

By: Rodriguez

S.B. No. 611

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 62.002(2) and (4), Health and Safety Code, are 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~~].

(4) "Net family income" means the amount of income established for a family after reduction for offsets for child care expenses and child support payments, in accordance with standards applicable under the Medicaid program.

SECTION 2. 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

1 federal poverty level.

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

4 (1) must allow a family to own at least \$20,000
5 [~~\$10,000~~] in allowable assets; and

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

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

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

13 (i) the vehicle is worth \$18,000 or less; or

14 (ii) the vehicle has been modified to
15 provide transportation for a household member with a disability;

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

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

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

23 Sec. 62.1012. EXCLUSION OF COLLEGE SAVINGS PLANS. For
24 purposes of determining whether a child meets family income and
25 resource requirements for eligibility for the child health plan,
26 the commission may not consider as income or resources a right to
27 assets held in or a right to receive payments or benefits under any

1 of the following:

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

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

8 (3) any qualified tuition program of any state that
9 meets the requirements of Section 529, Internal Revenue Code of
10 1986; or

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

15 SECTION 4. Section 62.102(a), Health and Safety Code, is
16 amended to read as follows:

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

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

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

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 total amount of the share required to be paid
15 must:

16 (1) include a portion of the plan premium set at an
17 amount determined by the commission that is approximately equal to
18 2.5 percent of an enrollee's net family income;

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

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

25 (a-2) In establishing the cost required to be paid by an
26 enrollee described by Subsection (a-1) as a portion of the plan
27 premium, the commission shall ensure that the cost progressively

1 increases as the number of children in the enrollee's family
2 provided coverage increases.

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

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

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

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

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

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

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

3 (2) apply to a child who was covered by a health
4 benefits plan at any time during the 180 days before the date of
5 application for coverage under the child health plan.

6 SECTION 7. Subchapter D, Chapter 62, Health and Safety
7 Code, is amended by adding Section 62.1551 to read as follows:

8 Sec. 62.1551. TERMINATION OF COVERAGE FOR NONPAYMENT OF
9 PREMIUMS. (a) The executive commissioner by rule shall establish a
10 process that allows for the termination of coverage under the child
11 health plan of an enrollee whose net family income is greater than
12 200 percent but not greater than 300 percent of the federal poverty
13 level if the enrollee does not pay the premiums required under
14 Section 62.153(a-1).

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

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

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

20 (3) provide for an appropriate lock-out period after
21 termination for nonpayment.

22 SECTION 8. 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 9. Chapter 62, Health and Safety Code, is amended by
17 adding Subchapter F to read as follows:

18 SUBCHAPTER F. BUY-IN OPTION

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

26 Sec. 62.252. RULES; ELIGIBILITY AND COST-SHARING. (a) The
27 executive commissioner shall adopt rules in accordance with federal

1 law that apply to a child for whom health benefits coverage is
2 purchased under this subchapter. The rules must:

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

7 (2) ensure that premiums:

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

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

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

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

20 (B) include:

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

24 (ii) fees to offset administrative costs
25 incurred under this subchapter; and

26 (iii) additional deductibles, coinsurance,
27 or other cost-sharing payments as determined by the executive

1 commissioner; and

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

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

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

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

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

25 (2) individuals with access to adequate health
26 benefits plan coverage for their children through an
27 employer-sponsored group health benefits plan, as determined by the

1 executive commissioner, from electing not to obtain, or to
2 discontinue, that coverage.

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

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

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

17 SECTION 10. Subchapter B, Chapter 531, Government Code, is
18 amended by adding Section 531.0992 to read as follows:

19 Sec. 531.0992. COMMUNITY OUTREACH FOR THE CHILD HEALTH PLAN
20 PROGRAM. (a) The commission shall improve the effectiveness of
21 community outreach efforts with respect to the child health plan
22 program, including efforts conducted under Section 62.056, Health
23 and Safety Code. To improve that effectiveness, the commission
24 shall:

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

1 (A) educate the public about the child health
2 plan program;

3 (B) provide assistance to the public in
4 completing applications for eligibility or recertification of
5 eligibility and obtaining required documentation for applications;
6 and

7 (C) assist applicants in resolving problems
8 encountered during the eligibility determination process;

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

11 (A) fostering the exchange of information
12 regarding, and promoting, best practices for obtaining health
13 benefits coverage for children;

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

16 (C) disseminating successful outreach models
17 across this state under which entities such as hospitals, school
18 districts, and local businesses partner to identify children
19 without health benefits coverage; and

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

22 (b) The partnership established under Subsection (a)(2)
23 must include entities that contract with the commission to perform
24 child health plan program eligibility determination and enrollment
25 functions, community-based organizations that contract with the
26 commission, health benefit plan providers, Texas Health Steps
27 program contractors, health care providers, consumer advocates,

1 and other interested stakeholders.

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

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

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

20 SUBCHAPTER M-1. CHILD HEALTH PLAN PROGRAM ELIGIBILITY

21 DETERMINATION STREAMLINING AND IMPROVEMENT

22 Sec. 531.471. DEFINITIONS. In this subchapter:

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

25 (2) "TIERS" means the Texas Integrated Eligibility
26 Redesign System.

27 Sec. 531.472. CORRECTIVE ACTION PLAN. If for three

1 consecutive months less than 90 percent of the applications or
2 eligibility recertifications for the child health plan program are
3 accurately processed through SAVERR, TIERS, or otherwise, within
4 the applicable processing time requirements established by state
5 and federal law, the executive commissioner by rule shall adopt a
6 corrective action plan for the child health plan program that:

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

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

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

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

1 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 regarding the child health plan
11 program are accurately handled by call center staff and are
12 successfully resolved by call center or agency 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, 2012, 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, 2011.

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, 2011.