



# Cover Texas Now!

Quality Affordable Health Coverage • Sustainable Health Care System

## 2017 Legislative Agenda

Toward the goal of expanding health coverage to more Texans, the Cover Texas Now Coalition supports the following policy strategies and initiatives:

1. Improve the health and well-being of Texans by ensuring access to affordable health care coverage:
  - a) Create comprehensive coverage for Texas' low-income adults: to improve maternal health, mental health care access, and the ability for parents to do the best job of raising their children and providing for their families.
  - b) Implement 12-month continuous coverage for children in Medicaid.
  - c) Streamline renewal processes so that families with children enrolled in Medicaid and/or CHIP coverage may renew coverage for all their children on the same date every year.
  
2. Ensure that coverage provides real value to Texans by strengthening health coverage consumer protections:
  - a) Protect Texans from surprise medical bills stemming from emergencies.
  - b) Verify that insurance provider networks are adequate to meet the needs of Texans.
  - c) Ensure appropriate access to needed prescription drugs.

## Improve the health and well-being of Texans by ensuring access to affordable health care coverage by closing the Coverage Gap and streamlining Medicaid and CHIP enrollment and renewal.

**Create comprehensive coverage for Texas' low-income adults: to improve maternal health, mental health care access, and the ability for parents to do the best job of raising their children and providing for their families.**

An estimated 864,000 Texas adults fall into the “Coverage Gap,” where income is too low to qualify for health insurance subsidies, but no Medicaid coverage is available.

The coalition supports closing the Coverage Gap, which can be done by expanding traditional Medicaid, or by negotiating with the federal government to develop a custom-built, private-coverage solution for our state—something that other conservative states have already successfully negotiated.

Whatever path Texas chooses, the federal government will pay 90 percent or more of the cost of closing the Gap. Former Deputy Comptroller Billy Hamilton and Texas economist Ray Perryman have estimated that closing the Coverage Gap will pay for itself due to the very high federal match, lower demand and costs of current healthcare programs, and increased revenue from taxes on healthcare premiums.

Fifty-five percent of people in Texas' health insurance “Coverage Gap” are female. About a third are adults with dependent children. Parents' health access matters for kids' health and family financial security. Children are more likely to be insured if their parents are insured. Most children have the same health insurance status as their parents, and other states' coverage expansions for adults resulted in better coverage of children, and increased consistency of check-ups and preventive care.

Health insurance coverage for adults has also been shown to improve overall family economic security. A randomized study showed that being insured through Medicaid reduced by more than 50 percent the chances of having to borrow money or skip paying other bills because of medical expenses.

When parents have untreated mental health conditions, children are negatively impacted. Medicaid provides important access to mental health screenings and treatment for low-income adults. Of special concern is untreated perinatal depression, associated with poorer physical and behavioral health in children, lower cognitive and academic performance, and increased risk of child maltreatment. Nearly 11 percent of mothers in Texas reported frequent postpartum depressive symptoms.

Overall health and health care access for women before, during and after pregnancy is critical to babies' health. More than 1.5 million Texas women between the ages of 15 and 44 lack health insurance (41 percent).

More than half of births in Texas are covered by Medicaid, but most mothers do not qualify for Medicaid to promote good health *before* pregnancy, and Medicaid maternity coverage ends two months after birth. Because of Texas' low income limit for parents, most are unable to access

affordable insurance after that. A randomized, controlled study showed that expanding Medicaid for uninsured, low-income adults increased screenings for depression, provided access to treatment, and reduced observed rates of depression by 30 percent.<sup>1</sup>

### **Implement 12-month continuous coverage for children in Medicaid.**

Children who have health insurance continuously throughout the year are more likely to be in better health. The coalition supports implementing 12-month continuous eligibility for children in Medicaid, as Texas has done for CHIP and most other state programs. Ongoing coverage ensures kids can get appropriate preventive and primary care, treatment for health conditions, and develop a relationship with their health provider to track their progress and development. Studies shows that even brief gaps in health coverage cause people to skip or delay care, while uninterrupted coverage can reduce avoidable hospitalizations for children by 25 percent.<sup>2</sup>

Twenty three states have adopted 12-month continuous eligibility since it is proven to reduce the number of uninsured children. This recognized best practice is the single most effective step our state can take to reach the more than 531,000 remaining uninsured children who are eligible for Medicaid and CHIP but not yet enrolled. Children continue to fall through the cracks with six month renewal procedures and workload is doubled for the state. Eliminating the cycling of children on and off of Medicaid during the year reduces the number of dis-enrollments and re-enrollments the state must process and decreases staff time and money spent on unnecessary paperwork. By implementing 12 month eligibility, the state can save state time and resources, ensure that kids get – and keep – coverage for which they are already eligible, and ensure children have consistent access to needed preventive and primary care.

