

BILL ANALYSIS

Senate Research Center
77R11237 DLF-D

H.B. 1853
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Health & Human Services
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Engrossed

DIGEST AND PURPOSE

The Children's Health Insurance Program (CHIP) is a federal/state partnership which offers health insurance for children in economically disadvantaged families that cannot afford health coverage. Federal guidelines authorize the children of state employees to participate in CHIP but prohibit federal funds from being used to pay for the cost of their coverage. As a result, the 76th Legislature created the State Kids Insurance Program (SKIP) to provide a supplement toward health insurance premiums for coverage provided through the Employees Retirement system of Texas for dependent children who would otherwise qualify for CHIP. While SKIP has decreased the costs low-income state employees pay for their children's health coverage, the coverage still costs more than that available through CHIP to children whose parents are not employed by the state. H.B. 1853 increases the state's contribution toward the basic coverage of SKIP enrollees from 80 to 100 percent.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. H.B. 1853 amends the Insurance Code to require the board of trustees (trustee) of the Employees Retirement System of Texas (ERS) subject to any applicable limit in the General Appropriations Act to use money appropriated for employer contributions to fund the total cost rather than 80 percent of the cost of basic coverage for a dependent child who is not eligible for Medicaid and would be eligible for the Children's Health Insurance Program if the child were not a dependent of a state employee.

- The bill requires an employee to apply for coverage for a dependent child on a form developed by the Health and Human Services Commission (commission).
- The bill prohibits the amount of the premiums and any copayment or other cost-sharing provision required for dependent child coverage from exceeding the amount of any similar payment required under the Child Health Plan for Certain Low-Income Children.
- Each department participating in ERS is required to provide at least annually a brochure that relates to the program to provide coverage to dependent children and the Medicaid program for children to each employee of the department during the open enrollment period applicable to the department and to each new employee at the time the employee is employed.
- The commission is required to develop an application that permits a state employee to apply for coverage or for benefits under the Medicaid program for children and to develop a brochure for departments to distribute to employees. The commission shall develop these documents in collaboration with the trustee and the divisions or departments of the commission responsible for the state child health insurance program and Medicaid. The brochure must include an eligibility chart, pricing information, and a telephone number of the commission or trustee that a

person may call to obtain additional information. The application and the brochure must be easily reproducible by the departments and must be made available on the commission's website to download from the Internet.

SECTION 2. Amends the heading to Section 14A, Texas Employees Uniform Group Insurance Benefits Act (Article 3.50-2, V.T.I.C.), to read as follows:

Sec. 14A. COVERAGE FOR DEPENDENT CHILDREN OF CERTAIN EMPLOYEES;
INFORMATION FOR EMPLOYEES.

SECTION 3. Provides that the new pay schedule applies to the purchase of basic coverage for a dependent child beginning September 1, 2001.

SECTION 4. Effective date: upon passage or September 1, 2001.