



TEXAS FINISH LINE CAMPAIGN:

We Can Make Affordable Health Insurance Available for Every Texas Child

The Texas Finish Line Campaign wants Texas to cross the finish line to secure access to affordable, comprehensive health coverage for all Texas children. Texas can do this right now through wise investments in the Children’s Health Insurance Program (CHIP) and Children’s Medicaid, programs that deliver the preventive care children need, while saving money for *all* Texans. Right now, we all shoulder the cost of uninsured patients, through higher local taxes and skyrocketing private insurance premiums. Insuring children brings those costs down and millions of our federal tax dollars back home to Texas. That’s why the chambers of commerce from Texas’ largest cities support the goal of providing Texas children cost-effective health coverage through CHIP and Children’s Medicaid.

Around 1.5 million Texas children lack insurance, giving our state the nation’s highest rate of children without health coverage. Almost 90% of these children have *at least* one working parent. The average cost of employer-sponsored family health insurance in Texas is \$1,000 dollars per month—a sum clearly out of reach for a growing number of families.

In 2009, the Texas Legislature can get our state across the finish line and provide access to affordable health insurance for all Texas children by taking the following two steps.

Step One: Clear the bureaucratic hurdles that keep eligible children from receiving health coverage.

About 750,000 Texas children, half of our uninsured youth, qualify for—but are not enrolled in—CHIP or Children’s Medicaid. Our strained enrollment system cannot support the task of connecting these children with the insurance they need and that the state has promised them. A few changes can cut through the red tape and get us halfway to the finish line.

- **Texas needs enough qualified staff and a computer system that works, so errors and long delays don’t block coverage for children whose parents play by the rules.** Although federal law requires Medicaid applications to be processed within 45 days, Texas families frequently wait three months or longer due to backlogs in the state system. Parents spend long hours resubmitting application after application, resending lost paperwork, and filing appeals when their children are wrongfully denied coverage. To make the system work as intended, Texas must hire and train staff and improve slow computer systems.

Children’s Health Insurance by the Numbers

- **\$100** Cost of treating a child’s mild asthma attack in a doctor’s office
- **\$7,300** Cost of treating a child’s severe asthma attack in an emergency room when lack of insurance meant she had no access to earlier treatment
- **13%** The portion of Texans’ private health insurance premiums that is directly attributed to the cost of the uninsured
- **1 in 5** Number of Texas children without health insurance
- **9 in 10** Number of uninsured Texas children who have one or more working parent

Sources: Harris County Hospital District; U.S. Census; Families USA

- **We can cut the state’s workload significantly, relieve backlogs, reduce the number of uninsured children, and improve access to care—all by reenrolling kids in Children’s Medicaid once, not twice, a year.** Twelve-month coverage for Children’s Medicaid would lift a significant burden off the eligibility system, by cutting the number of renewals eligibility workers must process from 3.8 million to 1.9 million per year. The current six-month renewal cycle for Children’s Medicaid doubles the chances than an uninsured child will fall through the cracks. Twelve-month coverage, the most effective way to reach eligible children, is a model that CHIP already uses and what has been proven to work for children and Texas.
- **Texas can improve how it spreads the word about children’s insurance options by focusing outreach where children are: in schools and local communities.** Texas should double its existing outreach efforts, so that community-based organizations, whose budgets have shrunk while their workload more than doubled, have the resources they need to let families know about CHIP and Children’s Medicaid for their children. We should take to scale successful outreach models found in Houston, Austin, Dallas and the Rio Grande Valley which partner with hospitals, school districts, and others to identify uninsured children. Finally, we should coordinate stakeholders throughout the state to foster exchange and promote best practices for connecting children with health insurance.

Step Two: Finish the race to provide all children access to health insurance by addressing the challenges of families without health insurance options.

An estimated 500,000 uninsured children in Texas live in families who earn too much to qualify for CHIP, but many still don’t earn enough to afford private coverage. For these families, the expense of private health insurance for their children amounts to 15-30% of their salary. With private health insurance costs rising, these children in middle-class families represent the fastest-growing segment of the uninsured child population.

Left with no options, families are requesting pay cuts in order to qualify their children for CHIP. A raise or promotion isn’t attractive to families if it means the loss of their children’s CHIP health coverage and a private alternative that amounts to 30% of their income.

- **We can provide access to affordable coverage for these families by allowing them to purchase CHIP coverage for their children, paying a premium that increases as their income rises.**

Families just above the eligibility limit want to pay for their children’s health coverage and would pay if given an affordable option. The current cliff-like cutoff for CHIP income eligibility creates a disincentive for economic advancement. We need a system that encourages parents to keep working hard without sacrificing their children’s health, thereby helping them transition to the cost of private coverage.

 - Families between 200%-300% of the federal poverty level (two working parents in a family of four, earning between \$42,400-\$63,600 a year) should have the chance to buy CHIP coverage for their children, paying a sliding scale premium that increases with their income.
 - Those earning more than 300% of the federal poverty level and without access to affordable coverage though their jobs would pay a premium equal to the state’s full cost of insuring their children.

The Texas Finish Line Campaign is led by the Children’s Defense Fund of Texas, the Center for Public Policy Priorities and Texans Care For Children, in partnership with business, community, faith, and health care leaders from throughout the state. The campaign’s goal is for every Texas child to have access to comprehensive and affordable health insurance.

To learn more, visit www.TXFinishLine.org

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