

By: Shapleigh

S.B. No. 577

A BILL TO BE ENTITLED

AN ACT

relating to the child health plan program.

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

SECTION 1. Section 62.002(2), Health and Safety Code, is amended to read as follows:

(2) "Executive commissioner" or "commissioner [~~Commissioner~~]" means the executive commissioner of the Health [~~health~~] and Human Services Commission [~~human services~~].

SECTION 2. Section 62.101(b), Health and Safety Code, is amended to read as follows:

(b) The commission shall 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 [~~200~~] percent of the federal poverty level is eligible for health benefits coverage under the program. In addition, the commission may establish eligibility standards regarding the amount and types of allowable assets for a family whose net family income is above 250 [~~150~~] percent of the federal poverty level.

SECTION 3. Sections 62.102(b) and (c), Health and Safety Code, are amended to read as follows:

(b) During the sixth month following the date of initial

1 enrollment or reenrollment of an individual whose net family income
2 exceeds 285 [~~185~~] percent of the federal poverty level, the
3 commission shall:

4 (1) review the individual's net family income and may
5 use electronic technology if available and appropriate; and

6 (2) continue to provide coverage if the individual's
7 net family income does not exceed the income eligibility limits
8 prescribed by Section 62.101 [~~this chapter~~].

9 (c) If, during the review required under Subsection (b), the
10 commission determines that the individual's net family income
11 exceeds the income eligibility limits prescribed by Section 62.101
12 [~~this chapter~~], the commission may not disenroll the individual
13 until:

14 (1) the commission has provided the family an
15 opportunity to demonstrate that the family's net family income is
16 within the income eligibility limits prescribed by Section 62.101
17 [~~this chapter~~]; and

18 (2) the family fails to demonstrate such eligibility.

19 SECTION 4. Section 62.151, Health and Safety Code, is
20 amended by adding Subsection (g) to read as follows:

21 (g) In developing the plan, the commission may choose not to
22 include dental benefits, subject to federal requirements, for a
23 child whose net family income is greater than 200 percent but not
24 greater than 300 percent of the federal poverty level.

25 SECTION 5. Section 62.153, Health and Safety Code, is
26 amended by amending Subsections (a) and (c) and adding Subsections
27 (a-1) and (a-2) to read as follows:

1 (a) To the extent permitted under 42 U.S.C. Section 1397cc,
2 as amended, and any other applicable law or regulations, the
3 commission shall require enrollees whose net family incomes are at
4 or below 200 percent of the federal poverty level to share the cost
5 of the child health plan, including provisions requiring enrollees
6 under the child health plan to pay:

- 7 (1) a copayment for services provided under the plan;
8 (2) an enrollment fee; or
9 (3) a portion of the plan premium.

10 (a-1) The commission shall require enrollees whose net
11 family incomes are greater than 200 percent but not greater than 300
12 percent of the federal poverty level to pay a share of the cost of
13 the child health plan through copayments, fees, and a portion of the
14 plan premium. The amount of the share required to be paid must:

- 15 (1) exceed the amount required to be paid by enrollees
16 described by Subsection (a); and
17 (2) equal the highest amount that may be required to be
18 paid under federal law, but not to exceed five percent of the
19 enrollee's net family income.

20 (a-2) In establishing the cost required to be paid by an
21 enrollee described by Subsection (a-1) as a portion of the plan
22 premium, the commission shall ensure that the cost progressively
23 increases as the number of children in the enrollee's family
24 provided coverage increases.

25 (c) The [~~If cost-sharing provisions imposed under~~
26 ~~Subsection (a) include requirements that enrollees pay a portion of~~
27 ~~the plan premium, the]~~ commission shall specify the manner of

1 payment for any portion of plan premium required to be paid by an
2 enrollee under this section [~~in which the premium is paid~~]. The
3 commission may require that the premium be paid to the [~~Texas~~
4 ~~Department of~~] Health and Human Services Commission, the [~~Texas~~
5 Department of State Health [~~Human~~] Services, or the health plan
6 provider. The commission shall develop an option for an enrollee to
7 pay monthly premiums using direct debits to bank accounts or credit
8 cards.

9 SECTION 6. Section 62.154, Health and Safety Code, is
10 amended by amending Subsection (d) and adding Subsection (e) to
11 read as follows:

12 (d) The waiting period required by Subsection (a) for a
13 child whose net family income is at or below 200 percent of the
14 federal poverty level must:

15 (1) extend for a period of 90 days after the last date
16 on which the applicant was covered under a health benefits plan; and

17 (2) apply to a child who was covered by a health
18 benefits plan at any time during the 90 days before the date of
19 application for coverage under the child health plan.

