

SUBJECT: Expedited Medicaid eligibility for the armed forces and their families

COMMITTEE: Human Services — committee substitute recommended

VOTE: 8 ayes — Rose, S. King, J. Davis, Eissler, Herrero, Naishtat, Parker,  
Pierson

0 nays

1 absent — Hughes

WITNESSES: For — Carlos Higgins

Against — None

BACKGROUND: TRICARE is the U.S. Department of Defense's health care program for members of the armed forces and their spouses, dependents, and survivors. Much like other insurance programs, TRICARE has a network of participating providers throughout the United States.

Medicaid is the federal-state health insurance program for the poor, elderly, and disabled. Medicaid eligibility in Texas is determined by two eligibility systems, the legacy SAVERR system and the web-based TIERS system.

DIGEST: CSHB 1633 would require the executive commissioner of the Health and Human Services Commission (HHSC) to develop and implement an expedited Medicaid eligibility and enrollment process for a person on active duty in the United States or Texas military forces or the spouse or dependent of that person. The process would be required to allow a person who presented military identification and proof that the person was enrolled in the Medicaid program in another state to receive treatment through Medicaid immediately.

If the state determined a federal waiver or authorization was necessary, the state would request the waiver or authorization and could delay implementation.

The bill would take effect September 1, 2007.

**SUPPORTERS  
SAY:**

CSHB 1633 would enhance access to health care for enlisted men and women and their families. Military personnel and their families have unique needs. In the service of our country, they often transfer from one military base to another or quickly deploy to active duty. Active military personnel and their families are provided health care benefits through TRICARE. However, in certain areas of the country, the TRICARE network does not have an adequate provider base.

This lack of physician participation is particularly a problem when a military family requires a medical specialist. If the appropriate type of specialist is not part of the local network, Medicaid-eligible military families could use the Medicaid program to receive much needed care. Currently, a Medicaid applicant could expect to wait up to 45 days for eligibility to be determined. Upon approval for Medicaid, benefits are granted retroactive to the first day of the month in which the applicant applied. However, until eligibility is determined, applicants are required to pay costs out of pocket. Those who have active duty spouses overseas often struggle with finances and may lack the means to pay for medical care. Without medical coverage, certain military families are discouraged from seeing a doctor or must rely on charity care from hospitals.

CSHB 1633 would alleviate the financial burden on certain military families by allowing for expedited Medicaid eligibility processing. Military families should not be discouraged from seeking appropriate medical care because they cannot afford out of pocket medical expenses while waiting for Medicaid approval. This bill would allow military families deemed eligible for Medicaid through an expedited approval process to seek critical medical care without sacrificing the family's financial stability.

The bill also would ensure that Texas treats our soldiers on par with other states and allows military personnel to receive immediate benefits if they present military identification and proof of Medicaid enrollment from another state. This provision would assist military families who had been stationed in other states to receive immediate Medicaid coverage if transferred to a Texas military base.

While there would be some cost of implementation, the fiscal note on this bill is unnecessarily high. Although any cost on this bill would be a small price to pay for the benefits it would confer to military families, HHSC

should revisit the necessary systems changes to see where cost savings could be achieved. Considerations could include whether these cases could be processed using TIERS only or whether any steps in the process could be more cost-effective if performed manually given the relatively low volume of cases that would be impacted.

**OPPONENTS  
SAY:**

CSHB 1633, as indicated by the fiscal note, would cost \$3 million in all funds to implement. HHSC would have to modify its two eligibility determination systems, TIERS and SAVERR, to include a new, expedited eligibility process for military service members and their families. Coding for this process would require adding a selection to expedite an application for a service member and then providing a process by which the eligibility systems could bypass standard verification requirements for up to 30 days.

This bill particularly would not be a prudent investment since the state is deciding whether or not SAVERR should be phased out within the next several years. The SAVERR coding represents \$2.1 million of the \$3 million fiscal note. The state should save this money since the Medicaid program issues benefits retroactively. Any out-of-pocket medical expenses that a Medicaid-eligible member of the armed forces has to pay while his application is being processed is reimbursed once Medicaid eligibility is established.

**NOTES:**

The fiscal note indicated that it would cost HHSC \$1.5 million in General Revenue and \$1.5 million in federal funds to modify eligibility systems in fiscal 2008. There would be no continuing costs after fiscal 2008.

CSHB 1633 originally was recommended for the Local and Consent Calendars Committee, which transferred it to the Calendars Committee.