

By: Averitt, et al.

S.B. No. 841

Substitute the following for S.B. No. 841:

By: Rose

C.S.S.B. No. 841

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. Sections 62.101(b) and (b-1), Health and Safety Code, are 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.

(b-1) The eligibility standards adopted under Subsection (b) related to allowable assets:

(1) must allow a family to own at least \$20,000 [~~\$10,000~~] in allowable assets; and

(2) may not in calculating the amount of allowable assets under Subdivision (1) consider:

(A) the value of one vehicle that qualifies for an exemption under commission rule based on its use;

1 (B) the value of a second or subsequent vehicle
2 that qualifies for an exemption under commission rule based on its
3 use if:

4 (i) the vehicle is worth \$18,000 or less; or
5 (ii) the vehicle has been modified to
6 provide transportation for a household member with a disability;

7 (C) if no vehicle qualifies for an exemption
8 based on its use under commission rule, the [~~first \$18,000 of~~] value
9 of the highest valued vehicle; or

10 (D) the first \$7,500 of value of any vehicle not
11 described by Paragraph (A), (B), or (C).

12 SECTION 2. Section 62.102(a), Health and Safety Code, is
13 amended to read as follows:

14 (a) The [~~Subject to a review under Subsection (b), the~~]
15 commission shall provide that an individual who is determined to be
16 eligible for coverage under the child health plan remains eligible
17 for those benefits until the earlier of:

18 (1) the end of a period not to exceed 12 months,
19 beginning the first day of the month following the date of the
20 eligibility determination; or

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

22 SECTION 3. Section 62.153, Health and Safety Code, is
23 amended by amending Subsections (a) and (c) and adding Subsections
24 (a-1) and (a-2) to read as follows:

25 (a) To the extent permitted under 42 U.S.C. Section 1397cc,
26 as amended, and any other applicable law or regulations, the
27 commission shall require enrollees whose net family incomes are at

1 or below 200 percent of the federal poverty level to share the cost
2 of the child health plan, including provisions requiring enrollees
3 under the child health plan to pay:

- 4 (1) a copayment for services provided under the plan;
- 5 (2) an enrollment fee; or
- 6 (3) a portion of the plan premium.

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

13 (1) include a portion of the plan premium set at an
14 amount determined by the commission that is approximately equal to
15 2.5 percent of an enrollee's net family income;

16 (2) exceed the amount required to be paid by enrollees
17 described by Subsection (a), but the total amount required to be
18 paid may not exceed five percent of an enrollee's net family income;
19 and

20 (3) increase incrementally, as determined by the
21 commission, as an enrollee's net family income increases.

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

27 (c) The [~~If cost-sharing provisions imposed under~~

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

11 SECTION 4. Section 62.154, Health and Safety Code, is
12 amended by amending Subsection (d) and adding Subsection (e) to
13 read as follows:

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

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

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

22 (e) The waiting period required by Subsection (a) 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 must:

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

27 (2) apply to a child who was covered by a health

1 benefits plan at any time during the 180 days before the date of
2 application for coverage under the child health plan.

3 SECTION 5. Subchapter D, Chapter 62, Health and Safety
4 Code, is amended by adding Section 62.1551 to read as follows:

5 Sec. 62.1551. TERMINATION OF COVERAGE FOR NONPAYMENT OF
6 PREMIUMS. (a) The executive commissioner by rule shall establish a
7 process that allows for the termination of coverage under the child
8 health plan of an enrollee whose net family income is greater than
9 200 percent but not greater than 300 percent of the federal poverty
10 level if the enrollee does not pay the premiums required under
11 Section 62.153(a-1).

12 (b) The rules required by Subsection (a) must:

13 (1) address the number of payments that may be missed
14 before coverage terminates;

15 (2) address the process for notifying an enrollee of
16 pending coverage termination; and

17 (3) provide for an appropriate lock-out period after
18 termination for nonpayment.

