

**Texas CHIP Coalition Minutes**  
**Friday, February 20, 2009 - 12:00-1:30 p.m.**  
**May Owen Conference Room, 10th Floor**  
**Texas Medical Association**

**Attendees:** Jennifer Allmon, *Texas Catholic Conference*; Jennifer Banda, *Texas Hospital Association*; Anand Bhat, *Texas Medical Association*; Miryam Bujanda, *Methodist Healthcare Ministries*; Robin Butler, *Children's Hospital Association of Texas*; Shane Casady, *Driscoll Children's Hospital*; Katie Coburn, *Texas Association of Community Health Centers*; Melisa Creamer, *UT School of Public Health*; Anne Dunkelberg, *Center for Public Policy Priorities*; Kevin Denmark, *Maximus*; Sister J.T. Dwyer, *Seton Family of Hospitals*; Kathy Eckstein, *Children's Hospital Association of Texas*; Shannon Foster, *Seton Health Plan*; Erin Gilmer, *Rep. Garnet Coleman*; Shelton Green, *Christian Life Commission*; Maria Huemmer, *Texas Catholic Conference*; Jan Hudson, *Seton Health Plan*; Amanda Jones, *Harris County*; Helen Kent-Davis, *Texas Medical Association*; Carrie Kroll, *Texas Pediatric Society*; Katharine Ligon, *Legislative Study Group*; Alison Little, *Texans Care for Children*; James Mason, *Texas Impact*; Leslin Meisser, *UT School of Public Health*; Blanche Rosas, *HHSC*; Morgan Sanders, *March of Dimes*; Melissa Shannon, *CPPP*; RexAnn Shotwell, *insure-a-kid*; Candise Spikes, *Catholic Health Association of Texas*; Stacy Warren, *Texas Medical Association*; Chris Yanas, *Teaching Hospitals of Texas*.

Via conference call: Amy Casas, *La Fe*; Julia Easley, *Children's Medical Center*; Laura Guerra-Cardus, *Children's Defense Fund*; Jennifer Nelson, *Communities First*; Jane Swanson, *FREW Council*.

Ms. Dunkelberg called the meeting to order at 12:10 pm.

**SCHIP Reauthorization Update**

Ms. Dunkelberg opened the meeting with a brief update on the impact of the federal SCHIP reauthorization bill on CHIP in Texas. She noted that there should be plenty of money to maintain states' existing programs with roughly 83 percent of projected funds to cover children who are eligible under current state program limits. The remaining 17 percent is projected to be spent by states to expand coverage. The formula for allocation has been modified so the state yearly allocations will be adjusted based on actual enrollment and projected enrollment, to ensure covering states' needs and avoid over-allocations that states will not spend. Based on the current projections, Texas will have received a 72 percent increase from fiscal year 2008 to FY 2009. The new formula is more responsive to both planned and unplanned growth in the program, however, there is a maintenance of effort provision in the bill.

The new SCHIP bill also removes the ban on federal CHIP funding for legal immigrant children in their first five years in the U.S. Texas had been covering legal immigrant children regardless of the period of residency through general revenues. Initially HHSC projected a savings of \$20 million annually because it was thought that the children receiving coverage would move to the CHIP pool and be eligible for federal match. However, many of the children covered by the general revenue will instead go into the Medicaid pool which is at the lower match rate and other legal immigrant children will likely be enrolled into Medicaid as a result of the outreach effort. Therefore the state may have to pay more.

**UPDATES:** (1) CMS has clarified for states that newly-eligible legal immigrant children (“LPRs”; in their first 5 years in U.S.) in both Medicaid and CHIP will be reimbursed at the higher chip match rate. the estimates released by HHSC in their presentation on SCHIP reauthorization will need to be re-calculated based on this new information)

(2) HHSC has clarified that they have not been tracking the number of LPR kids enrolled AFTER the 5 year bar, because those children have qualified for the full federal CHIP match. As a result, the agency knows that about 18,000 children being funded will now draw federal match, but they are uncertain about how many current CHIP LPR enrollees PAT the 5-year mark will convert to Medicaid under the new policy. The projections they have released of 82,000 additional Medicaid children include about 8,800 from that current 18,000, with the remainder being their best guess about newly-attracted enrollment plus post-5 year LPR kids currently in the general CHIP population who would be converted to Medicaid based on family income.

There was some concern regarding the projected potential net loss from this stipulation, some were interested in determining if another provision of the bill, which offers bonus payments available to states that substantially increase children’s Medicaid enrollment, could be directed towards the effort of enrolling these legal immigrant children. Further discussion revealed that while the number of legal immigrant children projected is much lower than what would be necessary to reach the ambitious targets set to receive the bonus payments, if the state were to enact 12-month Medicaid the bonuses earned for that much higher enrollment would offset a significant portion of the costs of this new coverage.

