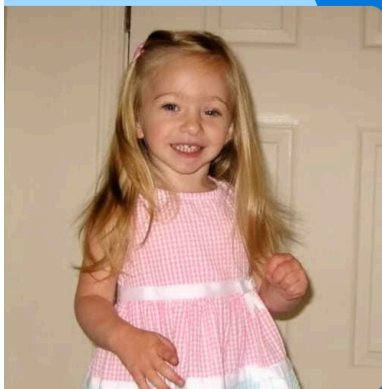


Ensure Currently Eligible Kids Can Enroll in Health Coverage

Support HHSC’s Budget Request to Revamp Medicaid Enrollment Technology and Support Bills that Empower Parents to Enroll Kids Who are Already Eligible

Access to health coverage is essential for Texas children to ensure they receive regular medical care, early interventions for disabilities or developmental delays, and support for mental health challenges, all of which contribute to better overall health outcomes. Unfortunately, Texas has the highest rate of uninsured children in the nation. For U.S. citizen children who do not receive insurance through their parents’ employers, Medicaid is often the only affordable option. Nearly half of the state’s uninsured children are eligible for Medicaid or CHIP but are not enrolled. This means the Legislature has a significant opportunity to improve children’s health coverage by ensuring that eligible children can access these programs. Barriers such as an inefficient enrollment system, lack of information for parents, and difficulties navigating the enrollment process prevent many families from obtaining this critical coverage. This policy brief outlines the state’s current landscape of children’s health coverage and provides recommendations for the Texas Legislature.

Medicaid health insurance works for Texas kids like Lola — when they can sign up.



After Lola was born with birth defects, she got the surgeries she needed.

When Lola missed school because she was sick, she got the medications she needed to quickly get back in the classroom.

When Kids 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. Health insurance helps children attend regular checkups, get screened for disabilities or developmental delays, receive early intervention for disabilities or developmental delays, address mental health challenges, and get healthy and back into the classroom after being ill. Research shows **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 taxpayers.**¹

Medicaid Health Insurance Helps Kids:

Get back in the classroom after being out sick

Attend their mental health appointments and get their medications

Treat chronic conditions and avoid hospitalizations

For U.S. citizen children who do not receive insurance through their parents' employers, Medicaid health insurance is often the only affordable insurance option. Fortunately, Medicaid has proven to be effective insurance when eligible kids are able to enroll. **Children with Medicaid coverage have significantly better access to care than children who are uninsured. Research has shown that 85% of kids enrolled in Medicaid had a well-child checkup compared to only 56% of kids who are left uninsured.**² Recent 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, counseling for nutrition and physical activity, and regular dental care at rates higher than the national average.³ Families we have interviewed — such as Lola, who is featured in this policy brief — have confirmed how important Medicaid is for their children's health.

Unfortunately, Many Currently Eligible Kids In Texas Still Miss Out On This Vital Coverage

There is an urgent need throughout the state to connect more eligible children to health coverage. According to 2023 Census Bureau data, **Texas has the worst children's uninsured rate in the nation at 11.9%, which is more than twice the national rate of 5.4%.**⁴ This is a statewide problem. In 2022, 12 metro areas had children's uninsured rates over 10%: **Abilene, Beaumont, Brownsville, Dallas Fort-Worth, El Paso, Houston, Laredo, Longview, McAllen, Midland, Sherman, and Waco.**⁵ Data also show that the Texas uninsured rate was much worse than the rate in nearby states such as Arizona, Arkansas, Louisiana, New Mexico, and Oklahoma.⁶

The Legislature can make significant progress in lowering 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, with about 400,000 out of the state's 852,000 uninsured kids being eligible.⁷

Medicaid is important to children in rural communities in Texas. 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% of metro areas.⁸

Barriers in Texas' Eligibility System – Combined With Insufficient Information For Parents – Are Preventing Families From Enrolling Their Eligible Children In Health Coverage

When parents seek health coverage for their kids, they often lack the information necessary to sign up, leaving families in the dark. A study examining Texas parents' awareness of Medicaid and CHIP eligibility showed that **49% of parents surveyed simply did not know that their child was eligible** for Medicaid or CHIP health coverage.⁹ Many families find the eligibility criteria overwhelming and difficult to interpret, leading to misunderstandings about whether their children are eligible. Some parents may believe that their income is too high or their children have aged out of eligibility when they might still qualify. This lack of clarity can result in eligible Texas children remaining uninsured simply because their families do not pursue coverage.

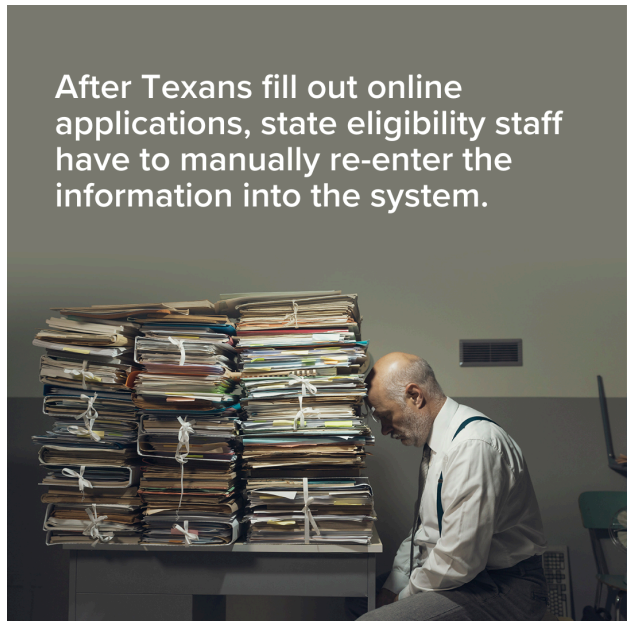
Even when families are aware of coverage options and attempt to apply, barriers and delays within Texas' eligibility system prevent enrollment.

