

By: Coleman

H.B. No. 120

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the eligibility for and benefits provided under the
3 state child health plan.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 62.002(4), Health and Safety Code, as
6 amended by H.B. 2292, Acts of the 78th Legislature, Regular
7 Session, 2003, is amended to read as follows:

8 (4) "Net [~~Gross~~] family income" means the [~~total~~]
9 amount of income established for a family after reduction for
10 offsets for expenses such as child care and work-related expenses,
11 in accordance with standards applicable under the Medicaid [~~without~~
12 ~~consideration of any reduction for offsets that may be available to~~
13 ~~the family under any other~~] program.

14 SECTION 2. Section 62.101(b), Health and Safety Code, as
15 amended by H.B. 2292, Acts of the 78th Legislature, Regular
16 Session, 2003, is amended to read as follows:

17 (b) The commission shall establish income eligibility
18 levels consistent with Title XXI, Social Security Act (42 U.S.C.
19 Section 1397aa et seq.), as amended, and any other applicable law or
20 regulations, and subject to the availability of appropriated money,
21 so that a child who is younger than 19 years of age and whose net
22 [~~gross~~] family income is at or below 200 percent of the federal
23 poverty level is eligible for health benefits coverage under the
24 program. [~~In addition, the commission may establish eligibility~~

1 ~~standards regarding the amount and types of allowable assets for a~~
2 ~~family whose gross family income is above 150 percent of the federal~~
3 ~~poverty level.]~~

4 SECTION 3. Section 62.102, Health and Safety Code, as
5 amended by H.B. 2292, Acts of the 78th Legislature, Regular
6 Session, 2003, is amended to read as follows:

7 Sec. 62.102. CONTINUOUS COVERAGE. ~~[(a)]~~ The commission
8 shall provide that an individual who is determined to be eligible
9 for coverage under the child health plan remains eligible for those
10 benefits until the earlier of:

11 (1) the end of a period, not to exceed 12 months,
12 following the date of the eligibility determination; or

13 (2) the individual's 19th birthday.

14 ~~[(b) The period of continuous eligibility may be~~
15 ~~established at an interval of 6 months beginning immediately upon~~
16 ~~passage of this Act and ending September 1, 2005, at which time an~~
17 ~~interval of 12 months of continuous eligibility will be~~
18 ~~re-established.]~~

19 SECTION 4. Section 62.151(b), Health and Safety Code, as
20 amended by H.B. 2292, Acts of the 78th Legislature, Regular
21 Session, 2003, is amended to read as follows:

22 (b) In developing the covered benefits, the commission
23 shall consider the health care needs of healthy children and
24 children with special health care needs. The child health plan must
25 provide at least the covered benefits described by the recommended
26 benefits package described for a state-designed child health plan
27 by the Texas House of Representatives Committee on Public Health

1 "CHIP" Interim Report to the Seventy-Sixth Texas Legislature dated
2 December 1998 and the Senate Interim Committee on Children's Health
3 Insurance Report to the Seventy-Sixth Texas Legislature dated
4 December 1, 1998. The child health plan must include at least the
5 covered benefits provided under the plan on June 1, 2003.

6 SECTION 5. Section 62.153(b), Health and Safety Code, as
7 amended by H.B. No. 2292, Acts of the 78th Legislature, Regular
8 Session, 2003, is amended to read as follows:

9 (b) Cost-sharing [~~Subject to Subsection (d), cost-sharing~~]
10 provisions adopted under this section shall ensure that families
11 with higher levels of income are required to pay progressively
12 higher percentages of the cost of the plan.

13 SECTION 6. Sections 62.154(a) and (d), Health and Safety
14 Code, as amended by H.B. 2292, Acts of the 78th Legislature,
15 Regular Session, 2003, are amended to read as follows:

16 (a) To the extent permitted under Title XXI of the Social
17 Security Act (42 U.S.C. Section 1397aa et seq.), as amended, and any
18 other applicable law or regulations, the child health plan must
19 include a waiting period and [~~The child health plan~~] may include
20 copayments and other provisions intended to discourage:

21 (1) employers and other persons from electing to
22 discontinue offering coverage for children under employee or other
23 group health benefit plans; and

24 (2) individuals with access to adequate health benefit
25 plan coverage, other than coverage under the child health plan,
26 from electing not to obtain or to discontinue that coverage for a
27 child.

1 (d) The waiting period required by Subsection (a) must:

2 (1) extend for a period of 90 days after[+]

3 [~~(1)~~] the last date on [~~first day of the month in~~]
4 which the applicant was covered under a health benefits plan; and

5 (2) apply to a child who was covered by a health
6 benefits plan at any time during the 90 days before the date of
7 application for coverage under the child health plan [~~is enrolled~~
8 ~~under the child health plan, if the date of enrollment is on or~~
9 ~~before the 15th day of the month; or~~

10 [~~(2) the first day of the month after which the~~
11 ~~applicant is enrolled under the child health plan, if the date of~~
12 ~~enrollment is after the 15th day of the month].~~

13 SECTION 7. Sections 62.155(c) and (d), Health and Safety
14 Code, as amended by H.B. No. 2292, Acts of the 78th Legislature,
15 Regular Session, 2003, are amended to read as follows:

16 (c) In selecting a health plan provider, the commission:

17 (1) may give preference to a person who provides
18 similar coverage under the Medicaid program; and

19 (2) shall provide for a choice of at least two health
20 plan providers in each metropolitan [~~service~~] area.

