

By: Coleman

H.B. No. 2962

Substitute the following for H.B. No. 2962:

By: Rose

C.S.H.B. No. 2962

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the administration and funding of and eligibility for  
3 the child health plan, medical assistance, and other programs.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 62.101(b) and (b-1), Health and Safety  
6 Code, are amended to read as follows:

7 (b) The commission shall establish income eligibility  
8 levels consistent with Title XXI, Social Security Act (42 U.S.C.  
9 Section 1397aa et seq.), as amended, and any other applicable law or  
10 regulations, and subject to the availability of appropriated money,  
11 so that a child who is younger than 19 years of age and whose net  
12 family income is at or below 300 [~~200~~] percent of the federal  
13 poverty level is eligible for health benefits coverage under the  
14 program. In addition, the commission may establish eligibility  
15 standards regarding the amount and types of allowable assets for a  
16 family whose net family income is above 250 [~~150~~] percent of the  
17 federal poverty level.

18 (b-1) The eligibility standards adopted under Subsection  
19 (b) related to allowable assets:

20 (1) must allow a family to own at least \$20,000  
21 [~~\$10,000~~] in allowable assets; and

22 (2) may not in calculating the amount of allowable  
23 assets under Subdivision (1) consider:

24 (A) the value of one vehicle that qualifies for

1 an exemption under commission rule based on its use;

2 (B) the value of a second or subsequent vehicle  
3 that qualifies for an exemption under commission rule based on its  
4 use if:

5 (i) the vehicle is worth \$18,000 or less; or

6 (ii) the vehicle has been modified to  
7 provide transportation for a household member with a disability;

8 (C) if no vehicle qualifies for an exemption  
9 based on its use under commission rule, the [~~first \$18,000 of~~] value  
10 of the highest valued vehicle; or

11 (D) the first \$7,500 of value of any vehicle not  
12 described by Paragraph (A), (B), or (C).

13 SECTION 2. Section 62.102(a), Health and Safety Code, is  
14 amended to read as follows:

15 (a) The [~~Subject to a review under Subsection (b), the~~]  
16 commission shall provide that an individual who is determined to be  
17 eligible for coverage under the child health plan remains eligible  
18 for those benefits until the earlier of:

19 (1) the end of a period not to exceed 12 months,  
20 beginning the first day of the month following the date of the  
21 eligibility determination; or

22 (2) the individual's 19th birthday.

23 SECTION 3. Section 62.153, Health and Safety Code, is  
24 amended by amending Subsections (a) and (c) and adding Subsections  
25 (a-1) and (a-2) to read as follows:

26 (a) To the extent permitted under 42 U.S.C. Section 1397cc,  
27 as amended, and any other applicable law or regulations, the

1 commission shall require enrollees whose net family incomes are at  
2 or below 200 percent of the federal poverty level to share the cost  
3 of the child health plan, including provisions requiring enrollees  
4 under the child health plan to pay:

- 5 (1) a copayment for services provided under the plan;
- 6 (2) an enrollment fee; or
- 7 (3) a portion of the plan premium.

8 (a-1) The commission shall require enrollees whose net  
9 family incomes are greater than 200 percent but not greater than 300  
10 percent of the federal poverty level to pay a share of the cost of  
11 the child health plan through copayments, fees, and a portion of the  
12 plan premium. The total amount of the share required to be paid  
13 must:

14 (1) include a portion of the plan premium set at an  
15 amount determined by the commission that is approximately equal to  
16 2.5 percent of an enrollee's net family income;

17 (2) exceed the amount required to be paid by enrollees  
18 described by Subsection (a), but the total amount required to be  
19 paid may not exceed five percent of an enrollee's net family income;  
20 and

21 (3) increase incrementally, as determined by the  
22 commission, as an enrollee's net family income increases.

23 (a-2) In establishing the cost required to be paid by an  
24 enrollee described by Subsection (a-1) as a portion of the plan  
25 premium, the commission shall ensure that the cost progressively  
26 increases as the number of children in the enrollee's family  
27 provided coverage increases.

