

## **BILL ANALYSIS**

S.B. 240  
By: Averitt  
State Health Care Expenditures, Select  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current Texas law does not satisfy the requirements necessary to obtain a new federal waiver that will make it easier to offer premium assistance under CHIP, a program that provides insurance to children who do not qualify for Medicaid. The waiver allows the state to provide assistance to a family whose children qualify for CHIP but wish to enroll their children in their own insurance. As proposed, S.B. 240 amends the Health and Safety Code to meet those requirements and thereby enable the state to provide financial assistance to those parents who choose to enroll their CHIP-eligible children in their own insurance programs.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Section 62.059, Health and Safety Code, as follows:

Sec. 62.059. New heading: HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM FOR CHILDREN ELIGIBLE FOR CHILD HEALTH PLAN. (a) Defines "group health benefit plan."

(b) Requires the Health and Human Services Commission (HHSC), rather than the Texas Department of Health (TDH) under the direction of HHSC, to identify children, who are eligible to enroll in a group health benefit plan.

(c) Authorizes HHSC to determine cost-effective measures on an aggregate basis for the premium assistance program as a whole. Makes a conforming change.

(d) Provides that if HHSC, rather than TDH, finds its cost-effective to enroll the child in the group health benefit plan, then HHSC, rather than the TDH, is required to:

1. Inform the child and the child's parent or guardian of the availability of the premium assistance program under this section, rather than require the child to apply to enroll in the plan as condition for eligibility.
2. Offer, as an optional alternative to enrollment in the commission's state child health plan benefit program, a premium assistance payment to assist with the employee's or member's share of the required premium for the group health benefit plan that is available to the child; and
3. Provide certain written notice. Subsection (d)(3) is created from SRC-MSY, TAG S.B. 240 78(R) Page 2 of 2 existing text.

(e) Requires HHSC to determine the amount of premium assistance payment, rather than TDH to provide for payment. Requires the premium assistance payment to be paid only for the reimbursement of the employee's or member's share of required premiums for coverage of a child enrolled in the group health benefit plan.

(f) Authorizes the premium assistance payment paid under Subsection (e) to provide assistance for the payment of a group health benefit plan premium that includes the child's parent or other individuals who are members of the child's family. Deletes existing language regarding payment of premiums for family members of a child who is not eligible to enroll in the health group plan unless the other individual is enrolled in the plan, if TDH determines it to be cost-effective. Makes conforming changes.

(g) Makes conforming changes

(h) Deletes existing Subsection (h) regarding a child's enrollment in the plan not affecting the child's eligibility for benefits under this chapter. Redesignates Subsection (i) as Subsection (h). Makes conforming changes.

SECTION 2. Amends Sections 2 (a), (b), and (f), Article 21.52K, Insurance Code, to make conforming changes.

SECTION 3. Effective date: September 1, 2003.

Makes application of this Act prospective.

#### **EFFECTIVE DATE**

This act takes effect September 1, 2003.