19 SECTION 6. Chapter 62, Health and Safety Code, is amended by
20 adding Subchapter F to read as follows:

21 SUBCHAPTER F. BUY-IN OPTION

22 Sec. 62.251. BUY-IN OPTION FOR CERTAIN CHILDREN. The
23 executive commissioner shall develop and implement a buy-in option
24 in accordance with this subchapter under which children whose net
25 family incomes exceed 300 percent, but do not exceed 400 percent, of
26 the federal poverty level are eligible to purchase health benefits
27 coverage similar to coverage available under the child health plan

1 program.

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

6 (1) establish eligibility requirements, including a
7 requirement that a child must lack access to adequate health
8 benefits plan coverage through an employer-sponsored group health
9 benefits plan;

10 (2) ensure that premiums:

11 (A) are set at a level designed to cover the costs
12 of coverage for children participating in the buy-in option under
13 this subchapter; and

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

16 (3) ensure that required premiums and costs for the
17 coverage for a child under this subchapter:

18 (A) are at least equal to the cost to the
19 commission of otherwise providing child health plan coverage,
20 including dental benefits, to another child who is the same age, and
21 who resides in the same state service delivery area, as the child
22 receiving coverage under this subchapter; and

23 (B) include:

24 (i) a fee in an amount determined by the
25 commission to offset all or part of the cost of prescription drugs
26 provided to enrollees under this subchapter;

27 (ii) fees to offset administrative costs

1 incurred under this subchapter; and

2 (iii) additional deductibles, coinsurance,
3 or other cost-sharing payments as determined by the executive
4 commissioner; and

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

7 (a-1) The rules adopted under Subsection (a)(1) must
8 provide that a child is eligible for health benefits coverage under
9 this subchapter only if the child was eligible for the medical
10 assistance program under Chapter 32, Human Resources Code, or the
11 child health plan program under Section 62.101 and was enrolled in
12 the applicable program, but the child's enrollment was not renewed
13 because, at the time of the eligibility redetermination, the
14 child's net family income exceeded the limit specified by Section
15 62.101.

16 (b) Notwithstanding any other provision of this chapter,
17 the executive commissioner may establish rules, benefit coverage,
18 and procedures for children for whom health benefits coverage is
19 purchased under this subchapter that differ from the rules, benefit
20 coverage, and procedures generally applicable to the child health
21 plan program.

22 Sec. 62.253. CROWD-OUT. To the extent allowed by federal
23 law, the buy-in option developed under this subchapter must include
24 provisions designed to discourage:

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

1 (2) individuals with access to adequate health
2 benefits plan coverage for their children through an
3 employer-sponsored group health benefits plan, as determined by the
4 executive commissioner, from electing not to obtain, or to
5 discontinue, that coverage.

6 Sec. 62.254. POINT-OF-SERVICE COPAYMENT. The commission
7 shall establish point-of-service copayments for the buy-in option
8 developed under this subchapter that are higher than
9 point-of-service copayments required for a child whose net family
10 income is at or below 300 percent of the federal poverty level.

11 Sec. 62.255. LOCK-OUT. (a) In this section, "lock-out
12 period" means a period after coverage is terminated for nonpayment
13 of premiums, during which a child may not be re-enrolled in the
14 child health plan program.

15 (b) The commission shall include a lock-out period for the
16 buy-in option developed under this subchapter for the purpose of
17 providing a disincentive for a parent to drop a child's coverage
18 when a child is healthy and re-enroll only when health care needs
19 occur.

20 SECTION 7. Sections 62.002(2) and (4), Health and Safety
21 Code, are amended to read as follows:

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

25 (4) "Net family income" means the amount of income
26 established for a family after reduction for offsets for child care
27 expenses and child support payments, in accordance with standards

1 applicable under the Medicaid program.

