

Changing course on insurance for kids?

Restoring benefits, boosting enrollment are lawmakers' goals

By **Michelle M. Martinez**
AMERICAN-STATESMAN STAFF
Monday, December 20, 2004

Almost two years after state legislators cut the Children's Health Insurance Program to help make up for a \$10 billion gap between revenue and spending, there is bipartisan support to restore lost benefits.

The question lawmakers will struggle with beginning in January is just how far to go in reversing the changes they made during the 2003 session. As they prepare to go into the next session, dental, vision and hearing benefits are being considered.

"I'm in full support of restoring the vision and dental services," Rep. Jim Pitts, R-Waxahachie, the new chairman of the committee that writes the state budget, said via e-mail. "I'd also like to look to see what money is available to ensure as many children as possible are covered by the program."

A spokesman for Gov. Rick Perry said the governor is willing to look at restoring those benefits if it would help increase the number of eligible people signing up. Lt. Gov. David Dewhurst has said he plans to work with the House to restore dental, vision and hearing benefits.

Perry already restored some of the cuts made to mental health and substance abuse benefits earlier this year after he felt a backlash from parents and advocacy groups.

The Children's Health Insurance Program, which gets state and federal money, provides benefits for working families who can't afford to buy private health insurance.

Several lawmakers have filed bills that would reverse the changes made last session. Rep. Elliott Naishtat, D-Austin, hopes to raise money to do that by increasing the cigarette tax by \$1 a pack. Rep. Carlos Uresti, D-San Antonio, has filed a similar bill.

In the Senate, Kip Averitt, R-McGregor, and Eliot Shapleigh, D-El Paso, filed bills that would erase the cuts.

Rep. Arlene Wohlgemuth has come up with a list of recommendations that include restoring dental, vision and eyeglasses benefits but keeping stricter requirements passed last session. She spearheaded the changes in the program in 2003, and that came up time and time again in her failed congressional campaign against U.S. Rep. Chet Edwards, D-Waco.

Faced with an ailing economy and the \$10 billion shortfall last session, lawmakers scoured state agencies for places to cut. They also made it harder for families to qualify for the health insurance program. For example, the state started taking into account a family's assets, such as savings and value of vehicles, in deciding eligibility.

The Legislature also started requiring all but the poorest families -- those above the federal poverty level, \$18,850 for a family of four -- to pay at least \$15 a month for their insurance instead of \$15 a year.

The decision on whether to change directions on children's health insurance will come in a session in which lawmakers have a lot to do, the biggest job being the court-ordered overhaul of the way Texas pays for public education.

Health and human services, which account for about a third of the state's \$118 billion two-year budget, will also command attention as legislators debate how to reform the troubled Child Protective Services and whether to restore cuts made to Adult Protective Services.

Each issue will compete for a portion of the state budget.

Naishtat said he is optimistic that the health insurance program will receive money to cover more people. The political climate is such that Perry, who is running for re-election in 2006, will have to do something to help the program, Naishtat said.

Two possible Republican challengers in the gubernatorial race, state Comptroller Carole Keeton Strayhorn and U.S. Sen. Kay Bailey Hutchison, have criticized the state for curtailing the program.

In addition, Naishtat said, the public sent a clear message when it voted down Wohlgenuth in the congressional race in November. She ran against the incumbent, Edwards, in a district that had been redrawn to guarantee her victory. She passed up the race for her state House seat to run for Congress, and her term will end in January.

Needs are growing

Even if the health insurance program gets a boost, lawmakers warn that health care demands are going to climb in the next two years with increased costs and more people enrolling in both Medicaid and CHIP.

Dewhurst has said the state must come up with other ways to make sure people are insured, including providing tax breaks for businesses so they can provide affordable insurance for their employees.

Perry spokesman Robert Black points to the expected rise in health care needs as one reason state officials must be cautious about expanding the number of people in the children's program.

Susan Terese, public relations coordinator for Insure.a.kid, is hoping lawmakers restore dental and vision benefits that were cut. Without those, she said, families are struggling, and some are leaving the program.

"The families are saying, 'I need glasses; I need dental coverage,' " said Terese, whose organization helps families get low-cost health insurance. "They're spending \$15 a month when their child hasn't gotten sick, and they know they need dental. So I'm going to save that \$180 and pay for my child to go get dental services instead of paying health insurance that we may not need."

And some families that are still enrolled in CHIP either put off dentist or optometrist visits or try to find offices that will give them payment plans.

Judy Elmendorf, who has two children enrolled, said she has been lucky enough to find a dentist who lets her pay in installments for her children's visits twice a year.

"I pretty much owe them year-round because of having to pay out of my pocket," she said.

But Chris Patterson, director of research for the Texas Public Policy Foundation, a research group that advocates limited government, said lawmakers did the right thing by streamlining the program. It provided better benefits than those offered by employers' private insurance, she said.

"It's very important that CHIP not offer better benefits than you and I can get when we go out and get our private health care, because there is evidence that people jettison their private plans and give up paying for themselves and their children if they can be picked up by government-subsidized health care," Patterson said.

Lawmakers and advocacy groups blame the cuts and tightened eligibility for declining CHIP enrollment. Enrollment dropped from 507,259 in September 2003 to 340,101 last month.

Some shift to Medicaid

State officials say that not all of the 167,158 children who were dropped are without insurance. Perry spokesman Black, citing Health and Human Services Commission data, said that about 26 percent of those children were picked up by Medicaid. About 18 percent applied for CHIP but weren't eligible, and 38 percent simply didn't renew. State officials aren't sure what happened to the rest.

In August, Perry ordered the commission to stop collecting monthly premiums temporarily and to investigate why people didn't re-enroll and whether the state should find a different way to ask the public to pay its share for health care. Results of the study are supposed to be released this month, commission spokeswoman Jennifer Harris said.

Even critics of the changes say it's too early to tell whether the asset test, which the state began in August, has had a major effect on enrollment. Some lawmakers, such as Naishtat, want to get rid of it.

But Black said considering a family's assets is important so the state can ensure it is providing health insurance for the neediest children and not children of families driving luxury cars.

Harris, at the Health and Human Services Commission, said the agency occasionally comes across applicants who own 2003 or 2004 Cadillacs, Ford Explorers and Lexuses.

"It's good to have a debate about where you draw that line," Black said, "but the governor certainly believes that we can't have parents driving around in a brand-new Lexus car and having their kids on CHIP. We're not, of course, saying that that happens in every case, but there has to be a threshold."

mmmartinez@statesman.com; 445-3633

Find this article at:

http://www.statesman.com/news/content/auto/epaper/editions/monday/news_146c781574b2f0c00054.html