

By: Coleman

H.B. No. 2863

A BILL TO BE ENTITLED

AN ACT

relating to coverage for health care for Texans.

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

ARTICLE 1. GENERAL PROVISIONS

SECTION 1.01. FINDINGS. (a) The growing ranks of uninsured Texans pose a critical threat to the physical health of all Texans, as well as the state's economy. The lack of coverage for health care contributes to a sicker, less productive population and to a higher tax burden for businesses, home owners, and individuals.

(b) Texas has the highest percentage of uninsured individuals in the nation. One in four Texans, 5.6 million people, lack coverage for health care. Seventy-nine percent of uninsured adult Texans are part of the workforce or have a family member in the workforce, while 1.4 million children, 21 percent of the population, lack coverage for health care.

(c) Texas workers are less likely to have employment-based coverage for health care than workers in other states. Only 55 percent of Texans have access to employer-sponsored coverage for health care, while only 37 percent of Texans who work in the small businesses that make up the majority of Texas employers have access to employer-sponsored coverage for health care.

(d) While Medicaid and the state child health plan are cost-effective programs to help working parents provide health insurance for their children, an estimated 700,000 children are

1 eligible for Medicaid and the state child health plan but are not  
2 enrolled. Given the generous federal matching dollars, Medicaid and  
3 the state child health plan are cost-effective ways for the state to  
4 help working parents provide health care coverage for their  
5 children.

6 (e) The state Medicaid program pays physicians the lowest  
7 reimbursement among all payers. While Medicaid enrollment has  
8 increased, only 38 percent of Texas physicians accept new Medicaid  
9 patients, forcing these patients to rely on expensive, already  
10 overcrowded emergency rooms for their care.

11 (f) For Texas to compete economically at home and abroad,  
12 the state must invest in a healthy population and workforce, which  
13 includes ensuring that all Texans can obtain affordable, timely  
14 health care.

15 SECTION 1.02. PURPOSE. The purpose of this Act is to  
16 implement commonsense, cost-effective strategies to ensure that  
17 Texas families and businesses have access to affordable health  
18 care.

19 SECTION 1.03. DEFINITION. In this Act, "commission" means  
20 the Health and Human Services Commission.

21 SECTION 1.04. RULES; IMPLEMENTATION. Notwithstanding any  
22 other law, the executive commissioner of the commission, the  
23 comptroller, the commissioner of insurance, the board of directors  
24 of the Texas Health Insurance Risk Pool, and the Texas Higher  
25 Education Coordinating Board shall by rule implement the  
26 requirements of this Act.

ARTICLE 2. MEDICAID

SECTION 2.01. MEDICAID ENROLLMENT AND RENEWAL. (a) The commission shall ensure that all children who are eligible for the Medicaid program are enrolled in that program.

(b) The commission shall establish a 12-month period of continuous eligibility for the Medicaid program.

SECTION 2.02. MEDICAID OUTREACH AND EDUCATION. (a) The commission shall establish a broad outreach campaign to educate families about the availability of affordable coverage for health care for their children, including Medicaid, and the importance of coverage for health care in ensuring their children get the preventive and primary care services they need.

(b) The commission shall establish and promote an outreach program under which:

(1) emergency department personnel distribute Medicaid applications when uninsured children are treated in the emergency department;

(2) public schools provide information about Medicaid at the beginning of the school year in connection with enrollment in programs for free or reduced price lunches; and

(3) information about Medicaid is made available to parents who are applying for public assistance programs such as food stamps.

SECTION 2.03. MEDICAID HEALTH INSURANCE PREMIUM PROGRAM. The commission shall expand the Medicaid health insurance premium program to use Medicaid funds to subsidize private coverage for health care for working individuals who would otherwise qualify for

1 Medicaid so that more Medicaid eligible workers who have access to,  
2 but cannot afford, employer-sponsored coverage may acquire and  
3 retain this coverage.

4 SECTION 2.04. ADULT MEDICALLY NEEDED PROGRAM. The commission  
5 shall reestablish the medically needy program that serves pregnant  
6 women, children, and caretakers who have high medical expenses. At  
7 a minimum, the program must serve recipients, including adult  
8 recipients, in the same manner and at the same level that services  
9 were provided to recipients under the medically needy program  
10 during the state fiscal biennium ending August 31, 2003.

11 SECTION 2.05. EXPAND MEDICAID ELIGIBILITY. The commission  
12 shall expand the Medicaid program to cover families with a family  
13 income at or below 100 percent of the federal poverty level.

14 SECTION 2.06. WAITING LISTS FOR COMMUNITY-BASED MEDICAID  
15 WAIVER PROGRAMS. In offering services through community-based  
16 Medicaid waiver programs, the commission shall make services  
17 available to applicants in the order the applications are received,  
18 but shall progressively reduce the period during which an applicant  
19 must wait for services. Not later than September 1, 2017, the  
20 commission shall ensure that no eligible applicant waits more than  
21 24 months to receive services from a community-based Medicaid  
22 waiver program.