1           (c) The [~~If cost-sharing provisions imposed under~~  
2 ~~Subsection (a) include requirements that enrollees pay a portion of~~  
3 ~~the plan premium, the~~] commission shall specify the manner of  
4 payment for any portion of the plan premium required to be paid by  
5 an enrollee under this section [~~in which the premium is paid~~]. The  
6 commission may require that the premium be paid to the [~~Texas~~  
7 ~~Department of~~] Health and Human Services Commission, the [~~Texas~~  
8 Department of State Health [~~Human~~] Services, or the health plan  
9 provider. The commission shall develop an option for an enrollee to  
10 pay monthly premiums using direct debits to bank accounts or credit  
11 cards.

12           SECTION 4. Section 62.154, Health and Safety Code, is  
13 amended by amending Subsection (d) and adding Subsection (e) to  
14 read as follows:

15           (d) The waiting period required by Subsection (a) for a  
16 child whose net family income is at or below 200 percent of the  
17 federal poverty level must:

18                   (1) extend for a period of 90 days after the last date  
19 on which the applicant was covered under a health benefits plan; and

20                   (2) apply to a child who was covered by a health  
21 benefits plan at any time during the 90 days before the date of  
22 application for coverage under the child health plan.

23           (e) The waiting period required by Subsection (a) for a  
24 child whose net family income is greater than 200 percent but not  
25 greater than 300 percent of the federal poverty level must:

26                   (1) extend for a period of 180 days after the last  
27 date on which the applicant was covered under a health benefits

1 plan; and

2 (2) apply to a child who was covered by a health  
3 benefits plan at any time during the 180 days before the date of  
4 application for coverage under the child health plan.

5 SECTION 5. Chapter 62, Health and Safety Code, is amended by  
6 adding Subchapter F to read as follows:

7 SUBCHAPTER F. BUY-IN OPTION

8 Sec. 62.251. BUY-IN OPTION FOR CERTAIN CHILDREN. The  
9 executive commissioner shall develop and implement a buy-in option  
10 in accordance with this subchapter under which children whose net  
11 family incomes exceed 300 percent, but do not exceed 400 percent, of  
12 the federal poverty level are eligible to purchase health benefits  
13 coverage similar to coverage available under the child health plan  
14 program.

15 Sec. 62.252. RULES; ELIGIBILITY AND COST-SHARING. (a) The  
16 executive commissioner shall adopt rules in accordance with federal  
17 law that apply to a child for whom health benefits coverage is  
18 purchased under this subchapter. The rules must:

19 (1) establish eligibility requirements, including a  
20 requirement that a child must lack access to adequate health  
21 benefits plan coverage through an employer-sponsored group health  
22 benefits plan;

23 (2) ensure that premiums:

24 (A) are set at a level designed to cover the costs  
25 of coverage for children participating in the buy-in option under  
26 this subchapter; and

27 (B) progressively increase as the number of

1 children in the enrollee's family provided coverage increases;

2 (3) require payment of 100 percent of health benefits  
3 plan premiums, fees to offset administrative costs incurred under  
4 this subchapter, and additional deductibles, coinsurance, or other  
5 cost-sharing payments as determined by the executive commissioner;

6 (4) provide for a waiting period comparable to the  
7 waiting period required under Section 62.154(e); and

8 (5) include an option for an enrollee to pay monthly  
9 premiums using direct debits to bank accounts or credit cards.

10 (a-1) The rules adopted under Subsection (a)(1) must  
11 provide that a child is eligible for health benefits coverage under  
12 this subchapter if the child was eligible for the child health plan  
13 program under Section 62.101 and enrolled in the program, but the  
14 child's enrollment was not renewed because, at the time of the  
15 eligibility redetermination, the child's net family income  
16 exceeded the limit specified by Section 62.101.

17 (b) Notwithstanding any other provision of this chapter,  
18 the executive commissioner may establish rules, benefit coverage,  
19 and procedures for children for whom health benefits coverage is  
20 purchased under this subchapter that differ from the rules, benefit  
21 coverage, and procedures generally applicable to the child health  
22 plan program.