2 SECTION 8. Subchapter C, Chapter 62, Health and Safety
3 Code, is amended by adding Section 62.1012 to read as follows:

4 Sec. 62.1012. EXCLUSION OF COLLEGE SAVINGS PLANS. For
5 purposes of determining whether a child meets family income and
6 resource requirements for eligibility for the child health plan,
7 the commission may not consider as income or resources a right to
8 assets held in or a right to receive payments or benefits under any
9 of the following:

10 (1) any fund or plan established under Subchapter F or
11 H, Chapter 54, Education Code, including an interest in a prepaid
12 tuition contract;

13 (2) any fund or plan established under Subchapter G,
14 Chapter 54, Education Code, including an interest in a savings
15 trust account;

16 (3) any qualified tuition program of any state that
17 meets the requirements of Section 529, Internal Revenue Code of
18 1986; or

19 (4) any taxable credit-only savings account that is
20 opened in a child's name and gifted to the child by a postsecondary
21 education awards program and that is exclusively accessible by the
22 program administrator.

23 SECTION 9. Subchapter B, Chapter 531, Government Code, is
24 amended by adding Section 531.0992 to read as follows:

25 Sec. 531.0992. COMMUNITY OUTREACH FOR THE CHILD HEALTH PLAN
26 PROGRAM. (a) The commission shall improve the effectiveness of
27 community outreach efforts with respect to the child health plan

1 program. To improve that effectiveness, the commission shall:

2 (1) increase the capacity of existing outreach efforts
3 implemented through community-based organizations by providing
4 those organizations with adequate resources to:

5 (A) educate the public about the child health
6 plan program;

7 (B) provide assistance to the public in
8 completing applications for eligibility or recertification of
9 eligibility and obtaining required documentation for applications;
10 and

11 (C) assist applicants in resolving problems
12 encountered during the eligibility determination process;

13 (2) establish a partnership with stakeholders who will
14 provide outreach and application assistance by:

15 (A) fostering the exchange of information
16 regarding, and promoting, best practices for obtaining health
17 benefits coverage for children;

18 (B) assisting the commission in designing and
19 implementing processes to reduce procedural denials; and

20 (C) disseminating successful outreach models
21 across this state under which entities such as hospitals, school
22 districts, and local businesses partner to identify children
23 without health benefits coverage; and

24 (3) focus the outreach efforts particularly on
25 enrolling eligible persons in the child health plan program.

26 (b) The partnership established under Subsection (b)(2)
27 must include entities that contract with the commission to perform

1 child health plan program eligibility determination and enrollment
2 functions, community-based organizations that contract with the
3 commission, health benefit plan providers, Texas Health Steps
4 program contractors, health care providers, consumer advocates,
5 and other interested stakeholders.

6 (c) The commission may also improve the effectiveness of
7 community outreach efforts with respect to the child health plan
8 program by contracting with one or more persons to provide outreach
9 and application assistance for the program. The commission shall
10 require each potential contractor under this subsection to indicate
11 the person's interest in writing before submitting a proposal for a
12 contract. If more than one person from a geographic area determined
13 by the commission submits a letter of interest, the commission
14 shall encourage the persons from that area to collaborate on a
15 proposal for a contract.

16 (d) To the extent practicable, the commission shall give
17 preference in awarding contracts under Subsection (d) to proposals
18 submitted by collaborations that include multiple entities with
19 experience in serving a variety of populations, including
20 populations that more commonly enroll in or receive benefits under
21 the child health plan program.

22 SECTION 10. Subchapter D, Chapter 62, Health and Safety
23 Code, is amended by adding Section 62.160 to read as follows:

24 Sec. 62.160. PROSPECTIVE PAYMENT SYSTEM FOR CERTAIN
25 SERVICES. (a) In this section:

26 (1) "Federally-qualified health center" has the
27 meaning assigned by Section 1905(1)(2)(B), Social Security Act (42

1 U.S.C. Section 1396d(1)(2)(B)).

2 (2) "Federally-qualified health center services" has
3 the meaning assigned by Section 1905(1)(2)(A), Social Security Act
4 (42 U.S.C. Section 1396d(1)(2)(A)).

