

## **BILL ANALYSIS**

C.S.H.B. 109  
By: Turner  
Human Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Children's Health Insurance Program (CHIP) was first established in 1999 during the 76th Legislative Session. This program was created to provide primary and preventative health care to low-income, uninsured children across the state. Under current law, CHIP contains a number of requirements for eligibility which have strained working families who were unable to participate.

The purpose of C.S.H.B. 109 is to increase enrollment in and public awareness of the Children's Health Insurance Program. As of February 2007, CHIP served 325,479 kids; there are approximately 700,000 children that are eligible, but not currently enrolled in CHIP. Texas is 25,653 below budgeted CHIP caseloads for Fiscal Year 2007.

### **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**

C.S.H.B. 109 amends the Health and Safety Code by defining "net family income" and allowing for reduction for offsets for child care expenses when determining eligibility. The bill further amends the code to define income eligibility levels for the child health plan program by net family income rather than gross family income.

The bill requires the Health and Human Services Commission (Commission) to conduct a community outreach and education campaign that promotes enrollment in, and minimizes duplication of effort among, all state-administered child health programs. The information must include outreach efforts involving school-based health clinics and a toll-free number through which families may obtain information about health benefits coverage for children. Requires the commission to contract with community-based organizations or coalitions of the like to implement the community outreach campaign. The bill requires the commission to procure the contracts through a process designed by the commission to encourage broad participation of organizations. Authorizes the commission to direct that the Department of State Health Services perform all or part of the campaign.

The bill provides that eligibility standards adopted under Section 62.101 (b) must allow a family to own at least \$10,000 in allowable assets. In calculating allowable assets, the eligibility standards may not consider the value of a first vehicle that qualifies for exemption under commission rule based on use. The value of a second or subsequent vehicle that qualifies for an exemption under commission rule based on use may not be considered if the vehicle is worth \$18,000 or less or if it has been modified to provide transportation for a household member with a disability. If no vehicle qualifies for an exemption based on its use under commission rule, the first \$18,000 of value of the highest valued vehicle may not be considered. The first \$7,500 of any vehicle not described above may not be considered.

The bill requires the commission to continue employing methods of verifying net income of the individuals considered in the calculation of an applicant's net family income. Extends the period during which an individual remains eligible for coverage under the child health plan from six months after eligibility determination to the end of a period, not to exceed 12 months, following the date of the eligibility determination or the individual's 19th birthday. The bill eliminates the 90-day new enrollee waiting period, unless the child was previously covered under another health benefits plan.

C.S.H.B. 109 80(R)

### **EFFECTIVE DATE**

This Act takes effect immediately if it receives a vote of two-thirds or on September 1, 2007 should it not receive the necessary vote.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The original bill allowed for the deduction of work-related expenses when calculating net family income whereas the substitute does not. The original bill eliminated the authority of the Health and Human Services Commission (Commission) to establish eligibility standards for allowable assets for a family whose gross family income is above 150 percent of the federal poverty level, whereas the substitute bill leaves these standards intact while increasing both the value of allowable assets and the value of exemptions for primary and subsequent vehicles. The substitute requires the commission to continue employing methods of verifying net income of the individuals considered in the calculation of an applicant's net family income.