in 2004, compared to 20% of African American children and 11.5% of non-Hispanic white children.**<sup>v</sup>

While the state is working to reverse declines in CHIP and children's Medicaid, the drop in enrollment over the past few years has contributed to Texas' high uninsured rates among children. High rates of uninsured increase the demands on our overburdened local health care systems as well as the taxpayers who finance those services.

### **The Texas CHIP Coalition believes that every child in Texas:**

- Deserves the opportunity to be born healthy, and to grow up as healthy as possible,
- Needs the foundation that good prenatal and maternity care provide,
- Should have comprehensive health insurance coverage, and
- Needs a "medical home": a physician or health care provider who serves the physical, mental and developmental health care needs of a growing child through a continuous and ongoing relationship.

To achieve these goals, the Texas CHIP Coalition outlines the following principles.

## **Maximize Use of Federal Funds to Increase Health Insurance Coverage Among Children**

Children's Medicaid and CHIP are a good buy for the state, stretching limited state tax dollars further by bringing in billions of federal matching funds. For each dollar Texas invests in these programs, Texas brings back \$1.54 and \$2.63 respectively. By reviving a community-based, ongoing outreach campaign, **Texas can cut the number of children who are uninsured in half just by enrolling children in Medicaid and CHIP who are eligible right now, but not enrolled.** Today, there are over 1.3 million uninsured Texas children, and more than half of these qualify for Medicaid or CHIP coverage under current program rules. The government, business, and private non-profit sectors must all work together to make maximum participation in these programs a reality.

## **Promote Shared Responsibility by Parents and the State**

CHIP and children's Medicaid are a partnership between families and the state. For families, this means enrolling, renewing, and paying premiums on time. For the state, this means minimizing red tape and difficult paperwork that impede families from enrolling or renewing coverage as well as developing policies that encourage families to save for higher education, retirement, or home ownership. The CHIP Coalition continues to support reasonable enrollment fees and co-payments commensurate with families' ability to pay.

### **Texas should:**

- Ensure that both the public and private components of the CHIP and Medicaid eligibility systems are adequately staffed and trained, and that all the computer systems that support enrollment are performing properly. Renewal rates and turn-around time for applications and renewals should meet or exceed the FY 2004 performance levels.
- Retain the option for parents to use a simple streamlined application for children's Medicaid and CHIP, including in new online applications under Integrated Eligibility and Enrollment.
- Create more convenient options for families who do not have bank accounts to pay their enrollment fee. Installment plans, ability to make cash payments at local grocery and retail sites, and credit and debit payments should be available.
- Support reasonable anti "crowd-out" policies. Texas should return to its original crowd-out prevention policy by eliminating the current 90-day delay in coverage for newborns and newly-enrolled children.
- Implement 12 months of continuous eligibility for children in Medicaid and CHIP,
- Restore income deductions for critical expenses such as child care and child support payments,
- Eliminate the asset limit for CHIP families earning more than 150% of the federal poverty income, and
- Adopt Presumptive Eligibility to speed children's access to health care in Medicaid and CHIP.

## **Support Statewide Outreach and Education**

Parents want to be responsible for their children's health. Yet the complexity of the health care system means many need help understanding what care is available for children and what their responsibilities are in enrolling and accessing that care. Ongoing outreach and assistance programs are vital to connecting children with a medical home and keeping them healthy. In 2002-2003, community-based organization (CBOs) outreach was funded at \$6.1 million, and direct marketing at \$3.8 million.

## **Texas should:**

- Continue and expand HHSC's recent marketing and public education efforts to inform families about the availability of children's Medicaid and CHIP. The Coalition applauds the state for its recent initiatives and encourages significant investment in outreach to educate families about available coverage for children, the importance of keeping their children enrolled, and informing parents about how to effectively and appropriately use health care services.
- Leverage marketing efforts by preserving and expanding the role of Community-Based Organizations in outreach and education, proven effective in the CHIP-building years. The new expanded role for CBOs under HHSC contract must ensure funding for **children's insurance programs** at or above 2002 levels, and provide **additional** funding to support the new CBO responsibilities for outreach to approximately 2 million adults.
- Invite and support partnership by schools, businesses, churches, and other trusted community institutions willing to contribute to the effort to enroll eligible children in health care.
- Tackle the need for special outreach in rural Texas, and to families with of pre-school children.
- Ensure that CHIP families get clear directions on how to track their total cost-sharing to ensure they are not charged more than their out-of-pocket caps.

