

Ensuring Eligible Children Can Enroll in Medicaid and CHIP Health Coverage

Testimony to the Senate Health and Human Services Committee

Almost half of Texas' uninsured children are eligible for Medicaid or CHIP health coverage but are not enrolled. Unintended bureaucratic barriers often prevent families from enrolling their children. These challenges contribute to the state's high uninsured rate for children, 10.9%, which is the worst in the nation. The data show this challenge includes Texas children of all racial and ethnic backgrounds, affecting communities statewide in areas like West Texas, the Lubbock region, and the Dallas-Fort Worth Metroplex. Our state's clunky, manual-driven eligibility system has led to an average of 88 days for a Medicaid application to be processed, despite record staffing and mandatory overtime for eligibility workers. The Legislature has the opportunity to address these challenges by focusing on technological upgrades for our eligibility system and data-driven eligibility determinations to streamline enrollment processes to ensure timely access to essential health coverage for Texas children.

Almost Half of the Uninsured Kids in Texas Are Eligible for Medicaid or CHIP But Are Not Enrolled

The Legislature can make significant progress to lower the children's uninsured rate in Texas by **focusing on kids who are eligible for Medicaid and CHIP health coverage but are not currently enrolled**. Data show that almost **half** of the uninsured children in Texas are eligible for Medicaid and CHIP health coverage but are not enrolled.¹ Out of the state's **852,000** uninsured kids, about **400,000** are eligible for Medicaid or CHIP according to an analysis by Texas 2036 using data from the 2022 Census.² **Unfortunately, when kids are eligible for Medicaid and CHIP health coverage, many families run into unintended bureaucratic barriers when they are trying to sign them up or renew their coverage.**

These barriers have contributed to Texas currently having the **worst** children's uninsured rate in the nation at **10.9%**, according to 2022 Census Bureau data.³ This problem impacts all racial/ethnic backgrounds. In Texas, Asian, White, Black, Hispanic, and American Indian kids all have higher uninsured rates than the national average, while significant racial/ethnic disparities are also a challenge. The regions with the highest uninsured rate for kids under age six are West Texas, the Lubbock region and the DFW metroplex.⁴ The data show kids throughout the state – in communities with different demographics, culture, and economics – are missing out on health insurance: **the metro areas of Abilene, Beaumont, Brownsville, Dallas-Fort Worth, El Paso, Houston, Laredo, Longview, McAllen, Midland, Sherman, and Waco all had children's uninsured rates in 2022 that were more than twice the national average of 5.1%.⁵**

Looking further into rural Texas, a higher rate of kids are insured with Medicaid than in urban areas. Almost **half (47%)** of children in small towns and rural areas (classified as areas with a population less than 50,000) in Texas are enrolled in Medicaid compared to 40% for metro areas.⁶ Medicaid provides access to health care services in areas with few affordable options.

Children's Medicaid and CHIP play such an important role because, oftentimes, a parent's employment does not equal health coverage for their children. Many uninsured children have insured parents with jobs that do not offer health insurance for kids in an affordable way and do not pay enough for private health insurance. Survey findings from a Texas 2036 report show that the most common reason dependent children are uninsured is their parents are covered by an employer plan but unable to afford to add their child.⁷

When Children Can Enroll in Medicaid or Other Health Insurance, They Have More Reliable Access to Health Care

Health coverage is a piece of the health puzzle that is necessary to live a long, healthy life. According to research by The Commonwealth Fund, health insurance is critical for reliable, consistent, and timely health care for Texas children. It helps children attend regular checkups, identify disabilities or developmental delays, receive early intervention, address mental health challenges, and get healthy and back to school when they are out sick.⁸ Uninsured individuals typically wait longer to seek medical care, often only in emergency rooms, leading to worse health outcomes and higher costs for families and taxpayers⁹.

Medicaid plays a critical role in coverage for Texas kids. **Children with Medicaid coverage have significantly better access to care than uninsured children, with 85% of kids enrolled in Medicaid going to their Well-Child checkup compared to only 56% of uninsured kids.**¹⁰ Medicaid has been successful in providing children with a regular source of care while significantly reducing unmet or delayed needs for medical care, dental care, and prescription drugs due to costs.¹¹ Research that compared Texas' quality of care and health outcomes to the national average for kids in Medicaid showed that Texas kids **receive timely well-child visits, receive counseling for nutrition and physical activity, and get regular dental care at rates higher than the national average.**¹² It is clear that Medicaid plays an important role in providing this coverage access to essential health care services for Texas kids when they can enroll.

Unintended Bureaucratic Barriers Are Preventing Texas Families From Enrolling Their Eligible Children Into Health Coverage

The Texas Medicaid enrollment system is often slow, inefficient, and ineffective. Texas has repeatedly missed opportunities to upgrade and streamline the state's eligibility system, resulting in a system that is over-reliant on state eligibility workers instead of using technology. **Currently, applications and renewal forms that Texans fill out online must be re-entered into the system manually by eligibility staff, creating unnecessary delays that could be reduced if the Health and Human Services Commission (HHSC) used technology that did not require staff to manually input information.** This creates a system that **underutilizes data-driven methods and overuses manual methods** that rely on paperwork, ultimately leading to **processing delays that leave Texas families waiting for health coverage.**

Barriers families run into when they are attempting to enroll their eligible children include issues with the YourTexasBenefits (YTB) website and app, the 2-1-1 call center, and application backlogs. We often see the YTB website closed for maintenance on the weekends, leaving Texans without an opportunity to go through the process to enroll at a point when they would have the most time. There are issues with Texas' 2-1-1 option 2 call centers that leave families unable to connect with someone who can help them answer questions. This includes a long, complicated phone tree that families must navigate to connect to services and wait times that often conflict with parents' work schedules. Unlike internet and cell phone providers or even banks, 2-1-1 does not have a call-back option or estimated hold times given to families who call.

Even families who are able to navigate this process and are doing everything right with their applications are still running into unintended barriers and delays in getting the health care and food they need. **As of March 29, 2024, Texas families are still waiting 88 days for an eligibility worker to begin processing their Medicaid applications, resulting in a backlog of 208,129 applications.**¹³ Meanwhile, HHSC has made significant efforts to fill and keep eligibility workers. Currently more than 97% of permanent/regular eligibility worker positions are filled and workers have had mandatory overtime of an additional 20 hours/week for over a year now.¹⁴ Despite this record staff retention and mandatory overtime, families are still waiting almost **three months** for their application for health insurance to reach a worker, highlighting the clunky manual methods the state uses.

The Legislature Should Invest In Technology and Improve the Use of Data-Driven Techniques for Determining Eligibility Rather Than Relying So Much on Paperwork

Texas needs a more efficient, accurate approach to Medicaid/CHIP enrollment that reduces delays, increases the use of smart, data-driven processes and improves manual processes. The Legislature should:

- Pass legislation to establish “express lane” eligibility so that HHSC can use already-verified information, such as a child’s enrollment in SNAP, as an indicator for Medicaid and CHIP eligibility, with parents providing affirmative consent.¹⁵ **This legislation will reduce duplication of costly and ineffective administrative efforts by HHSC while ensuring that only already-verified, currently eligible children whose parents provide affirmative consent will be enrolled.**
- Make investments to upgrade the technology within the Texas Medicaid eligibility system by:
 - Investing in 2-1-1 call centers and infrastructure by adding a call-back option and adding after-hours and weekend options for eligibility help;
 - Modernizing eligibility and enrollment processes, including YourTexasBenefits website; and
 - Fixing all known errors that HHSC has identified in the state’s technology and eligibility system.

Endnotes

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