

Ensure Eligible Children Can Enroll in ECI Services for Toddlers with Disabilities and Medicaid Health Insurance

Testimony to the House Appropriations Article II Subcommittee

We appreciate the hard work that the House and Legislative Budget Board have put into crafting House Bill (HB) 1 to provide a starting place for budget deliberations. When we invest in our state's eligibility system, we can help both eligibility workers and families manage the barriers that prevent them from enrolling eligible Texas children into health coverage. Early Childhood Intervention (ECI) is an effective program that, with adequate investment, would ensure Texas toddlers and babies with disabilities and delays are able to meet their developmental goals. We respectfully offer the following recommendations related to Article II of HB 1 to address unintended barriers preventing eligible children from enrolling in health coverage and to ensure that toddlers with disabilities can access the ECI services they need:

- Increase investment in the eligibility and enrollment system to modernize the eligibility system technology and to address critical state workforce needs, including recruiting eligibility staff.
- Build off of the strong starting point in House Bill 1 and increase funding for ECI to raise the per-child funding to \$504 from proposed funding levels of \$433 per child.

Ensure the Medicaid Enrollment and Eligibility System Functions Properly When Parents Attempt to Enroll Eligible Children or Renew Their Coverage

Many Texas Children are Eligible for Coverage through Medicaid or CHIP But Not Enrolled.

Health insurance is critical for Texas children to get reliable, timely health care. Coverage helps a child get medicine for their ear infection or access therapies for a speech delay. Health insurance helps children get help early — when care is often cheaper and more effective — instead of waiting until things get worse. Unfortunately, Texas has by far the highest children's uninsured rate in the nation, reaching 12.7% in 2019.¹ Texas lags behind other states when it comes to ensuring **eligible** children can successfully enroll and stay enrolled in health coverage, such as Medicaid or CHIP. **Of the 995,000 uninsured Texas children in 2019, over 400,000 (about 40 percent) were eligible for Medicaid or CHIP but not enrolled.**² In fact, more than 1 in 9 Texas children (12 percent) under age six are eligible for Medicaid but uninsured.³

Families Run into Unintended & Fixable Bureaucratic Barriers When They Attempt to Enroll their Children in Health Coverage.

The state's current application and renewal system also creates barriers for Medicaid enrollees who attempt to complete simple, yet critical tasks, such as updating their address or contact information. Clients can update their contact information via YourTexasBenefits website or app, but if they do not remember their username or password, this cannot be reset online; they have to call 2-1-1 for password reset. Call hold times for the state 2-1-1 call center are long — often more than an hour according to Community Partners with whom we work. Demands on already-stretched state eligibility workers and call center operators will grow substantially at the end of the continuous coverage requirement in Medicaid, which will end on March 31, 2023, when the state has to **quickly process 5.9 million Medicaid renewals**. This influx of renewals for the state to process will further increase the risk that eligible children and other Texans will inadvertently lose coverage.

Like all employers, HHSC faces ongoing staffing challenges in this tight labor market. In fact, eligibility worker vacancies have quadrupled over the last two years, with 1,031 open positions as of February 2022.⁴ Without adequate staffing of call center staff and eligibility workers, it will not be possible to successfully resume normal, orderly renewal operations. Shortages of HHSC eligibility workers have prevented Texas from meeting federal guidelines for processing Medicaid and SNAP applications in a timely manner in recent months.⁵

House Bill 1 Falls Short in Making Investments in Texas' Medicaid Eligibility System Technology and Workforce Needs.

We appreciate that House Bill 1 includes increased funding for the Integrated Eligibility & Enrollment Strategy, but this is primarily to sustain salary increases for **current** HHSC eligibility staff. While this is helpful for current staff, HHSC still has significant eligibility worker vacancies, **contributing to long delays in processing** Medicaid, CHIP, and SNAP applications. **In fact, Texas has 130,000 applications in backlog for Medicaid and 2,000 applications in backlog for SNAP.**⁶ With no increase in funding to fill vacancies and hire **new** eligibility workers, Texas will continue to see significant delays preventing Texas children from enrolling in the benefits they are eligible for.

