

By: Coleman

H.B. No. 3734

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the administration and funding of and eligibility for  
3 the child health plan, medical assistance, and other programs;  
4 authorizing a fee.

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

6 SECTION 1. Sections 62.101(b) and (b-1), Health and Safety  
7 Code, are amended to read as follows:

8 (b) The commission shall establish income eligibility  
9 levels consistent with Title XXI, Social Security Act (42 U.S.C.  
10 Section 1397aa et seq.), as amended, and any other applicable law or  
11 regulations, and subject to the availability of appropriated money,  
12 so that a child who is younger than 19 years of age and whose net  
13 family income is at or below 300 [~~200~~] percent of the federal  
14 poverty level is eligible for health benefits coverage under the  
15 program. In addition, the commission may establish eligibility  
16 standards regarding the amount and types of allowable assets for a  
17 family whose net family income is above 250 [~~150~~] percent of the  
18 federal poverty level.

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

21 (1) must allow a family to own at least \$20,000  
22 [~~\$10,000~~] in allowable assets; and

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

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

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

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

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

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

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

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

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

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

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

27 (a) To the extent permitted under 42 U.S.C. Section 1397cc,

1 as amended, and any other applicable law or regulations, the  
2 commission shall require enrollees whose net family incomes are at  
3 or below 200 percent of the federal poverty level to share the cost  
4 of the child health plan, including provisions requiring enrollees  
5 under the child health plan to pay:

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

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

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

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

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

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

1 provided coverage increases.

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

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

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

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

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

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

27 (1) extend for a period of 180 days after the last date

1 on which the applicant was covered under a health benefits plan; and

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

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

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

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

16 SUBCHAPTER F. BUY-IN OPTION

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

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

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

5           (2) ensure that premiums:

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

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

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

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

18                   (B) include:

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

22                           (ii) fees to offset administrative costs  
23 incurred under this subchapter; and

24                           (iii) additional deductibles, coinsurance,  
25 or other cost-sharing payments as determined by the executive  
26 commissioner; and

27           (4) include an option for an enrollee to pay monthly

1 premiums using direct debits to bank accounts or credit cards.

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

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

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

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

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

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

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

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

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

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

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

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

26       Sec. 62.1012. EXCLUSION OF COLLEGE SAVINGS PLANS. For  
27 purposes of determining whether a child meets family income and



1 resource requirements for eligibility for the child health plan,  
2 the commission may not consider as income or resources a right to  
3 assets held in or a right to receive payments or benefits under any  
4 of the following:

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

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

11 (3) any qualified tuition program of any state that  
12 meets the requirements of Section 529, Internal Revenue Code of  
13 1986; or

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

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

20 Sec. 531.0992. COMMUNITY OUTREACH FOR BENEFITS PROGRAMS.

21 (a) In this section, "benefits program" includes:

22 (1) the child health plan program;

23 (2) the financial assistance program under Chapter 31,  
24 Human Resources Code;

25 (3) the medical assistance program under Chapter 32,  
26 Human Resources Code, including long-term care services provided  
27 under the program; and

1           (4) the food stamp program under Chapter 33, Human  
2 Resources Code.

3           (b) The commission shall improve the effectiveness of  
4 community outreach efforts with respect to benefits programs. To  
5 improve that effectiveness, the commission shall:

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

9                   (A) educate the public about benefits programs;

10                   (B) provide assistance to the public in  
11 completing applications for eligibility or recertification of  
12 eligibility and obtaining required documentation for applications;  
13 and

14                   (C) assist applicants in resolving problems  
15 encountered during the eligibility determination process;

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

18                   (A) fostering the exchange of information  
19 regarding, and promoting, best practices for obtaining health  
20 benefits coverage for children;

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

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

27           (3) focus the outreach efforts particularly on

1 enrolling eligible persons in the child health plan program and the  
2 medical assistance program under Chapter 32, Human Resources Code.

