

COMPILATION OF
RESPONSES TO

BLUE RIBBON TASK FORCE'S
REQUEST FOR INFORMATION (RFI)

**PROPOSALS TO PROVIDE ADDITIONAL
HEALTH INSURANCE COVERAGE OPTIONS FOR TEXANS**

JUNE 2000

	Recommendation	Source	Affected Agencies	Fiscal Impact	Comments/Rationale
FEDERAL ISSUES					
	Remove the tax exclusion for the employee portion of health benefits, and substitute a tax credit. Establish a means-tested sliding scale refundable tax credit for lower-income workers.	BC/BS	Federal		
	Seek revisions to the existing federal regulation that prevents hospitals from providing free transportation to patients.	Navarro Regional Hospital	HHSC, Federal		
	Allow full deductibility of health insurance premiums regardless of who the payer is. (i.e., individuals, corporations, or self-employed).	Small Business United of TX, TMA	Federal		TMA advocates replacing tax exclusions with a federal voucher or individual refundable tax credit.
	Authorize Medical Savings Accounts enabling employees to use pre-tax dollars to pay for health care services.	TABCC	Federal		
	Raise concerns regarding adequate protection for individuals covered by self-fund employer health plans (ERISA plans.)	Advocacy, Inc.	Federal		
STATE ELIGIBILITY AND ACCESS					
	Remove exemptions from state law for Medicaid and CHIP to ensure these participants receive the same rights (independent review, continuity of care, etc.) that other managed care clients receive	Advocacy, Inc.			

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	Create a medical clearinghouse to assist people in accessing medical and dental services. Individuals should be culturally competent and knowledgeable with all government programs, procedures, and forms.	Community Health Insurance Committee	HHSC		
	Create a gross receipts tax for patient services at health care facilities to fund public-private insurance cooperative.	Sen. Harris staff			Current insurance tax on health plans only captures those plans under state regulation. It does not cover ERISA plans. Tax could be used to fund health insurance pool.
	Replace the state information system (SAVERR) which is responsible for providing eligibility and enrollment to allow for modifications and system changes in a timely and efficient manner.	TAHP	HHSC, DHS		
	Remove the experience rebate requirement to make the Medicaid managed Care Program a more attractive product for participation by HMOs.	TAHP			
	Determine effective quality outcome measures and eliminate unnecessary reporting requirements by HMOs to various state agencies.	TAHP			

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	Allow physician assistants to enroll in Medicaid as Primary Care Providers.	Navarro Regional Hospital	HHSC, TDH		Use County tobacco funds to provide funding. Also, work in community to increase awareness of need for funding.
	Authorize medical providers to initiate the enrollment process for Medicaid and CHIP. Allow retroactive enrollment when someone that is eligible fails to pay for care received.	Small Business United of TX, TAHP	HHSC		TAHP recommends presumptive eligibility for pregnant women and requiring submission of eligibility information for newborns within 2 days of birth, or no payment.
	Medicaid eligibility rules and application process should be simplified.	Small Business United of TX, TAHP, THA, TMA, Rep. Coleman	HHSC		THA supports identifying and eliminating reasons for Medicaid non-participation. Rep. Coleman recommends eliminating the face-to-face interview requirement for children's Medicaid.
	Increase fraud recovery efforts in Medicaid and utilize savings to fund possible expansion efforts or rule changes.	Sen. Harris staff			

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	Increase outreach efforts and enhanced transitional Medicaid benefits for TANF clients.	TAHP, THA	HHSC, TWC, DHS		TAHP recommends doing outreach and education for Medicaid in conjunction with CHIP to break welfare perceptions.
	Institute best-pricing program to obtain pharmaceuticals at best prices through Texas Vendor Drug program which could serve as a co-op for all health providers.	Sen. Harris staff	TDH		Pharmaceuticals are driving the increases in health care costs. This would ensure that the state and its medical providers are getting the best pricing for drugs.
STATE WAIVERS					
	Consolidate waiver programs, staff resources and agencies to provide the maximum number of slots available to the uninsured through Medicaid. Also, expand StarPlus and Medicaid Managed Care into other areas.	TAHP	HHSC		
	Create an HMO program for Brazoria, Galveston, and Jefferson counties similar to the program between UTMB and TDCJ. Initially, the program would include county indigents, Medicaid recipients, CHIP enrollees, and low-income Medicare recipients. Funds would be pooled from counties, state, and federal governments.	Jack Harris, Co. Commissioner, TAHP, TMA	HHSC, TDH, UTMB, TDCJ		TAHP supports individual county reform efforts.