Additionally, House Bill 1 does **not** include increased funding for Texas' eligibility system technology — including TIERS, Texas 2-1-1, and YourTexasBenefits.com — which would help increase efficiencies. Current system technology has unintended barriers, such as forcing families to call 2-1-1 to reset their password on YourTexasBenefits.com website or app. Despite the hard work of staff at Texas HHSC and 2-1-1 call centers, these inefficiencies put a strain on eligibility workers, add to the application backlog, and block families from enrolling their eligible children in health coverage. We are grateful HHSC's updated Exceptional Item #5 includes a request for additional funding to help support the end of continuous coverage, which is set to take effect March 31, 2023. Investing in EI #5 would include funding for 2-1-1 TIRN support, TIERS, and the Eligibility Workload Management System. We urge lawmakers to include EI #5 in the budget as this investment is critical for modernizing the state's technology system.

Recommendations:

- **Increase funding to Strategy I.1.1 Integrated Eligibility and Enrollment so Texas can address critical workforce needs and recruit and retain eligibility staff** who help process applications for Medicaid, CHIP, and SNAP, which are historically hard-to-fill positions.

- **Fund HHSC’s updated EI #5 request to modernize the eligibility system technology**, including investment in TIERS, Texas 2-1-1, and YourTexasBenefits.com, which state eligibility staff and families use to apply for and manage their child’s Medicaid, CHIP, and SNAP benefits.

Build off of the Good Start in HB 1 by Restoring Funding for Early Childhood Intervention for Toddlers with Disabilities

HB 1 includes HHSC’s recommended Exceptional Item for ECI, a great step towards ensuring toddlers with disabilities get the therapies and services they need. **However, the proposed \$433 per child funding level is still drastically lower than per-child funding from 2011 (\$504) – even without taking into account inflation or present-day dollars.** Additional funding is urgently needed to correct years of underfunding, ensure Texas fully funds the growing number of children served by ECI, and account for the rising cost of providing ECI services, such as transportation and staff.

Texas ECI is Highly Effective for Infants and Toddlers with Disabilities – When They Have Access to it.

ECI is a federal-state program that contracts with community organizations, such as Any Baby Can and Easter Seals, to provide life-changing therapies and services to babies and toddlers with autism, Down syndrome, speech delays, and other disabilities and developmental delays. By serving children during the critical first three years of life, a time of rapid brain development, ECI is highly effective in helping children learn to walk, communicate with their families, get ready to start school and meet other developmental goals.

ECI reduces the need for costly special education services. In fact, a national study that tracked children from state’s early intervention programs as they entered elementary school found that only 58 percent were receiving special education services when they entered school.⁷ Thirty-two percent of children were considered to no longer have a disability or developmental delay, while ten percent had a disability or delay but did not receive special education services.⁸

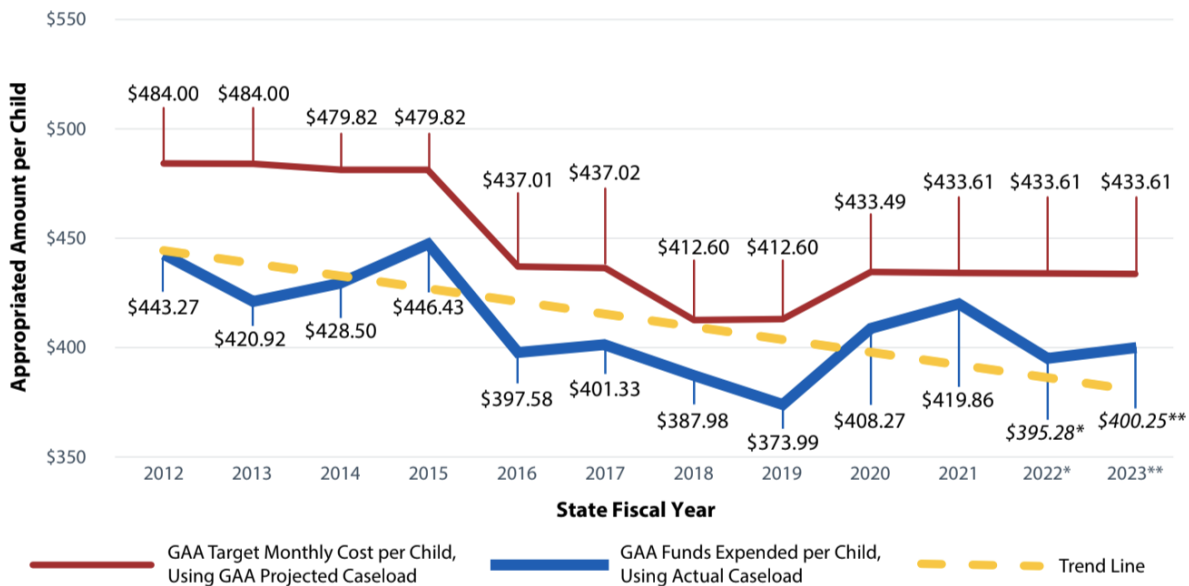
Texas ECI Providers are Being Asked to Serve More Kids with Less Funding.

