

Health Care Policy: 81st Legislative Session in Review

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The Children's Health Insurance Program

- The Foundation has consistently opposed the expansion of government-run, taxpayer-funded health care programs such as the Children's Health Insurance Program (CHIP). The Texas Legislature established CHIP in 1999 to provide health care coverage to children whose families make too much income for Medicaid but not enough to afford their own health insurance.
- Texas' CHIP program is limited to children under age 19 in families whose incomes fall below 200 percent of the federal poverty level (FPL) and are not eligible for Medicaid.
- When President Obama reauthorized the State Children's Health Insurance Program this year, he allowed for states to expand their eligibility requirement to up to 300 percent FPL, or \$66,000 per year for a family of four.
- This legislative session, committees in both chambers passed bills that would have expanded eligibility to the 300 percent level. This would have morphed the program away from its original purpose—providing health insurance to children of the working poor—into an expensive entitlement for the middle class. Thankfully, the expansion legislation did not pass through the Legislature.
- More than 170,000 children were projected to be eligible in CHIP this year but did not participate. The Legislature should not expand a taxpayer-funded program that does not effectively cover the current universe of eligible children.
- The Center has opposed efforts to expand the program, arguing that the Legislature should focus on removing costly mandates to private health insurance so that more individuals and families can own insurance policies. Additionally, taxpayers supporting a “safety net program” have an expectation that recipients are truly eligible and have no other reasonable alternative to provide for their own care.

Medicaid

- When Medicaid was established by Congress in 1965—and by Texas in 1967—the program was originally focused on providing health care benefits to recipients of certain cash assistance programs. Today, after decades of incremental policy expansion, it is the largest government health program, providing benefits to more people at a higher cost than even the Medicare program.
- In Texas, Medicaid has become the significant budget driver in health and human services spending. Health and human services agencies account for more than 60 percent of all federal funds in the state budget due to the matching funds for the Medicaid and CHIP programs.
- Much of this budget growth is driven by the growth in case-load as a result of policy decisions that have added services and expanded eligibility for the program.
- The Legislature presented bills this session that would have extended Medicaid continuous eligibility from six months to one year. Fortunately, the legislation to expand eligibility was removed from the bills before they moved through the legislative process. The Foundation opposes continuous eligibility expansion, as the six-month period ensures that those that are truly eligible are receiving coverage.
- During the interim, the Center will continue to recommend that the Legislature seek a federal waiver for Medicaid funding block grants in order to give the state greater certainty in the Medicaid budget from year-to-year, as well as provide greater flexibility to run the Medicaid program. Additionally, we will recommend strengthening the cost sharing in both the Medicaid and CHIP programs to the fullest extent allowed under federal law. The Foundation believes the best way to address the growing crisis with government-run health care programs is for individuals to own their own policies.

Private Health Insurance

- The Foundation's research has bolstered the case for reducing or eliminating all costly mandates from health insurance plans. Texas insurance plans are subject to 55 mandates, ranking the state as one of the five most heavily regulated states in the country. In the past five years alone, insurance premiums have risen 40 percent. Although all of the 55 mandates were passed with the intent of making health care accessible to more people, they have actually contributed to the growing uninsured population across the state.
- Health insurance mandates typically fall in three categories: forcing health plans to cover specific services or benefits; requiring access to specific health care providers; and guaranteeing coverage to particular individuals.
- Historically, government intervention in the health insurance arena has caused the cost of premiums to rise. With the U.S. Congress presenting ideas for universal health care, as well as individual and employer mandates that threaten to further cripple the health care system, Texas should not follow suit by imposing additional onerous mandates.
- Legislation that defines the parameters of health insurance policies inflates the cost of health plans by requiring policies to cover an array of services, many of which consumers never use. The increasing costs of premiums due to these mandates force many people out of the market by pushing the cost of health insurance out of their reach.
- The Center was vigilant in its efforts to prevent increased regulation of private health insurance this session. Fortunately, only three of the more than 15 bills filed that increased regulations actually passed. The Foundation has encouraged Gov. Rick Perry to not allow additional mandates to be attached to our heavily regulated insurance plans.

- The Center will focus on presenting patient-centered alternatives to health insurance during the interim, including a recommendation for the Legislature to make a statutory change that would allow individuals to purchase health insurance across state lines, giving consumers greater choice and affordability in their health care purchases.

Health Care Regulation

- Currently, Texas is among the five most regulated states regarding the scope of practice for advanced practice registered nurses (APN) and physician's assistants (PA). This session, legislation was passed that made modest improvements to the existing physician's delegation of prescription authority to PAs and APNs.
- The Foundation supports expanded scope of practice for APNs and PAs in the state of Texas. In a majority of states, APNs must enter into a collaborative practice agreement with at least one physician in order to prescribe medication; nonetheless, 33 states do not require delegation by a physician.
- Nearly 90 percent of rural Texas counties are designated—in part or whole—as medically underserved. Even more alarming is that 25 counties in the state have no physician at all, and more than 13 percent of Texans—or 3.2 million people—do not have access to a primary care provider.
- A viable solution to the lack of physicians in these regions is to allow health care providers other than physicians to meet the basic health needs of residents in these regions. APNs could provide the majority of the services needed in these areas, but state laws limit their availability by restricting nurse practitioners' ability to prescribe. ★