	Recommendation	Source	Affected Agencies	Fiscal Impact	Comments/Rationale
	Obtain Medicaid waiver to expand access for individuals diagnosed with HIV/AIDS to prescription drug coverage up to 200% of poverty.	Rep. Coleman	HHSC		
	Obtain Medicaid waiver to expand access for individuals diagnosed with schizophrenia and bipolar disorder to “new generation” prescription drug coverage up to 200 of poverty	Rep. Coleman	HHSC		
	Obtain Medicaid waiver to expand eligibility for family planning services up to 185% of poverty.	TX Family Planning Assn., Planned Parenthood, Rep. Coleman, TMA	HHSC		TX Family Planning Assn. and Planned Parenthood would also require family planning services and supplies in any minimum plan or coverage. TMA recommends coverage up to 200% of poverty.
	Obtain Medicaid waiver to fund diagnosis and treatment for low-income adults with diabetes and hypertension.	South Plains Community Action Assn.	HHSC		

	Recommendation	Source	Affected Agencies	Fiscal Impact	Comments/Rationale
	<p>Obtain waiver to restructure current benefit package for Medicaid to more closely align with coverage available to general public. Utilize any savings from this effort to remove certain requirements for Medicaid enrollment (i.e. face-to-face interview, asset test) or expand coverage options.</p>	<p>Sen. Harris staff</p>			
	<p>Obtain waiver to expand CHIP and Medicaid to cover low-income working families, and allow participation by employers.</p>	<p>TABCC, THA, TMA, Rep. Coleman, CPPP, TAHP</p>	<p>HHSC</p>		<p>Rep. Coleman recommends pursuing a federal waiver to create non-entitlement family coverage under Medicaid and CHIP.</p> <p>TAHP supports expanding Medicaid eligibility to poor working childless adults up to 200% poverty.</p> <p>CPPP notes that recent federal law changes allow states to cover parents in families with children up to any income limit the state chooses.</p>

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	Obtain federal waiver to move Medicaid and CHIP administration to local levels of government (made up of no less than one million residents) and allow combination of these funds with local sales tax to provide coverage for all community residents.	BC/BS	HHSC, Federal		
	Increase CHIP income threshold to 250% of poverty	THA	HHSC		
STATE REIMBURSEMENT/TAX CREDITS					
	Increase reimbursements to Medicaid providers, and reduce the use of Medicaid managed care plans in rural counties.	Navarro Regional Hospital	HHSC, TDH		Use County tobacco funds to provide funding. Also, work in community to increase awareness of need for funding.
	Increase funding of community services to provide transportation for Medicaid patients to travel out of the area to see their assigned physician.	Navarro Regional Hospital	HHSC, TDH		Use County tobacco funds to provide funding. Also, work in community to increase awareness of need for funding.

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	Allow the deductibility of health insurance premiums on state Franchise Tax returns.	Small Business United of TX, TABCC, THA, TAHP	Comptroller, TDI	yes	TABCC would allow small employers to offset franchise tax liability for health insurance coverage. THA supports providing incentives to expand availability of employer-based dependent coverage.
	Provide incentives (such as bonus points to obtain a contract) to state contractors that provide health insurance coverage to their employees.	TAHP	GSC		
	Create a tax on all health-related construction projects to fund public-private initiative for health insurance coverage and/or other programs to streamline health coverage.	Sen. Harris staff	TDH, Comptroller		
STATE INSURANCE REGULATION					
	Require the creation of multiple standardized health insurance policies to enable consumer to make informed choices by placing the policies side-by-side and comparing them.	Advocacy, Inc.			
	Provide TDI with more authority to assist people who file complaints by giving them more information about why their insurance was denied and what their rights are under the law.	Bruce Barrick, Advocacy, Inc.	TDI		Advocacy, Inc. supports creating an independent ombudsman to help all health insurance consumers.

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	Require disclosure of limitations and restrictions included in PPO and other individual insurance plans, the same as is required to be disclosed for HMO coverage.	Sen. Harris staff			
	Reduce regulatory costs and streamline regulatory oversight so that new plans are approved faster and that carriers do not have to spend resources in reports and other regulatory compliance.	Small Business United of TX	TDI		
	Extend market reforms undertaken in the small group market (i.e. community rating, guaranteed issue, etc.) to the individual market. As part of this reform, allow certain individuals option of buying into ERS insurance pool.	Advocacy, Inc.			
	Require all health insurance carriers and health care providers to create and utilize a single form (possibly based on the federal UB92 and 1500) for all claims processing. Move towards creating a electronic claims processing system.	Small Business United of Texas, TMA	TDI		TMA also supports simplifying claims processing.
INSURANCE COVERAGE FOR SPECIFIC POPULATIONS					
	Reform the small group insurance laws to require insurers to sell to small groups <u>only</u> through a state-developed purchasing alliance.	Advocacy, Inc.			
	Require proof of insurance for students prior to admission in a State college or university.	THA, TAHP	Universities		

