Cover Texas Now!

Quality Affordable Health Coverage • Sustainable Health Care System

2019 Legislative Agenda

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

State-level

1. **Improve the health and well-being of Texans by ensuring access to affordable health care coverage**:
    a) Create statewide comprehensive coverage for Texas' low-income adults in order to improve maternal health, mental health care access, the availability of substance use disorder treatment services and the ability for parents to provide for their children and families.
    b) Implement 12-month continuous coverage for children in Medicaid so that eligible children are able to avoid gaps in coverage.
    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.
    d) Improve access to quality private insurance coverage with pre-existing condition protections for Texans who do not have access to job-based coverage, Medicaid, or Medicare.

2. **Ensure that health care coverage provides real value to Texans by strengthening consumer protections and access to care**:
    a) Improve consumer protections, consumer supports, and quality of care for 4 million Texans enrolled in Medicaid Managed Care.
    b) Protect Texas consumers from surprise medical bills.
    c) Ensure that health plans have adequate provider networks.
    d) Increase consumer protections for skimpy, short-term plans.
    e) Ensure consumers can easily get accurate information about expected health care costs.

Federal-level

3. **Oppose federal efforts to reduce health care to Texans.**
    a) Protect Medicaid and CHIP coverage for children, pregnant women, seniors, and Texans with disabilities by opposing work requirements, block grants, and other reductions in funding.
    b) Oppose Affordable Care Act repeal and sabotage efforts.
    c) Protect the health and well-being of immigrant children and families by opposing the federal "Inadmissibility on Public Charge Grounds" rule.

Learn more about our federal priorities at www.covertexasnow.org.

Improve the health and well-being of Texans by ensuring access to affordable health care coverage

Create statewide comprehensive coverage for Texas' low-income adults in order to improve maternal health, mental health care access, the availability of substance use disorder treatment services and the ability for parents to provide for their children and families.

Most Texans do not know that Texas has the highest rate and number of uninsured people in the country, currently around 4.8 million Texans are without insurance. Health care coverage is critical for an individual's ability to attain needed health services and protect them from financial risk. Texas' high rate of uninsured is undermining our ability to make progress on dozens of urgent health problems facing our state, including high maternal mortality rates, the rising opioid and substance use crisis, the alarming rate of hospital closures, and inadequate mental health services – all of which put unnecessary pressure on the criminal justice and foster care systems as well as our state budget.

A primary cause of Texas' high rate of uninsured is the state's lack of any affordable health care options for low-income adults. Close to 700,000 low-wage Texans fall into the "Coverage Gap," where their income is too low to qualify for health insurance subsidies in the Marketplace, and no Medicaid or employer-sponsored coverage is available to them. 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 unique coverage solution for our state— something that other conservative states continue to successfully negotiate **Polling shows that 87 percent of Texas voters want the Texas Legislature to work on health care.**

Whatever path Texas chooses, the federal government will pay 90 percent or more of the cost of closing the Coverage 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, costs of current health care programs, and increased revenue from taxes on health care premiums.
To learn more about the impact of high rates of people who are uninsured on rural hospitals, the opioid crisis, maternal mortality and maternal health, go to www.covertexasnow.org.

Implement 12-month continuous coverage for children in Medicaid so that eligible children are better able to avoid gaps in coverage.

Texas has the highest uninsured rate for children in the country – and it's getting worse. For the first time in eight years, the uninsured rate for kids got worse, with more than 10% of Texas children without health coverage. 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. Twelve-

month continuous eligibility promotes enrollment retention, reduces workload and administrative costs for the state, and prevents eligible children from cycling on and off of insurance during the year. Out of an estimated 835,000 uninsured Texas children in 2017, about 350,000,000 children are uninsured and eligible for Medicaid or CHIP. Ongoing coverage ensures kids can get appropriate preventive and primary care, treatment and therapies for health conditions, and develop a relationship with their health care provider to track their progress and development. Studies show 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. If Texas children lack continuous coverage, the state will miss the most crucial phase of growth and development to prevent or lessen the need for more expensive services in the future.

24 states have supported stable coverage for children by providing 12-month continuous eligibility — a policy step proven to reduce the number of uninsured children. This recognized best practice is the single most effective step our state can take to keep children connected to health care. Since 2014, Texas HHSC has granted continuous eligibility after the first six months of a child's coverage, but then switches to month-to-month eligibility for the rest of the year, with electronic income checks at months five through eight. These income checks can cause *eligible* children to be dropped from coverage. Under this policy, children fall through the cracks, while workloads are more than 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. Also, many quality measures require at least 12 months of continuous enrollment, so this policy would enhance Texas' ability to assess quality of care in Medicaid. By implementing 12-month eligibility, the State can save 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 families with children enrolled in Medicaid and/or CHIP coverage may renew coverage for all their children on the same date every year.