23 Sec. 62.253. CROWD-OUT. To the extent allowed by federal  
24 law, the buy-in option developed under this subchapter must include  
25 provisions designed to discourage:

26 (1) employers and other persons from electing to  
27 discontinue offering health benefits plan coverage for employees'

1 children under employee or other group health benefits plans; and  
2 (2) individuals with access to adequate health  
3 benefits plan coverage for their children through an  
4 employer-sponsored group health benefits plan, as determined by the  
5 executive commissioner, from electing not to obtain, or to  
6 discontinue, that coverage.

7 Sec. 62.254. POINT-OF-SERVICE COPAYMENT. The commission  
8 shall establish point-of-service copayments for the buy-in option  
9 developed under this subchapter that are higher than  
10 point-of-service copayments required for a child whose net family  
11 income is at or below 300 percent of the federal poverty level.

12 Sec. 62.255. LOCK-OUT. (a) In this section, "lock-out  
13 period" means a period after coverage is terminated for nonpayment  
14 of premiums, during which a child may not be re-enrolled in the  
15 child health plan program.

16 (b) The commission shall include a lock-out period for the  
17 buy-in option developed under this subchapter for the purpose of  
18 providing a disincentive for a parent to drop a child's coverage  
19 when a child is healthy and re-enroll only when health care needs  
20 occur.

21 SECTION 6. Sections 62.002(2) and (4), Health and Safety  
22 Code, are amended to read as follows:

23 (2) "Executive commissioner" or "commissioner  
24 [Commissioner]" means the executive commissioner of the Health  
25 [health] and Human Services Commission [human services].

26 (4) "Net family income" means the amount of income  
27 established for a family after reduction for offsets for child care

1 expenses and child support payments, in accordance with standards  
2 applicable under the Medicaid program.

3 SECTION 7. Subchapter C, Chapter 62, Health and Safety  
4 Code, is amended by adding Section 62.1012 to read as follows:

5 Sec. 62.1012. EXCLUSION OF COLLEGE SAVINGS PLANS. For  
6 purposes of determining whether a child meets family income and  
7 resource requirements for eligibility for the child health plan,  
8 the commission may not consider as income or resources a right to  
9 assets held in or a right to receive payments or benefits under any  
10 of the following:

11 (1) any fund or plan established under Subchapter F or  
12 H, Chapter 54, Education Code, including an interest in a prepaid  
13 tuition contract;

14 (2) any fund or plan established under Subchapter G,  
15 Chapter 54, Education Code, including an interest in a savings  
16 trust account; or

17 (3) any qualified tuition program of any state that  
18 meets the requirements of Section 529, Internal Revenue Code of  
19 1986.

20 SECTION 8. Subchapter B, Chapter 531, Government Code, is  
21 amended by adding Section 531.0992 to read as follows:

22 Sec. 531.0992. COMMUNITY OUTREACH FOR BENEFITS PROGRAMS.

23 (a) In this section, "benefits program" includes:

24 (1) the child health plan program;

25 (2) the financial assistance program under Chapter 31,  
26 Human Resources Code;

27 (3) the medical assistance program under Chapter 32,



1 Human Resources Code, including long-term care services provided  
2 under the program; and

3 (4) the food stamp program under Chapter 33, Human  
4 Resources Code.

5 (b) The commission shall improve the effectiveness of  
6 community outreach efforts with respect to benefits programs. To  
7 improve that effectiveness, the commission shall:

8 (1) increase the capacity of existing outreach efforts  
9 implemented through community-based organizations by providing  
10 those organizations with adequate resources to:

11 (A) educate the public about benefits programs;

12 (B) provide assistance to the public in  
13 completing applications for eligibility or recertification of  
14 eligibility and obtaining required documentation for applications;  
15 and

16 (C) assist applicants in resolving problems  
17 encountered during the eligibility determination process;

18 (2) establish a partnership with stakeholders who will  
19 provide outreach and application assistance by:

20 (A) fostering the exchange of information  
21 regarding, and promoting, best practices for obtaining health  
22 benefits coverage for children;

23 (B) assisting the commission in designing and  
24 implementing processes to reduce procedural denials; and

25 (C) disseminating successful outreach models  
26 across this state under which entities such as hospitals, school  
27 districts, and local businesses partner to identify children

1 without health benefits coverage; and

2 (3) focus the outreach efforts particularly on  
3 enrolling eligible persons in the child health plan program and the  
4 medical assistance program under Chapter 32, Human Resources Code.

