

BILL ANALYSIS

Senate Research Center
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S.B. 841
By: Averitt, et al.
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are approximately 1.4 million uninsured children in Texas, and 516,000 uninsured children in Texas whose net family income is above 200 percent of the federal poverty level (FPL) for whom affordable insurance is not available.

As proposed, S.B. 841 would allow for a partial premium buy-in program for children whose net family income is between 200 percent and 300 percent of the FPL who do not have access to affordable employer sponsored insurance, and a full cost premium buy-in for children whose net family income is more than 300 percent of the FPL if they do not have access to employer-sponsored insurance. At 200 to 300 percent of the FPL, the premium cost would be shared by the state and the parents, at a rate to be determined. Rather than a family losing access to the Children's Health Insurance Program (CHIP) once they hit the 200 percent FPL cap, they would have the opportunity to insure their children, and be responsible for paying a premium. This would allow families to gradually move into the private market by paying a premium for CHIP coverage, as they work their way up to being able to afford private coverage. For families above 300 percent of the FPL without access to employer sponsored coverage, parents would pay the full premium for CHIP coverage along with enrollment fees.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 7 (Section 62.252, Health and Safety Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 62.002(2), Health and Safety Code, to redefine "executive commissioner" or "commissioner."

SECTION 2. Amends Section 62.101(b), Health and Safety Code, to require the Health and Human Services Commission (HHSC) to establish income eligibility levels consistent with Title XXI, Social Security Act (42. U.S.C. Section 1397aa et seq.), as amended, and any other applicable law or regulations, and subject to the availability of appropriated money, so that a child who is younger than 19 years of age and whose net family income is at or below 300, rather than 200, percent of the federal poverty level is eligible for health benefits coverage under the program. Authorizes HHSC to establish eligibility standards regarding the amount and types of allowable assets for a family whose net family income is above 250, rather than 150, percent of the federal poverty level.

SECTION 3. Amends Sections 62.102(b) and (c), Health and Safety Code, as follows:

(b) Requires HHSC, during the sixth month following the date of initial enrollment or reenrollment of an individual whose net family income exceeds 285, rather than 185, percent of the federal poverty level, to continue to provide coverage if the individual's net family income does not exceed the income eligibility limits prescribed by Section 62.101 (Eligibility), rather than this chapter.

(c) Makes conforming changes.

SECTION 4. Amends Section 62.151, Health and Safety Code, by adding Subsection (g), to authorize HHSC, in developing the plan, subject to federal requirements, to choose to provide dental benefits at full cost to the enrollee as an available plan option for a child whose net family income is greater than 200 percent but not greater than 300 percent of the federal poverty level.

SECTION 5. Amends Section 62.153, Health and Safety Code, by amending Subsections (a) and (c) and adding Subsections (a-1) and (a-2), as follows:

(a) Requires HHSC, to the extent permitted under 42 U.S.C. Section 1397cc, as amended, and any other applicable law or regulations, to require enrollees whose net family incomes are at or below 200 percent of the federal poverty level to share the cost of the child health plan, including provisions requiring enrollees under the child health plan to pay certain costs.

(a-1) Requires HHSC to require enrollees whose net family incomes are greater than 200 percent but not greater than 300 percent of the federal poverty level to pay a share of the cost of the child health plan through copayments, fees, and a portion of the plan premium. Requires that the amount of the share required to be paid exceed the amount required to be paid by enrollees described by Subsection (a), but provides that the total amount required to be paid is prohibited from exceeding five percent of an enrollee's net family income, and requires that the amount increase incrementally, as determined by HHSC, as an enrollee's net family income increases.

(a-2) Requires HHSC, in establishing the cost required to be paid by an enrollee described by Subsection (a-1) as a portion of the plan premium, to ensure that the cost progressively increases as the number of children in the enrollee's family provided coverage increases.

