

HB 109

A Sensible Bipartisan Compromise on CHIP

What HB 109 Does

- Provides 12-month continuous eligibility for CHIP and statutorily requires the Health and Human Services Commission to verify enrollee income.
- Creates in statute a CHIP assets test that better reflects the needs of working-class CHIP-eligible families. Families are limited to \$10,000 in liquid assets and one vehicle worth no more than \$18,000, as well as a second vehicle at \$7,500.
- Allows **child-care expenses** to be deducted when calculating income eligibility.
- Eliminates the 90-day waiting period, restoring Texas CHIP's original anti-crowd-out policy. Ensures that only previously uninsured children are enrolled without delay.



HB 109 Makes Good Economic Sense

- HB 109 maximizes CHIP's higher federal match rate: Texas receives \$2.64 in federal matching funds for every state dollar invested in CHIP, a better federal match rate than our Medicaid match of \$1.55.
- This match rate means we can buy \$120 in coverage for \$39 or less per month.
- Ray Perryman, a nationally-recognized economist, has calculated that for every \$1 in state funds cut in CHIP and Medicaid, Texas' businesses pay out-of-pocket increases in taxes and insurance of \$1.58, and every Texan's health insurance premiums increase by \$1.34.
- According to an analysis by the Texas CHIP HMO run by Texas Children's Hospital in Houston, medical costs per child decrease about 25 percent the longer the child has consistent access to a doctor. Keeping children out of the hospital and the emergency room (ER) makes good financial sense.
- Children without health insurance are four times more likely than those with insurance to rely on ER treatment for routine care, at a much higher cost to local taxpayers.
- When children **without** CHIP or Medicaid end up in county emergency rooms for care, local taxpayers pay 100 percent of the bill — with no federal match. Treating an asthma attack in the doctor's office costs about \$100, but treating a full-blown attack with an ER visit and a hospital stay costs more than \$7,300. (*Harris County Hospital District*)
- Uninsured children are 25 percent more likely to miss school, and Texas school districts lose \$4 million per day in state funding because of absenteeism. Reducing the number of uninsured kids helps control our local school taxes.



OK For Distribution
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Patricia M. Rice

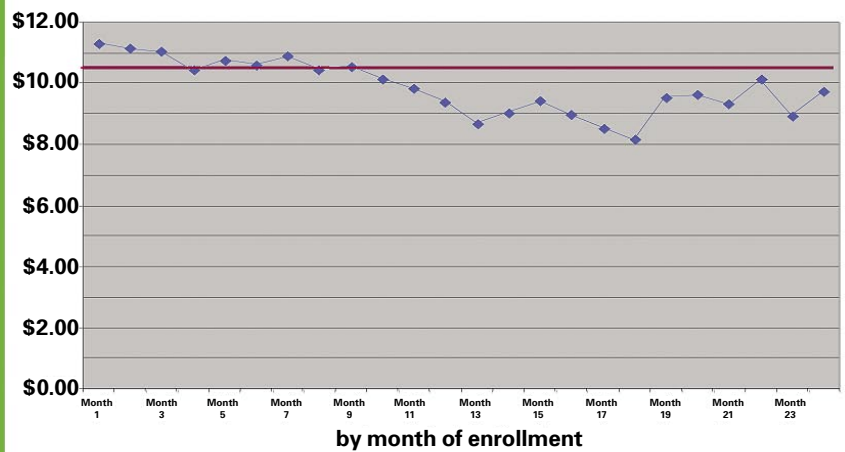
HB 109 Makes Good Medical Sense

- Twelve-month continuous eligibility helps children maintain a medical home, which is especially critical in the early years when numerous vaccinations and regular checkups are required.
- Uninsured children are **10 times more likely than insured children** to miss out on needed medical care, including care for common illnesses such as ear infections and asthma. The lack of insurance increases a child's likelihood of prolonged, costly illness and/or hospitalization, potentially endangering a child's life.
- It is important that children receive regular, preventive care, such as vision and hearing exams, dental care, immunizations, and well-child exams. Continuous 12-month CHIP eligibility is a fundamental component of promoting appropriate preventive and primary health care for children.
- Twelve-month continuous coverage saves money. A study by Texas Children's Health Plan found the longer a child is enrolled in CHIP, the lower the cost of care per child, since children with chronic conditions are better managed and do not rely on the ER.