3 (c) The partnership established under Subsection (b)(2)  
4 must include entities that contract with the commission to perform  
5 child health plan and medical assistance program eligibility  
6 determination and enrollment functions, community-based  
7 organizations that contract with the commission, health benefit  
8 plan providers, Texas Health Steps program contractors, health care  
9 providers, consumer advocates, and other interested stakeholders.

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

20 (e) To the extent practicable, the commission shall give  
21 preference in awarding contracts under Subsection (d) to proposals  
22 submitted by collaborations that include multiple entities with  
23 experience in serving a variety of populations, including  
24 populations that more commonly enroll in or receive benefits under  
25 benefits programs.

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



1 Chapter 31, Human Resources Code;

2 (C) the medical assistance program under Chapter  
3 32, Human Resources Code, including long-term care services  
4 provided under the program; and

5 (D) the food stamp program under Chapter 33,  
6 Human Resources Code.

7 (2) "SAVERR" means the System of Application,  
8 Verification, Eligibility, Referral, and Reporting.

9 (3) "TIERS" means the Texas Integrated Eligibility  
10 Redesign System.

11 Sec. 531.472. CORRECTIVE ACTION PLAN. If for three  
12 consecutive months less than 90 percent of the applications or  
13 eligibility recertifications for benefits programs are accurately  
14 processed through SAVERR or TIERS, or otherwise for the child  
15 health plan program, within the applicable processing time  
16 requirements established by state and federal law, the executive  
17 commissioner by rule shall adopt a corrective action plan for all  
18 benefits programs that:

19 (1) identifies the steps necessary to improve the  
20 timeliness of application processing and the accuracy of  
21 eligibility determinations; and

22 (2) to the extent possible within the staffing levels  
23 authorized by the General Appropriations Act, ensures that benefits  
24 program eligibility determinations are accurately made within  
25 applicable processing time requirements established by state and  
26 federal law.

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

1 (a) The executive commissioner by rule shall adopt processes  
2 designed to reduce denials of eligibility for benefits programs due  
3 to information missing from an application. The processes must  
4 include providing comprehensive information to an applicant,  
5 enrollee, or recipient regarding acceptable documentation of  
6 income for purposes of an eligibility determination.

7 (b) Before imposing a denial of eligibility for a benefits  
8 program for failure to provide information needed to complete an  
9 application, including an application for recertification, the  
10 commission shall:

11 (1) attempt to contact the applicant, enrollee, or  
12 recipient by telephone or mail to describe the specific information  
13 that must be provided to complete the application; and

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

17 Sec. 531.474. CALL RESOLUTION STANDARDS. The executive  
18 commissioner shall establish telephone call resolution standards  
19 and processes for each call center established under Section  
20 531.063, including a call center operated by a contractor, to  
21 ensure that telephone calls regarding questions, issues, or  
22 complaints received at call centers are accurately handled by call  
23 center staff and are successfully resolved by call center or agency  
24 staff.

25 SECTION 12. Subchapter A, Chapter 31, Human Resources Code,  
26 is amended by adding Section 31.0039 to read as follows:

27 Sec. 31.0039. EXCLUSION OF COLLEGE SAVINGS PLANS. For

1 purposes of determining the amount of financial assistance granted  
2 to an individual under this chapter for the support of dependent  
3 children or determining whether the family meets household income  
4 and resource requirements for financial assistance under this  
5 chapter, the department may not consider the right to assets held in  
6 or the right to receive payments or benefits under any of the  
7 following:

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

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

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

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

21 SECTION 13. Subchapter B, Chapter 32, Human Resources Code,  
22 is amended by adding Section 32.02611 to read as follows:

23 Sec. 32.02611. EXCLUSION OF COLLEGE SAVINGS PLANS. (a)  
24 Except as provided by Subsection (b), in determining eligibility  
25 and need for medical assistance, the department may not consider as  
26 assets or resources a right to assets held in or a right to receive  
27 payments or benefits under any of the following:

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

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

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

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

14           (b) In determining eligibility and need for medical  
15 assistance for an applicant who may be eligible on the basis of the  
16 applicant's eligibility for medical assistance for the aged, blind,  
17 or disabled under 42 U.S.C. Section 1396a(a)(10) the department may  
18 consider as assets or resources a right to assets held in or a right  
19 to receive payments or benefits under any fund, plan, or tuition  
20 program described by Subsection (a).