### **Streamline renewal processes so that children enrolled in Medicaid and/or CHIP coverage and living in multiple-children families may renew coverage on the same date every year.**

The coalition supports streamlining renewal processes to enable children enrolled in Medicaid and/or CHIP and living in multiple-children families to renew coverage on the same date every year. Currently, families that have several Medicaid and/or CHIP eligible children must re-certify each family member at different times throughout the year. This results in children being potentially unenrolled for the next year while families are trying to keep track of different deadlines for each of their children. Eligibility re-certification should be streamlined for families with multiple children with different renewal timelines. Texas should allow all children in a family to re-enroll for Medicaid and/or CHIP on the same date every year, creating a more streamlined process for the state and families.

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<sup>1</sup> Baicker, K., & Finkelstein, A. The effects of Medicaid coverage—learning from the Oregon experiment, *New England Journal of Medicine*, 365: 683-685. <http://bit.ly/22IDU83>, (2011).

<sup>2</sup> L. Ku, "New Research Shows Simplifying Medicaid Can Reduce Children's Hospitalizations," *Center on Budget and Policy Priorities* (June 2007).

## **Ensure that coverage provides real value to Texans by strengthening health coverage consumer protections: stop surprise medical bills, ensure adequate provider networks, and ensure appropriate access to prescription drugs.**

### **Protect Texans from surprise medical bills stemming from emergencies.**

Even diligent patients who ask all of the right questions can get hit with costly surprise, out-of-network medical bills. This is especially likely to happen in an emergency, when patients lack control over the medical facility they are taken to or the doctors who treat them.

Patients should pay their fair share—deductibles, copayments, and coinsurance—but not surprise charges on top these expected costs. Today, too many Texas patients are left holding the bag because their insurance company and an out-of-network health care provider can't agree on a fair price.

Texas has a system for challenging surprise bills, but it is under-utilized because unnecessary barriers lock patients out. The system places an unreasonable burden on recovering patients to decode their medical bills, know whether they have a mediation right, and navigate a bureaucratic system—all of which are required before the insurer and provider have to pick up the phone to discuss the disputed price. In addition, loopholes make many surprise bills ineligible. Texas should put patients first, as states like Florida, California, and New York have done, by ensuring that *all* Texans who've had a medical emergency are protected from surprise medical bills.

### **Verify that insurance provider networks are adequate to meet the needs of Texans.**

The coalition supports ensuring the adequacy of networks so they meet the needs of Texans who are healthy, as well as those who require highly specialized care. The Texas Department of Insurance should have adequate capacity to actively review and enforce network adequacy standards.

### **Ensure appropriate access to needed prescription drugs.**

The coalition supports appropriate protections to ensure patients can access needed prescription drugs. Insurance protocols like “step therapy”—requiring patients to first try and fail on alternate medications before getting a recommended drug—should be reasonable for patients and their health care providers.

The Texas legislature should enact common-sense consumer protections to ensure that patients and consumers can expeditiously access the medication deemed most appropriate by their health care provider for their unique situation. Patients should be able to access a reasonable, consumer-friendly and transparent appeals process to bypass step therapy if it is likely to cause an adverse reaction, worsening of a co-morbid condition, impair the patient's ability to maintain or achieve reasonable functionality, or is a significant barrier to adherence to the regimen.

In addition, patients whose medical condition is well-controlled on a prescription should not be required to try a new medication just because a step therapy requirement is added or their medication is removed from the drug formulary. Similarly, patients whose conditions are stabilized

due to their current prescription drug should not be switched to another drug for any non-medical reason, and patients should not be required to try and fail on the same drug more than once, even if they change health insurance carriers.

Any changes made to the way Texas sets its Medicaid formulary should be done to benefit Medicaid enrollees, not insurers or drug companies. Whether Texas Medicaid continues to use a uniform, statewide formulary, or moves to a system under which managed care organizations develop their own formularies, Texas should put guardrails in place to ensure that needed drugs are available and patients who are stable on their medications benefit from continuity of care.