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	Allow health plans to offer lesser benefit products, as an option to the employee, in addition to those required by state law or COBRA, when leaving employment.	TAHP			
	Authorize extension of health insurance coverage for all children under 25 on their parents' health plan, not just those full-time college students.	THA, TAHP	TDI, federal		THA supports broader definition of dependent.
	Allow self-employed, flex, contract and part-time workers to buy into the State Risk Pool. There would be no assessment and the enrollee would be allowed an optional lesser benefit plan.	TAHP			
	Establish sliding scale for high risk pool.	Advocacy, Inc. TMA, THA			Advocacy, Inc. also recommends limiting rate increase of the pool and encouraging family coverage. THA recommends creating fund to pay portion of COBRA coverage for seriously ill
	Support insurance subsidies for low-income people.	THA			

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	Allow organizations to form buying alliances to create broad pools in order to spread risk over a larger number of insured lives.	Advocacy, Inc., TABCC	TDI, Federal		TABCC proposal would allow for insurance purchase through Association Health Plans
INSURANCE BENEFIT PACKAGE					
	Patients need to have greater awareness of the costs of medical care.	Small Business United of TX, TABCC, THCC	TDI		TABCC would promote fostering medical information and profiles of providers for health care purchasers. THCC feels users should have more responsibility for their health.
	Allow insurance carriers to bill employer for individually written plans. The employer could then deduct the premiums from the employees' paycheck.	TABCC			
	Mandate catastrophic health insurance coverage for all Texans. Require coverage as part of auto insurance policies.	THA	TDI		

	Recommendation	Source	Affected Agencies	Fiscal Impact	Comments/Rationale
	Remove state barriers that impede the sale and purchase of a small employer product. These include: voluntary participation of high-risk members in high-risk pool, greater variance in rate banding, allowing lower benefit packages, canceling policies for material misrepresentation by employer, allowing list billing, etc.)	TAHP	TDI		
	Allow benefit package to be set the market allowing flexibility to respond to the rapidly changing science and technology of health care.	THCC	TDI		
	Allow more flexibility in types of plans employers may offer, so plans can be offered that make sense to different employees.	TMA	TDI		
	Create an independent, third party to study the issue of health care mandates.	TABCC, TAHP			TAHP also recommends that mandates also be applied to state plans and that when mandates are created, sunset provisions should be included and cost testing to be done so legislature can determine whether to continue.

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	Allow insurance companies to offer an mandate-free insurance product.	Small Business United of TX, TABCC, THA	TDI		Reduction achieved through mandate-free plan should be passed on to consumers (required % reduction in plan cost).
	Providers should report people who do not carry insurance and fail to pay medical costs to credit agencies. Providers should have more and stronger recourse available in collecting unpaid medical bills.	Small Business United of TX			
LOCAL INITIATIVES					
	Hire mid-level providers, use medical residents, and specifically recruit physicians, including foreign doctors, to provide care at local health departments	Navarro Regional Hospital	HHSC, TDH		Use County tobacco funds to provide funding. Also, work in community to increase awareness of need for funding.
	Allow employers to offer a limited benefit coverage to employers with low and moderate wage working families, with a wrap-around product provided by the counties.	TAHP			
	Encourage personal responsibility and wellness in all efforts.	THCC	TDI, HHSC		
	Fund access to tertiary care for rural citizens using GR or pooling tobacco money or other local tax revenue.	THA			

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	Develop community health improvement initiatives to encourage individuals to lead healthier lives.	BC/BS			
	Mandate pricing guidelines for all health care providers (hospitals, physicians) using some percentage of rates negotiated with Medicare, Medicaid, and/or private health plans.	Sen. Harris staff	TDH		
	Target studies on particular health issues and demographic populations.	TMA			

Index of Acronyms

BC/BS	Blue Cross/Blue Shield of Texas
TMA	Texas Medical Association
TABCC	Texas Association of Businesses and Chambers of Commerce
TAHP	Texas Association of Health Plans
THA	Texas Hospital Association
THCC	Texas Health Care Council
CPPP	Center for Public Policy Priorities
HHSC	Texas Health and Human Services Commission
DHS	Texas Department of Human Services
TDH	Texas Department of Health
ERS	Employees Retirement System of Texas
TDI	Texas Department of Insurance
UTMB	University of Texas Medical Branch at Galveston
TDCJ	Texas Department of Criminal Justice
ERISA	Employee Retirement Income Security Act of 1974
PPO	Preferred Provider Organization
HMO	Health Maintenance Organization
CHIP	Childrens Health Insurance Plan
GR	General Revenue