21           (c) Notwithstanding Subsection (b), the department shall  
22 seek a federal waiver authorizing the department to exclude, for  
23 purposes of determining the eligibility of an applicant described  
24 by that subsection, the right to assets held in or a right to  
25 receive payments or benefits under any fund, plan, or tuition  
26 program described by Subsection (a) if the fund, plan, or tuition  
27 program was established before the 21st birthday of the beneficiary



1 of the fund, plan, or tuition program.

2 SECTION 14. Chapter 33, Human Resources Code, is amended by  
3 adding Section 33.0151 to read as follows:

4 Sec. 33.0151. FOOD STAMP ELIGIBILITY PERIOD AND PERIODIC  
5 REPORTING REQUIREMENTS. (a) The department, to the maximum extent  
6 allowed by federal law, shall provide that a person who is  
7 determined to be eligible for benefits under the food stamp program  
8 remains eligible for those benefits for a period of at least 12  
9 months unless the department determines that a shorter eligibility  
10 period is necessary to ensure program integrity.

11 (b) The department may require food stamp recipients to  
12 periodically report changes in household circumstances in  
13 accordance with Section 6(c)(1)(A), Food and Nutrition Act of 2008  
14 (7 U.S.C. Section 2015(c)(1)(A)).

15 SECTION 15. (a) In this section:

16 (1) "Child health plan program" means the state child  
17 health plan program established under Chapter 62, Health and Safety  
18 Code.

19 (2) "Commission" means the Health and Human Services  
20 Commission.

21 (3) "Executive commissioner" means the executive  
22 commissioner of the Health and Human Services Commission.

23 (4) "Medicaid" means the medical assistance program  
24 under Chapter 32, Human Resources Code.

25 (b) Not later than September 1, 2014, the executive  
26 commissioner by rule shall develop a strategic plan designed to:

27 (1) intensify community outreach and education

1 relating to the availability of benefits under the child health  
2 plan and Medicaid programs; and

3           (2) reduce the paperwork and other administrative  
4 burdens associated with determining eligibility for and enrolling  
5 eligible individuals in the child health plan program and Medicaid.

6           (c) Not later than September 1, 2015, the commission shall  
7 implement the plan developed under Subsection (b) of this section.

8           SECTION 16. Sections 62.102(b) and (c) and 62.151(f),  
9 Health and Safety Code, are repealed.

10           SECTION 17. Not later than January 1, 2014, the executive  
11 commissioner of the Health and Human Services Commission shall  
12 adopt rules as necessary to implement Subchapter F, Chapter 62,  
13 Health and Safety Code, as added by this Act.

14           SECTION 19. The changes in law made by this Act apply to an  
15 initial determination of eligibility or a recertification of  
16 eligibility for the child health plan program under Chapter 62,  
17 Health and Safety Code, the financial assistance program under  
18 Chapter 31, Human Resources Code, the medical assistance program  
19 under Chapter 32, Human Resources Code, or the food stamp program  
20 under Chapter 33, Human Resources Code, made on or after September  
21 1, 2013.

22           SECTION 21. If before implementing any provision of this  
23 Act a state agency determines that a waiver or authorization from a  
24 federal agency is necessary for implementation of that provision,  
25 the agency affected by the provision shall request the waiver or  
26 authorization and may delay implementing that provision until the  
27 waiver or authorization is granted.

1 SECTION 22. This Act takes effect September 1, 2013.