

BILL ANALYSIS

H.B. 1295
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Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Texas has one of the largest populations of uninsured children in the nation. A large percentage of these uninsured children qualify for the child health plan program (CHIP). In an effort to promote the use of primary care and discourage the use of emergency rooms for nonurgent care, CHIP copayments for hospital inpatient visits are significantly higher than the copayments for physician office visits. Statistics show, however, that many CHIP enrollees are still using emergency rooms to receive nonurgent care. Furthermore, CHIP reimburses primary care physicians for less than the amount it costs a physician to see a sick patient, meaning a physician loses money on every CHIP patient the physician sees. Because of these reimbursement rates, many physicians are hesitant to take on CHIP patients.

While enrolling more uninsured children in CHIP will significantly lessen the number of uninsured children in Texas, fundamental reforms of the physician and patient incentive structure are necessary to provide CHIP patients with accessible, quality health care. H.B. 1295 seeks to address this issue by creating a two-year pilot project in one or more established CHIP service areas that is designed to increase enrollee access to primary care services and simplify enrollment procedures under CHIP.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 of this bill.

ANALYSIS

H.B. 1295 amends the Health and Safety Code to add a temporary provision, set to expire January 1, 2015, to require the Health and Human Services Commission (HHSC) to establish a two-year pilot project in one or more Medicaid service areas that is designed to increase child health plan (CHIP) enrollee access to primary care services and simplify CHIP enrollment procedures. The bill requires the executive commissioner of HHSC, in establishing the pilot project, to establish, for each service area, health care provider reimbursement rates for primary care services provided in lower-cost medical settings that are comparable to the federal Medicare program rates for the same or similar services, identify CPT codes that represent primary care services, prescribe and use an alternative application for CHIP coverage that is written on a sixth-grade reading comprehension level, and require any enrollment services provider in a service area to reduce application processing delays and procedural denials and increase renewal rates. The bill provides that an individual who resides in the service area and who is determined eligible for coverage under CHIP remains eligible for benefits according to provisions of law relating to continuous coverage. The bill requires HHSC to provide at least one point of service contact in each county in the service area where trained personnel are available to personally assist interested individuals who reside in the service area with the application form and procedures for CHIP coverage. The bill authorizes HHSC to enroll an individual in CHIP under the pilot project during only the first year of the project. The bill requires HHSC, not later than January 1, 2013, to submit an initial report evaluating the operation of the pilot project and

making recommendations regarding the continuation or expansion of the project to the governor, the lieutenant governor, and certain members of the legislature and sets out the contents required to be included in the report. The bill requires HHSC to submit a final report regarding the results of the pilot project, in the same manner and including the same information as the initial report, not later than the 60th day after the date the pilot project terminates. The bill requires the executive commissioner of HHSC to adopt rules necessary to implement the bill's provisions.

H.B. 1295 requires HHSC to establish the pilot project not later than October 1, 2011. The bill requires a state agency that is affected by a provision of the bill to request a federal waiver or authorization if the agency determines that a waiver or authorization is necessary for the implementation of the provision and authorizes the agency to delay implementation until the federal waiver or authorization is obtained.

H.B. 1295 defines "CPT code," "lower-cost medical setting," "primary care services," and "service area."

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.