5 (c) The partnership established under Subsection (b)(2)  
6 must include entities that contract with the commission to perform  
7 child health plan and medical assistance program eligibility  
8 determination and enrollment functions, community-based  
9 organizations that contract with the commission, health benefit  
10 plan providers, Texas Health Steps program contractors, health care  
11 providers, consumer advocates, and other interested stakeholders.

12 (d) The commission may also improve the effectiveness of  
13 community outreach efforts with respect to benefits programs by  
14 contracting with one or more persons to provide outreach and  
15 application assistance for the programs. The commission shall  
16 require each potential contractor under this subsection to indicate  
17 the person's interest in writing before submitting a proposal for a  
18 contract. If more than one person from a geographic area determined  
19 by the commission submits a letter of interest, the commission  
20 shall encourage the persons from that area to collaborate on a  
21 proposal for a contract.

22 (e) To the extent practicable, the commission shall give  
23 preference in awarding contracts under Subsection (d) to proposals  
24 submitted by collaborations that include multiple entities with  
25 experience in serving a variety of populations, including  
26 populations that more commonly enroll in or receive benefits under  
27 benefits programs.

1 SECTION 9. Subchapter B, Chapter 531, Government Code, is  
2 amended by adding Section 531.02417 to read as follows:

3 Sec. 531.02417. RECEIPT OF TEMPORARY INCREASED MEDICAID  
4 FMAP AND DSH ALLOTMENT. (a) In this section:

5 (1) "DSH allotment" means the federal funding  
6 allotment provided under the disproportionate share hospital  
7 supplemental payment program.

8 (2) "Medicaid FMAP" means the federal medical  
9 assistance percentage by which state Medicaid expenditures are  
10 matched with federal funds.

11 (b) The commission shall take all actions necessary to  
12 qualify this state for the temporary increase in the Medicaid FMAP  
13 authorized by Section 5001, American Recovery and Reinvestment Act  
14 of 2009 (Pub. L. No. 111-5), and for the temporary increase in this  
15 state's DSH allotment authorized by Section 5002, American Recovery  
16 and Reinvestment Act of 2009 (Pub. L. No. 111-5).

17 SECTION 10. Subchapter D, Chapter 62, Health and Safety  
18 Code, is amended by adding Section 62.160 to read as follows:

19 Sec. 62.160. PROSPECTIVE PAYMENT SYSTEM FOR CERTAIN  
20 SERVICES. (a) In this section:

21 (1) "Federally-qualified health center" has the  
22 meaning assigned by Section 1905(1)(2)(B), Social Security Act (42  
23 U.S.C. Section 1396d(1)(2)(B)).

24 (2) "Federally-qualified health center services" has  
25 the meaning assigned by Section 1905(1)(2)(A), Social Security Act  
26 (42 U.S.C. Section 1396d(1)(2)(A)).

27 (3) "Rural health clinic" and "rural health clinic

1 services" have the meanings assigned by Section 1905(1)(1), Social  
2 Security Act (42 U.S.C. Section 1396d(1)(1)).

3 (b) The commission shall apply the prospective payment  
4 system established under Section 1902bb, Social Security Act (42  
5 U.S.C. Section 1396a(bb)), in providing child health plan coverage  
6 for rural health clinic services provided through rural health  
7 clinics and federally-qualified health center services provided  
8 through federally-qualified health centers in accordance with  
9 Section 2107(e)(1), Social Security Act (42 U.S.C. Section  
10 1397gg(e)(1)).

11 SECTION 11. Subchapter A, Chapter 31, Human Resources Code,  
12 is amended by adding Section 31.0039 to read as follows:

13 Sec. 31.0039. EXCLUSION OF COLLEGE SAVINGS PLANS. For  
14 purposes of determining the amount of financial assistance granted  
15 to an individual under this chapter for the support of dependent  
16 children or determining whether the family meets household income  
17 and resource requirements for financial assistance under this  
18 chapter, the department may not consider the right to assets held in  
19 or the right to receive payments or benefits under any of the  
20 following:

21 (1) any fund or plan established under Subchapter F or  
22 H, Chapter 54, Education Code, including an interest in a prepaid  
23 tuition contract;

24 (2) any fund or plan established under Subchapter G,  
25 Chapter 54, Education Code, including an interest in a savings  
26 trust account; or

27 (3) any qualified tuition program of any state that

1 meets the requirements of Section 529, Internal Revenue Code of  
2 1986.