23 SECTION 2.07. MEDICAID PROVIDERS. (a) The commission shall  
24 establish Medicaid provider reimbursement rates that achieve  
25 parity with similar rates paid under Medicare.

26 (b) The commission shall cooperate with Medicaid providers  
27 to facilitate the establishment of a medical home for Medicaid

1 recipients that promotes the provision of timely and appropriate  
2 care.

3 SECTION 2.08. MEDICAL PASSPORT. The commission shall  
4 develop a medical passport for each Medicaid recipient. The  
5 commission shall determine the format of the passport. The  
6 passport may be maintained in an electronic format. The medical  
7 passport must include the most complete medical history of the  
8 recipient available and must be readily accessible to the  
9 recipient, the person authorized to consent to medical care for the  
10 recipient, and any provider of health care to the recipient.

11 ARTICLE 3. STATE CHILD HEALTH PLAN PROGRAM

12 SECTION 3.01. CHILD HEALTH PLAN ENROLLMENT AND RENEWAL. (a)  
13 The commission shall ensure that all children who are eligible for  
14 the state child health plan are enrolled in that plan.

15 (b) The commission shall establish a 12-month period of  
16 continuous eligibility for the state child health plan.

17 SECTION 3.02. CHILD HEALTH PLAN OUTREACH AND EDUCATION.  
18 (a) The commission shall establish a broad outreach campaign to  
19 educate families about the availability of affordable coverage for  
20 health care for their children, including the state child health  
21 plan, and the importance of coverage for health care in ensuring  
22 their children get the preventive and primary care services they  
23 need.

24 (b) The commission shall establish and promote an outreach  
25 program under which:

26 (1) emergency department personnel distribute  
27 applications for coverage under the state child health plan when

1 uninsured children are treated in the emergency department;

2           (2) public schools provide information about the state  
3 child health plan at the beginning of the school year in connection  
4 with enrollment in programs for free or reduced price lunches; and

5           (3) information about the state child health plan is  
6 made available to parents who are applying for public assistance  
7 programs such as food stamps.

8           SECTION 3.03. ELIGIBILITY FOR CHILD HEALTH PLAN. In  
9 determining the eligibility of a child for enrollment in the state  
10 child health plan, the commission shall reduce the family income  
11 offsets for expenses such as child-care and work-related expenses,  
12 in accordance with standards applicable under the Medicaid  
13 program. The commission may not establish eligibility standards  
14 regarding the amount and types of allowable assets for a family.

15           SECTION 3.04. WAITING PERIOD. The commission may not impose  
16 a waiting period for enrollment in the state child health plan.

17           SECTION 3.05. EXPANSION OF COVERAGE UNDER CHILD HEALTH  
18 PLAN. (a) The commission shall establish a program under which a  
19 child who is eligible for the state child health plan, except that  
20 the child's family income exceeds the income eligibility  
21 requirements, may be enrolled in the plan. To be eligible for  
22 enrollment under the program, the child must demonstrate that the  
23 coverage is unavailable for the child because:

24                   (1) the child's parents are self-employed; or

25                   (2) the child's parents' employer or employers do not  
26 offer coverage for health care for dependent children of employees.

27           (b) The commission shall require premium payments for each

1 child enrolled under Subsection (a) of this section on a sliding  
2 scale. The full monthly premium cost, including the amount of any  
3 federal or state share of that cost, must be paid for a child  
4 enrolled in the program whose family income is above 400 percent of  
5 the federal poverty level.

6 SECTION 3.06. MEDICAL HOME. The commission shall cooperate  
7 with health care providers to facilitate the establishment of a  
8 medical home for children enrolled in the state child health plan  
9 that promotes the provision of timely and appropriate care.

10 SECTION 3.07. MEDICAL PASSPORT. The commission shall  
11 develop a medical passport for each child enrolled in the state  
12 child health plan. The commission shall determine the format of the  
13 passport. The passport may be maintained in an electronic format.  
14 The medical passport must include the most complete medical history  
15 of the child available and must be readily accessible to the person  
16 authorized to consent to medical care for the child and any provider  
17 of health care to the child.

18 ARTICLE 4. PRIVATE SECTOR INITIATIVES

19 SECTION 4.01. EMPLOYER CREDITS. (a) The comptroller by rule  
20 shall implement credits under this section that an employer may  
21 apply against any amount owed to the state by the employer under  
22 state law. An employer may apply a credit under this section  
23 against:

24 (1) any tax imposed on the employer by state law,  
25 including the franchise tax, that raises general revenue for the  
26 state; and

27 (2) other fees, taxes, or charges imposed on the

1 employer under state law and payable to the state or an agency of  
2 the state.