A detailed summary on the SCHIP Reauthorization Bill is available at Georgetown University’s Center for Children and Families: [http://ccf.georgetown.edu/index/cms-filesystem-action?file=ccf%20publications/federal%20schip%20policy/schip\\_re-act2009\\_c.pdf](http://ccf.georgetown.edu/index/cms-filesystem-action?file=ccf%20publications/federal%20schip%20policy/schip_re-act2009_c.pdf)

**American Recovery and Reinvestment Act (aka Stimulus Package)** – Ms Dunkelberg updated the group that Texas is expected to receive an extra \$5.45 billion for Medicaid over 27 months. She explained that this funding is meant to reduce the state General Revenue the state would have spent on Medicaid. This money thus “frees up” \$5.45 billion in General Revenue, meaning there is no requirement to use any of the funds to improve Medicaid. Ms Dunkelberg noted that if 10 percent of the funds were reinvested in Medicaid it would be more than enough to pay for 12 month continuous coverage for all uninsured and eligible children. She also explained that lower figures (\$e.g., \$.1 billion, \$.46 billion) used by LBB and HHSC are because they are only allowed to cite the matching fund they would draw based on the FILED BUDGET, which under funds Medicaid costs by several billion dollars. FMAP benefits to the state will be determined by actual Medicaid spending, not by what is written in the appropriations bill.

Ms Coburn expressed concern on how the Coalition can address the counter-argument that stimulus funds used today will lead to a deficit in state dollars later. Members addressed the fact that other states are facing severe budget cuts, Texas is in a better position than many states because there is not a similar shortfall in the budget. Ms Dunkelberg reminded the group that Coalition has an uphill battle to convince the legislature to move toward 12 month coverage in Medicaid, but this is an ongoing crisis in our eligibility system and the ARRA funds provide a unique opportunity to correct a major barrier to access to care and food for children and adults alike. She stressed the need to continue to push the message that

the eligibility system has long been under-resourced, but is currently already in crisis and will be further debilitated as more families lose employment based coverage, jobs and income. HHSC sees this as a real opportunity to improving their work load and practices.

Mr. Mason suggested the focus should be on the economic savings particularly in local governments, which he estimated to be around \$350 million over 2 years. He suggested the message should stress that 12 month coverage may increase the fiscal note, but preventing children from accessing care limits economic growth for Texas on the whole – Texas cannot afford to allow free federal funds go back to the treasury.

The ARRA also ensures that the match rate for Medicaid will not decrease from 2008 - an additional flat percentage point will be added to each state's formula. The match formula will consider changes in states' unemployment rates. Ms Dunkelberg expects this provision should benefit Texas, as unemployment increased 2 percent to 6.8 percent in the last 12 months. The ARRP package also provides a 65 percent match for COBRA for up to 9 months for individuals who lost their job from last September.

### Upcoming Legislative Bills

Ms Kent-Davis informed the Coalition that TMA and the Texas Pediatrics Society are now supporting CHIP at 300% of FPL despite some resistance by doctors. They expressed concern about crowd-out and fears regarding re-imbursement. Ms Dunkelberg acknowledged this difficulty and committed to sending references on recent studies related to crowd out to the Coalition. She noted that bills HB 1329 and SB 841 are crafted with provisions to reduce crowd-out.

Ms Coburn informed the group that TAC is working on a bill to consolidate loan repayment programs within the state. They hope it will provide payments for loans to health care professionals that work in underserved areas. Chisholm and Rayment will file and co-author the bill more information available in the near future. Ms Kent-Davis notified the group that Sen. Watson also recently filed a bill to address about loan repayments.

### Income Eligibility Check Update

Mr. Denmark introduced Blanche Rosas from HHSC. Ms Rosas was there to provide an update on the six month income check for CHIP families earning 185% FPL, she reported:

Families Subject to 6 month Income Review December 2008				
	Total Enrollees Subject to Income Review	Met Qualifications (Continued Coverage)	Unable to Verify Income (More Information Required)	Income Validation Needed (More Information Required)
<b>December 2008</b>	1,548	1%	54%	45%
<b>Sent Questionnaire</b>	<b>Did Not Respond</b>	<b>Responded</b>	<b>Eligible (of 61%)</b>	<b>Ineligible (of 61%)</b>
1,548	39%	61%	71%	29%
Source: Health & Human Services Commission				

Ms Dunkelberg informed the group that if Senator Averitt's proposed bill to increase the CHIP income threshold to 300% FPL, this would likely reduce the numbers of those who are subject to the system. The asset test will also likely increase the limit and implement income checks for those at 250% FPL.

Sister Dwyer inquired about the problems associated with increasing coverage while not addressing the shortage of doctors that accept Medicaid patients. She wanted to know if it is feasible to use ARRA funds to increase Medicaid reimbursement rates. Ms Dunkelberg explained that it was possible, and hoped the Coalition would continue to try to make progress on all three fronts (expanding coverage, improving outreach and eligibility, and addressing the shortage of health care professionals).

Ms Kent-Davis noted that TMA as well as parties interested in FREW have made this a priority, and are looking at the appropriations process as an appropriate venue to address this concern. She explained this would be an expensive proposal - achieving parity at the Medicare rate would cost \$700 million. This issue is agenda and clearly in people's minds.

**Health Lobby Day** – A number of stakeholders have organized a Health Lobby day at the Capital, scheduled for March 10 at 8:45. Mr. Mason provided a brief overview of the agenda, which includes:

- Introduction & Keynote Address
- Issue Training
- Lunch
- Lobbying
- Reception

### **Items for Follow-Up**

Ms Dunkelberg, Ms Butler and Mr. Mason agreed to disseminate relevant bills they are tracking. Ms Dunkelberg and Ms Butler agreed to send their tracking sheets out to the listserv and Mr. Mason agreed to post them all on to the Cover Texas website to provide a central location for everyone to compile their reports.

Ms Dunkelberg committed to sending out a save date and completed agenda for the Health Lobby Day.

With no other agenda items the CHIP Coalition meeting adjourned at 1:45 P.M.