5 (3) "Rural health clinic" and "rural health clinic
6 services" have the meanings assigned by Section 1905(1)(1), Social
7 Security Act (42 U.S.C. Section 1396d(1)(1)).

8 (b) The commission shall apply the prospective payment
9 system established under Section 1902(bb), Social Security Act (42
10 U.S.C. Section 1396a(bb)), in providing child health plan coverage
11 for rural health clinic services provided through rural health
12 clinics and federally-qualified health center services provided
13 through federally-qualified health centers in accordance with
14 Section 2107(e)(1), Social Security Act (42 U.S.C. Section
15 1397gg(e)(1)).

16 SECTION 11. Chapter 531, Government Code, is amended by
17 adding Subchapter M-1 to read as follows:

18 SUBCHAPTER M-1. ELIGIBILITY DETERMINATION STREAMLINING AND
19 IMPROVEMENT

20 Sec. 531.471. DEFINITIONS. In this subchapter:

21 (1) "SAVERR" means the System of Application,
22 Verification, Eligibility, Referral, and Reporting.

23 (2) "TIERS" means the Texas Integrated Eligibility
24 Redesign System.

25 Sec. 531.472. CORRECTIVE ACTION PLAN. If for three
26 consecutive months less than 90 percent of the applications or
27 eligibility recertifications for the child health plan program are

1 accurately processed through SAVERR or TIERS, or otherwise for the
2 child health plan program, within the applicable processing time
3 requirements established by state and federal law, the executive
4 commissioner by rule shall adopt a corrective action plan for the
5 child health plan program that:

6 (1) identifies the steps necessary to improve the
7 timeliness of application processing and the accuracy of
8 eligibility determinations; and

9 (2) to the extent possible within the staffing levels
10 authorized by the General Appropriations Act, ensures that child
11 health plan program eligibility determinations are accurately made
12 within applicable processing time requirements established by
13 state and federal law.

14 Sec. 531.473. REDUCTION OF DENIALS FOR MISSING INFORMATION.

15 (a) The executive commissioner by rule shall adopt processes
16 designed to reduce denials of eligibility for the child health plan
17 program due to information missing from an application. The
18 processes must include providing comprehensive information to an
19 applicant, enrollee, or recipient regarding acceptable
20 documentation of income for purposes of an eligibility
21 determination.

22 (b) Before imposing a denial of eligibility for the child
23 health plan program for failure to provide information needed to
24 complete an application, including an application for
25 recertification, the commission shall:

26 (1) attempt to contact the applicant, enrollee, or
27 recipient by telephone or mail to describe the specific information

1 that must be provided to complete the application; and

2 (2) allow the person a period of at least 10 business
3 days to provide the missing information instead of requiring the
4 person to submit a new application.

5 Sec. 531.474. CALL RESOLUTION STANDARDS. The executive
6 commissioner shall establish telephone call resolution standards
7 and processes for each call center established under Section
8 531.063, including a call center operated by a contractor, to
9 ensure that telephone calls regarding questions, issues, or
10 complaints received at call centers are accurately handled by call
11 center staff and are successfully resolved by call center or agency
12 staff.

13 SECTION 12. Sections 62.102(b) and (c) and 62.151(f),
14 Health and Safety Code, are repealed.

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

19 SECTION 14. The changes in law made by this Act apply to an
20 initial determination of eligibility or a recertification of
21 eligibility for the child health plan program under Chapter 62,
22 Health and Safety Code, made on or after September 1, 2009.

23 SECTION 15. If before implementing any provision of this
24 Act a state agency determines that a waiver or authorization from a
25 federal agency is necessary for implementation of that provision,
26 the agency affected by the provision shall request the waiver or
27 authorization and may delay implementing that provision until the

1 waiver or authorization is granted.

2 SECTION 16. This Act takes effect September 1, 2009.