



## HOUSE COMMITTEE ON PUBLIC HEALTH AMENDS SB 43, CHILDREN'S MEDICAID SIMPLIFICATION BILL

On Wednesday May 2, The House Committee on Public Health held a public hearing on SB 43 by Zaffirini, and adopted a committee substitute for the version approved by the full Senate (see Policy Page #125 for background on the Senate Bill). This Policy Page describes the bill that will be voted on by the full House, and provides an update on the process.

### WHAT THE SENATE DID

SB 43 as filed included all three components of the Children's Medicaid Simplification goals supported by the Texas CHIP Coalition: (1) eliminate required face-to-face interview with DHS for children's Medicaid application and re-certification, and adopt documentation and verification requirements that are like CHIP's, (2) eliminate the so-called "assets test" for Children's Medicaid, to make that policy the same as for CHIP, and (3) give children on Medicaid 12 months of continuous eligibility, as is the policy for CHIP. The Senate Health and Human Services Committee adopted two amendments to the filed bill. The first retains the assets test for children, but simplifies it by using the CHIP's current three-question asset screen, and by eliminating any required documentation of assets. Second, the Senate Committee reduced the scope of the continuous eligibility component, by limiting that benefit to children under the age of five. Thus amended, the bill was passed by the full Senate.

### WHAT THE HOUSE COMMITTEE DID

The House Committee on Public Health adopted a committee substitute, offered by Committee Chair Patricia Gray, which restored the continuous eligibility provision of the bill to the language originally filed. That is, the House committee substitute would provide 12 months of continuous eligibility to all children on Medicaid under the age of 19, just as is the current policy for CHIP. No other amendments to the Senate bill were considered at the hearing, though there was a mention that at least one member had proposed amendments. The committee then voted the bill out favorably by a 5-to-2 vote, with Representatives Delisi and Wohlgemuth casting the dissenting votes.

### UPDATE ON THE COSTS

The official LBB fiscal note on SB 43 estimated the combined cost of the full simplification passage would be \$421.7 million GR for 2002-2003, due to increased

enrollment and increased months of coverage under continuous eligibility. The changes made by the Senate Committee (described above) resulted in a reduction in the fiscal note to \$324.5 million GR for the biennium. This reflects only the reduced costs related to keeping the assets test. No reduction in the fiscal estimate related to continuous eligibility was made in the official cost estimate, because the bill language provides for extending continuous eligibility up to age 19, if funds are available. The LBB is required to estimate the highest possible cost of a bill, so they had to retain the estimated cost of full continuous eligibility. However, unofficial numbers indicate that the cost of the full Senate package, with continuous eligibility ending at age 5, would be around \$200 million GR for 2002-2003. The cost for the House committee substitute for SB 43 should be the same \$324.5 million GR as the final Senate bill, since that estimate already reflects the cost of continuous eligibility up to age 19.

### WHAT IS NEXT?

SB 43 will be referred to the Calendars Committee, where it must wait to be scheduled for a floor vote by the full House. At this point in the legislative process, it is difficult to predict when a floor vote may take place. It is also possible that another bill may become the vehicle for children's Medicaid simplification (see *Policy Page* #125) before the process is all over. Clearly, the difference to be resolved between the House and Senate versions is the extent of continuous eligibility to be provided. There are advocates in both Houses for the full continuous eligibility up to age 19 and the final decision made is likely to rest on budget negotiations. The Center will issue additional updates as new actions are taken.

### WHAT YOU CAN DO?

Texans supporting children's Medicaid eligibility simplification should contact the budget bill conferees and other key players in the budget process (Governor Rick Perry, Lt. Governor Bill Ratliff, and Speaker of the House

Pete Laney) immediately to tell them you support: Medicaid eligibility simplification, including 12 month continuous eligibility for children up to age 19; Full funding for children's Medicaid and CHIP; and Funding for meaningful reimbursement rate increases for health care providers to ensure that we have sufficient numbers of physicians, dentists and other providers to care for children in Medicaid and CHIP.

IMPORTANT NOTE: We need for ALL of these things to be funded. If you get the question, "How should it be funded?" tell them it should be funded with Tobacco Settlement Funds. More than 1/2 of the anticipated tobacco settlement fund receipts have not been allocated in either the Senate or House budget. Contacts are needed now, to show our support for allies of children's Medicaid simplification in the legislature who have gone to bat for this.

### SENATE HOUSE CONFEREES

NAME	PHONE (Area Code 512)	FAX (Area Code 512)
Senator Rodney Ellis (Senate Chair)	463-0113	463-0006
Representative Robert Junell (House Chair)	463-0472	463-1025
Representative Garnet Coleman	463-0524	463-1260
Senator Robert Duncan	463-0128	463-2424
Representative Pete Gallego	463-0566	463-5896
Representative Talmadge Heflin	463-0568	463-8095
Senator Chris Harris	463-0110	463-7003
Senator Steve Ogden	463-0105	463-5713
Representative "Buddy" West	463-0546	463-8067
Senator Judith Zaffirini	463-0121	475-3738
Other Key Players In Budget Process		
Gov. Rick Perry (R)	(512) 463- 2000; legislative aide: Chris Britton	
Lt. Gov. Bill Ratliff (R)	(512) 463-0010; legislative aide: Laura Smith	
Speaker Pete Laney (D-Hale Center)	(512) 463-5855; legislative aide: Leslie Lemon	

**Clarification/Correction from Policy Page #126:** It has come to our attention that readers of the discussion of "competing" needs for Medicaid funding in the budget could easily—and mistakenly—interpret from our reporting that Texas health care providers are not advocating for children's Medicaid eligibility simplification. Nothing could be further from the truth. Texas health care providers have been indispensable core partners in the Texas CHIP Coalition from the beginning, and they remain so. In fact, an informal coalition of health care providers delivered a joint letter strongly supporting children's Medicaid eligibility simplification to the budget bill conferees on May 1. The author sincerely regrets any confusion resulting from a hasty and injudicious choice of words.

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