3 SECTION 12. Subchapter B, Chapter 32, Human Resources Code,  
4 is amended by adding Section 32.02611 to read as follows:

5 Sec. 32.02611. EXCLUSION OF COLLEGE SAVINGS PLANS. (a)  
6 Except as provided by Subsection (b), in determining eligibility  
7 and need for medical assistance, the department may not consider as  
8 assets or resources a right to assets held in or a right to receive  
9 payments or benefits under any of the following:

10 (1) any fund or plan established under Subchapter F or  
11 H, Chapter 54, Education Code, including an interest in a prepaid  
12 tuition contract;

13 (2) any fund or plan established under Subchapter G,  
14 Chapter 54, Education Code, including an interest in a savings  
15 trust account; or

16 (3) any qualified tuition program of any state that  
17 meets the requirements of Section 529, Internal Revenue Code of  
18 1986.

19 (b) In determining eligibility and need for medical  
20 assistance for an applicant who may be eligible on the basis of the  
21 applicant's eligibility for medical assistance for the aged, blind,  
22 or disabled under 42 U.S.C. Section 1396a(a)(10) the department may  
23 consider as assets or resources a right to assets held in or a right  
24 to receive payments or benefits under any fund, plan, or tuition  
25 program described by Subsection (a).

26 (c) Notwithstanding Subsection (b), the department shall  
27 seek a federal waiver authorizing the department to exclude, for

1 purposes of determining the eligibility of an applicant described  
2 by that subsection, the right to assets held in or a right to  
3 receive payments or benefits under any fund, plan, or tuition  
4 program described by Subsection (a) if the fund, plan, or tuition  
5 program was established before the 21st birthday of the beneficiary  
6 of the fund, plan, or tuition program.

7 SECTION 13. (a) In this section:

8 (1) "Child health plan program" means the state child  
9 health plan program established under Chapter 62, Health and Safety  
10 Code.

11 (2) "Commission" means the Health and Human Services  
12 Commission.

13 (3) "Executive commissioner" means the executive  
14 commissioner of the Health and Human Services Commission.

15 (4) "Medicaid" means the medical assistance program  
16 under Chapter 32, Human Resources Code.

17 (b) Not later than September 1, 2010, the executive  
18 commissioner by rule shall develop a strategic plan designed to:

19 (1) intensify community outreach and education  
20 relating to the availability of benefits under the child health  
21 plan and Medicaid programs; and

22 (2) reduce the paperwork and other administrative  
23 burdens associated with determining eligibility for and enrolling  
24 eligible individuals in the child health plan program and Medicaid.

25 (c) Not later than September 1, 2011, the commission shall  
26 implement the plan developed under Subsection (b) of this section.

27 SECTION 14. Sections 62.102(b) and (c) and 62.151(f),

1 Health and Safety Code, are repealed.

2 SECTION 15. Not later than January 1, 2010, the executive  
3 commissioner of the Health and Human Services Commission shall  
4 adopt rules as necessary to implement Subchapter F, Chapter 62,  
5 Health and Safety Code, as added by this Act.

6 SECTION 16. The changes in law made by this Act apply to an  
7 initial determination of eligibility or a recertification of  
8 eligibility for the child health plan program under Chapter 62,  
9 Health and Safety Code, the financial assistance program under  
10 Chapter 31, Human Resources Code, the medical assistance program  
11 under Chapter 32, Human Resources Code, or the food stamp program  
12 under Chapter 33, Human Resources Code, made on or after September  
13 1, 2009.

14 SECTION 17. If before implementing any provision of this  
15 Act a state agency determines that a waiver or authorization from a  
16 federal agency is necessary for implementation of that provision,  
17 the agency affected by the provision shall request the waiver or  
18 authorization and may delay implementing that provision until the  
19 waiver or authorization is granted.

20 SECTION 18. This Act takes effect September 1, 2009.