THE POLICY PAGE
An Update on State and Federal Action

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CHILDREN'S MEDICAID ELIGIBILITY SIMPLIFICATION BILL, SB 43, SENT TO GOVERNOR

Perry expected to sign the bill into law

On Sunday, May 27th the Senate concurred with House amendments to SB 43, the Children's Medicaid Simplification bill. Later that afternoon, both houses adopted the Conference Committee report on SB 1156, an omnibus bill encompassing a wide range of Medicaid policy changes. This Policy Page *provides a brief description of the final version of SB 43; a separate issue detailing SB 1156 will follow shortly. A* Policy Page *describing Medicaid funding decisions in the state appropriations bill (SB 1) will be provided in June.*

MEDICAID ELIGIBILITY SIMPLIFICATION IN SB 43

On Friday May 18, the full House voted 138-0 in favor of SB 43. The amended bill included these core elements of simplification:

- A single consolidated application and parallel procedures for Medicaid and CHIP, including simple documentation;
- Mail-in application and re-certification for Children's Medicaid;
- The simplified, self-declared assets screen that CHIP uses, with no additional documents or proof required;
- Phased in continuous eligibility for children through age 19, with 6 months continuous eligibility by 2/02, and 12 months continuous eligibility as early as 9/02 and no later than 6/03.

Except where other dates are specified, the bill takes effect January 1, 2002. Several amendments were added to the bill as passed by the House:

Smooth Transitions from Medicaid to CHIP To reduce gaps in coverage when children lose Medicaid due to increased income, "aging out" of a Medicaid category, or failure to respond to a first notice to re-certify, several directives for the Texas Department of Human Services (DHS) were added. One reason these transitions call for special attention is that while Texas Medicaid can pay bills retroactively for up to 3 months prior to the date a person applies, Texas CHIP currently has no such provision. As a result, if a child leaving Medicaid is not promptly enrolled in CHIP, a period of a month or two with no coverage can result. For a child with special health needs or chronic illness, this can mean unmet medical needs — or expensive medical bills his parents cannot afford to pay.

To address this problem, the bill directs DHS to adopt procedures to help families with children leaving Medicaid to make the transition to CHIP with no interruption in coverage. DHS must promptly transmit information to the TexCare Partnership about children leaving Medicaid due to income or resources. The agency is also directed to make special follow-up contacts with families whose children face Medicaid termination or denial for procedural reasons, like failure to keep an appointment or failure to provide information. These communications must inform parents of the need to re-certify, and that their children are likely to qualify for CHIP if the family income is now too high for Medicaid. All of these procedures are to be developed in consultation with state agency CHIP officials. Rules must be adopted for these provisions by February 1, 2002.

Required "Health Care Orientation" for New Enrollees. One amendment to the bill creates a new, presumably one-time requirement that parents or guardians of newly-enrolled children in Medicaid must get an orientation to Medicaid. This orientation can be delivered by a DHS representative within 31 days of eligibility, or by a health care provider within 61 days. If implemented thoughtfully, this orientation could offer a real benefit to parents not familiar with Medicaid. Parents could get key information about how to deal with managed care, use of a primary care provider or "medical home", the availability and value of preventive care, and what to do when a child needs urgent or emergency care.

At the same time, implementation of this new orientation warrants special attention, to ensure that orientations are easily available and do not create a new kind of enrollment barrier. A good orientation system will be convenient for working parents, parents with transportation barriers, and parents and families with disabilities. It will be available statewide during evening and weekend hours, and will ensure that parents who promptly schedule an orientation are not penalized due to any lack of capacity to serve them promptly by entities providing orientations.

Texas Health Steps. Also added to the bill were provisions to require that children get their Texas Health Steps preventive care services. The bill states that DHS shall adopt rules to ensure that children on Texas Medicaid "comply with the regimen of care prescribed by Texas Health Steps." As with the amendment above, this provision, implemented thoughtfully, could benefit children by improving access to preventive care. It will be important for children's health advocates to be closely involved in implementation, to ensure that new policies are not punitive. New rules to promote Texas Health Steps services should promote more and better outreach to parents to promote preventive care, as well as efforts to ensure that there is an adequate supply of health care providers willing and available to provide check-ups. They should not penalize children if their parents cannot access check-ups in a timely fashion due to provider shortages.

It is important to note that current Texas Medicaid data systems do not provide reliable comprehensive information about Texas Health Steps utilization. The data Texas has today suggest that most children on Medicaid do not get all their recommended check-ups. Texas' 1999 Texas Health Steps report to the federal government says 58% of children on Texas Medicaid who were due for a check-up got at least one recommended check-up — far fewer children got all their check-ups. Current data collection and reporting limitations are such that TDH can only get reliable information about child-by-child usage of preventive care through manual investigation on a case-by-case basis.

Limits on Changing Health Plans for Medicaid Managed Care Enrollees. SB 43 authorizes the Texas Health and Human Services Commission (HHSC) to limit the frequency with which Medicaid Managed Care enrollees may change health plans to once per year. New enrollees will continue to be able to make a health plan change during the first 91 days of enrollment for any reason whatever. After that period, enrollees can still change plans if they have a "good cause"; this right is protected under federal Medicaid law. Enrollees may still request a change of primary care provider within a health plan at any time, and may change plans without any cause annually.

Role of Medicaid Legislative Oversight Committee: If it becomes law, SB 1156 would create a 6-member committee appointed by the Lt. Governor and Speaker of the House to oversee transfers of Medicaid functions and budget issues. SB 43 authorizes this committee to make recommendations about any additional legislation needed to accomplish the purposes of the act (SB 43).

MONITORING IMPLEMENTATION OF SB 43

Readers who are interested in following implementation of the provisions of SB 43 are encouraged to participate in the Texas CHIP Coalition. You may be added to the Coalition e-mail list by contacting Jean Synodinos [jean@mail.childhealthtx.org]. Readers are also welcome to contact Anne Dunkelberg at the Center, dunkelberg@cppp.org or (512) 320-0222.

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