3 (b) A credit under this section shall be provided in  
4 relation to each of the employer's eligible employees who is  
5 enrolled in a plan that is offered by the employer and that provides  
6 coverage for health care. An employer is not eligible for credits  
7 under this section unless the employer provides that coverage for  
8 employees who work at least 20 hours. The amount of the credit is  
9 equal to the amount of the cost to the employer to provide the  
10 coverage.

11 (c) The comptroller shall allow the full amount of the  
12 credit in relation to each enrolled employee who has a family income  
13 at or below 200 percent of the federal poverty level and shall allow  
14 a pro rata reduced credit in relation to each enrolled employee who  
15 has a family income above 200 percent, but at or below 300 percent,  
16 of the federal poverty level.

17 (d) An employer is eligible for a credit under this section  
18 in any year in which the employer provides coverage for health care  
19 described by Subsection (b) of this section, provided that during  
20 the 12-month period before the date the employer first offers the  
21 coverage the employer did not offer coverage for health care to any  
22 of the employer's employees.

23 (e) An employer may transfer a credit earned in accordance  
24 with this section to another person in accordance with rules  
25 adopted by the comptroller.

26 SECTION 4.02. PUBLIC-PRIVATE PARTNERSHIPS. The commission  
27 shall provide grants to provide technical assistance and funding



1 for planning and infrastructure development to encourage  
2 partnerships for coverage or benefits for health care among local  
3 governmental entities, state governmental entities, employers,  
4 philanthropic organizations, and employees.

5 SECTION 4.03. SMALL EMPLOYER REINSURANCE PROGRAM. The  
6 commissioner of insurance shall study the reinsurance system  
7 applicable to small employer health benefit plans under this  
8 state's law in relation to similar reinsurance systems operating in  
9 other states, including Arizona and New York. The commissioner of  
10 insurance shall by rule implement a reinsurance system, applicable  
11 to small employer health benefit plans, that is designed to promote  
12 the availability and affordability of small employer health benefit  
13 plan coverage.

14 SECTION 4.04. TEXAS HEALTH INSURANCE RISK POOL. (a) The  
15 board of directors of the Texas Health Insurance Risk Pool shall  
16 provide coverage through the pool to an individual who is eligible  
17 for coverage in accordance with Title X, Consolidated Omnibus  
18 Budget Reconciliation Act of 1985 (29 U.S.C. Section 1161 et seq.)  
19 (COBRA) if the individual can demonstrate that coverage offered  
20 through the pool:

21 (1) is more affordable than the COBRA coverage  
22 available to the individual; or

23 (2) offers better coverage than the COBRA coverage  
24 available to the individual.

25 (b) The board of directors of the Texas Health Insurance  
26 Risk Pool shall provide coverage through the pool to an individual  
27 who is covered under a multiple employer welfare arrangement as

1 defined by Section 3, Employee Retirement Income Security Act of  
2 1974 (29 U.S.C. Section 1002), or an analogous benefit arrangement,  
3 to the extent that lifetime benefit limits imposed under the  
4 arrangement provide incomplete or inadequate coverage for the  
5 individual. Coverage provided through the pool under this  
6 subsection may be secondary to coverage provided to the individual  
7 under the multiple employer welfare arrangement or other analogous  
8 arrangement.

9 SECTION 4.05. STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION.

10 (a) The Texas Higher Education Coordinating Board shall require  
11 each student enrolled in a public institution of higher education  
12 in this state to have coverage for health care.

13 (b) The coverage for health care required by this section  
14 shall be provided in conjunction with enrollment in the  
15 institution, be paid for in the same manner that tuition and other  
16 fees are paid, and is an expense that a student may pay with student  
17 loans, scholarships, and other applicable grants.

18 SECTION 4.06. FEDERALLY QUALIFIED HEALTH CENTERS. The  
19 commission shall establish a fund to:

20 (1) support existing and new federally qualified  
21 community health centers; and

22 (2) maximize direct federal funding for these centers  
23 in this state.

24 SECTION 4.07. CONSOLIDATION OF MEDICAL AND DENTAL LOAN  
25 PROGRAMS. (a) The Texas Higher Education Coordinating Board shall  
26 administer each program of this state that offers medical, dental,  
27 and health care education loan forgiveness. A program described by

1 this section in existence on the effective date of this Act is  
2 transferred to the board. The board shall administer the program to  
3 encourage more medical, dental, and health care providers to  
4 practice in underserved areas, in accordance with the law  
5 applicable to the program and this section.

6 (b) The Texas Higher Education Coordinating Board shall  
7 promote the availability of the programs subject to this section.

8 ARTICLE 5. EFFECTIVE DATE

9 SECTION 5.01. EFFECTIVE DATE. This Act takes effect  
10 immediately if it receives a vote of two-thirds of all the members  
11 elected to each house, as provided by Section 39, Article III, Texas  
12 Constitution. If this Act does not receive the vote necessary for  
13 immediate effect, this Act takes effect September 1, 2007.