



Texas CHIP Coalition 2013 Legislative Principles & Agenda

Preserve Comprehensive Coverage under Medicaid and CHIP

Some contemporary state and federal proposals could re-structure Medicaid and CHIP in ways that could reduce access to quality care for the over 3 million Texas children who rely on the programs today to stay healthy.

Our coalition supports reforms to our public health insurance programs that:

- reduce the rate of health care spending growth while raising standards for quality of care, promoting evidence-based cost-effective care, and improving outcomes; and
- re-direct financial incentives away from rewarding either the over-or under-provision of care.

We oppose re-structuring and deficit reduction methods that:

- reduce children's access to comprehensive medically necessary care;
- reduce children's eligibility for affordable comprehensive coverage;
- make children's coverage unaffordable through cost-sharing obligations that are excessive relative to family income;
- eliminate the current federal funding partnership that guarantees that Texas can depend on increased federal funding to reflect both population and inflation growth, and in response to higher needs in times of economic downturns and major disasters.

Reverse Damaging Cuts to Texas' Critical Public Health Safety Net and Infrastructure

The 82nd legislature's budget for 2012-2013 cut Health and Human Services spending by \$10 billion, from \$65.5 billion in 2010-2011 to \$55.4 billion for 2012-2013. Medicaid for 2012-2013 was budgeted at 21% below 2010-2011, with roughly \$2 billion in total spending reductions, plus nearly \$5 billion more in a funding shortfall "IOU." The \$2 billion encompasses a wide range of service and benefit reductions, cuts to Medicaid and CHIP provider payments, and managed care-related spending reductions. These reductions touch all Medicaid enrollees: children, expectant mothers, Texans with disabilities, and seniors in nursing homes and in the community. The Medicaid funding IOU is reflected in HHSC's updated 2013 supplemental appropriations estimate for Medicaid of \$4.7 billion: \$3.7 billion GR at HHSC and another near \$1 billion at DADS. State leaders have pledged to fund this "IOU" when they return in January 2013.

Our Coalition advocates that the Legislature:

- Honor its pledge to fully fund and cover the Medicaid shortfall "IOU" in 2013.
- Carefully consider all benefit, policy changes, and provider rate cuts enacted in 2011 and/or adopted through rules, and reverse those that have reduced access to medically necessary care from health care

providers, medical, dental and vision services, services and supports needed to stay in the community, diagnostic testing, and key medical supplies.

- Fully vet and evaluate proposed reforms and cost saving measures for their true impact, both fiscal and human. If cost savings assumed for policy changes in the 2012-2013 budget cycle are not fully realized, they should not be converted to even deeper cuts to safety net programs, decreasing the overall health of children and families, and ultimately costing more for Texas.

Reducing funding for safety net programs decreases the overall health of children and families and is ultimately more costly to the state. Deeper cuts in 2013 would further cripple an already devastated public health safety net. Reduced access to healthcare providers will only result in less preventive treatment and higher medical bills paid for by Texas tax payers at the local level.

Bolster the Texas Health Care Workforce

Texas has a large and growing population, but there are too few physicians, nurses, and health care professionals to meet Texans' health care needs. There is a shortage of every kind of health professional in Texas except licensed vocational nurses. Texas today has the second-worst primary care provider supply in the U.S., and our mental health provider shortage is the deepest of any category of care.

Exacerbating the problem, fewer physicians are now accepting Medicaid. Inadequate Medicaid payment rates, aggravated by growing program complexity are key reasons Medicaid physician participation is dropping. According to TMA's 2012 physician survey, only 31% of physicians accept new Medicaid patients, an 11 point drop from 2010 and 36 points below the 67% accepting new Medicaid in 2000. The survey shows that beyond just limiting their Medicaid participation, more physicians are declining to accept any Medicaid at all, a very worrisome trend.

Additionally, Texas Medicaid has not made regular inflation updates to physician and other health professional fees for 20 years, and in that time rates have been cut more often than increased. Texas Medicaid fees for physicians average about 73% of Medicare rates, which in turn are below commercial payment rates. These rates are set entirely by the Texas Legislature; federal Medicaid law does not set any minimum standards for state Medicaid program rates except in a very few cases.

Fortunately, as a result of the Affordable Care Act, Medicaid payment rates for primary care physician services will increase to Medicare parity for two years (2013 and 2014) with full federal funding. However, the ACA does not extend the more competitive payment rates to other Medicaid services, or to other Medicaid and CHIP physician and health professional types. Whether the enhanced federal funding for primary care will extend beyond 2014 cannot be predicted.