(c) Requires HHSC to specify the manner of payment for any portion of the plan premium required to be paid by an enrollee under this section. Deletes existing text requiring that the cost-sharing provisions imposed under Subsection (a) include requirements that enrollees pay a portion of the plan premium, HHSC must specify the manner in which the premium is paid. Authorizes HHSC to require that the premium be paid to HHSC, the Department of State Health Services, or the health plan provider, rather than the Texas Department of Health or the Texas Department of Human Services. Requires HHSC to develop an option for an enrollee to pay monthly premiums using direct debits to bank accounts or credit cards.

SECTION 6. Amends Section 62.154, Health and Safety Code, by amending Subsection (d) and adding Subsection (e), as follows:

(d) Requires that for a child whose net family income is at or below 200 percent of the federal poverty level, the waiting period required by Subsection (a) is to extend for a period of 90 days after the last date on which the applicant was covered under a health benefits plan.

(e) Requires that for a child whose net family income is greater than 200 percent but not greater than 300 percent of the federal poverty level, the waiting period required by Subsection (a) extend for a period of 180 days after the last date on which the applicant was covered under a health benefits plan, and apply only to a child who was covered by an employer-sponsored group health benefits plan at any time during the 180 days before the date of application for coverage under the child health plan.

SECTION 7. Amends Chapter 62, Health and Safety Code, by adding Subchapter F, as follows:

SUBCHAPTER F. BUY-IN OPTION

Sec. 62.251. BUY-IN OPTION FOR CERTAIN CHILDREN. Requires the executive commissioner of HHSC (executive commissioner) to develop and implement a buy-in option in accordance with this subchapter under which children whose net family

incomes exceed 300 percent of the federal poverty level are eligible to purchase health benefits coverage available under the child health plan program.

Sec. 62.252. RULES; ELIGIBILITY AND COST-SHARING. (a) Requires the executive commissioner to adopt rules in accordance with federal law that apply to a child for whom health benefits coverage is purchased under this subchapter. Requires that the rules establish eligibility requirements; ensure that premiums are based on the average cost per child of all children enrolled in the child health plan program and progressively increase as the number of children in the enrollee's family provided coverage increases; require payment of 100 percent of health benefits plan premiums, fees to offset administrative costs incurred under this subchapter, and additional deductibles, coinsurance, or other cost-sharing payments as determined by the executive commissioner; provide for a waiting period comparable to the waiting period required under Section 62.154(e); and include an option for an enrollee to pay monthly premiums using direct debits to bank accounts or credit cards.

(b) Authorizes the executive commissioner, notwithstanding any other provision of this chapter, to establish rules and procedures for children for whom health benefits coverage is purchased under this subchapter that differ from the rules and procedures generally applicable to the child health plan program.

Sec. 62.253. CROWD-OUT. Requires that to the extent allowed by federal law, the buy-in option developed under this subchapter include provisions designed to discourage employers and other persons from electing to discontinue offering health benefits plan coverage for employees' children under employee or other group health benefit plans; and individuals with access to adequate health benefits plan coverage for their children through an employer-sponsored group health benefits plan, as determined by the executive commissioner, from electing not to obtain, or to discontinue, that coverage.

Sec. 62.254. POINT-OF-SERVICE COPAYMENT. Requires HHSC to establish point-of-service copayments for the buy-in option developed under this subchapter that are higher than point-of-service copayments required for a child whose net family income is at or below 300 percent of the federal poverty level.

Sec. 62.255. LOCK-OUT. Requires HHSC to include a lock-out period for the buy-in option developed under this subchapter.

SECTION 8. Requires the executive commissioner, not later than January 1, 2010, to adopt rules necessary to implement Subchapter F, Chapter 62, Health and Safety Code, as added by this Act.

SECTION 9. Requires an agency affected by provisions of this Act to request any necessary waiver or authorization from a federal agency and authorizes delay of implementation until such federal waivers or authorizations are obtained.

SECTION 10. Effective date: September 1, 2009.