Currently, Medicaid enrollees must submit proof of income if their income level is not found "reasonably compatible" with electronic sources. Families with more than one child enrolled in Medicaid are required to undergo multiple periodic electronic income checks (total of 5 per year, per child) for each of their children. When children in the same family have different renewal date timelines, families with a change in income or a new job must undergo overlapping income verification checks month after month to keep their coverage. HHSC adopted these new eligibility and renewal procedures in 2014 without legislative or statutory guidance. The new administrative policies had unintended consequences, such as interrupting continuity of care and creating new hassles for parents, health providers, and health plans, which lead to increased health care costs for the state. Our coalition supports developing new processes to align the

eligibility dates for families with multiple children, enabling parents to enroll all of their children into Medicaid and/or CHIP on one date.

Improve access to quality private insurance coverage with pre-existing condition protections for Texans who do not have access to job-based coverage, Medicaid, or Medicare.

The "individual market" is a critical source of comprehensive coverage for people who aren't offered coverage at work, like self-employed individuals, small business employees, and low-wage workers. The availability of financial assistance for individuals with low and moderate incomes to purchase individual market coverage in the Health Insurance Marketplace is the primary reason for the recent historic drop in Texas' uninsured population, with 1 million fewer uninsured Texans since 2013.[1] Fostering a stable and affordable individual market is key to ensuring access to comprehensive coverage for people not offered insurance at work, to ensuring coverage of pre-existing conditions, and to maintaining recent coverage gains.
Several recent federal actions have increased uncertainty for individual market insurers and needlessly driven up premiums.

Seven states have received "1332 Waivers" to get federal funding to set up a "reinsurance" system that reduces some of the risks insurers take on by helping pick up the tab for people with the most costly health care. States with reinsurance waivers expect premiums in the individual market to drop as much as 20 percent. States must come up with a state share, which most have funded through an assessment on insurers rather than general revenue funds. Texas has done something similar before: funding its former "high risk pool" with insurer assessments and certain payments due to hospitals, not general revenue.

1332 waivers can be used by states to either bolster or undermine access to comprehensive coverage with pre-existing condition protections. Texas should apply for a reinsurance waiver that expands access to quality coverage similar to ones that received federal approval in 2017 and 2018 from states like Wisconsin, Alaska, Maine, and New Jersey.

Ensure that health care coverage provides real value to Texans by strengthening consumer protections and access to care

Improve consumer protections, consumer supports and quality of care for 4 million Texans enrolled in Medicaid Managed Care.

Medicaid is a critically important health insurance program providing preventive, acute, and long-term health services for 4 million Texans. A survey by the Kaiser Family Foundation and the Episcopal Health Foundation found that 71 percent of Texans have a very or somewhat favorable view of Medicaid. There are positive benefits to managed care when services are well-coordinated

[1] U.S. Census Bureau, American Community Survey, 2013-2017.

and health plans use innovative solutions, such as after-hours care and value-added services that show results. While Texas Medicaid Managed Care plans report hefty retained profits (currently over $500 million a year), too many families report serious and even life-threatening barriers to care.

State leaders have taken some steps to improve contract oversight and bolster operational reviews, but many more program and system improvements are needed to ensure vulnerable Texans get the health care they need to thrive. Policy changes needed include:

1. Providing clear, easy-to-use resources to Medicaid clients, families and doctors so they can fully understand and make use of the different care coordination services provided in each STAR program.
2. Enforcing current network adequacy standards, strengthening those standards where inadequate access remains, and making corrective action plans more transparent.
3. Creating an independent Provider Health Plan Monitor to address issues between care providers and health plans.
4. Establishing a repository at HHSC of Medicaid client inquiries, complaints, requests for appeals– including inquiries made to health plans, HHSC, ombudsman and legislators – so HHSC can better track trends and emerging issues, and report those to lawmakers and taxpayers.
5. Increasing consumer supports for Medicaid clients and families seeking to appeal a denial or reduction of care. This includes providing staffing, training and authority for the HHSC Ombudsman to educate and support Medicaid Managed Care enrollees throughout the MCO internal appeals and the Medicaid fair hearings process; and providing a clear, user-friendly roadmap for Medicaid clients on the internal appeals process and fair hearing process.
6. Providing the resources and supports needed to ensure that Medicaid clients and their families can make informed choices between plan options at enrollment.
7. Maintaining and/or establishing HHSC advisory committees to ensure that input from consumers and their families is meaningfully included in agency decision-making processes.
8. Incorporating into the Texas Medicaid Managed Care Program statewide the evidence-based and demonstrated cost-effective health care interventions from the 1115 Transformation Waiver DSRIP Projects. Priority should be given to interventions that maximize avoidance of costly complications of untreated chronic conditions, and the inappropriate utilization of emergency rooms for primary-care-treatable illnesses, through increased access to primary and preventive health care.