Access to providers is a serious problem today, and as more Texans gain coverage from private or public insurance, even more clinicians and technicians will be needed. Texas must reinvest and expand resources to build provider capacity so that both existing and future Medicaid and CHIP enrollees and privately-insured Texans alike will be able to obtain the health care services they need. The coalition supports investments to expand Texas' health care workforce. Given the time it takes to train new doctors, dentists, nurses, pharmacists, mental health professionals, and others in the health care workforce, Texas must take meaningful steps to expand its efforts to train and recruit more health care professionals during the 83rd legislative session.

Our Coalition advocates that:

- Texas increase to parity with Medicare all Medicaid and CHIP professional and provider payments, in addition to the set of primary care provider services that will be raised in 2013 and 2014 under the federal health system reform law.

- The legislature reverse cuts to all health care provider education and training programs enacted in 2011, and invest in expanded training and residency capacity to put our state on track for improved access to care for all Texans. Specifically restore funding for:
 - the physician loan repayment program to encourage more physicians to practice in medically underserved areas;
 - the Texas dental loan repayment program; and
 - the Children’s Medicaid loan repayment program, which provided loan repayments to primary and specialty care physicians and dentists accepting Medicaid.
- Texas invest in research to identify and promote innovations in training primary care residents to encourage more medical students to choose primary care.
- The Legislature establish and implement a plan to increase residency slots to match the number of incoming medical students, as the Texas Higher Education Coordinating Board has recommended, so that we may retain here in Texas more of the doctors we have invested in and trained.
- Program planning and investment to train and keep an adequate health workforce covers the full spectrum of clinicians, technicians, and para-professionals needed to provide access to care.
- Texas streamline the Medicaid administrative processes to entice more providers to stay in Medicaid; for example, adopting a simplified HMO credentialing process and implementing standardized prior authorization mechanisms.
- Medicaid-CHIP program integrity policies and practices be carefully analyzed to ensure a proper balance between due diligence and administrative burdens, for both providers and clients.

Reduce Health Care Costs by Supporting Practices that Improve the Quality of Care for Children, Mothers and Newborns

The Coalition supports policies and programs to increase quality of care for children, mothers and newborns. These include policies to reduce pre-term births; to support healthy birth spacing; to improve maternal access to smoking cessation and substance abuse services; to broaden adoption of innovative programs and practices that improve the effectiveness of prenatal care; and to support breast feeding, all of which will improve health outcomes and reduce future taxpayer costs.

Our Coalition supports:

- Access to affordable basic and preventive health care for low-income uninsured Texas women.
- Policies that promote early entry into prenatal care.
- Policies that promote on-going preventive care for women and children, like chronic disease management and annual screenings.
- Development of a Maternal Mortality Review Program and ongoing support for Fetal, Infant and Child Mortality Review Programs.
- Policies that ensure continued access to critical neonatal services.
- NICU policies and procedures that promote AAP levels of care.
- Maternity services that reflect best practices identified in current, peer-reviewed obstetrical literature.

Continue to Improve and Modernize the Medicaid and CHIP Eligibility System

Since 2010, HHSC has made impressive strides in processing Medicaid and CHIP applications promptly and correctly. After several years of sub-standard performance, the eligibility system’s accuracy, speed, and

customer service have all improved and Texas now meets or exceeds federal standards. HHSC has made these system improvements while rolling out the new TIERS eligibility computer system across the state and developing new online tools including a self-service portal.

Medicaid and CHIP rolls continue to grow in Texas. The economic downturn continues to lead more families—many for the first time—to seek coverage for their children in Medicaid and CHIP. In 2014, health reform offers Texas the opportunity to open the Medicaid rolls to more than a million currently-uninsured U.S. citizen adults, and our state systems must be fully interoperable with the new health insurance Exchange. Texas must be prepared with a fully modernized and streamlined eligibility system that provides good, speedy, and accurate customer service for more Texans, while minimizing the number of public employees needed to get the job done.

To further improve the current system and prepare to meet Texas’ future needs, the Coalition supports:

- Giving top priority to identifying and eliminating all system barriers that delay access to newborn care or prenatal care. The HHSC should ensure that eligible newborns are enrolled in Medicaid no later than 15 days after proper documentation of delivery is received. The agency should also prioritize streamlining processes for submitting documentation, to reduce burdens on both families and providers;
- Full implementation of online self-service applications and renewals for Medicaid and CHIP, online access to case information, ability for families to update and request information and submit documents online, and the ability to contact families via email or text when they need to take actions;
- Continuing to identify and remove unnecessary or redundant policies and procedures, and adopt new processes that improve productivity and/or accountability to facilitate streamlined systems;
- Ensuring that the HHSC eligibility system is fully interoperable with the Health Insurance Exchange and able to provide “No Wrong Door” access for Texans; and
- Giving HHSC the resources and support needed to ensure a robust and diverse network of community partners to maximize the benefit of the new web portal and increase efficiency and access in the public benefits enrollment process.