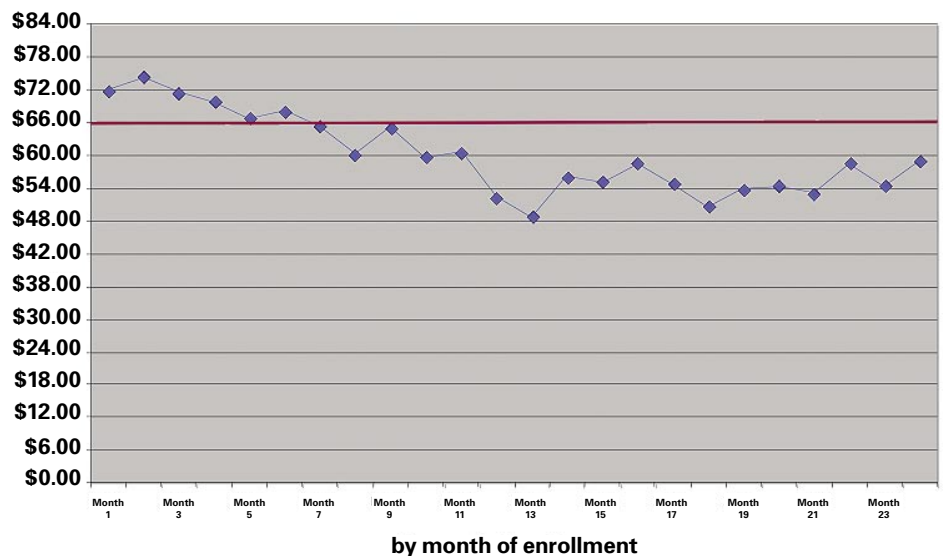
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Emergency Room Costs



Total Claims Dollars Per Member Per Month

Total Claims Dollars Per Member Per Month (Illustration 1)



Source: Texas Children's Health Plan

These Statewide Organizations Support a Stronger Texas CHIP With HB 109

Advocacy Inc.
 Aetna Health Inc. (Texas) – Medicaid Services
 American Association of University Women
 AMERIGROUP Texas
 Any Baby Can – Texas
 Catholic Health Association of Texas
 Center for Public Policy Priorities
 Children's Defense Fund of Texas
 Children's Hospital Association of Texas (CHAT)
 Children's Hospitals and Related Institutions of Texas (CHARIOT)
 Coalition for Nurses in Advanced Practice
 Council of Families for Children
 League of Women Voters of Texas
 March of Dimes

Mental Health Association in Texas
 Methodist Healthcare Ministries
 National Council of Jewish Women, Texas State Public Affairs
 Texans Care For Children
 Texas Academy of Family Physicians
 Texas Association for Infant Mental Health (TAIMH)
 Texas Association of Community Health Centers
 Texas Association of Community Action Agencies (TACAA)
 Texas Association of Health Plans
 Texas Association of Public and Nonprofit Hospitals
 Texas Cooperative Extension
 Texas Dental Association
 Texas Dietary Managers Association

Texas Federation of Teachers
 Texas Hospital Association
 Texas IMPACT
 Texas Medical Association
 Texas National Organization for Women (NOW)
 Texas Network of Youth Services (TNOYS)
 Texas Nurses Association
 Texas Oral Health Network
 Texas Pediatric Society
 Texas PTA
 Texas State Employees Union/CWA Local 6186
 TexProtects: the Texas Association for the Protection of Children
 United Methodist Women (Texas Conference)
 United Ways of Texas