

Texas Update – September 2009

In this issue:

1. CHIP PPS To Be Implemented October 1
2. HHSC Gets Grant to Help Low-Income Working Texans Pay for Health Coverage
3. New TACHC Policy Paper Available on the Texas Migrant Care Network
4. HB 2154 Loan Repayment Program Update
5. Legislative Budget Board Denies HHSC Request for More Eligibility Staff
6. New Texas Policies Resulting from CHIP Reauthorization
7. [Registration Link](#) for New Advocates – Ask your friends and family to sign up!

CHIP PPS To Be Implemented October 1, 2009

Beginning October 1, 2009, Texas health centers will be paid their prospective payment system (PPS) rate for CHIP clients they see. This reimbursement change resulted from the Federal CHIP Reauthorization Act that requires states pay health centers an amount to cover their reasonable costs for CHIP children. The new payments will be implemented through contract amendments with each health plan and health plans will pay health centers their full encounter rate up front rather than going through a wraparound process as they do in Medicaid. TACHC has expressed reservations about eliminating the wraparound payment in CHIP because of a concern with less state oversight of the payment process. Be sure to keep in close contact with your health plans to see that the new policy is implemented smoothly and as expected, and keep TACHC informed of your experience. Also, health plans and HHSC staff have been invited to participate in the CFO Network meeting at Annual Conference, so this will be another opportunity to ask questions about the new policy. CHIP PPS payments are an excellent opportunity to expand access to care to even more children in your community!

HHSC Gets Grant to Help Low-Income Working Texans Pay for Health Coverage

The Texas Health and Human Services Commission (HHSC) has received a \$50 million grant to provide cost sharing accounts to help low-income working Texans purchase health insurance. The grant through the federal Health Resources and Services Administration covers five years at up \$10 million a year, and the state will contribute a 20 percent match. HHSC will use the funding to create cost sharing accounts for Texans earning up to 300 percent of the federal poverty level, or about \$66,000 for a family of four. Starting in 2010, the cost sharing accounts will be available to eligible employees receiving coverage through one of three new initiatives:

- Healthy Texas is a new statewide initiative that helps small businesses offer affordable health insurance to employees. It lowers premiums by using a state-funded pool to help cover employees with high health care costs. It will begin enrollment in the summer of 2010.

- TexHealth Coalition provides affordable health coverage to small businesses in Galveston and Central Texas. It will expand to Houston, Dallas, El Paso and the Brazos Valley within a year.
- Community First Health Plan will begin offering a new coverage for small employers in Bexar County and seven surrounding counties in January.

The cost sharing accounts will help low-income employees pay for insurance premiums or co-pays and deductibles. The account is managed by the health plan, and the employee directs how the funding is used to best meet their health care needs. Funding in the first year of the grant also will help pay for outreach, marketing and related costs to launch the new Healthy Texas initiative.

New TACHC Policy Paper Available on the Texas Migrant Care Network

TACHC recently released a [new policy paper](#) discussing the policy context and program implementation processes and challenges for the Texas Migrant Care Network (TMCN). The TMCN is a groundbreaking Medicaid portability project for Texas Medicaid recipients who travel out of state. The program is targeted primarily and migrant families who leave the state frequently to find agricultural work. Health centers outside of Texas who see Texas migrant families have been recruited as Texas Medicaid providers and can bill Texas Medicaid for those services. Just this month, the first claims have been paid to out of state providers!

HB 2154 Loan Repayment Program Rules Process Advances

This month, TACHC provided comments to the Texas Higher Education Coordinating Board regarding new rules for the Physician Education Loan Repayment Program (PELRP). Contact Katie Coburn at kcoburn@tachc.org if you would like a copy of TACHC's comments. The rules, as amended after public comments, will be discussed at the October 29, 2009 meeting of the Higher Education Coordinating Board.

Legislative Budget Board Denies HHSC Request for More Eligibility Staff

This month, the Legislative Budget Board (LBB), the state agency that develops budget and policy recommendations for legislative appropriations, denied the Health and Human Services Commission's request for additional eligibility staff. Former Executive Commissioner Albert Hawkins initially requested the additional staff to lighten workloads and improve processing time for food stamps and Medicaid applications. While HHSC spokespeople have referred to the denial as more of a "clock-stopping" measure that allows the LBB more time to work on the request, advocates have called the move "stunning" particularly at a time when the Federal government is putting increased pressure on Texas to improve the timeliness and accuracy of its eligibility system. It is unclear at this point how this new development will affect the placement of outstationed eligibility workers (OEWs) at FQHCs.

More New Texas Policies Resulting from the Federal CHIP Reauthorization Bill

Coverage for Legal Permanent Resident (LPR) Children

A provision of CHIPRA gives states the option to lift the five year waiting period on Medicaid and CHIP eligibility for legal permanent resident children. Right now, LPR children in the state fewer than five years are covered in the CHIP program at full cost to the state. Because Texas's original CHIP legislation requires Texas to take this option should the Federal government ever allow it, Texas will now be covering LPR children under Medicaid or CHIP, whichever program is most appropriate. The new provision will save Texas general revenue dollars because the Federal government will now be sharing in the cost for these children. In Texas, the new program has an implementation date of May 2010 when all new applications from LPR children will be sorted according to eligibility into the appropriate coverage program – Medicaid or CHIP. For LPR children already receiving benefits, costs will shift behind the scenes from full state payment to federal/state shared payment on October 1. These families will remain in CHIP until their renewal, at which time they will be sorted into the appropriate program.

CHIPRA Managed Care Provisions

Currently, CHIP families choose a health plan and cannot change that plan until they renew coverage one year later. Now, CMS is requiring that CHIP families have the option to change health plans within the first 90 days of enrollment. CMS also now requires that CHIP families all over the state have a choice of health plans. In Texas, this means that families in rural areas covered by the statewide EPO arrangement will now have the choice between Superior and Molina, rather than Superior only. HHSC will also be adding another dental plan for CHIP families to choose. This new dental arrangement could potentially be fee for service rather than capitated.

Please ask your friends and colleagues to [JOIN OUR GRASSROOTS ADVOCACY NETWORK!](#)