Seek New Revenue Sources to Fill Budget Gaps instead of Slashing Health Care Programs for Children and other Vulnerable Texans.

The Coalition supports addressing the revenue deficit projected by state officials to result in a recurring shortfall of at least \$10 billion every legislative session. The Coalition also supports using existing and new sources of revenue to ensure all eligible Texas children receive the quality health care they need.

In order to restore and protect health coverage for Texas children and families through Medicaid and CHIP, provider payment rates, and other vital public health and preventive health services, the state must utilize existing state resources, including the Rainy Day Fund, and look to increasing our resources, particularly by discouraging unhealthy behaviors related to the use of tobacco, alcohol, and sugary beverages.

Improve the Health and Well-Being of Texas Children by Maximizing Opportunities to Connect Entire Families with Affordable Health Care.

Expanded coverage opportunities in 2014 can help connect more of Texas’ 1.2 million uninsured children with medical homes, and improve children’s well-being. When private coverage becomes available through the health insurance Exchange, families with incomes just over the CHIP limits will have guaranteed access to comprehensive coverage at affordable prices not affected by their health status or history, that will include

sliding-scale help with premiums and out-of-pocket costs. Children's coverage will include dental and vision benefits.

Today, while 2.6 million Texas children benefit from Medicaid, only about 225,000 of their parents qualify for care. Studies suggest that if Texas accepts the opportunity to cover adult US citizens to 133% of the FPL in Medicaid, the children already enrolled in Medicaid will be more likely to get care, and a higher percentage of the uninsured children eligible for Medicaid will be signed up. Roughly half of Texas uninsured children and teens—about 600,000—are estimated to be eligible for Medicaid or CHIP but not enrolled today according to U.S. Census data.

Research has shown these important benefits for children when low-income parents also get coverage¹:

- **When parents are covered, more eligible children enroll.** Low-income families with uninsured parents are three times as likely to have eligible but uninsured children as families with parents covered by private insurance or Medicaid.
- **Children whose parents are enrolled are more likely to stay enrolled.** Studies have found that children are less likely to experience breaks in their own Medicaid and CHIP coverage and remain insured when their parents are also enrolled.
- **Children whose parents are covered get more preventive care and other health care services.** Studies have found that insured children whose parents are also insured are more likely to receive check-ups and other care, compared to insured children whose parents are uninsured.
- **Parents' health can affect children's health and well-being.** The Institute of Medicine reports that a parent's untreated poor physical or mental health can contribute to a stressful family environment that may impair the health or well-being of a child. Beyond that, uninsured parents who can't get routine and ongoing care may be unable to work, or may end up with big medical bills even when they do get care. In either case, the financial consequences have a big impact on children—even when the children themselves have coverage.

Our state should take maximum advantage of the options offered under the ACA to improve coverage, access to preventive care, and child and family well-being.

Our Coalition advocates for:

- A thorough and thoughtful analysis and statewide dialogue on the costs and benefits of accepting the ACA's Medicaid coverage opportunity.
- Careful consideration of the positive impact on child and family well-being if the low-income parents of children in Texas Medicaid could also access care.
- Assessment of the economic impacts for state and local government budgets, including offsets to current local and state health, mental health, and criminal justice costs.
- Analysis of new opportunities to allow families to enroll in the same private health plan through the health insurance Exchange in 2014, such as consideration of the Basic Health Plan option to create "CHIP for parents" in Texas (this option is available only to states that accept the Medicaid expansion).

1. Georgetown University Health Policy Institute Center for Children and Families, *Expanding Coverage for Parents Helps Children: Children's Groups Have a Key Role in Urging States to Move Forward and Expand Medicaid*; July 2012, <http://ccf.georgetown.edu/wp-content/uploads/2012/07/Expanding-Coverage-for-Parents.pdf>

Sign-On Form for Support of Texas CHIP Coalition Position
83rd (2013) Texas Legislative Session

TEXAS CHIP COALITION
for healthy babies and children

<http://www.texaschip.org>

RETURN THIS FORM BY EMAIL: denton@cphp.org

(If you **cannot** reply by email, please fax or mail to:

BY FAX: (512) 320-0227

QUESTIONS? Phone (512) 320-0222 X102, Anne Dunkelberg, or Laura Guerra-Cardus at
713-419-8422 (c)

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 83rd legislative session.

Name of Organization: _____

Is your organization (check one): Statewide: _____ Local/Regional _____

Contact Person (authorized to sign off for your organization): _____

Email: _____

Address: _____

Phone _____

Fax: _____

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.