The number of children served by ECI providers has increased consistently for the past 10 years (with the exception of a 2 percent reduction in fiscal year 2021 due to the COVID-19 pandemic), while funding has not increased at the same rate.⁹ ECI contractors are required to offer the full array of services to every enrolled child, even if the number of children eligible for ECI exceeds the target number of children in the provider’s contract with the state.

For more than a decade, enrollment growth has exceeded budgeted projections, resulting in funding per child below budgeted targets.¹⁰ In other words, the **actual** per-child funding that ECI providers receive is significantly lower than the **target** per-child funding budgeted by the Legislature in the state budget – and lower than ECI per-child funding more than ten years ago. One reason for this discrepancy is the state continues to underestimate future ECI enrollment in its projections. While the Legislature funded ECI at \$434 per child last legislative session, the **actual** funding per child was only \$395 as of December 2022 because of the growing number of children served by ECI.¹¹ Inadequate per-child funding has exacerbated staff shortages at ECI programs and reduced outreach efforts, resulting in kids in ECI getting fewer services. **In a recent survey of all 41 ECI providers, we found that 88% are currently understaffed, 90% are currently serving above target enrollment, and 85% are unable to meet target service hours due to over enrollment and under-staffing.**

The Actual Funding Per-Child that ECI Providers Receive to Serve Kids is Consistently Lower than the Target Per-Child Funding Allocated by the State.

Appropriated Amount per Child — GAA Target vs. Actual



Graph provided by Texas HHSC. The 2010 GAA Target Monthly Cost per Child was \$504, which was removed to allow a decade comparison.¹²
 *Fiscal year 2022 actual figures are based on incomplete data as of November 2022 and are subject to change as additional data is received.
 **Fiscal year 2023 actual figures are the current official June 2022 forecast.

Recommendation:

- Fully fund the ECI Exceptional Item and restore per-child funding to \$504 – the per-child funding level in 2011 – to accurately account for the growing number of children served by ECI.** While this recommendation of \$504 in 2024-2025 would fall far below \$504 in 2011 dollars in light of inflation, it would put ECI providers in a better position to serve infants and toddlers in their programs, retain staff, and continue outreach efforts to identify toddlers who need ECI services. \$504 funding per child would correct years of underfunding, ensure Texas more accurately funds enrollment growth, and better account for the rising cost of providing ECI services, such as transportation costs.

Endnotes

1. "Report: TX Kids Losing Health Insurance Since 2016 Fueled Spike in National Kids ' Uninsured Rate" Cover Texas Now, 21 Apr. 2022 <https://covertexasnow.org/posts/2020/10/8/report-tx-kids-losing-health-insurance-since-2016-fueled-spike-in-national-kids-uninsured-rate>
2. "Kids Count" Every Texan, 23 Mar. 2021 <https://everytexan.org/research-data/kids-count/>
3. See Texas School Readiness Dashboard. txreadykids.org. Data from 2019 American Community Survey (ACS) 1-Year Public Use Microdata Sample (PUMS).
4. Bram Sable Smith | Kaiser Health News, and Rachana Pradhan - Kaiser Health News. "A Staffing Crisis Is Causing a Months Long Wait for Medicaid, and It Could Get Worse."NPR, NPR, 4 Apr. 2022, <https://www.npr.org/sections/health-shots/2022/04/04/1089753555/medicaid-labor-crisis>.
5. Based on data received from the Texas Health and Human Services Commission via Open Records Request with numbers from January 2020 to June 2022.
6. Based on data received from the Texas Health and Human Services Commission via Open Records Request.
7. SRI International (January 2007). *Early Intervention for Infants and Toddlers with Disabilities and Their Families: Participants, Services and Outcomes*. https://www.sri.com/wp-content/uploads/2021/12/neils_finalreport_200702.pdf
8. Ibid.
9. Texas Health and Human Services Commission (December 2022) *ECI Funding Per Child* <https://static1.squarespace.com/static/5728d34462cd94b84dc567ed/t/63d296c3330a931ec4678f61/1674745577294/HHSC-ECI-Funding-Per-Child-December-12-2022>
10. Ibid.
11. Ibid.
12. Ibid.