There are challenges with the public-facing systems families must use to enroll their eligible children. One of the main barriers is the frequent downtime of the YourTexasBenefits (YTB) website and app, especially on weekends, which limits access when families typically have more time to complete the process. Additionally, many families struggle to reach assistance through the 2-1-1 option 2 call center, where long and confusing phone trees further complicate the experience. These call centers also provide no option for call-backs or estimated hold times. These issues create significant frustration, leaving families without the support they need to successfully enroll their eligible children in health coverage.

These barriers do not stop with public-facing systems but are ingrained in the internal system the state uses to process applications and renewals. The Texas Medicaid enrollment system is often slow, inefficient, and ineffective, relying heavily on manual processes and failing to fully leverage key data. Currently, applications and renewal forms that Texans fill out online must be re-entered into the Texas Integrated Eligibility Redesign System (TIERS) manually by eligibility staff. Additionally, eligibility staff have to manually enter the date on each page of an application they are working on in TIERS. That wastes staff time and increases the risk of errors, undermining program integrity. TIERS has had challenges for over a decade, starting with its implementation.¹⁰ It currently takes years to update the system to implement changes passed by the Legislature. With current allocated resources, the state has had challenges addressing known errors that have affected coverage for thousands of individuals across the state.¹¹ All of these issues create unnecessary delays that could be addressed with investment in modern technology.

HHSC data show that the current system is not working. Even families who are able to navigate this process still deal with backlogs that are causing delays in getting the health coverage their children need. According to HHSC, "Since 2019, Texas has not consistently met federal timeliness standards for SNAP, Medicaid, CHIP, and TANF eligibility determinations."¹² During 50 of the 60 months from 2019 to 2023, Texas failed to meet national standards for processing Medicaid applications on time, and this pattern continues. As of October 2024, the state's backlog for processing Medicaid applications was 201,847.¹³

After Texans fill out online applications, state eligibility staff have to manually re-enter the information into the system.



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 the state's efforts to address the issue by adding more staff, along with record staff retention and mandatory overtime, families are still waiting about three months for their application for health insurance to reach a worker – highlighting that these fixes have not fully resolved the problems that persist. **Clearly, the solution must include technology improvements, not just more staffing.**

Acknowledging these issues, **HHSC is requesting one-time funding to bring the state's IT system into the 21st century through Exceptional Item #2 in their Legislative Appropriation Request.** This funding will equip HHSC to improve TIERS, YourTexasBenefits.com, and the YourTexasBenefits mobile app and improve efficiency by maximizing the use of verified data.

Fortunately, the Legislature Can Address These Barriers And Ensure Eligible Children Can Enroll In Health Coverage

We urge the Legislature to take the following steps:

1) Invest in technology and bring the state's IT system into the 21st century rather than relying so much on paperwork.

Support HHSC's Exceptional Item #2 to invest in Texas's Medicaid Eligibility and Enrollment System.

By prioritizing improvements to the Texas Integrated Eligibility System (TIERS), enhancing the YourTexasBenefits.com and the mobile app, and improving efficiency by maximizing the use of verified data, the Legislature can remove barriers and reduce application backlogs that have long prevented families from enrolling their eligible children in a timely manner.

2) Empower families by informing them about their children's eligibility for health insurance.

Notify parents about their children's eligibility for Medicaid or CHIP health coverage when reviewing their application for SNAP.

When state eligibility workers review a family's SNAP application, the Legislature should allow them to use this verified information to determine the child's eligibility for Medicaid or CHIP, too. Once this is complete, HHSC would notify and present an opportunity for the parents to enroll their child in health insurance. To enact this policy, Rep. John Bucy has filed HB 321 and Sen. Nathan Johnson has filed SB 238 for consideration during the 2025 Texas legislative session.

Partner with school districts to provide health insurance eligibility information to parents.

The Legislature should direct school districts to provide students and their families with information on eligibility requirements for Medicaid, CHIP, and SNAP. This information would be provided upon a student's enrollment and re-enrollment in the district.

Ensure new parents receive crucial Medicaid information for their newborn during discharge from the hospital.

Under federal law, newborns born to mothers who are enrolled in Medicaid should be automatically enrolled into Medicaid coverage. However, HHSC data from 2023 show that over 20,000 newborns were not auto-enrolled in Children's Medicaid and instead were uninsured until an HHSC worker manually processed their file, which took an average of 45 days.¹⁵

The Legislature should improve newborn coverage in Medicaid by directing hospitals to provide new parents with information about Medicaid coverage and what to do to report the baby's birth. This proposal includes requiring HHSC to inform health plans and medical providers that mothers can use their Medicaid ID number for health appointments for their newborn until they receive a Medicaid insurance card.

3) Reduce gaps in health coverage for kids during critical years in their development.

Implement Medicaid continuous eligibility for children ages 0-3.

The Legislature should allow eligible children to remain enrolled and have consistent access to health care services for the first three years of their life. This policy would reduce the administrative burden for state eligibility workers and expenses related to disenrollment, re-enrollment, and new enrollment processing. Several other states, including Minnesota, Colorado, and Pennsylvania, have been approved by the Center for Medicaid Services to implement multi-year continuous eligibility for children.¹⁶

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