



## **Children's Health Coverage**

House Human Services Committee

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Organization: Texans Care For Children  
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Chairman Rose and members, I am Eileen Garcia-Matthews, Executive Director of Texans Care For Children. Thank you for this opportunity to provide testimony today. Texans Care for Children is a statewide nonpartisan, nonprofit advocacy organization dedicated exclusively to the children of Texas. We look to our broad base of community-based experts—our members and partners who together represent thousands of Texas children—to inform our work and help us in developing our legislative agenda. These partners have empowered Texans Care to mobilize coalition groups to work together towards common solutions to the difficult conditions many Texas children and youth face and to assist local communities in advocating for their own children's needs. Our areas of focus are: family economic security; infant, child and maternal health; children's mental health; child welfare; and juvenile justice and at-risk youth.

As this committee is well aware, Texas has the highest rate of uninsured children in the country (1.5 million children). The costs of the uninsured fall to all of us in the form of high local taxes and rising private insurance premiums, which is why the chambers of commerce from Texas' largest cities support our goal of providing Texas children with cost-effective health coverage options through CHIP and Children's Medicaid. We applaud our Legislature and this Committee in particular for passage of legislation last session to begin addressing this crisis – legislation that allowed for 12 months continuous coverage under the CHIP program, increased outreach spending for CHIP and that created the Health and Human Services Eligibility Legislative Oversight Committee. We thank you for your continued attention and dedication that will allow our state to approach health coverage in a more strategic way.

In particular, we ask that you give consideration this legislative session to the following three recommendations that Texans Care has developed in conjunction with our state-level and regional partners, and which we also support through our participation in the Finish Line Campaign.

**1. Improve the state's public benefits eligibility system.**

*In support of HB 584, HB 745, HB 1541, HB 1625, HB 1080, HB 1903, HB 1938, HB 2962:*

For the last three years, the Health and Human Services Commission has not met federal timeliness standards of having 95% of applications processed within set timeframes (45 days for Medicaid). With the current recession, demands for services will only increase, creating a further backlog in processing of applications. We believe HHSC should develop a methodology for establishing appropriate worker levels, caseloads and worker qualifications, including measures of accountability, for ensuring timeliness standards will be met.

One means of addressing our eligibility crisis without adding administrative costs is to streamline application processing. We strongly support the standardization of asset exemptions amongst entitlement programs, exclusion of college savings plans from consideration as assets and preferably the elimination of asset tests. This will greatly simplify processes for eligibility workers. We also support modifying our enrollment practices to allow us to maximize federal funding opportunities by taking advantage of federal performance bonus payments made available through SCHIP reauthorization.

Given that children having health coverage that allows for preventative care leads to better outcomes and is much more cost effective than children receiving primary care services in emergency rooms, we strongly support measures that would increase enrollment efficiencies for families and eligibility workers. Currently, CHIP income eligibility thresholds do not allow for deductions of work-related expenses or child support payments made to another household. We believe these two deductions should be allowed in order to allow for a more accurate picture of a family's economic situation and not needlessly exclude families who otherwise may have no other coverage options.

**2. Provide 12-month continuous coverage for Children's Medicaid.**

*In support of HB 584, HB 647, HB 843, HB 1541, HB 2044, HB 2199, HB 2962:*

A key way that we can help alleviate the administrative burdens weighing on the eligibility system is to provide Texas children with a full year of coverage within the Medicaid program, rather than require re-enrollment every six months. Doing so would dramatically reduce the Health and Human Services Commission eligibility workload from 3.6 million renewals per year to 1.8 million.

In addition, with our eligibility system in such a state of crisis, it would help decrease the opportunities for errors in processing resulting in eligible children losing coverage. HHSC reports that most children who are not reenrolled at the time of renewal remain eligible for Medicaid or CHIP and have no other coverage options.

This is an option in Medicaid that has been available since 1997, and as of January 2009, 18 states provide 12-month continuous eligibility for all children in Medicaid. Texas currently uses a 12-month coverage model for CHIP, CHIP Perinatal, and Medicaid maternity and newborn

programs.

**3. Create buy-in programs for families without coverage options.**

*In support of HB 584, HB 676, HB 743, HB 787, HB 862, HB 1200, HB 1329, HB 1699, HB 1769, HB 2200, HB 2206, HB 2388, HB 2962:*

The fastest growing segment of the uninsured child population in Texas (500,000) are those whose families earn too much to qualify for CHIP and too little to afford private coverage. Few employers cover dependents and many families who try to buy private coverage directly get turned down or face unaffordable premiums.

We support creation of a buy-in program that would allow families earning from \$42,000-\$63,000/year (200-300% of federal poverty limits) the option to buy CHIP coverage on a sliding scale of monthly premiums. Under federal law, the combined cost of premiums and copays cannot exceed 5% of family income. Texas could charge premiums averaging 50% of the state's CHIP cost (approximately \$130/month) and stay under this 5% cap by charging premiums of \$60-\$80/month. Families earning more than \$63,000 who have no employer-sponsored insurance option could buy-in to the program at full cost.

As of January 2009, 26 other states have created programs for providing affordable coverage to children at or above 250% of FPL, and 18 of these cover children at or above 300% FPL.

We also support the creation of a Medicaid buy-in program with sliding scale monthly premiums for children with disabilities, since many private insurance companies exclude or limit essential services for this population.

I would like to emphasize that uninsured children continue to have healthcare needs and incur healthcare costs. In creating health coverage options for children we are simply ensuring that healthcare needs get met in the most strategic, most affordable way. In addressing the coverage needs of children, we are actually able to best meet the needs of all Texans.

Thank you again for your time and commitment. If you have any questions, please feel free to contact me or the staff of Texans Care For Children at 512.473.2274.

Respectfully,

Eileen Garcia-Matthews  
Executive Director  
Texans Care For Children