## **Support a Benefit Package Appropriate for the Needs of Children**

Texas Medicaid and CHIP currently provide a benefit package specially designed for children's needs, including preventive and well-child services such as check-ups and immunizations, routine services such as dental, hearing, and vision care that help children succeed in school, as well as other medically necessary care such as mental health, primary and specialty care, and hospital services.

Recent federal laws create new options for state Medicaid coverage of children. As Texas examines whether to pursue these options, lawmakers should assure that children's Medicaid and CHIP benefits remain geared to children so that they receive the care they need in order to be productive in school and in the community.

## **Texas should:**

- Ensure that all children in Medicaid continue to have access without barriers to the comprehensive array of preventive services and medically necessary treatments now guaranteed by the Texas Health Steps program.
- Ensure that any experiments with new coverage options do not create new barriers to preventive, chronic, or catastrophic care. Participation in experimental programs must be voluntary, and give parents the option to return to a comprehensive benefit model if the experimental model does not meet their child's needs.
- Eliminate waiting lists for medical and family support services for the Children With Special Health Care Needs program.
- Invest in a community-based behavioral health infrastructure that meets the needs of Texas children.

## **Support and Protect the Safety Net for all Texans**

The number of Texas children covered by Medicaid and CHIP will increase as the child population increases, requiring a growing supply of primary and specialty care providers participating actively in these programs. However, many physicians, dentists and other providers are severely restricting

their participation in these programs because of inadequate reimbursement that is well below Medicare and commercial payment rates. Rate cutbacks have reduced physicians' and providers' fees to 1993 levels for most services.

Cuts leaving Medicaid reimbursement rates below the costs of providing services also weaken the capacity of health care safety net providers to continue serving Medicaid and uninsured patients. Investing in adequate rates will improve children's access to high quality care, bring Texans' federal tax dollars back into our the state's economy, and strengthen Texas' health care system overall.

To increase the numbers of providers who accept CHIP and Medicaid and ensure an adequate provider network to serve the 2.1 million children enrolled,

**Texas Should:**

- Reverse cuts to Medicaid and CHIP physician and provider payment rates.
- Begin applying annual inflation increases to Medicaid and CHIP provider payment rates.
- Enact a plan to bring rates up to Medicare levels.

Recent federal laws will allow states for the first time to charge co-payments to children in Medicaid.

- Experiments with cost sharing for children in poverty must be carefully designed to ensure that preventive care is not discouraged, and that barriers are not created for ill children when their parents cannot pay.

**Planning for the Future: Health Care for Every Child**

Too many Texas families with incomes above the CHIP maximum are nevertheless finding children's health insurance unaffordable. The time has come for Texas to devise a system where access to comprehensive care—from prevention through the most catastrophic care—will be available and affordable for every child, not just for the poorest or the most fortunate. Many other states, including California, Illinois, Massachusetts, and Pennsylvania, have taken steps in recent months to expand coverage for children using a mix of public and private initiatives. Texas should evaluate these efforts to assess what strategies might work here. Just as no child is denied a public education, Texas should develop a program in which every family can purchase coverage for their children at a fair price that is appropriate to their income.

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**Source Notes:**

- <sup>i</sup> <http://www.census.gov/popest/states/asrh/tables/SC-EST2003-02/SC-EST2003-02-48.xls>, September 30, 2004.
- <sup>ii</sup> U.S. Census Bureau, Current Population Survey (CPS) Table Creator, [http://www.census.gov/hhes/www/cpssc/cps\\_table\\_creator.html](http://www.census.gov/hhes/www/cpssc/cps_table_creator.html)
- <sup>iii</sup> Texas Department of Insurance, <http://www.tdi.state.tx.us/general/PDF/spgIntBody.pdf>; Henry J. Kaiser Family Foundation, <http://www.kff.org/insurance/7148/>;
- <sup>iv</sup> [http://ferret.bls.census.gov/macro/032004/health/h05\\_000.htm](http://ferret.bls.census.gov/macro/032004/health/h05_000.htm)
- <sup>v</sup> U.S. Census Bureau, Current Population Survey (CPS) Table Creator, [http://www.census.gov/hhes/www/cpssc/cps\\_table\\_creator.html](http://www.census.gov/hhes/www/cpssc/cps_table_creator.html)