

Texas Update - March 2007

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<http://votervoice.net/groups/tachc/?registeronly=true>

CHIP Restoration Bill Sent Back To Committee - New Floor Date Set for April 3

Despite the bipartisan support for HB 109, **Representatives Sylvester Turner and John Davis's** Child Health Insurance Program (CHIP) restoration bill, Representative Robert Talton (R-Pasadena) halted the scheduled March 19 floor debate with a technicality that forced the bill back to committee. The problem, having to do with a definition in the "Bill Analysis" document that must be attached to all bills, was fixed by Chair Patrick Rose's House Human Services Committee which met at 7:30 pm that same night to fix the error and return the bill to the Calendars committee for rescheduling. That new date has been set for next Tuesday April 3.

Thanks to every one of you who responded to our action alert and sent messages to your elected officials voicing your support for the CHIP program. Keep up the good work! If you haven't done so already, **click the link at the bottom of this update** to send a message to Austin about the importance of CHIP to your community and ensure that your representatives will vote for HB 109 next Tuesday.

House Floor Debate on the State Budget Targets FQHCs

Texas House members debated proposed amendments to their version of the state budget well into the night on Thursday the 29th. During the debate, Representative Linda Harper-Brown (R-Irving) offered a proposal to eliminate funding in the CHIP program for legal immigrant children. There was an amendment to the measure that, instead of taking the funding entirely, gave the funds to Federally Qualified Health Centers, setting off a storm of debate. Community health centers provide cost-effective primary medical, dental, mental health, and preventive care and need state support, but **health centers do not support any cutback in the CHIP program.** After last minute efforts to communicate TACHC's opposition to the proposal, the measure was eventually tabled leaving the CHIP immigrant program intact.

Speaking of the State Budget....

This last week of March was a big one for the state budget. On Thursday March 29, 2007, the House debated potential amendments to the budget until 3am before finally passing the bill. The House bill includes several key measures including a contingency

rider for HB 109 that appropriates funding for CHIP restoration assuming that bill's passage.

Several issues important to community health centers are included in the health and human services section of the budget including provisions that

- Assure FQHCs are reimbursed at their PPS encounter rate for up to three visits per year for clients in the Women's Health Program.
- Require Medicaid managed care organizations to make prompt payments and cost settlements with the FQHCs in their network
- Allow DSHS to use its family planning funds to pay for services not covered by the Women's Health Program.
- The 2005 rider that allocated up to \$10 million in family planning funds to FQHCs remains in the Health and Human Services section of the budget. However, a rider deleting this provision, as well as another rider modifying it, was placed in an area of the budget known as "Items for Future Consideration." The inclusion of the deletion and the revision of this rider ensures that the \$10 million allocation will be debated when members of the House and Senate conference committee come together to hammer out the differences between each version of the budget. Thanks to **Sherry Hill, Executive Director of Community Health Centers of South Central Texas**, and **Representative Edmund Kuempel (R-Seguin)** who worked together to ensure the Community Health Centers' position was considered.
- Thanks to **Representative Richard Raymond (D-Laredo)**, several key funding items are included in "Items for Future Consideration," also called the "wish list," including \$60 million for a community health center loan fund for capital projects, \$16 million for the primary health care program, and \$10 million for the DSHS family planning program. Wish list items are difficult to get finally funded, but the funding requests remain in play!

Senate Finance Votes on Key Rider Regarding Frew Case

A final judgment in a 15-year old case against the state of Texas, Frew vs. Hawkins, regarding Texas Health Steps screening for Medicaid children is expected to come down within the next few months. Speculation regarding the cost of the settlement to the state budget ranges from \$200 million to \$3 billion with no way to predict the ultimate outcome. On Friday March 30, the Senate Finance committee debated a budget rider that gives HHSC authority, with Legislative Budget Board (LBB) approval, to develop a plan to address the judge's ruling. Despite the budget surplus, the rider directs HHSC to use previously appropriated funds to Medicaid and CHIP to fund the settlement. If more money is needed, only then may the LBB look for funds in other areas of the budget. Rider author Senator Robert Duncan (R-Lubbock) contended it was better to develop a plan now rather than commit an uncertain dollar amount or require the Legislature to

return for a special session after the ruling is handed down. Debate centered around whether current Medicaid and CHIP funds should be depleted to fund the settlement and whether it was right to delegate to HHSC and LBB the authority to develop a spending plan. The rider was adopted by an 8-6 vote with Senator Eddie Lucio, Jr. (D-Brownsville) voting for the measure. Senator Lucio later requested that the vote on this rider be reconsidered on Monday April 2. Federal Judge William Wayne Justice will begin his deliberations on this issue on Monday April 9.

The ability of the state budget to handle the Frew case's demands is subject to wildly varied speculation. The budget surplus remains a factor; indeed, the House version of the budget leaves \$4.3 billion in General Revenue funds uncommitted. After each chamber passes its version of the budget, House Speaker Tom Craddick and Lieutenant Governor David Dewhurst will appoint members of a conference committee that will work to finalize the Texas budget for the 2008-2009 biennium, including a strategy to address the Frew case.

After Hours Care Bill Heard in House Public Health

On Wednesday March 28, the House Public Health Committee heard a slate of Medicaid reform bills, including HB 1579 by **Representative Ryan Guillen (D-San Diego)**. HB 1579 requires HHSC to reimburse FQHCs, RHCs, and other Medicaid clinics for after hours care they provide without a referral from the patient's primary care provider. **Robin Moore, Executive Director of East Texas Community Health Services**, provided expert testimony on how the bill will provide incentive to Medicaid providers to remain open after hours and prevent unnecessary emergency room visits. The proposal was well received by committee members, and a vote on the measure is expected in the coming weeks. **Senator Bob Deuell's (R-Greenville)** identical bill, SB 569, is scheduled for hearing in the Senate Health and Human Services committee on Tuesday April 3.

Medicaid Reform Bills Discussed

Other Medicaid reform bills heard in the Public Health Committee laid out a variety of proposals to change the Medicaid program including cost sharing, incentives for healthy behaviors, and tailored benefit packages. Much of the debate on these proposals focused on their undefined nature: What level of cost sharing? Will incentives for healthy behaviors reward or penalize clients? What does "tailored" really mean? Community health centers joined other health care advocates, among them Representative Garnet Coleman (D-Houston), in calling only for Medicaid changes that improve or expand the program and not result in any reduction of services, particularly for children. Click [here](#) for CPPP's comprehensive assessment of Texas Medicaid reform proposals. SB 10, Senator Nelson's omnibus Medicaid reform bill that includes many of the same ideas, will be heard in Senate Health and Human Services next week.

Texas Comptroller Issues Study on Obesity Costs to Texas Business - Estimated at \$3.3 Billion in 2005

In her first major research report since she took office, **Comptroller Susan Combs** issued [*Counting Costs and Calories - Measuring the Cost of Obesity to Texas Employers*](#) this month. Taking into account the cost of health care, absenteeism, decreased productivity,

and disability, Combs estimates that obesity cost Texas businesses \$3.3 billion in 2005, and, if current trends continue, could reach \$15.8 billion annually by 2025. The report urges Texas businesses to follow in the footsteps of USAA and Blue Cross Blue Shield of Texas and encourage health behaviors among their employees. This trend is worth noting; clearly, the growing obesity trend will have a tremendous impact not only on community health center patients, but on our organizations as well.

Registry Link for New Advocates: Sign Up Your Friends and Colleagues to be Community Health Center Advocates!

<http://votervoice.net/groups/tachc/?registeronly=true>