Protect Texas consumers from surprise medical bills.

Even diligent patients who ask all of the right questions can get hit with costly surprise, out-of-network medical bills. Research shows that surprise bills are common, especially in Texas. Patients should be expected to pay their fair share–deductibles, copayments, and coinsurance—

but not surprise charges on top of these anticipated costs. Today, too many Texas patients are left with huge bills to pay because their insurance company and an out-of-network health care provider cannot agree on a fair price.

Texas has a system for challenging surprise bills, but only a tiny percentage of Texans have been able to access it 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 for mediation under Texas law. Texas should put patients first, as states like Florida, California, and New York have done, by ensuring that all Texans are truly protected from surprise medical bills without being stuck in the middle of the billing dispute between providers and insurers. Texas should also consider reasonable limitations that prevent a surprise medical bill from ruining consumers' credit.

Ensure that health plans have adequate provider networks.

The coalition supports ensuring the adequacy of networks in Medicaid/CHIP and private insurance, so they meet the needs of Texans who live in rural as well as urban areas and Texans who are healthy as well as those who require highly specialized care. The Texas Department of Insurance and Health and Human Services Commission should have sufficient capacity to actively review and clear authority to vigorously enforce network adequacy standards. In addition, consumers should have ready access to accurate and up-to-date network information.

The Texas Legislature should address imbalance in Texas Medicaid provider payment methods that results in substantial profit margins for some vendors, while leaving rates for primary care, long-term services and supports, and mental health and substance use disorder providers too low to allow for adequate networks. Evidence-based practices and payment structures that attract these providers in Medicaid must also be paired with meaningful inclusion of new Medicaid provider qualification types that can broaden provider access in areas where it is inadequate.

Increase consumer protections for skimpy, short-term plans.

The "individual market" is a critical source of comprehensive coverage for people who are not offered coverage at work, like self-employed individuals, small business employees, and low-wage workers. In the traditional individual market, people cannot be denied coverage or charged more due to pre-existing conditions, and they also are guaranteed that policies cover essential care like prescriptions, mental health, and maternity. Recent changes at the federal level would split the individual market in two, letting skimpy short-term plans compete with comprehensive plans, but under radically different rules.

Short-term plans will have cheaper premiums, but come at a cost. They can deny coverage to people with pre-existing conditions, impose arbitrary lifetime caps, and exclude prescription drugs, maternity care, and treatment of mental health and substance use disorders. Young and

healthy people who are lured into these plans by a low price will find that their coverage is sorely lacking and they are exposed to huge financial risk if they develop health problems. Consumer who buy short-term plans and then get sick or injured generally cannot switch to a plan with full benefits until the following January. People who buy these policies may not understand their minimal coverage, in part due to today's limited disclosure requirements. Over time, people in less-than-perfect health who are left behind in a residual individual market will face much higher premiums and, possibly, geographic areas of Texas where no comprehensive plans are available. In other words, skimpy plans pose risks both for people who buy them and for the people cannot buy them, either because they would be denied outright or because the policies do not cover neededservices.

Texas policy makers should look at reasonable limits on short-term plans such as availability for brief gaps in other coverage, and ensure that these plans do not undermine a stable market for comprehensive health coverage with pre-existing condition protections. They should also ensure that consumers buying these skimpy plans get clear information about exclusions and loopholes before their purchase.

Ensure consumers can easily get accurate information about expected health care costs.

Consumers should be able to obtain accurate information about expected health care costs up front. Efforts to increase cost transparency should focus on making information meaningful and actionable for consumers by pairing quality information with prices, grouping costs into "episodes of care," and focusing on the types of health care services that consumer can actually shop for. At the same time, we must recognize that more meaningful actions are needed to fully rein in health care cost growth, since only a small share — less than 7 percent — of health care spending is paid by consumers on services they can shop for.