

SUBJECT: Insurance coverage for low-income state employees' dependent children

COMMITTEE: Pensions and Investments — committee substitute recommended

VOTE: 5 ayes — Tillery, Crownover, Salinas, George, Rangel

0 nays

4 absent — Woolley, Goodman, Telford, Williams

WITNESSES: For — Andrew Homer, Texas Public Employees Association; Lisa McGiffert, Consumers Union; Ted Raab, Texas State Employees Union

Against — None

BACKGROUND: The Children's Health Insurance Program (CHIP) is a federal-state partnership that offers health insurance for children in economically disadvantaged families who cannot afford such coverage, yet have income too high to qualify for the state-federal Medicaid program. Federal guidelines authorize the children of state government employees to participate in CHIP but prohibit federal funds from being used to pay for their coverage. The 76th Legislature in 1999 enacted SB 1351 by Barrientos, creating the State Kids Insurance Program (SKIP) to provide a supplement toward health insurance premiums for coverage allowed through the Employees Retirement System (ERS) for dependent children who otherwise would qualify for CHIP and are not eligible for Medicaid. The state contributes 80 percent of the cost of coverage for SKIP enrollees.

DIGEST: CSHB 1853 would require the state to pay the total cost of basic coverage for children in the SKIP program. The amount of premiums and any copayment or other cost-sharing provision required for dependent child coverage under SKIP could not exceed the amount of any similar payment required under the CHIP plan for low-income children.

A state employee would have to apply for coverage for a dependent child on a form developed by the Health and Human Services Commission (HHSC) that also would allow the employee to apply for dependent coverage under

the Medicaid program for children. HHSC also would have to develop a brochure describing the SKIP program and the Medicaid program. The brochure would have to include an eligibility chart, pricing information, and a telephone number to call for additional information. The brochure would have to be easily reproducible and would have to be made available for downloading from the commission's Internet web site. This information would have to be given to state employees at least annually during the open enrollment period and supplied to each new employee at the time of employment.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

NOTES:

According to the fiscal note, increasing the state's contribution to SKIP premiums as required by the bill would cost about \$8.9 million in general revenue-related funds in fiscal 2002-03.

The committee substitute added provisions relating to the development, content, and distribution of an application form for and informational brochure about dependent child coverage for ERS members and Medicaid coverage for children. The substitute also added provisions regarding the amount of premiums, copayments, and other cost-sharing provisions.