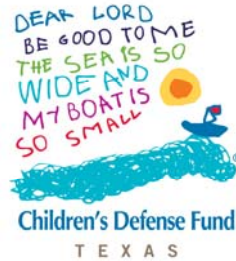


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Texas Medicaid drops by 72,000 children, disproportionate impact in Houston CHIP enrollment also down by 7,000 children

*Advocates call for immediate action to reduce red tape and ensure adequate staffing
for CHIP and Children's Medicaid*

Texas – According to the Texas Health and Human Services Commission, January enrollment numbers will show that Texas Medicaid enrollment has declined by almost 73,000 individuals. Of these, 72,000 are recipients of Children's Medicaid. Enrollment in the Children's Health Insurance Program (CHIP) has also dropped by 7,000 children. The Texas Health and Human Services Commission indicates that the Houston area has been impacted most heavily by the enrollment loss.

Advocates for children's health coverage called on Texas officials to take immediate action to ensure that eligible children are not wrongfully dropped from coverage. Barbara Best, Executive Director of the Houston-based Children's Defense Fund Texas office said, *"In the aftermath of Hurricane Ike and in a struggling economy, it is more important than ever to make sure that children's health coverage programs are operating efficiently and that eligible children aren't wrongfully dropped from coverage."*

The drop in CHIP and Children's Medicaid is expanding Texas' already high population of uninsured children. Texas has the highest rate of uninsured children in the nation, with one in every five children – 1.5 million – lacking coverage. Between 700,000 and 800,000 of the 1.5 million uninsured children in Texas are eligible for but not enrolled in CHIP or Medicaid. Both programs provide low-cost or free health coverage for uninsured children in working families that earn less than 200% of the federal poverty level – \$42,400 a year for a family of four in 2008.

The Children's Defense Fund is calling on policy makers to take three critical steps to reduce the red tape that keeps eligible children from getting coverage.

- **First, Texas must upgrade the eligibility system so that applications are processed in a timely manner.** There are serious backlogs in processing Children's Medicaid. It is taking three months or longer in certain parts of the state to process a Medicaid application, when the federal law standard is 45 days. Parents spend 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.
- **Second, Texas can cut the number of uninsured children, improve their access to care and cut state workloads and backlogs, all by reenrolling kids in Children's Medicaid once, not twice, a year** – the model CHIP already uses and what's proven to work for children and Texas. 12 months coverage for Children's Medicaid would provide significant relief to the eligibility system by cutting the number of renewals eligibility workers would have to process in half – from 3.8 million to 1.9 million per year.
- **Third, Texas needs to improve how we spread the word about children's insurance options, by doubling and focusing our outreach where children already are: in schools and local communities.** Community-based organizations must now serve twice as many Texans compared to the first years of CHIP, but we budget less for outreach in 2008 – 2009 than when CHIP started. We must identify successful outreach models and take them to scale. One promising example is the *100% Campaign*, a collaboration with the Houston Independent School District and Houston hospitals. By adding a question on health insurance to

school enrollment forms, the Children's Defense Fund has identified every uninsured child by campus. School based outreach workers then follow up with uninsured children and link them with coverage.

CHIP and Medicaid are a wise investment for Texas children and local taxpayers. For every \$1 invested in CHIP, Texas receives \$1.47 in federal matching funds for Medicaid, and \$2.52 in federal matching funds for CHIP. When children lose health coverage, they end up in local emergency rooms for care, at a staggering cost to local taxpayers. It costs about \$100 to treat a child's mild asthma attack in a doctor's office, while the cost of hospitalization for a serious asthma attack is \$7,300. Because of the economic benefits of children's health coverage, the chambers of commerce in the eight largest Texas cities have endorsed maximizing federal matching funds available through CHIP and Medicaid.

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The **Children's Defense Fund** (CDF) is a non-profit child advocacy organization that has worked relentlessly for 35 years to ensure a level playing field for all children. Children's Defense Fund - Texas offices in Houston, Austin and the Rio Grande Valley work to ensure every child a *Healthy Start* in life and access to affordable health coverage.