

## **Texas Update – November 2008**

*Happy Thanksgiving!*

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### **Early Bill Filing Gets Underway at the Texas Capitol**

Just after Election Day, Texas legislators wasted no time in filing bills for the upcoming 2009 Legislative session. Several key health care themes include a Medicaid buy-in program for children with disabilities, expansion of prevention programs like the needle exchange pilot passed in 2007 by Senator Deuell, changes to the Texas Department of Insurance that would allow them to play a greater role in health insurance affordability and availability, and innovative health coverage options aimed at small businesses. Senator Judith Zaffirini filed two important bills – one to extend the period of continuous eligibility for Medicaid children to twelve months and another to restore the state's medically needy program. Senator Jane Nelson filed a key workforce bill that would require foreign physicians in the state under a certain type of work visa – the H1B – to practice for three years in a medically underserved area or health professional shortage area. Stay tuned for further developments! This state legislative season is just getting started....

### **Corporate Practice of Medicine Likely to be a Hot Topic this Session**

This upcoming legislative session, the Texas Hospital Association is pursuing legislation that will create certain exceptions to Texas's prohibition on the corporate practice of medicine. Certain rural hospitals are seeking an exception to hire doctors, similar to the exception under which FQHCs hire providers, in an effort to address the physician shortage in those areas. The Texas Medical Association is opposing such a move, arguing that the physician-patient relationship is compromised when doctors are financially tied to a corporate entity rather than being an independent practitioner. Keep an eye out for developments on this as the session progresses.

### **The New Business Margins Tax Not as Lucrative as Expected**

In a recent special session, the Texas legislature crafted a new business margins tax to help pay for public education and provide property tax relief. The tax was originally expected to bring in as much as \$8 billion in new revenue, but according to the Legislative Budget Board, the tax may only bring in \$6 billion. Given this \$2 billion shortfall, the projected \$4 billion deficit in the Medicaid program, and the unknown impacts of Hurricane Ike and the slowing economy, any hope Texas may have had for a budget surplus this biennium is dwindling quickly. Efficiency,

cost savings, and the benefits of prevention will be important themes for health centers in the coming months!

### **Eligibility System Update**

Reports of problems with Texas's public benefit eligibility system may not be front page headlines anymore, but that doesn't mean all issues have been resolved. While the state has made some improvements in certain areas, a great deal of work remains – particularly in terms of increasing staffing levels to meet demand for services. The Joint Committee on Oversight of the Health and Human Services Eligibility System met this month to review HHSC's progress on HB 3575 which directs HHSC to develop a plan to transform the eligibility system to meet the needs of eligible Texans. HHSC has made some strides in improving timeliness in food stamp applications. Timeliness for Medicaid applications is less well known – the Federal Centers for Medicare and Medicaid Services (CMS) has not been meaningfully engaged unlike the US Department of Agriculture which oversees food stamp benefits, in the Texas eligibility system crisis. The state saw a significant drop in timeliness indicators during Hurricane Ike, particularly in the southeast portion of the state.

The TIERS system and its myriad implementation and functionality problems remains one of the core issues hindering well functioning eligibility services in the state. These concerns aside, however, the state is continuing to add more populations to TIERS – most recently Medicaid for the Elderly and People with Disabilities. HHSC also plans to have state regions 7 (central Texas), 10 (El Paso and west Texas), and 1 (Lubbock-Amarillo) operating fully in TIERS by the end of 2009. Health centers must be mindful of the impact of this rollout on their clients and how processes are changing for our outstationed eligibility workers. [Keep TACHC up to date](#) on your experiences.

### **CHIP Families Can Now Renew Coverage Online**

One bright spot in Texas eligibility processes is the introduction of online renewal for CHIP. The CHIP eligibility system is separate from the Medicaid TIERS and SAVERR systems, although CHIP is currently slated to enter TIERS by the end of 2009. As of November 1, CHIP families can now renew their coverage online at [www.texkid.org](http://www.texkid.org). Families can also reach the renewal site through the general children's health benefit site [www.chipmedicaid.org](http://www.chipmedicaid.org). October renewal packets included a password for families to use to renew coverage online. The CHIP enrollment contractor received more than 2,000 online renewal applications in the first week alone, demonstrating that many CHIP families find online renewal a useful tool to maintain their children's benefits. The state intends to extend online CHIP services to initial applications eventually as well. Be sure to remind your patients of this new resource!

### **CHIP Six Month Income Checks for Higher Income Families – Implementation Update**

HB 109, the CHIP restoration bill, passed during the 2007 legislative session restoring 12 month continuous eligibility to CHIP children. This change has dramatically increased the number of kids on CHIP from 327,000 kids in September 2007 to 465,000 kids in a little over a year. One of the compromises included in this bill was that HHSC staff would review the income eligibility of families whose incomes are between 185% and 200% of the Federal Poverty Level (FPL) to

insure that these families close to the income eligibility threshold were not erroneously receiving CHIP benefits. Ideally, these checks are done without families having to submit additional paperwork because HHSC can access income data for families whose employers supply that data to state databases. Unfortunately, these databases are not completely comprehensive. HHSC recently reported to the Texas CHIP Coalition that in October of 2008, only 39 of the 1,372 cases slated for the six-month income review, roughly 3% of them, were able to have their continued eligibility verified by a third party database requiring no action on the part of the family. 564 families had no income data in the third party system at all and 769 cases required income validation because the system reported income over 200% FPL. The good news is that of the 1,333 cases receiving a letter requesting additional income information, 997 of them responded – a 75% response rate. 865 cases remained eligible and 253 were denied coverage. While these data are a snapshot in time for October, it will be important to monitor the numbers to determine the policy's administrative efficiency. In other words, is it really worth the administrative effort and expense to review these cases and contact families to remove 253 families from the CHIP rolls six months early?

### **Keep Up the Good Work, Health Center Advocates!**

Thanks to members who are already meeting with their Texas House members concerning FQHC legislative priorities. We've been getting some great feedback, but we need to hear from more of you! Be sure to [contact me](#) about any meetings you've had, any you've got planned, or if you need any more information. And thanks again!

For those of you interested in further resources about the state of health care in Texas and what faces us in the coming legislative session, CPPP just released a new resource – [Texas Health Care 2008: What Has Happened and What Work Remains](#). Check it out!

**Ask your friends and colleagues to join us as health center advocates by [registering here](#).**