20 (e) The waiting period required by Subsection (a) for a
21 child whose net family income is greater than 200 percent but not
22 greater than 300 percent of the federal poverty level must:

23 (1) extend for a period of 180 days after the last
24 date on which the applicant was covered under a health benefits
25 plan; and

26 (2) apply to a child who was covered by a health
27 benefits plan at any time during the 180 days before the date of

1 application for coverage under the child health plan.

2 SECTION 7. Chapter 62, Health and Safety Code, is amended by
3 adding Subchapter F to read as follows:

4 SUBCHAPTER F. BUY-IN OPTION

5 Sec. 62.251. BUY-IN OPTION FOR CERTAIN CHILDREN. (a) The
6 executive commissioner shall develop and implement a buy-in option
7 in accordance with this subchapter under which children whose net
8 family incomes exceed 300 percent of the federal poverty level are
9 eligible to purchase health benefits coverage available under the
10 child health plan program.

11 (b) If health benefits coverage is available under the child
12 health plan program through a plan that includes dental benefits
13 and a plan that does not include dental benefits, the executive
14 commissioner may allow the purchase under this subchapter of
15 coverage available through either plan.

16 Sec. 62.252. RULES; ELIGIBILITY AND COST-SHARING. (a) The
17 executive commissioner shall adopt rules in accordance with federal
18 law that apply to a child for whom health benefits coverage is
19 purchased under this subchapter. The rules must:

20 (1) establish eligibility requirements;

21 (2) ensure that premiums:

22 (A) are based on the average cost per child of all
23 children enrolled in the child health plan program; and

24 (B) progressively increase as the number of
25 children in the enrollee's family provided coverage increases;

26 (3) require payment of 100 percent of health benefits
27 plan premiums, fees to offset administrative costs incurred under

1 this subchapter, and additional deductibles, coinsurance, or other
2 cost-sharing payments as determined by the executive commissioner;

3 (4) provide for a waiting period comparable to the
4 waiting period required under Section 62.154(e); and

5 (5) include an option for an enrollee to pay monthly
6 premiums using direct debits to bank accounts or credit cards.

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

12 Sec. 62.253. CROWD-OUT. (a) To the extent allowed by
13 federal law, the buy-in option developed under this subchapter must
14 include provisions designed to discourage:

15 (1) employers and other persons from electing to
16 discontinue offering health benefits plan coverage for employees'
17 children under employee or other group health benefits plans; and

18 (2) individuals with access to adequate health
19 benefits plan coverage for their children, as determined by the
20 executive commissioner, from electing not to obtain, or to
21 discontinue, that coverage.

22 Sec. 62.254. POINT-OF-SERVICE COPAYMENT. The commission
23 shall establish higher point-of-service copayments for the buy-in
24 option developed under this subchapter in order to reduce premiums
25 charged and attract healthy children.

26 Sec. 62.255. LOCK-OUT. The commission shall include a
27 lock-out period for the buy-in option developed under this

1 subchapter designed to discourage individuals from electing to
2 discontinue coverage when the individual's children are healthy.

3 Sec. 62.256. ENROLLMENT OF ALL CHILDREN IN FAMILY. (a) If
4 one child in an eligible family enrolls in the buy-in option
5 developed under this subchapter, the commission shall require that
6 each eligible child in the family enroll in the buy-in option.

7 (b) Subsection (a) does not apply to a child who:

8 (1) receives coverage under a health benefits plan
9 from a non-custodial parent under a medical support order; or

10 (2) is eligible for medical assistance under the
11 Medicaid program or coverage under the Texas Health Insurance Risk
12 Pool under Chapter 1506, Insurance Code.

13 SECTION 8. Not later than January 1, 2010, the executive
14 commissioner of the Health and Human Services Commission shall
15 adopt rules as necessary to implement Subchapter F, Chapter 62,
16 Health and Safety Code, as added by this Act.

17 SECTION 9. If before implementing any provision of this Act
18 a state agency determines that a waiver or authorization from a
19 federal agency is necessary for implementation of that provision,
20 the agency affected by the provision shall request the waiver or
21 authorization and may delay implementing that provision until the
22 waiver or authorization is granted.

23 SECTION 10. This Act takes effect September 1, 2009.