21 (d) The commissioner may authorize an exception to
22 Subsection (c)(2) if there is only one acceptable applicant to
23 become a health plan provider in the metropolitan [~~service~~] area.

24 SECTION 8. Section 531.072(a), Government Code, as added
25 by H.B. No. 2292, Acts of the 78th Legislature, Regular Session,
26 2003, is amended to read as follows:

27 (a) In a manner that complies with applicable state and

1 federal law, the commission shall adopt preferred drug lists for
2 the Medicaid vendor drug program [~~and for prescription drugs~~
3 ~~purchased through the child health plan program~~]. The commission
4 may adopt preferred drug lists for community mental health centers,
5 state mental health hospitals, and any other state program
6 administered by the commission or a state health and human services
7 agency. The commission may not adopt preferred drug lists
8 applicable to the state child health plan program.

9 SECTION 9. Section 531.073, Government Code, as added by
10 H.B. No. 2292, Acts of the 78th Legislature, Regular Session, 2003,
11 is amended by amending Subsections (a), (c), and (d) and adding
12 Subsection (g) to read as follows:

13 (a) The commission, in its rules and standards governing the
14 Medicaid vendor drug program [~~and the child health plan program~~],
15 shall require prior authorization for the reimbursement of a drug
16 that is not included in the appropriate preferred drug list adopted
17 under Section 531.072, except for any drug exempted from prior
18 authorization requirements by federal law. Subject to Subsection
19 (g), the [The] commission may require prior authorization for the
20 reimbursement of a drug provided through any other state program
21 administered by the commission or a state health and human services
22 agency, including a community mental health center and a state
23 mental health hospital if the commission adopts preferred drug
24 lists under Section 531.072 that apply to those facilities and the
25 drug is not included in the appropriate list. The commission shall
26 require that the prior authorization be obtained by the prescribing
27 physician or prescribing practitioner.

1 (c) The commission shall ensure that a prescription drug
2 prescribed before implementation of a prior authorization
3 requirement for that drug for a recipient under [~~the child health~~
4 ~~plan program,~~] the Medicaid program[7] or another state program
5 administered by the commission or a health and human services
6 agency or for a person who becomes eligible under [~~the child health~~
7 ~~plan program,~~] the Medicaid program[7] or another state program
8 administered by the commission or a health and human services
9 agency is not subject to any requirement for prior authorization
10 under this section unless the recipient has exhausted all the
11 prescription, including any authorized refills, or a period
12 prescribed by the commission has expired, whichever occurs first.

13 (d) The commission shall implement procedures to ensure
14 that a recipient under [~~the child health plan program,~~] the
15 Medicaid program[7] or another state program administered by the
16 commission or a person who becomes eligible under [~~the child health~~
17 ~~plan program,~~] the Medicaid program[7] or another state program
18 administered by the commission or a health and human services
19 agency receives continuity of care in relation to certain
20 prescriptions identified by the commission.

21 (g) The prior authorization requirements imposed by this
22 section do not apply to the state child health plan program.

23 SECTION 10. Section 531.074(j), Government Code, as added
24 by H.B. No. 2292, Acts of the 78th Legislature, Regular Session,
25 2003, is amended to read as follows:

26 (j) To the extent feasible, the committee shall review all
27 drug classes included in the preferred drug lists adopted under

1 Section 531.072 at least once every 12 months and may recommend
2 inclusions to and exclusions from the lists to ensure that the lists
3 provide for cost-effective medically appropriate drug therapies
4 for Medicaid recipients[~~, children receiving health benefits~~
5 ~~coverage under the child health plan program,~~] and any other
6 affected individuals.

7 SECTION 11. The following laws are repealed:

8 (1) Section 62.151(f), Health and Safety Code, as
9 added by H.B. No. 2292, Acts of the 78th Legislature, Regular
10 Session, 2003; and

11 (2) Section 62.153(d), Health and Safety Code, as
12 added by H.B. No. 2292, Acts of the 78th Legislature, Regular
13 Session, 2003.

14 SECTION 12. In addition to the appropriation made under
15 Goal C of the appropriations to the Health and Human Services
16 Commission under H.B. No. 1, Acts of the 78th Legislature, Regular
17 Session, 2003, for the fiscal biennium beginning September 1, 2003,
18 the commission is appropriated \$200 million from the general
19 revenue fund to provide benefits under the state child health plan
20 program in a manner comparable to the manner in which the benefits
21 were provided under that program during the preceding fiscal
22 biennium, in accordance with this Act.

23 SECTION 13. This Act takes effect September 1, 2003, if it
24 receives a vote of two-thirds of all the members elected to each
25 house, as provided by Section 39, Article III, Texas Constitution.
26 If this Act does not receive the vote necessary for effect on that
27 date, this Act takes effect November 1, 2003.