

Investing in Texas: Financing Health Coverage Expansion Conference Proceedings

Preface

This conference is the culmination of a two-year project to study the uninsured and to propose alternatives for increasing and improving health insurance coverage in Texas. Two one-year Policy Research Projects at the LBJ School of Public Affairs carried out this project, which was funded by FIRST, the Foundation for Insurance Regulatory Studies in Texas.

The first Policy Research Project (PRP) in 2000-2001 was directed by David Warner and Kenneth Apfel and included 14 graduate students. The main focus during that year was on documenting the numbers of uninsured and on identifying problems with the operations of both the private and public health insurance systems. Background papers were prepared on Medicaid and SCHIP in Texas and proposals to simplify them, on problems with insuring small groups in Texas, on the history of mandated benefit review, on the Texas health insurance risk pool, and on Hispanics and health insurance. In March 2001 the PRP organized a conference called “Expanding Health Insurance for the Uninsured in Texas” in which a variety of stakeholders explored problems with health insurance coverage in Texas and suggested alternative initiatives. These background papers and the proceedings of the conference were published by the LBJ School as *Expanding Healthcare Coverage for the Uninsured in Texas*. They also appear on the project’s website at <http://www.insuretexas.org>.

In the 2001-2002 academic year, Kenneth Apfel, David Warner, Jacqueline Angel in the spring semester, and 21 graduate students worked to develop and evaluate specific initiatives for expanding and improving health insurance coverage. Some of these initiatives were presented at this conference entitled “Investing in Texas: Financing Health Coverage Expansion” on March 22, 2002.

One major focus of our efforts was to develop and cost out alternative HIFA waivers. The principal message of this conference is that Texas has an opportunity to increase coverage of low-income adults significantly at little or no net cost to taxpayers and insurers. Raymond Scheppach, the Executive Director of the National Governor’s Association, in the opening address reiterated the NGA’s position that states should have more flexibility in developing their programs for low income non-mandatory populations under Medicaid. He believes they should be allowed to push the envelope under the administration’s Health Insurance Flexibility and Accountability Demonstration initiative (HIFA) so as to permit experimentation and programs, which are in line with individual states needs and priorities. The second speaker was Mark Gibson, who outlined the steps that the State of Oregon went through in designing its 1115 waiver and its more recent HIFA waiver. His discussion of the process and principles that informed that process is useful for any state that might wish to expand or change coverage.

Leah Kegler's presentation summarized some of the alternatives that would be available for Texas to provide Medicaid coverage to parents of children on Medicaid and possibly on SCHIP. She also analyzed the trade-offs in cost and benefit packages available from covering different combinations of low-income parents and adults without dependent children.

Leah Kegler's presentation was followed by three breakout sessions during lunch where students presented background papers on related topics and where there was substantial discussion. These breakout sessions were on 1) expanding health care access to immigrants in Texas; 2) analysis of public-private programs that help provide health insurance coverage, private health insurance premium assistance programs for Medicaid beneficiaries, full cost buy-into SCHIP by private plans or individuals, and the Texas high risk pool; and 3) insurance education and strategies for making private insurance work. The summary of the discussion in these three breakout sessions can be found at the end of these proceedings. The more detailed background discussion of these issues may be found in the background papers on these topics, which are posted on the project's website at www.insuretexans.org.

After lunch Senator Rodney Ellis, Chair of the Senate Finance Committee, discussed some of the difficulties that Texas will face in finding funding for additional health and human service initiatives in the next session of the Texas Legislature (in 2003). He detailed many of the accomplishments of the last session and made it clear that new initiatives would be likely to have to find their own funding.

Next, Kristie Kimball, Evan Christman, and Jamie Dudensing outlined the existing system of funding for Medicaid and indigent care in the state and identified state and local expenditures for health care for the indigent which in most states would be used for the state match to fund a more extensive Medicaid program for these individuals. They identified a number of potential sources. They also identified a number of possible provider taxes and additional taxes on sodas and cigarettes that might be targeted for such expansions.

Finally, the conference concluded with a panel that included former Senator Chet Brooks, who was Chairman of the Senate Health and Human Services Committee for 20 years; Anne Dunkelberg of the Center for Public Policy Priorities; John Guest, CEO of the Harris County Hospital District; Ronald Luke, President of RPC and Forté and a member of the Board of the Texas Chamber of Commerce; and Dr. Jim Walton, a physician from Dallas who has been very active with both the Texas Medical Association and in developing programs for the indigent. They bring a variety of viewpoints and insights to this process. In addition, a number of members of the audience provided insight and a very valuable sounding board for many of these ideas.

This volume and its companion entitled "Investing in Texas: Financing Health Coverage Expansion: Conference Background Papers," are the first in a new series of publications produced by the Center for Health and Social Policy (CHASP). CHASP, established in 2002 and located at the LBJ School, was created to conduct groundbreaking research, educate students and practitioners to become future leaders, and provide a forum for

today's foremost policymakers and scholars to debate pressing issues in the realm of health and social policy.

We hope that the reader of these proceedings and associated materials finds them helpful and that the work done in this project will help policymakers and others design a system of health insurance in Texas that provides needed coverage more broadly and in a way that takes better advantage of our federal system.